

R-WELLNESS, LLC

d/b/a

“THE COVERY”

Franchise Disclosure Document

2025-2026

THE
COVERY
SELF CARE: EVOLVED

2025-2026
FRANCHISE DISCLOSURE DOCUMENT
FOR PROSPECTIVE FRANCHISEES

R-WELLNESS, LLC
D/B/A “THE COVERY”
A Louisiana Limited Liability Company
16161 Perkins Road
Baton Rouge, Louisiana 70810
(225) 753-3573
www.thecovery.com
franchise@thecovery.com
www.facebook.com/TheCoveryWellness
www.instagram.com@thecoveryhq



The franchisee will operate a business that provides wellness, aesthetic, recovery, weight loss, medical and therapeutic services, including hormone replacement therapy and testosterone replacement therapy, in a boutique retail setting (“Franchised Business” or “Spa”) in a prototypical model including intra-venous (“IV”) infusions, compression therapy and mobile cryotherapy. Depending on the size of the Spa, additional modalities offered in the Franchised Business may include hyperbaric oxygen therapy, dry float therapy, near infra-red (“NIR”) sauna, mobile red light and cryotherapy and cryoskin treatments, hydra facials, cellulite reduction therapy and Ballancer Pro lymphatic drainage under the trade name “The Covery.” R-WELLNESS also offers to qualified franchisee prospects Area Development rights to develop multiple Franchised Businesses within an agreed territory.

The total investment necessary to begin operation of a prototypical R-WELLNESS Franchised Business ranges from \$259,500 - \$382,500 (if leasing the real estate and financing/leasing technology systems and equipment). This includes a \$42,500 initial franchise fee. When you commence your pre-opening sales campaign, you will pay to us or our approved vendors at least \$30,000 for your pre-grand opening sales campaign. If you sign an Area Development Agreement, you also must pay us a development fee depending on the amount of Franchised Businesses that you commit to develop and as described in Item 5 below and which is \$37,500 per Spa if you purchase two (2) Spas, \$32,500 per Spa if you purchase three (3) to five (5) Spas, or \$27,500 per Spa if you purchase six (6) or more Spas. For every Spa you open under the Area Development Agreement beyond the first, you will pay no additional initial franchise fees.

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 the R-WELLNESS franchise sales office at 16161 Perkins Road, Baton Rouge, Louisiana 70810 or (225) 753-3573.

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

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

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

Issuance Date: June 1, 2025

How to Use This Franchise Disclosure Document

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

| QUESTION | WHERE TO FIND INFORMATION |
|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| How much can I earn? | We currently do not make any Item 19 Financial Performance Representations. We can provide you with certain expense categories and you can derive your own revenue projections. |
| How much will I need to invest? | Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use. |
| Does the franchisor have the financial ability to provide support to my business? | Item 21 includes audited financial statements. Review these statements carefully. |
| Is the franchise system stable, growing, or shrinking? | Item 20 summarizes the recent history of the number of company-owned and franchised outlets. |
| Will my business be the only Covsky business in my area? | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you. |
| Does the franchisor have a troubled legal history? | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings. |
| What's it like to be a Covsky franchisee? | Exhibit A lists any current and former franchisees. You can contact them to ask about their experiences. |
| What else should I know? | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents. |

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

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

Special Risks to Consider About *This Franchise*

Out-of-State Dispute Resolution. The Development and Franchise Agreements require you to resolve disputes with the franchisor either by arbitration or litigation at franchisor's option and in Louisiana. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with a franchisor in Louisiana than in your own state.

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

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit L** for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY EITHER ARBITRATION OR LITIGATION (AT OUR OPTION) AND TO BE HELD ONLY IN LOUISIANA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH US IN LOUISIANA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT LOUISIANA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. SOME STATES CONSIDER SOME OF THE SERVICES OFFERED PURSUANT TO THIS FRANCHISE TO BE THE CORPORATE PRACTICE OF MEDICINE AND MAY REQUIRE THAT YOU HAVE A LICENSED MEDICAL DOCTOR ON STAFF AND/OR AS PART OF YOUR OWNERSHIP GROUP.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the 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 disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

| State | Effective Date | State | Effective Date |
|------------|-------------------|--------------|----------------|
| California | Not Effective | New York | Not Effective |
| Hawaii | Not Effective | North Dakota | Not Effective |
| Illinois | Not Effective | Rhode Island | Not Effective |
| Indiana | Effective 8/26/22 | South Dakota | Not Effective |
| Maryland | Not Effective | Virginia | Not Effective |
| Michigan | Effective 7/12/22 | Washington | Not Effective |
| Minnesota | Not Effective | Wisconsin | Not Effective |

In the states listed below, the effective date (and issuance date) of this disclosure document is June 1, 2025.

| | | |
|----------------------|---------------|----------------|
| Alabama | Kentucky | North Carolina |
| Alaska | Louisiana | Ohio |
| Arizona | Maine | Oklahoma |
| Arkansas | Massachusetts | Oregon |
| Colorado | Mississippi | Pennsylvania |
| Connecticut | Missouri | South Carolina |
| Delaware | Montana | Tennessee |
| District of Columbia | Nebraska | Texas |
| Florida | Nevada | Utah |
| Georgia | New Hampshire | Vermont |
| Idaho | New Jersey | West Virginia |
| Iowa | New Mexico | Wyoming |
| Kansas | | |

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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

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 protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised 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 or 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 franchisors' 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; and/or
- (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 the Michigan Department of Attorney General, G. Mennen William Building, 1st Floor, 525 W. Ottawa Street, P.O. Box 30212, Lansing, MI 48933; telephone (517) 373-7117.

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Exhibits:

| | |
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| Exhibit A | List of R-WELLNESS Franchisees |
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| Exhibit C | Audited Financial Statements |
| Exhibit D | Guarantee of R-WELLNESS, LLC |
| Exhibit E | Area Development Agreement |
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| Exhibit G | R-WELLNESS Purchase Affidavit |
| Exhibit H | Guaranty Agreement |
| Exhibit I | Form of Lease Addendum |
| Exhibit J | R-WELLNESS Manuals—Table of Contents |
| Exhibit K | State Law Addenda |
| Exhibit L | State Agencies/Agents for Service of Process |
| Exhibit M | Authorization Agreement for Direct Payments |
| Exhibit N | Intranet Terms of Use Agreement |
| Exhibit O | Form Release of Claims |
| Exhibit P | Receipts |

FRANCHISE DISCLOSURE DOCUMENT
R-WELLNESS, LLC
D/B/A
“THE COVERY”

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor:

To simplify the language in this disclosure document R-WELLNESS, LLC, “R-WELLNESS” or “we” means R-WELLNESS, LLC, the Franchisor. “You” means the person(s) who signs the Franchise Agreement, including a corporation, partnership, limited liability company or other legal business entity (“Business Entity”). If you are a business entity, certain provisions of R-WELLNESS’s Franchise Agreement and Area Development Agreement will also apply to some of your owners. This disclosure document will indicate when your owners are also covered by a particular provision.

The R-WELLNESS concept and primary products were originated in 2020 by Donald M. Jarreau, Jr. R-WELLNESS, LLC is a Louisiana Limited Liability Company formed on August 10, 2020.

R-WELLNESS’s principal business address is 16161 Perkins Road, Baton Rouge, Louisiana 70810. R-WELLNESS operates under its corporate name and under the service marks “R-WELLNESS” and associated marks and logos. R-WELLNESS’s agent in this state for service of process, if applicable, is disclosed in Exhibit L. Except as described in this Item, R-WELLNESS has no predecessors, parents or affiliates.

R-WELLNESS’s affiliate, R-WELLNESS P-8, LLC, a Louisiana Limited Liability company formed on April 7, 2022, owns and operates a “Covery” Spa in Baton Rouge, LA. R-WELLNESS P-8, LLC has its principal office located at 16161 Perkins Road, Baton Rouge, LA 70810.

R-WELLNESS’s affiliate, R-WELLNESS Juban, LLC, a Louisiana Limited Liability company formed on April 6, 2023, owns and operates a “Covery” Spa in Denham Springs, LA. R-WELLNESS Juban, LLC has its principal office located at 16161 Perkins Road, Baton Rouge, LA 70810.

R-WELLNESS’s affiliate, Ageless Athletes RX, LLC, is a Georgia Limited Liability company formed on June 26, 2023, and owns and operates a “Covery” Spa in Warner Robins, GA. Ageless Athletes RX, LLC has its principal office located at 4993 Russell Parkway, Suite 170, Warner Robins, GA 31088.

R-WELLNESS offers you a franchise whose primary business is the operation of wellness, recovery and therapeutic services in a boutique retail under the name and service marks “R-WELLNESS.” The type of business that you will operate is referred to in this disclosure document as a “Franchised Business” or “R-WELLNESS Franchised Business.”

R-WELLNESS has been offering franchises since September 15, 2021. R-WELLNESS and/or other newly-formed affiliates may own and operate more R-WELLNESS locations in the future. R-WELLNESS has not offered franchises in any other lines of business.

The Franchise Opportunity:

We offer R-WELLNESS franchises for the operation of a Franchised Business. You must enter into a Franchise Agreement for each Franchised Business purchased. Franchised Businesses must offer intra-venous (“IV”) infusions, compression therapy, mobile cryotherapy, hormone replacement therapy, testosterone replacement therapy, weight loss and medical services. Depending on the size of the Spa, additional modalities offered in the Franchised Business may include hyperbaric oxygen therapy, dry float therapy, near infra-red (“NIR”) sauna, mobile red light and cryotherapy treatments, hydra facials, cellulite reduction therapy, Ballancer Pro lymphatic drainage and cryoskin.

R-WELLNESS developed and owns a proprietary system (“System”) that you will use in operating your Franchised Business. This System includes specialized hands-on training techniques and software and other programs, marketing and advertising support, volume buying power, business synergy and on-going support.

R-WELLNESS also provides you with certain confidential information and methods for managing the Franchised Business. You will use R-WELLNESS’s trademarks, logos, brand and overall developed intellectual property including “The Covery” and other design and other product and service names and marks that R-WELLNESS designates to identify the System. These names and marks are referred to in this disclosure document as “Proprietary Marks.”

If you wish to have the right to open multiple Franchised Businesses in an area, you must enter into an area development agreement (the “Development Agreement”) with R-WELLNESS. Under the Development Agreement, you will receive the right to open a certain number of Franchised Businesses at Traditional locations over a defined period of time in a defined area, as R-WELLNESS determines in its sole discretion, on the basis of the market potential and the size of the designated area. The term of your Development Agreement generally will not be longer than 36-60 months (assuming a three (3) to five (5) year Spa commitment) and will require you to lease or purchase the approved location of the first Franchised Business within 6 months from the date of your Development Agreement and open your first Franchised Business within 12 months from the date of your Development Agreement and open each subsequent Franchised Business within 12-18 month increments after the first Franchised Business.

Market and Competition:

The market for the Franchised Business is the general public with a particular emphasis on those enduring chronic pain management, aesthetic treatments, others seeking enhanced sports performance achievement and anyone looking to lead more happy, healthier and active lifestyles. The market for R-WELLNESS and recovery concepts is relatively new yet it continues to develop and build on its growing and emerging recognition and validated results. The market may be affected by general economic conditions. The market is highly competitive, and you will be competing with other R-WELLNESS and recovery businesses. If the Franchised Business is located in a strip center or local or regional shopping mall, you typically will compete with other health, wellness and recovery businesses offering competitive goods or services within the same center or mall. Additionally, you may find that there is competition for suitable locations.

Government Regulation:

Local, state and federal laws and regulations will apply to the business operations of a Franchised Business. Specifically, the Federal Drug Administration (“FDA”) guidelines and regulations may require

you to have an assigned Medical Director and nurse(s) at your Franchised Business if offering any offered service deemed or classified as “medical.” Examples of such services include hyperbaric oxygen therapy, allergy testing and treatment, IV/drip therapy and blood testing. We have created the medical infrastructure that will allow you to provide many, if not all, of these services. Specifically, we have enlisted the services of Guardian Medical Direction (“Guardian”) which provides medical oversight to medical spas, wellness centers, telemedicine companies, and individual healthcare practitioners across the country. Through their team of highly qualified and trained medical directors and physician collaborators, Guardian’s mission is to create a community in healthcare by providing high quality medical oversight to companies and practitioners that are striving to increase access to healthcare and better the lives of their clients and patients.

The Federal Trade Commission (“FTC”) has certain laws and regulations that apply directly to how you market, sell and label your offerings. In addition, certain general laws will apply to a Franchised Business. For example, you must comply with laws and local ordinances concerning permits, occupational licensing and the construction and operation of a Franchised Business, including, by example, the Americans with Disabilities Act. There may be other general laws that apply to a R-WELLNESS Business, and you should make inquiries to find out about these regulations.

ITEM 2

BUSINESS EXPERIENCE

Founder and Chairman: Donald M. Jarreau, Jr.

Donald M. Jarreau, Jr. is the founder and Chairman of R-WELLNESS, LLC since its formation in August 2020. From January 1996 to present, Mr. Jarreau has served as President of Jarreau Real Estate, LLC, a commercial developer, located in Baton Rouge, Louisiana. From October 1995 to present, Mr. Jarreau has also co-owned and been an employee of F&M Management, LLC, a management company located in Baton Rouge, Louisiana and specializing in the operation and management of health and fitness clubs. From June 2017-December 2024, Mr. Jarreau served as the Managing Member of Regymen Fitness, LLC, in Baton Rouge, Louisiana, which he also co-founded.

Chief Executive Officer: Daniel Stickler

Daniel Stickler has been our Chief Executive Officer since July 2024. From June 2015 to present, he has been the Co-Chief Executive Officer of FitCo Health Clubs, which he also co-founded in Forsyth, Georgia.

Vice President: Stacy Bryant

Stacy Bryant has been our Vice President since July 2024. From June 2015 to present, he has been the Co-Chief Executive Officer of FitCo Health Clubs, which he also co-founded in Forsyth, Georgia.

Chief Strategy Officer: Jim Burtoft

Jim Burtoft has been our Chief Strategy Officer since October 2024. From January 2022 he was the Chief Executive Officer of Burtoft Enterprises, LLC, located in Monticello, Florida and since January 2023, he owns D and J Fitness West, LLC in Tallahassee, Florida.

Area Developer: Fred Vicario

Fred Vicario has been a multi-state area developer for us from January 2023 to present and is based in Sewell, New Jersey. From May 2015 to present, Mr. Vicario served as President of Cherry Blow Dry Franchise System which is based in Voorhees, New Jersey. From February 2008 to June 2019, Mr. Vicario was a multi-unit franchisee and regional developer of Hand and Stone Massage and Facial Spa in the state of New Jersey.

Area Developer: Steve Vicario

Steve Vicario has been a multi-state area developer for us from January 2023 to present and is based in Sewell, New Jersey. From May 2015 to present, Mr. Vicario served as COO of Cherry Blow Dry Franchise System which is based in Voorhees, New Jersey. From February 2008 to June 2019, Mr. Vicario was a multi-unit franchisee and regional developer of Hand and Stone Massage and Facial Spa in the state of New Jersey.

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

If purchasing a single franchise, you will pay a \$42,500 lump sum initial franchise fee when you sign the Franchise Agreement. The initial franchise fee is not refundable under any circumstances. If you

are an existing franchisee in good standing and meet our qualifications, we may approve you to develop an additional Franchised Business.

If you are an active member of the United States Armed Forces or if you have been honorably discharged from the United States Armed Forces, you will be eligible for a discount of 25% off the initial franchise fee and any development fees.

AREA DEVELOPMENT FEES

If you sign an Area Development Agreement (“Development Agreement”), you also must pay us a development fee depending on the amount of Franchised Businesses that you commit to develop (as depicted below) and which is \$37,500 per location if you purchase two (2) Spas, \$32,500 per location if you purchase three (3) to five (5) Spas, or \$27,500 per location if you purchase six (6) or more Spas. For every Spa you open under this Development Agreement beyond the first, you will pay no additional initial franchise fees.

AREA DEVELOPMENT FEE SCHEDULE

| Franchised Spas | Fee per Additional Franchised Business Owed Upon Signing of Development Agreement | Balance of Initial Franchise Fee Owed Upon Signing of Franchise Agreement | Time to Develop/Open |
|------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------|
| 2 | \$37,500 | \$0 | 12-24 months |
| 3-5 | \$32,500 | \$0 | 24-60 months |
| 6 or more | \$27,500 | \$0 | 60-120 months (or longer if more than 10 Spas) |

The development fees are not refundable under any circumstances.

OTHER INITIAL FEES/EXPENSES BEFORE THE R-WELLNESS FRANCHISED BUSINESS OPENS

In addition to the initial franchise fee and, if applicable, the development fees described above, you must pay us or our approved vendors upon commencement of franchisee’s pre-opening, pre-sales campaign a minimum of \$30,000 to be spent on our approved pre-opening and grand opening advertising, marketing or promotional activities in your general market area. The entirety of these payments to these third-party approved vendors must be spent by you. These fees/expenses are not refundable under any circumstances.

ITEM 6
OTHER FEES

| Type of Fee | Amount | Due Date | Remarks |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operating (Royalty) Fee | \$2,500 per month or 6.75% of Gross Revenues, whichever amount is greater (Notes 1,2). | Accounting paperwork due within 2 business days after the end of each month; payment due by the Monday of each week for the prior week's fees. | “Gross Revenues” which includes all revenues derived from the Franchised Business is defined in the Franchise Agreement and will not be changed during the term of the Franchise Agreement. |
| National Marketing and Production Fee (Note 4) | Currently 1.75% of Gross Revenues. | Same as Operating Fee. | We reserve the right to increase this Fee to 2.0% of Gross Revenues. |
| Medical Director (“MD”) and Lead Nurse Practitioner (“NP”) (Note 3) | Ranges from \$1,200 - \$2,000 per month. Subject to increased fees, as needed. | Same as Operating Fee. | We provide a medical director who is licensed and certified in your state. The MD and NP will be accessible to you during normal business hours. You will pay the MD directly. |
| Tele-Med Fee | \$30 - \$60 per call. | As incurred. | You will have unlimited access to a telephone support service to be provided by our approved designee to assist you with the medical aspects of your Franchise Business. The fee is currently \$30 per call which you will pay directly to such approved designee. This fee is subject to change, but not more than once annually. |
| Regional Marketing Fee | If established in a region where the Franchised Business is located, we will determine the amount of the Fee, not to exceed 3% of your monthly Gross Revenues. | Same as Operating Fee. | Any contribution to the Regional Marketing Fund will be credited to your local marketing requirement. You will not be required to contribute to both a Regional Marketing Fund and Cooperative. |

| Type of Fee | Amount | Due Date | Remarks |
|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Local Marketing Cooperative Contribution | If established in an area where the Franchised Business is located, we will determine the amount of the Fee, not to exceed 3% of Gross Revenues. | Monthly or as per the Cooperative By-Laws. | Any contribution to Cooperative will be credited to your local marketing requirement. You will not be required to contribute to both a Regional Marketing Fund and a Cooperative. |
| Local Marketing Requirement (Note 5) | 3% of your monthly Gross Revenues. | As incurred. | Any contribution to a Regional Marketing Fund or a Cooperative will be credited towards your local marketing requirement. |
| Pre-Opening and Grand Opening Advertising | Minimum of \$30,000 for each location. | Paid to either us or approved vendors upon commencement of franchisee's pre-opening, pre-sales campaign. | You must spend the funds on approved pre-opening, grand opening and initial local advertising, marketing and promotional materials for your Franchised Business. |
| Interest on Late Payments | 18% per annum or maximum rate allowed by law if less than 18%. | After the date payments are overdue. | |
| Training Fees (Note 6) Franchise and Development Agreement | No charge for initial training programs for the first two trainees. Reasonable fee may be charged for additional trainees to attend. | As incurred. | After the initial training program, we may require you to pay us a reasonable fee for other personnel to attend the same, or other, training programs. |
| Continuing Education Fees (On-site or Remote) | \$500/day per corporate employee required for training. | As incurred. | Fee does not include per diem, travel, food and/or lodging. On-site training will be held at the Warner Robins, GA Covery Spa or any other Spa location that we designate. |
| Remodel Costs | 5 Years: \$0-\$25,000 for materials. Transfer: \$0-\$25,000 for materials. | After 5 years from the date the Franchised Business opens for operation, upon transfer of Franchised Business, or upon renewal. | These amounts are for materials only and are payable to third-party suppliers. Labor costs will vary based on where you are located. If a Transfer occurs at the time a mid-term or renewal upgrade is due, those upgrade costs shall apply. |

| Type of Fee | Amount | Due Date | Remarks |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Fees | Audit discrepancies and reasonable costs of conducting audit. | After audit and audit costs if gross Revenues are understated by 3% or more in any given 3-month period or by 5% in any period longer than 3 months. | |
| Transfer Fees (Note 7) Franchise Agreement | \$10,000 | Prior to closing. | Transfer fees may be reduced under certain circumstances (e.g., we will consider a reduced fee for transfers to immediate family members). |
| Development Agreement | \$10,000 | Prior to closing. | |
| Supplier Approval Fee | Actual costs of inspection and testing. | Upon inspection and testing of products. | Incurred if you desire to purchase any items from an unapproved supplier. |
| Product Ordering Fee | Currently \$100 per month. | Upon placement of your monthly product order. | We may change this fee upon written notice in order to reflect our additional costs. |
| Monthly Financial Report Deviation Fee | Maximum of \$20 per hour. | As incurred. | Incurred if we must correct your financial reports because they do not meet our designated form. |
| Legal Fees/Litigation/ Arbitration Costs Franchise and Development Agreement | Reasonable expenses associated with enforcement of agreements. | Upon conclusion of legal proceedings. | |
| Design Documents for New and Relocated Franchised Business (not architecture, design and finishes only) | \$2,500 | Paid to us within 30 days from the date franchisee signs the Franchise Agreement. | |
| NSF Checks or Draft | \$50 for first occurrence; \$75 for each occurrence thereafter. | As incurred. | We may change this fee upon written notice in order to reflect our additional costs. |
| Extra Operational and Marketing Support, Including Visits to Cure Operational Issues Franchise and Development Agreement | Reimbursement of reasonable actual expenses. | As incurred. | |

| Type of Fee | Amount | Due Date | Remarks |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Technology Fee (Note 8) | Reasonable monthly fee set annually by us; currently \$109/week from the start of your pre-sale to opening then \$204/week thereafter unless increased. | This fee is paid weekly at the same time you pay the operating fee. | We may change this fee upon written notice in order to reflect our additional costs. |
| Relocation Fee | Up to \$2,500 (site package and plans may be an additional charge). | As incurred. | |
| Renewal Fee | The greater of \$10,000 or 10% of our then-current franchise fee. | 30 days before renewal. | In order to renew the Franchise Agreement upon termination, this fee must be paid to us. |
| Monthly Package Reporting Late Fee | \$25 to \$300 | As incurred. | Incurred if you are late in sending in the required monthly paperwork package. |
| Late Income Portion of Paperwork Fee | \$50 or as R-WELLNESS adjusts from time to time | As incurred. | |
| Resale Assistance Fee (Note 9) | Greater of \$10,000 or 10% plus any advertising costs. | As incurred. | |

General Comments: All fees are payable to R-WELLNESS and apply to the Franchise Agreement. The fees are non-refundable and are uniformly imposed unless otherwise noted. During the term of the Franchise Agreement, R-WELLNESS may offer optional services not currently contemplated for which R-WELLNESS may charge a fee.

(1) Gross Revenues: Gross Revenues is defined as all products and services sold in or from the Franchised Business. This includes concessions off premises, catering, and delivery.

(2) Operating (“Royalty”) Fee: Subject to the following, upon the earlier of (i) you opening and operating the Franchised Business and (ii) the beginning of the first full calendar month after the one-year anniversary of the effective date of your Franchise Agreement, you will pay us an Operating (“Royalty”) Fee equal to the greater of \$2,500 per month or 6.75% of Gross Revenues of each calendar week.

(3) Medical Director and Lead Nurse Practitioner Fee: We will provide you with a Medical Director and Lead Nurse Practitioner to meet FDA compliance regulations regarding any services deemed or classified as “medical.” For this, you shall pay the assigned MD a monthly fee currently set at \$1,200 - \$2,000 though we reserve the right to increase the amount of the monthly fee not more than once annually.

(4) National Production/Marketing Fee: You must pay us the National Production/Marketing Fee, beginning on the date you open for business. The National Production/Marketing Fee is currently 1.75% of monthly Gross Revenues though we reserve the right to increase this fee to 3% of Gross Revenues.

(5) Local Marketing Requirement: You must spend 3% of your monthly Gross Revenues (whichever is greater) on local advertising and marketing. R-WELLNESS may require you to pay all or any part of the local advertising and marketing fee to a Regional Marketing Fund or Cooperative if one is

established in your area. You will not be required to contribute to both a Regional Marketing Fund and a Cooperative.

(6) Training Fees: You must pay all personal expenses you and/or your employees incur to attend training programs, including costs and expenses of transportation, lodging, meals, wages and employee benefits. R-WELLNESS reserves the right to charge reasonable fees for materials and participation in any training courses or seminars, but R-WELLNESS will not charge for the attendance by up to two persons representing you at the initial franchise management training program.

(7) Transfer Fees: The amount of the transfer fee depends upon whether you are transferring your interest to a current R-WELLNESS manager, franchisee or developer, and whether the transfer will require a new location for the Franchised Business. Transfer fees may be reduced under certain circumstances (e.g., we will consider a reduced fee for transfers to immediate family members).

(8) Technology/Software License Fee: For computer software support and other technical services provided by R-WELLNESS or its designee. This fee currently ranges from \$109 - \$204 per week though we may increase this fee but not more than once annually.

(9) Resale Assistance Fee: From time to time, R-WELLNESS may offer this optional program. If the program is chosen, offered, you (as the franchisee) and the prospective purchaser meet our then-current qualifications, and you agree to follow all specified guidelines, R-WELLNESS will assist in the sale of the Franchised Business and collect the greater of \$10,000 or 10% of the purchase price.

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ITEM 7
YOUR ESTIMATED INITIAL INVESTMENT

| Type of Expenditures | Amount | Method of Payment | When Due | To Whom Payment Is To Be Made |
|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Initial Franchise Fee ¹ | \$42,500 (Qualifying Veterans of the U.S. Armed Forces are eligible to receive a 25% discount of the Initial Franchise Fee.) | Lump sum | Upon signing of Franchise and Development Agreements | R-WELLNESS |
| Lease (estimated monthly rent and security deposit) | \$5,000 - \$10,000 | As arranged | As arranged | Lessor |
| Technology Systems ^{3†} (TV, audio, displays, cameras) | \$5,000-\$10,000 (Finance down payment) | As arranged | Before Opening | Approved Suppliers |
| Equipment ⁴ | \$25,000 - \$45,000 (25% down payment) (Total equipment cost: \$109,000 - \$184,000) | As required | 10-12 weeks prior to opening | R-WELLNESS or Approved Suppliers. Equipment can be financed or purchased outright. |
| Pre-Opening and Grand Opening Marketing and Payroll Expense; Training/Travel ⁵ | \$25,000-\$35,000 | As arranged | Upon commencement of franchisee's pre-opening, pre-sales campaign; As arranged | Payable to Approved Vendors and Employees; Suppliers of Lodging and Transportation |
| Insurance ⁶ (annual estimate); Licenses and other Pre-paid Expenses ⁷ | \$5,000-\$15,000 | Lump sum in advance or installments; As arranged | Monthly, quarterly or yearly; As arranged | Insurance Company; Government agencies and utilities |
| Start-Up Office Supplies, Inventory ⁸ | \$5,000-\$10,000 | As arranged | Before Opening | Approved Suppliers |
| Furniture, Fixtures and First Aid Equipment | \$15,000 - \$20,000 | As arranged | Before Opening | Approved Suppliers |
| IV and Start Up Retail Inventory | \$10,000-\$15,000 | As arranged | 14-days prior to opening | Approved vendors |

| Type of Expenditures | Amount | Method of Payment | When Due | To Whom Payment Is To Be Made |
|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------|-------------|------------------------------------|
| Architectural & Engineering Professional Services ^{10†} | \$5,000-\$15,000 | As arranged | As arranged | Approved Architects & Engineers |
| Signage and Graphics ^{11†} | \$5,000-\$10,000 | As arranged | As arranged | Approved Suppliers |
| Leasehold Improvements Net of Tenant Improvement Allowance/Landlord Contribution Amounts (1,200 sq. ft.) ¹² | \$90,000 - \$120,000 (Excluding any Tenant Allowance; \$75-\$100 sq. ft. buildout) | As arranged | As arranged | Third Party |
| Legal, Accounting & Organizational Costs | \$5,000 | As arranged | As arranged | Government, Attorneys, Accountants |
| Miscellaneous Costs ¹³ | \$2,000-\$5,000 | As arranged | As arranged | Various Suppliers |
| Additional Funds—3 Months ¹⁴ | \$15,000 - \$25,000 | As arranged | As arranged | Suppliers/Line of Credit |
| TOTAL^{15, 16} | \$259,500-\$382,500 (Cost with leasing equipment and a 25% down payment on equipment loan: \$25,000 - \$45,000) | | | |

NOTES:

General Comments: The above figures are estimates of the complete investment in establishing a R-WELLNESS Business, and it is possible to significantly exceed these costs in many of the areas listed above. Your actual investment will depend upon many different factors like labor, location, amount of space leased, existing leasehold conditions, amount of leasehold improvements, and your ability to efficiently manage and coordinate the construction and opening of the Franchised Business. The amounts paid to R-WELLNESS are non-refundable unless otherwise stated. The refundability of amounts paid to third parties depends upon your negotiations with these parties. The following notes are integral to the understanding of the financial commitment required to successfully establish and operate the R-WELLNESS Business. You should review the notes thoroughly.

(1) Initial Franchise Fee: The initial franchise fee is \$42,500 for your first Franchised Business.

If you are eligible for the Veterans discount, you qualify for a 25% discount off your initial franchise fee for your first territory.

(2) Lease and Deposit: Typical Traditional locations for R-WELLNESS Franchised Businesses are shopping centers within both urban and suburban shopping areas. In most cases, you would lease an existing location in a strip center or other commercial shopping center and remodel the location to conform to the current design specifications of a R-WELLNESS Franchised Business. You may also lease the land and an existing facility and convert the facility to a R-WELLNESS Business or enter into a build-to-suit lease under which lease the landlord agrees to construct a structure which is used as the R-WELLNESS Business and lease the land and the building back to you. You may also purchase the land and build the facility yourself. The cost of land may vary dramatically depending upon a multitude of factors and it varies by city and region. R-WELLNESS has not included costs for land acquisition or the construction of a free-standing building. You must perform a thorough investigation in your local area concerning land, site, leasehold and construction costs. These costs may vary significantly from location to location and are dependent upon factors like the general cost, location and availability of commercial real estate in your market area and the amount of space desired.

For a typical Franchised Business, you typically lease approximately 1,200 square feet of building space. Rental rates for this type of Franchised Business may range from \$5,000 to \$12,500 per month (\$60,000 to \$150,000 per year), excluding additional charges, such as common area maintenance (CAM), insurance and taxes.

Rental costs vary considerably depending upon regional and local factors, market factors, and the type of lease you negotiate. The rate may be higher for locations in high demand. R-WELLNESS estimates that the range given will cover a security deposit and three month's rent although, in certain situations, landlords may require a larger security deposit.

(3) Technology Systems: This amount includes the costs of telephone and data setup and installation, internal data lines, technology setup, video wall in lobby and designated rooms of the Franchised Business, installation of music system, computer equipment, and Point-of-Sale ("POS") system(s) installation and equipment. Should you lease these systems, your initial investment for these items will be considerably less. Financing terms vary depending on lender, your credit worthiness, and the like.

(4) Equipment: You will be required to either lease or purchase and thereafter maintain any and all equipment that we require to operate the Franchised Business and you must purchase the equipment only from our approved suppliers/vendors. Financing terms vary depending on lender, your credit worthiness, and the like.

(5) Travel and Training Expenses: R-WELLNESS provides instructors and instructional materials, but you must arrange for transportation, lodging, and meals for yourself and for any costs incurred by your employees. Typically, the owner, store manager, and lead nurse practitioner will attend. The estimate above assumes that one person attends the one-day orientation and the training program (currently three (3) days) and includes meals and hotel rates at our recommended hotels. The low end assumes that the individual attending training will drive to the site of the training program and will not incur airfare or car rental expenses in attending the training program. The high end reflects the airfare and car rental expenses that the individual will incur in attending training. The costs will depend on the distance you must travel and the type of accommodations. The costs do not include wages paid for employees attending training. You also are responsible for your employees' and your costs associated with on-location training before Franchised Business opening.

(6) Insurance: You must obtain comprehensive general and employer liability, all risk, business interruption, professional liability, cyber, property and other types of insurance coverage as

provided in your Franchise Agreement and lease, and as required by law. The estimate given in the chart is for the first year's premium for all policies currently required.

(7) Licenses and Other Prepaid Expenses: These costs include installation charges and deposits for a business telephone line, utilities, occupational licensing, and health and other permits.

(8) Start-Up Supplies, Inventory: This is the estimated amount to cover an initial supply of retail inventory for your Franchised Business for at least two weeks to one month of business operations, depending upon your membership level. You will be required to have supplies to administer all treatments (vitamins and medications for the IV) and carry a full inventory of retail items such as CBD, ZO Skin Care, and Hyperice products and additional retail treatment modalities. R-WELLNESS franchisees entering new markets will likely incur higher freight costs than franchisees in established markets and may need additional storage space and higher levels of inventory.

(9) Furniture, Fixtures, First Aid Equipment, and Graphics: This amount includes the cost of purchasing all furniture, equipment, decorative ceiling elements, graphics/artwork, light fixtures, and other miscellaneous items. These amounts include your first aid (including, minimally, an automated external defibrillator) equipment. Should you lease the equipment, your initial investment for these items will be considerably less.

(10) Architectural & Engineering Professional Services: R-WELLNESS will provide proposed design documents for the space. R-WELLNESS does not warrant that the proposed design documents will comply with the Americans with Disabilities Act (ADA) or with other federal, state or local laws, rules and regulations, and you will need to engage appropriate professionals to review the proposed design documents for compliance with all applicable laws, rules and regulations. You will be required to obtain on the design documents the stamp of approval from an architect or engineer who is properly licensed in the jurisdiction of your location. The referenced amount includes estimated costs of all architectural and engineering services (including those of third parties) needed to localize the design documents into construction drawings as required by local code and governing authorities. The referenced amount for an end-cap or in-line location excludes any civil, structural, or landscaping professional services. Civil and landscaping estimates are, however, included in the referenced amount for a free-standing location.

(11) Signage: This amount includes the costs of exterior building and monument panel signage.

(12) Leasehold Improvements: This amount includes the costs to alter the existing interior space to the requirements of a R-WELLNESS Franchised Business. We assume the space is provided vacant and broom clean at a minimum with utilities to space, roofing, storefront, exterior and demising walls, concrete floors, HVAC and mains, and fire sprinklers (if required by local codes) and that you will receive tenant allowance/landlord contribution funds. If you do not receive any such funds, then the cost of the leasehold improvements may be significantly more. The high end of the estimate includes costs for permits, carpentry, drywall, painting, tile, ceilings, HVAC, plumbing, electrical, and other miscellaneous costs. This amount excludes costs for major exterior improvements, materials testing, and zoning or impact fees.

(13) Miscellaneous Costs: R-WELLNESS recommends that you budget an additional amount of cash to cover miscellaneous costs incurred with the opening of the Franchised Business.

(14) Additional Funds: This amount reflects the minimum amount of additional funds you will need for the first three months you operate a R-WELLNESS Business. However, we cannot guarantee that this amount will be sufficient. Additional working capital may be required if sales are low or fixed costs are high. This amount includes salaries and wages, payroll taxes, advertising, product purchases, line

of credit, payment of royalties, uniforms, utility bills, ongoing professional fees, freight, and other miscellaneous administrative and operating expenses.

(15) Total Investment: R-WELLNESS relied on our many years of experience in this business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

(16) Financing: R-WELLNESS does not offer, either directly or indirectly, financing to you for any items.

YOUR ESTIMATED INITIAL INVESTMENT – DEVELOPMENT AGREEMENT

We cannot estimate your initial investment under a Development Agreement, other than the Development Fee, which is described in Item 5. The amount of this fee will depend on the number of Franchised Businesses you agree to establish and operate in accordance with the Development Schedule. We do not offer separate financing for franchisees related to a Development Agreement.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To maintain the reputation, goodwill, high standards, quality and uniformity of our System, there are certain products and services that you must purchase directly from our approved or designated suppliers, including branded products and offer certain prescribed services. We reserve the right to modify, add, enhance or eliminate these upon notice to you.

Approved Services. You must offer some or all or the services or products in your Franchised Business. These may include some or all of the following wellness, aesthetic, recovery and therapeutic services: hyperbaric oxygen therapy model including intra-venous (“IV”) infusions, compression therapy, mobile cryotherapy, dry float therapy, near infra-red (“NIR”) sauna, mobile red light and cryotherapy and cryoskin treatments, hydra facials, cellulite reduction therapy and Ballancer Pro lymphatic drainage. Certain services and treatments may require a medical doctor and/or nurse(s) to administer them.

Approved or Designated Suppliers and Specifications: You must purchase or lease all other goods and services under the specifications and guidelines issued by R-WELLNESS. Specifications may include minimum standards for building size, leasehold improvements, zoning, lease provisions, location criteria, qualifications of architects or contractors, security systems, signs, equipment, quality, quantity, delivery, performance, design, appearance, durability, style and other related restrictions. You must also use only the standard forms approved by R-WELLNESS and use and display sales, marketing, and promotional material provided in the manner and for the time periods designated by it. You must ensure that all items and printed materials used in the Franchised Business bear the Proprietary Marks in the manner required by R-WELLNESS as we consider these specifications to be of critical importance to the success of the System. These specifications are either (i) included in your design documents; (ii) listed in the R-WELLNESS confidential pre-opening, operations, marketing, and other manuals that R-WELLNESS makes available to all franchisees (collectively, the “Manuals”); or (iii) otherwise provided to you in writing by R-WELLNESS. Any of these specifications may be revised by us. If a supplier does not meet our specifications stated in your design documents, the Manuals, or as provided to you in other written materials, we may require you to stop using that supplier.

To assist you with some of the mandatory products and services that you must offer, we have enlisted the services of LocumTele to provide medical oversight to medical spas, wellness centers, telemedicine companies, and individual healthcare practitioners across the country. Through their team of highly qualified and trained medical directors and physician collaborators, LocumTele's mission is to create a community in healthcare by providing high quality medical oversight to companies and practitioners that are striving to increase access to healthcare and better the lives of their clients and patients.

Purchases from R-WELLNESS or its Affiliates: You must use R-WELLNESS's Design & Construction Department to prepare your preliminary space plan and design documents for your Franchised Business premises. We typically charge \$2,500 for these documents. You may incur additional costs (paid to third parties) in completing construction drawings and specifications. Other than the design documents, R-WELLNESS or its affiliates are currently not the only approved supplier of any products or services and you currently are not obligated to purchase any products, equipment, supplies or other items from us or our affiliates. R-WELLNESS may, however, require you to purchase from us or our affiliates certain proprietary products in the future. You must purchase from designated or approved third party suppliers certain retail items and various branded snacks, supplements and vitamins developed by or through R-WELLNESS.

Purchases From Designated Suppliers: You must purchase any furniture, fixtures, equipment, finishes, and materials from R-WELLNESS's designated suppliers or vendors as detailed in your design documents, the Manuals, or otherwise in writing provided to you by us. We may add other items that you must purchase from designated suppliers or their authorized distributors at any time in the future. We, an affiliate or a third-party vendor or supplier periodically may be the only designated or approved supplier for certain products and we reserve the right to change any approved vendor at any time.

For all new Franchised Businesses, you must purchase your equipment, furniture, signage, graphics, computer system and music system from our approved vendors. Any deviation from this requirement must be approved in advance and in writing by R-WELLNESS's Design & Construction Department.

If added, you must purchase certain branded inventory products from only designated suppliers.

You are currently required to use ZENOTI as your POS System, as further detailed in Item 11. We may require you to use certain related back-office, credit-card, and/or PCI-compliance systems or vendors at any time in the future.

Except as noted above, neither R-WELLNESS nor persons affiliated with us are designated suppliers though we reserve the right to designate specified suppliers from whom franchisees can only purchase in the future.

Purchases from Approved Suppliers: You must purchase or lease selected inventory, supplies, computer hardware for the POS system, and other products and materials required for the operation of your Franchised Business consistent with specifications set by us or solely from suppliers who demonstrate the ability to meet our reasonable standards and specifications. All other items may be purchased or leased from suppliers whose products or services meet our specifications, except for general office supplies and equipment and other general business items. We negotiate purchase arrangements with approved suppliers for the benefit of franchisee and R-WELLNESS affiliate-owned stores. R-WELLNESS may receive contributions from select approved vendors and, at its sole discretion, direct some of those funds to franchisee advertising funds and/or franchisee conventions. R-WELLNESS plans on continuing to request that some suppliers contribute to our advertising funds, annual conventions and management costs to offset

the associated costs of these activities. Aside from possible favorable price terms, you do not receive any material benefits from us if you use designated or approved suppliers. However, purchasing or leasing from unapproved suppliers or using products that do not meet our specifications is a default under your Franchise Agreement, in which case R-WELLNESS may terminate your Franchise Agreement or pursue other remedies available under the Franchise Agreement. A default under your Franchise Agreement may also be cause for R-WELLNESS to not renew your Franchise Agreement or disqualify you from opening additional franchises.

You should be aware that there may be price increases in any or all of the items you must purchase from suppliers and other third parties. Prices charged to you are determined by the volume of purchases, usage, vendor minimums, inventory turns, ingredient costs, market demand, freight and other similar factors. Franchisees entering new markets should be aware that freight costs may be higher than the costs that other franchisees incur in other markets, and you should adjust your cost projections accordingly.

Compliance with Specifications: If you desire to purchase any items from an unapproved supplier, you or the supplier must submit to us a written request for approval in advance. The approval must be obtained in writing. We will advise you within a reasonable time whether these items meet our specifications. A reasonable time for written approval from us may range from five business days to six months, depending upon the amount of research, testing, cooperation from suppliers, and other factors involved in approving the items. R-WELLNESS's written approval will not be unreasonably withheld although there are certain products that you must purchase from us or our designated suppliers. We may require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered to us or our designee for testing. We may impose a charge not to exceed the actual costs of inspection and testing, which you or the supplier must pay. R-WELLNESS reserves the right to re-inspect the facilities and products of any previously approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of our standards and specifications.

If you obtain services from third-party providers, we will have the right to review the terms and conditions of your arrangements and require additional information about the business background and qualifications of the providers, including personal interviews with individuals providing the services. If any third party obtains access to confidential information and intellectual property, we may require, as a condition of approval of the provider, the signing of confidentiality and non-competition agreements in a form satisfactory to us. We may disapprove any provider, upon written notice to you, who does not demonstrate an ability to comply with the standards established for the System and to meet the needs of our franchisees promptly and reliably. R-WELLNESS considers the following general criteria in determining whether a supplier will be approved: ability to produce or deliver the products, services, supplies or equipment in accordance with OUR standards and specifications for quality and uniformity; production and delivery capabilities and ability to meet supply commitments; integrity of ownership (to assure that the supplier's association with us would not be inconsistent with R-WELLNESS's image or damage our goodwill); financial stability; satisfaction of minimum standards of licensing, insurance and regulatory requirements; and the negotiation of a mutually satisfactory agreement to protect our intellectual property. Our criteria for specific types of suppliers are either made available to you in the Manuals or will be made available to you upon written request.

R-WELLNESS maintains a written list of approved supplies (generally identified by brand name) and suppliers, which is updated and provided to you on a regular basis. We do not provide confidential specifications to you or suppliers, except on a limited basis. If any product, equipment or other item does not meet our specifications, however, we will provide a written explanation within a reasonable amount of time, depending upon the testing involved as described above, as to why the product or equipment does not meet our specifications. R-WELLNESS establishes and modifies specifications and standards by periodically performing tests on its products and equipment in relation to new products and equipment.

In the calendar year ended December 31, 2024, R-WELLNESS received approximately \$25,000 in vendor rebates based on franchisees' purchases of approved item and goods.

There are no product purchasing or distribution cooperatives currently in existence.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

| Obligation | Section in Franchise and Area Development Agreements | Disclosure Document Item |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| a. Site selection and acquisition/lease | Sections 1, 2 and 5 and Attachments 1.A and 1.B of Franchise Agreement; Section 4 of Development Agreement | Items 6, 7, 11, and 12; Exhibits I and J |
| b. Pre-opening purchases/leases | Sections 5,11,14 and 15 and Attachments 1.B and 5 of Franchise Agreement; Section 4 of Development Agreement | Items 5, 6, 7, 8, 11, and 12; Exhibits G, I, and J |
| c. Site development and other pre-opening requirements | Sections 5,11,14 and 15 and Attachments 1.B and 5 of Franchise Agreement; Section 4 of Development Agreement; | Items 6, 7, 11, and 12 |
| d. Initial and ongoing training | Section 11 of Franchise Agreement | Items 6, 7, and 11 |
| e. Opening | Sections 1, 2 and 5 of Franchise Agreement; Sections 3 and 4 of Development Agreement; | Items 6, 7, 8, and 11 |
| f. Fees and Payments | Section 9 and Attachment 7 of Franchise Agreement; Section 2 of Development Agreement; | Items 5, 6, 7, 8, and 11; Exhibits I and M |

| Obligation | Section in Franchise and Area Development Agreements | Disclosure Document Item |
|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| g. Compliance with standards and policies/manuals | Sections 2,5,6,7,11,12,13 and 14 of Franchise Agreement; Section 4 of Development Agreement; | Items 8, 16, and 17; Exhibit J |
| h. Trademarks and proprietary information | Sections 19 and 20 of Franchise Agreement; Sections 1 and 9 of Development Agreement; | Items 13 and 14; Exhibits H and I |
| i. Restrictions on products/services offered | Section 10 of Franchise Agreement | Items 8 and 16 |
| j. Territorial development | Sections 1 and 2 and Attachments 1.A, 1.B and 1.C of Franchise Agreement; Sections 3 and 4 of Development Agreement; | Items 12 and 20; |
| l. Ongoing product/service purchases | Section 10 of Franchise Agreement | Items 8 and 16 |
| m. Maintenance, appearance and remodeling requirements | Section 15 of Franchise Agreement | Items 6, 7, 8, and 11 |
| n. Insurance | Section 17 of Franchise Agreement | Item 7 |
| o. Advertising | Section 16 of Franchise Agreement; | Items 6, 7, and 11 |
| p. Indemnification | Section 24 of Franchise Agreement; Section 10 of Development Agreement; | Items 6 and 13 |
| q. Franchisee's participation/management and staffing | Sections 4 and 6 of Franchise Agreement; Section 8 of Development Agreement; | Item 15 |
| r. Records and reports | Section 13 of Franchise Agreement; Section 4 of Development Agreement; | Items 6, 8, and 17 |

| Obligation | Section in Franchise and Area Development Agreements | Disclosure Document Item |
|---------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------|
| s. Inspections and audits | Section 22 of Franchise Agreement; Section 4 of Development Agreement; | Items 6 and 11 |
| t. Transfer | Section 25 and Attachment 6 of Franchise Agreement; Section 6 of Development Agreement; | Items 6 and 17 |
| u. Renewal | Section 3 of Franchise Agreement | Items 6 and 17 |
| v. Post-termination obligations | Section 27 and Attachment 4 of Franchise Agreement; Sections 7, 8.B and 13 of Development Agreement; | Item 17 |
| w. Non-competition covenants | Section 21 and Attachment 4 of Franchise Agreement; Sections 8.B and 13 of Development Agreement; | Item 17 |
| x. Dispute resolution | Section 32 of Franchise Agreement; Section 18 of Development Agreement; | Item 17 |

ITEM 10

FINANCING

R-WELLNESS does not offer direct or indirect financing. R-WELLNESS does not guarantee your note, lease or obligation.

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

Except as listed below, R-WELLNESS is not required to provide you with any assistance.

PRE-OPENING OBLIGATIONS

Before you open a R-WELLNESS Business and as you begin development of your development area, R-WELLNESS will provide assistance with pre-opening obligations as stated below.

Site Location Assistance and Approval: R-WELLNESS will provide you with general site selection criteria and guidance in the selection of an acceptable site. **You alone must locate an acceptable site for the Franchised Business.** R-WELLNESS may recommend a real estate broker if R-WELLNESS knows a broker in your area. You are not required to accept our recommendation, and you may contract with any real estate broker you choose. R-WELLNESS will evaluate and approve the location for the Franchised Business if it meets R-WELLNESS's site criteria (Franchise Agreement—Section 10; Development Agreement—Section 4).

Review of Lease: R-WELLNESS will review the lease for the location of the Franchised Business to ensure that provisions R-WELLNESS requires are included in the lease and that the terms of the lease are generally acceptable to it. You alone must negotiate the business and financial terms of your lease and should have a local real estate attorney represent you in the negotiation (Franchise Agreement—Section 10; Development Agreement—Section 4). The R-WELLNESS Lease Addendum (Attachment 5 to the Franchise Agreement) is required as an addendum of your lease document.

Plans and Specifications: Once R-WELLNESS receives as-built drawings (usually provided by the landlord or his architect), R-WELLNESS will prepare design documents which include: equipment, furnishings, decor and signs identified with a R-WELLNESS Franchised Business and approved suppliers and specifications for products and supplies (Franchise Agreement—Section 10; Development Agreement—Section 4). You must supply to R-WELLNESS a site plan of the center in which the Franchised Business will be located, a floor plan of the leased space, elevations of the building (front, side, and rear), and other drawings and information as we may require.

Review of Final Site and Construction Plans: You must submit your final localized architectural plans to us and we will review your final site plans and construction plans to ensure they comply with System construction standards and specifications (Franchise Agreement—Section 15.1; Development Agreement—Section 4).

Manuals: R-WELLNESS will loan to you one copy of or provide electronic access to each of the Manuals (Franchise Agreement—Section 12). The table of contents of the Manuals is attached to this disclosure document as Exhibit J. The total number of pages in the Manuals is 124 pages.

Training: R-WELLNESS will train you and your Manager to operate the R-WELLNESS Franchised Business (Franchise Agreement—Section 11). This training is described in detail later in this Item.

Other Resources and Assistance: R-WELLNESS will provide other resources and assistance as R-WELLNESS deems appropriate in opening the Franchised Business, including assistance by our personnel or our agents (Franchise Agreement—Section 10; Development Agreement—Section 4).

Form of Franchise Agreement: R-WELLNESS will provide you with R-WELLNESS's then-current franchise agreement for use by you in exercising your options under your Area Development Agreement (Development Agreement—Section 1.C).

OPENING/POST-OPENING OBLIGATIONS

During the operation of the R-WELLNESS Franchised Business, R-WELLNESS will provide assistance with opening/post-opening obligations as stated below.

On-Site Assistance: R-WELLNESS will provide you with on-site assistance upon the opening of the R-WELLNESS Franchised Business. During the opening of the Franchised Business, R-WELLNESS will provide at least one R-WELLNESS representative to you at the Franchised Business location to facilitate the opening of the Franchised Business. The number of days of this on-site visit will vary, but a R-WELLNESS representative will normally be on-site from three (3) to five (5) days (Franchise Agreement—Section 10).

Grand Opening Promotion Assistance: R-WELLNESS will provide you with a Marketing Manual and guidance in marketing and promotions for your grand opening (Franchise Agreement—Section 16).

Marketing and Advertising Guidance and Approval: R-WELLNESS will provide you with a Marketing Manual and periodically provide you with materials and advice to support your marketing and advertising efforts (Franchise Agreement—Section 16). R-WELLNESS will also approve or disapprove all advertising and promotional materials you propose to use (Franchise Agreement—Section 16.4). Advertising is explained in more detail below.

Consultation: You may contact R-WELLNESS representatives on a periodic or as-needed basis to receive consultation and guidance concerning the operation of your Franchised Business (Franchise Agreement—Section 10 and 11). R-WELLNESS will also provide information to you about changes and modifications to the System and Manuals, advertising and marketing activities, and provide you with forms for required reports you must submit to us. R-WELLNESS will periodically, as it considers necessary, inspect your supplies, merchandise, methods of service and merchandising and speak with you to ensure you are complying with your agreements, Manuals and the required standards established for the System (Franchise Agreement—Section 22).

Advanced Training: R-WELLNESS periodically will, as it considers necessary, provide you with advanced training and continuing education services in operating the Franchised Business (Franchise Agreement—Section 10).

New Products and Services: R-WELLNESS will evaluate and consider for approval the products or services you submit for approval for use in the Franchised Business (Franchise Agreement—Section 14 and 15).

Other Resources and Assistance: R-WELLNESS will provide you with other resources and assistance, which may be in the form of electronic blogs, articles, newsletters, bulletins, brochures, manuals, and reports on R-WELLNESS's policies, research, developments, and other resources and assistance as may be offered to all franchisees (Franchise Agreement—Sections 10 and 12; Development Agreement—Section 7 and 9).

SITE SELECTION METHODS

The franchise is granted for a specific location. R-WELLNESS will approve an area for you to search for a location. You must locate a site for your Franchised Business that R-WELLNESS will consent to. R-WELLNESS's consent will not be unreasonably withheld. R-WELLNESS will evaluate your proposed locations within 30 days after R-WELLNESS receives a fully completed site package, as described in the Manuals or as R-WELLNESS may otherwise provide in writing. Factors considered by R-WELLNESS in reviewing and accepting proposed sites include population density, demographics, visibility, size of the space, rent, available parking, traffic count and patterns, ease of access, economic and population growth trends, the market penetration of a R-WELLNESS Franchised Business and proximity to other Franchised Business, including other R-WELLNESS Franchised Businesses. R-WELLNESS also considers whether the lessor will agree to the R-WELLNESS permitted use language and other required lease provisions. If R-WELLNESS determines that the location is not acceptable at that time or is too close to another R-WELLNESS Franchised Business, R-WELLNESS will not consent to the proposed site, and you must locate a new site for the Franchised Business. If R-WELLNESS and you cannot agree on a site for the Franchised Business, R-WELLNESS may terminate the Franchise Agreement.

R-WELLNESS considers all sites a Traditional location unless R-WELLNESS approves the location, in writing, as a Non-Traditional/Express location. Traditional locations are not determined by size and may or may not carry a full line of R-WELLNESS products. Examples of these locations may include: strip centers, store fronts, and other locations with street access or medium to high population density in the trade area.

In certain situations, R-WELLNESS may offer franchises for Non-Traditional/Express locations, though we are not currently doing so. If permitted, you may establish a Franchised Business in a Non-Traditional/Express location. Non-Traditional/Express Franchised Businesses are typically located within another business or dependent upon one main business or organization as its primary trade generator, normally have limited access by the general public and a limited trade area, usually in relation to its primary trade generator. Examples of Non-Traditional/Express locations include enclosed shopping malls, arenas, convention centers, airports, hospitals, military bases and similar environments (see definition of a "Captive Facility" above).

Non-Traditional/Express locations are not determined by size, potential sales volume or whether you are sharing space with another concept, and may or may not carry a full line of R-WELLNESS products. R-WELLNESS has the sole and absolute discretion to determine whether to approve a Non-Traditional/Express location.

The typical length of time between the signing of the Franchise Agreement or the first payment of any consideration for the franchise and the opening of a R-WELLNESS Franchised Business at a Traditional location is six (6) to 12 months, as the location has typically been found and accepted by us at the time the Franchise Agreement is signed. Factors affecting this length of time include identification of a satisfactory site, lease negotiations, financing, zoning, building and other permits, construction delays (weather, labor, materials), and delivery and installation of equipment and signs. Problems or delays caused by any of these factors could delay the opening of the Franchised Business beyond eight months.

Failure to i) enter into a fully executed and binding lease or acquire property for the specific purpose of constructing a building for the Franchised Business within 180 days from the effective date of your Franchise Agreement or ii) be open and operating within 365 days of the effective date of your franchise agreement constitutes a default of the Franchise Agreement.

If you enter into a Development Agreement, R-WELLNESS and you will have agreed to a Development Area and a Development Schedule which identify the number of Franchised Businesses you will develop, and the time frame and area in which the Franchised Businesses will be developed. In order to exercise your option to open an additional Franchised Business under the Development Agreement, you must be in compliance with any Franchise Agreement and other agreements you have with R-WELLNESS and our subsidiaries and affiliates; any Franchised Business owned by you must be and have been operated in compliance with the Operations Manual; and you must execute each Franchise Agreement for an additional Franchised Business at least four (4) months before each particular Franchised Business must be open and in operation under the Development Schedule, or before the beginning of the site selection process, whichever occurs first.

MANUALS

The table of contents of all Manuals as of June 1, 2025 is attached to this disclosure document as Exhibit J. You must promptly comply with the Manuals, which describe R-WELLNESS's comprehensive operating system, including a standardized design, décor, equipment system, color scheme, style of signage, uniform standards, specifications and procedures of operation, quality and uniformity of product and services offered. The provisions of the Manuals are reasonable, necessary and essential to the image and success of all R-WELLNESS Franchised Businesses. The Manuals contain R-WELLNESS's mandatory operating standards as well as suggested "best practices," specifications and procedures for the operation of a R-WELLNESS Franchised Business. Changes in the standards, specifications and procedures may become necessary and you must comply with these modifications, revisions and additions to the Manuals.

TRAINING PROGRAMS

(1) **Orientation and Initial Management and Sales Training:** Not less than 120 days prior to opening your Spa, you must attend and complete, again to our satisfaction, the Pre-Sales training program which is offered virtually. Within 60 days after signing your Franchise Agreement, you must also attend and complete, to our satisfaction, the orientation and initial management training programs ("Covery University") available according to the Covery University calendar. Covery University is mandatory and held either at R-WELLNESS'S Home Office and/or a Company Franchised Business in Baton Rouge, Louisiana or virtually. The orientation is designed to introduce you to the System and educate you to efficiently manage your site selection, marketing and pre-opening/sales activities (see Exhibit J). R-WELLNESS's initial management training program is mandatory for all franchisees and managers and conducted approximately every six (6) to eight (8) weeks, depending upon the number of attendees, at our corporate office in Baton Rouge, Louisiana, and our corporate Franchised Business in Baton Rouge, Louisiana. You must attend the program after you complete site selection and within a reasonable time before your scheduled opening date. All permits must be in place before attending training. The initial management training course is up to five (5) days, averaging eight (8) to 10 hours per day plus additional homework assignments. Instructional materials will include written training modules, the Manuals and actual products, books, and equipment.

You may or may not be required to attend orientation and pre-opening training if you are an existing franchisee in good standing.

(2) **Sales and Operations Training:** Approximately 10-15 days prior to the opening of your Franchised Business, R-WELLNESS will host a virtual training program, at no cost to you, for additional training and assistance for when you open the Franchised Business. The length of time for this training may vary, but it is expected to be up to three (3) to five (5) days. This training and assistance include

training of personnel, RN and Franchised Business manager, Franchised Business promotion, reporting management, financial analysis and other matters necessary to the opening and operation of the Franchised Business. In turn, you are responsible to train your staff on all technology systems (Zenoti and booking app) as taught to you.

(3) **Nurses Training:** Approximately 30 days prior to the commencement of your Franchised Business, R-WELLNESS will release a series of webinars and courses, at no cost to you, and which must be completed by all nursing personnel who plan to attend the on-site nurses training. For on-site Nurses training and assistance, the length of time the representative is on site may vary but is expected to be up to five (5) days. NP/RN training cannot be scheduled until the Franchised Business is in full working order. This means that all equipment must be in place and working properly, all flooring must be completed, all audio/visual items must be completed, all medications must be in stock and all pre-opening training completed. Additional days of NP/RN training will be available at an additional cost (refer to fee schedule). Franchisee is responsible to bring potential nurses into the training, it is not the responsibility of the Franchisor to find your nurses.

R-WELLNESS may require any of your principals or employees who become actively involved in managing the Franchised Business to attend and satisfactorily complete the required training programs. Within 60 days of the opening of your Franchised Business, R-WELLNESS reserves the right to require you to undergo additional training, at your expense, if it is determined by R-WELLNESS, in its sole discretion, that the Franchised Business is not operated consistent with our operating systems/manuals and/or brand standards.

If you are a Developer, R-WELLNESS may require you or any of your principals or employees who are actively involved in developing the area for your R-WELLNESS Franchised Businesses to attend and satisfactorily complete the training programs R-WELLNESS designates as mandatory.

You must pay all personal expenses you and your employees incur in attending training programs, including costs and expenses of transportation, lodging, meals, wages and employee benefits, and any training fees. This applies for both mandatory and optional training programs. R-WELLNESS currently provides most of the materials and there is currently no fee for any mandatory or optional training program although we may charge one in the future. R-WELLNESS may, however, charge a reasonable fee in the future for training courses offered after the Franchised Business opens.

Jessica Rowan (Technology - five (5) years of experience), Julie Phillips (Modalities, Clinic Operations and Sales - six (6) years of experience) and Taylor Fryou (Nurses Training - five (5) years of experience) comprise our training team. The key personnel mentioned have their full experience described in Item 2. Other individuals in our Operations and Marketing may participate in training. We seek to ensure that all instructors (i) will have at least one year of experience in the subject that they teach and will have been employed by R-WELLNESS for at least 6 months, or (ii) will have at least five years' experience in the subject they teach.

Any training provided by R-WELLNESS to any of your employees will be limited to training or guiding the employees regarding the delivery of approved services to clients in a manner that reflects the member and client service standards of the System. You are, and will remain, the sole employer of your employees during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. You must ensure that your employees receive adequate training.

The content of our training programs is described below. All of the Training programs currently take place either at R-WELLNESS's headquarters or its Spa, both of which are located in Baton Rouge, LA.

TRAINING PROGRAM

| SUBJECT | HOURS OF CLASSROOM TRAINING | HOURS OF VIRTUAL TRAINING | HOURS OF ON- THE-JOB TRAINING |
|---------------------------------------------------------------|-----------------------------------|---------------------------------|-------------------------------------|
| POS System (Zenoti) | 0 | 6 | 2 |
| CRM | 0 | 2 | 0 |
| Qvinci | 0 | 1 | 0 |
| AdvancedMD | 0 | 0 | 5-6 |
| Financial KPI | 1 | 1-2 | 0 |
| Communication | 1 | 0 | 0 |
| Equipment Training (info on each modality) | 6 | 4 | 8 |
| Pre-Sale | 0 | 8-10 | 0 |
| Client Service Standards | 1 | 0 | 1 |
| Membership Sales Process and Procedure | 0 | 0 | 4-6 |
| Modality Utilization Process and Management | 0 | 0 | 1 |
| Customize Journey Process and Procedure | 0 | 0 | 1-2 |
| Client Retention and Attrition Process and Procedure | 0 | 1 | 0 |
| Cleaning and Maintenance | 0 | 0 | 1 |

| SUBJECT | HOURS OF CLASSROOM TRAINING | HOURS OF VIRTUAL TRAINING | HOURS OF ON- THE-JOB TRAINING |
|-------------------------------------------------------------------|-----------------------------------|---------------------------------|-------------------------------------|
| Process and Schedule | | | |
| HR Management | 0 | 1 | 0 |
| Training New Hires | 1 | 0 | 3-4 |
| Hiring NP and staff | 1 | 0 | 0 |
| IV Mixtures and applications | 8 | 4 | 4 |
| Design and flow of store | 1 | 0 | 0 |
| Marketing local marketing, influencer marketing, digital planning | 1 | 2 | 0 |
| Liability, medical insurance, safety, inventory management | 1 | 1-2 | 0 |
| Total | 22 HOURS | 31-35 HOURS | 30-35 HOURS |

ADVERTISING

National Production/Marketing Fund: R-WELLNESS operates a national marketing and promotional fund (“National Production/Marketing Fund”) to advertise and promote R-WELLNESS Franchised Businesses. You will pay R-WELLNESS a “National Production/Marketing Fee” based on a percentage of your monthly Gross Revenues. The National Production/Marketing Fee currently is 1.75 % of monthly Gross Revenues. R-WELLNESS will deposit the National Production/Marketing Fee in the National Production/Marketing Fund. All franchisees must pay the National Production/Marketing Fee. Certain licensees under past versions of signed license agreements may pay a National Production/Marketing Fee based on a different percentage of Gross Revenues or may pay no amount. In addition, due to market conditions and location, certain franchisees or licensees with atypical locations may be required to contribute a lesser or no amount to the National Production/Marketing Fund. R-WELLNESS will at its sole discretion determine whether a location will be exempted from the National Production/Marketing Fund. Outside vendors and suppliers may contribute to the National Production/Marketing Fund in exchange for promoting their products or using their services. These agreements are negotiated on an individual basis as the opportunity arises by R-WELLNESS or a representative of the National Production/Marketing Fund.

R-WELLNESS currently maintains and administers the National Production/Marketing Fund. R-WELLNESS will direct all advertising, promotional and marketing programs with sole discretion over the concepts, materials, and media used in the related programs and their placement allocation media purchases. R-WELLNESS plans to create a National Franchise Advisory Council (“FAC”) made up of franchisees elected by the franchisee community. The FAC will serve in advisory capacity only and may provide input on advertising programs and policies. R-WELLNESS has the power to form, dissolve or change the FAC at any time. R-WELLNESS has no other advertising council composed of franchisees. The National Production/Marketing Fees collected are intended to maximize general public recognition and acceptance of the Proprietary Marks and the overall brand awareness of the R-WELLNESS name for the benefit of the System. In administering the National Production/Marketing Fund, R-WELLNESS is not obligated to ensure that you or any particular franchisee benefits directly or on a prorated basis from expenditures by the National Production/Marketing Fund. R-WELLNESS does not have to spend any amount on advertising in your area. R-WELLNESS will not use any of the National Production/Marketing Fund primarily to advertise the revenues of new franchises.

The National Production/Marketing Fund will be used exclusively to meet costs of administering and preparing advertising, promotional and marketing activities. These costs may include creating, producing, placing, and conducting television, radio, internet, and print advertising campaigns; creating, producing, and distributing promotional materials for use in R-WELLNESS Franchised Businesses, such as signs and posters, direct mail, promotional brochures, and outdoor billboard advertising; marketing surveys and research; public relations activities; and employing advertising agencies and consultants. R-WELLNESS engages outside marketing, advertising and graphic design companies to perform and coordinate most of the marketing and advertising activities listed above for R-WELLNESS.

All amounts you pay into the National Production/Marketing Fund will be accounted for separately. R-WELLNESS will be reimbursed for reasonable administrative costs and overhead incurred in administering the National Production/Marketing Fund. At your request, R-WELLNESS will provide you with an annual unaudited statement of the receipts and disbursements of the National Production/Marketing Fund for the most recently completed calendar year. R-WELLNESS anticipates that all contributions to and earnings of the National Production/Marketing Fund will be spent during the taxable year in which the contributions and earnings are received. If any amounts in any National Production/Marketing Fund are not spent during the current year, they will remain in the National Production/Marketing Fund for use in the following year.

Regional Fund: If R-WELLNESS establishes a regional promotional and marketing fund (the “Regional Marketing Fund”) in a region in which the Franchised Business is located, you will pay to R-WELLNESS for deposit in the Regional Marketing Fund a “Regional Marketing Fee.” R-WELLNESS will determine the amount of the Regional Marketing Fee and reserves the right to increase such Fee upon 60 days’ prior written notice, to an amount not exceeding \$3,500 or 3% of your monthly Gross Revenues (whichever is greater). Any contribution to the Regional Marketing Fund will be credited towards your local marketing requirement described below. In addition, we will not require you to contribute to both a Regional Marketing Fund and a Cooperative. As a result, we will not require you to spend more than \$3,500 or 3% of your monthly Gross Revenues (whichever is greater) on local or regional marketing, including the Regional Marketing Fund, a Cooperative or approved local marketing efforts. Except as described below, all franchisees in each region generally will contribute the same percentage to the Regional Marketing Fund. Certain franchisees or licensees under past versions of signed franchise or license agreements may pay a different percentage of Gross Revenues or no amount. In addition, due to conditions and location, certain franchisees or licensees with atypical locations may be required to contribute a lesser or no amount to the Regional Marketing Fund. R-WELLNESS reserves the right to determine, in its sole discretion, whether a location will be exempted from the Regional Marketing Fund.

R-WELLNESS maintains and administers each Regional Marketing Fund, and will direct all advertising, promotional and marketing programs with sole discretion over the concepts, materials, and media used in the related programs and their placement allocation media purchases. In administering each Regional Marketing Fund, R-WELLNESS is not obligated to ensure that you or any particular franchisee benefits directly or on a prorated basis from expenditures by the Regional Marketing Fund. R-WELLNESS will not use any portion of the Regional Marketing Funds primarily to advertise the sales of new franchises. Currently, there are no Regional Marketing Funds.

The Regional Marketing Fund will be used exclusively to cover costs of administering and preparing advertising, promotional and marketing activities for use in each designated region. These costs may include creating, producing, placing, and conducting television, radio, internet, and print advertising campaigns; creating, producing, and distributing promotional materials for use in R-WELLNESS Franchised Businesses, such as signs and posters, direct mail, promotional brochures, and outdoor billboard advertising; marketing surveys and research; public relations activities; and employing advertising agencies and consultants. R-WELLNESS engages outside marketing, advertising and graphic design companies to perform and coordinate most of the marketing and advertising activities listed above for R-WELLNESS.

All amounts you pay into a Regional Marketing Fund will be accounted for separately. R-WELLNESS will be reimbursed for reasonable administrative costs and overhead incurred in administering the Regional Marketing Fund. At your request, R-WELLNESS will provide you with an annual unaudited statement of the receipts and disbursements of the Regional Marketing Fund for the most recently completed calendar year. R-WELLNESS anticipates that all contributions to and earnings of the Regional Marketing Fund will be spent during the taxable year in which the contributions and earnings are received. If any amounts in the Regional Marketing Fund are not spent during the current year, they will remain in the Regional Marketing Fund for use in the following year.

Local Marketing Cooperatives: R-WELLNESS may designate any geographical area for the purpose of establishing a local marketing cooperative (a “Cooperative”), in which you may have to become a member. The geographical area will be defined generally on the basis of the area of dominant influence (“ADI”) and the number of R-WELLNESS Franchised Businesses located within the ADI. R-WELLNESS may change the geographic area and membership of the Cooperative to reflect the reach of the proposed advertising to be conducted in the area. Except for franchisees with special locations, each franchisee within the designated geographic area of the Cooperative must participate in the Cooperative. Each member of the Cooperative must contribute a percentage of its monthly Gross Revenues, as R-WELLNESS designates, up to \$3,500 or 3% of your monthly Gross Revenues (whichever is greater). Any contribution to a Cooperative will be credited towards your local marketing requirement described below. In addition, we will not require you to contribute to both a Regional Marketing Fund and a Cooperative. Affiliates of R-WELLNESS that operate R-WELLNESS Franchised Businesses must contribute to the Cooperative on the same basis as other members. Cooperatives will be organized and governed in a manner approved in advance by R-WELLNESS in writing. Each Cooperative will be organized exclusively to place advertising and administer local advertising programs under plans previously approved by R-WELLNESS. No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without the prior approval of R-WELLNESS. A governing board of franchisee members is responsible for administering the Cooperative, although several Cooperatives use R-WELLNESS to collect monies and perform other administrative functions. R-WELLNESS representatives may be designated to serve on the governing board. The governing board may delegate some of the administrative duties to R-WELLNESS, an advertising agency or another third party approved by R-WELLNESS. Cooperatives will make all written governing documents available for review by franchisees upon request. Cooperatives must prepare annual financial statements, which will be made available to members or R-WELLNESS upon request. An

audited statement is not required. R-WELLNESS has the power to form, change, dissolve, or merge Cooperatives.

Local Advertising: You must spend a minimum of \$30,000 on pre-opening and grand opening advertising between the one-month period before opening and within three (3) months after opening. You must pay \$30,000 upon commencement of the franchisee's pre-opening, presales campaign to approved vendors to be used on pre-opening and grand opening advertising. In addition, you must spend a minimum of \$3,500 or 3% of your monthly Gross Revenues (whichever is greater) on local marketing activities. Any amounts you contribute to a Regional Marketing Fund or a Cooperative will be credited towards this local marketing requirement.

All advertising, promotional and marketing activities that you conduct in your local market area will be subject to the prior approval of R-WELLNESS. You must submit to R-WELLNESS all local advertising, promotional and marketing plans and samples of all local advertising materials not prepared or previously approved by R-WELLNESS. If you do not receive written disapproval within 15 business days after the date of receipt by R-WELLNESS, your plans and materials will be deemed approved. If any plans or materials previously approved by R-WELLNESS are later disapproved, you must discontinue their use promptly upon notice from R-WELLNESS.

COMPUTER SYSTEMS/CASH REGISTER

POS System/Cash Register: R-WELLNESS currently requires use of the ZENOTI POS System (the "Zenoti Software"), which you will obtain from our designated supplier (which is currently RCS), although the POS system and the supplier are subject to change in the future. The Zenoti Software will be used with the computer hardware (typically a tablet) that we specify. R-WELLNESS requires computer terminals and related hardware through our approved supplier. You may be required to sign a computer software license agreement related to your use of the Zenoti Software. You may also be required to pay fees to third party vendors for hardware technical support.

R-WELLNESS requires that you have an in-store business computer and printer. All software must meet the technical and security standards and specifications that we require for office software programs. You must conform to our technical and security standards, which include software version updates, operating system updates, hardware upgrades, secure broadband internet connectivity, and others. You may not install any software programs which are not approved by us on your store's POS system or back-office computer. You must have a broadband/high speed internet access within your Franchised Business, and the IP address provided by your internet service provider ("ISP") must be static (permanent numeric identification assigned by the ISP). You are responsible for maintaining all security standards associated with the store's local network. Additional Network devices such as cabling, firewalls, switches, and modems may be required. You will be required to use R-WELLNESS's official payment card processor and gateway. You may also be required to pay fees to third party vendors for such credit card processing and gateway services.

You will be required to maintain POS Network Software updates: Windows Operating System Updates, Anti-Virus, Malware and any network device firmware. These standards as defined by the PCI Security Standards Council can be found via the following web address: https://www.pcisecuritystandards.org/pci_security/maintaining_payment_security. R-WELLNESS

recommends consulting a local I.T. professional with a full understanding of the PCI DSS and Networking configuration to advise you on specific setup and maintenance requirements.

To process credit cards through the POS System, you must be certified PCI Compliant. To be certified compliant, you must submit a Passing PCI Vulnerability Assessment Scan report along with a copy of the most recent version of SAQ (as required by PCI Council regulations) before opening and at the frequency required in the current version of the PCI DSS standards. R-WELLNESS reserves the right to terminate your Franchise Agreement and/or suspend credit card processing at any Franchised Business which does not comply with the current PCI compliance requirements. We estimate that the cost to obtain and maintain your PCI Compliant certification will be subject to a \$100-200 annual fee.

The POS System will aid in collecting data, provide intelligent reporting and inventory control, aid in the communication between franchisees and us, and provide access to information. The POS Store System has an up-front cost of approximately \$2,100 (plus \$500 for the mobile app set up) with on-going monthly fees in the same amount, including the Zenoti Software and computer hardware. In addition, we may require that you pay a Technology Fee, which is currently up to \$204 per location each week. We will have unlimited independent access to your store systems data. We will provide you with specifications and initial training on your POS System, but R-WELLNESS is not obligated to assist you in obtaining the items described in this paragraph. You may be required to pay for all future updates, licensing fees, supplements and modifications to the Zenoti Software and the POS System. There are no contractual limitations on the cost or frequency of your obligation to update or upgrade any system. R-WELLNESS currently estimates that the annual cost of any optional or required maintenance, updating, upgrading or support contracts is less than \$250 per year but this amount may increase as software and computer hardware systems are updated, added or changed.

Intranet: You must participate in the R-WELLNESS intranet system (“Intranet”). To participate in the Intranet, you must accept the Intranet Terms of Use Agreement attached to this disclosure document as Exhibit N. Through the Intranet, you can access portions of our Manuals, training materials, corporate forms and news articles, as well as participate in discussion forums and training programs. R-WELLNESS doesn’t charge a fee for your participation in the Intranet. We will have independent access to the information and data that is electronically generated. We also reserve the right in the future to require you to install computerized management systems meeting our standards, as modified periodically in response to business, operations and marketing conditions.

AdvancedMD: AdvancedMD is a fully integrated, HIPAA-compliant, cloud-based electronic health record (EHR) platform that provides Covery Wellness Spa locations with an assortment of tools that are needed to effectively and efficiently care for clients. AdvancedMD, as the current EHR platform, is subject to change in the future.

AdvancedMD is primarily used to:

- Send, Receive, and Store Consent Forms, Waivers, and Medical History Forms
- Schedule and Perform Telemedicine Video Clearances
- Document on Services Clients Receive
- Electronically Submit Patient-Specific Prescriptions
- Allow Communication Between and Amongst Covery Providers, Staff, and Clients (Clients have access via AdvancedMD Patient Portal)

Once the details have been ironed out, agreed to, and signed off on, R-WELLNESS will be responsible for:

1. Adding location(s) to the platform.

2. Adding / assigning the medical director and/or additional provider(s) to perform telemedicine clearances.
3. Training staff on navigating and using the AdvancedMD EHR platform.

Restrictions on Franchisee's Use of Electronic Media: R-WELLNESS restricts your right to use all electronic and social media including the internet in operating your Franchised Business unless the content is pre-approved. You cannot conduct business over the internet or create your own website with which to conduct business without our express written consent.

R-WELLNESS's Obligations Under the Development Agreement. If R-WELLNESS and you enter into a Development Agreement, R-WELLNESS and you will sign one Franchise Agreement at the time the Development Agreement is signed, unless you are an existing franchisee, in which case you will sign the first Franchise Agreement under the Development Agreement at least four months before your Franchised Business is scheduled to open or before the beginning of the site selection process, whichever occurs first. Except as described above, R-WELLNESS's obligations under the Franchise Agreement apply to Franchised Businesses developed under a Development Agreement. Each time R-WELLNESS and you sign another Franchise Agreement, R-WELLNESS's obligations are activated for the new Franchised Business to be established. Except as described above, R-WELLNESS does not have separate obligations under the Development Agreement.

ITEM 12

TERRITORY

Development Agreement: R-WELLNESS may award you the development rights to develop a certain number of Franchised Businesses in a designated geographical area ("Development Area") if you meet R-WELLNESS's qualifications to become an area developer. If you are awarded a development area and subject to the following, R-WELLNESS will not locate any company affiliate-owned Franchised Businesses or award a franchise to any person other than you to locate a Franchised Business in your Development Area for the term of your Development Agreement. R-WELLNESS may establish, operate or grant a franchise or license to others to operate Franchised Businesses under the System and Proprietary Marks at any Non-Traditional/Express location within the Development Area at any time. R-WELLNESS may also license or sell, through both wholesale and retail channels, product or service lines that are being sold in Franchised Businesses under the same or similar Proprietary Marks or any other proprietary marks at any location or distribution point within and outside the Development Area at any time.

The Development Area is described by a written description or map in an attachment to your Development Agreement and shows the metropolitan area, zip codes, cities, counties or other political subdivisions or market areas designated by physical boundaries like streets, highways or physical landforms, and is usually determined by density of population, demographics and number of projected trade areas available in the Development Area. The number of Franchised Businesses you must open in the Development Area is determined by the Development Schedule to which you and R-WELLNESS agree and is based on the density of population, demographics and number of projected trade areas available in your Development Area. "Trade Area" is generally defined as a geographic area with a population and business base that meets the demographic Trade Area guidelines for a Franchised Business. A typical Trade Area guideline would be a commercial development which includes retail shopping centers having either a minimum population of 100,000 or a three (3) mile radius (whichever occurs first from your approved site) and a mix of residences and businesses. However, each Trade Area is different, and whether a location will be approved in a particular Trade Area depends upon the factors discussed in Item 11 under Site Selection

Methods. You must investigate your particular prospective development area to confirm the number of projected trade areas available before signing your Development Agreement.

You must enter into new franchise agreements and open your designated number of Franchised Businesses at Traditional locations in your Development Area by the dates agreed upon in your Development Schedule ("Schedule"). You must also meet other conditions provided in your Development Agreement, including complying with all material terms and conditions of your Franchise Agreements and other agreements with R-WELLNESS; operating your other Franchised Businesses in compliance with the R-WELLNESS Operations Manual; notifying R-WELLNESS in writing of your desire to purchase an additional franchise and signing the then-current standard franchise agreement and other related documents; and paying the required franchise fee (see Item 17 and Development Agreement). If you fail to have your designated Franchised Businesses open in the Development Area in accordance with the Schedule or meet the other conditions of your Development Agreement, R-WELLNESS may terminate your Development Agreement (see Item 17 and Development Agreement).

Your Development Area is not dependent upon achievement of a certain sales volume, market penetration or other contingency or circumstances other than as described above.

Other than as described above, you will not receive an exclusive territory under your Development Agreement. You may face competition from other franchisees, from Franchised Businesses that R-WELLNESS owns or from other channels of distribution or competitive brands that R-WELLNESS controls.

Franchise Agreement: You can operate a Franchised Business only from a specified location we approve. Until you have secured a lease and a Territory is designated, R-WELLNESS may establish franchised or company affiliate-owned Franchised Businesses at any time in the general area where you are looking to develop and that may compete with the Franchised Business that you operate and may limit your ability to seek a site in certain parts of the general area where you are looking to develop. R-WELLNESS also may grant development rights to others that may limit you from seeking a site in all or any part of the area where you are looking to develop until you execute a lease for an accepted site.

Once you have secured your lease for a Franchised Business for a prototypical location, R-WELLNESS will designate a geographical area surrounding the Franchised Business (the "Territory"). Subject to the following, R-WELLNESS will not establish or operate a Franchised Business, nor grant a franchise to any person other than to you to establish or operate a Franchised Business in the Territory.

The Territory will be defined by identifiable boundaries and include a business, seasonal and/or residential population count of approximately 100,000 people or a three (3) mile radius depending on which occurs first from your approved site, based upon our site selection data available at that time. The boundaries of the Territory may be established, at our sole discretion, to match the population criteria, urban densities, street or walk by traffic patterns and natural geographic features, such as bodies of water, interstate highways and other features that normally define member trip patterns.

Your Territory is not an exclusive territory. You may face competition from other franchisees, from outlets R-WELLNESS owns or from other channels of distribution or competitive brands that R-WELLNESS controls.

R-WELLNESS also may license or sell, through both wholesale and retail channels, product or service lines that are being sold in Franchised Businesses under the Proprietary Marks or other marks, at any location or through other channels of distribution, within or outside the Territory at any time.

R-WELLNESS may locate a Franchised Business, whether company affiliate-owned, franchised, licensed or otherwise at any location we deem appropriate if you do not receive a Protected Territory.

R-WELLNESS may establish, operate or grant a franchise or license to others to operate Franchised Businesses at any location outside of your Territory. R-WELLNESS may license or sell, at both wholesale and retail, product or service lines that are being sold in Franchised Businesses, including the Franchised Business you operate, under the same or similar Proprietary Marks or any other proprietary marks, at any location or distribution point within and outside your Territory.

Upon renewal of your Franchise Agreement, however, R-WELLNESS has the option of redefining the boundaries of your Territory, based on the criteria listed above.

You will not have a right of first refusal to purchase an additional franchise in any area. R-WELLNESS is not obligated to contact you before granting area development rights or a franchise in your General Area. If you desire to obtain expansion rights to an area, you should consider applying to R-WELLNESS for the development rights to that area and enter into a Development Agreement. To the extent R-WELLNESS may consider granting additional franchises, you will not be considered for any franchise opportunity unless you are in good standing under each of your other R-WELLNESS Franchise Agreements.

Relocation of the Franchised Business requires the prior written approval of R-WELLNESS. You must enter into a new Franchise Agreement to establish additional Franchised Business.

You may only offer products or services for retail sale from the premises of the Franchised Business that you operate. You must obtain our prior approval for all advertising, promotional and marketing activities you conduct in your local market area and you cannot offer or sell products or services through alternative channels of distribution unless you receive our prior written consent.

There are no other restrictions in the Development or Franchise Agreement limiting activities of R-WELLNESS, you or other franchisees from advertising, marketing, soliciting sales or accepting orders within or outside your Territory or in any other specified area or region. We are not required to pay you any compensation for soliciting or accepting orders from inside your Territory. 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 the Territory.

Although R-WELLNESS has no other plans to do so, R-WELLNESS reserves the right to establish alternative or other channels of distribution, including the internet, within your Territory using R-WELLNESS's trademarks or different trademarks without any compensation to you. R-WELLNESS also reserves the right to establish alternative or other channels of distribution; and operate or offer franchises in businesses that sell goods or services similar to or competitive with yours under different trade names or trademarks.

There is no minimum sales quota.

ITEM 13

TRADEMARKS

Development Agreement: The Development Agreement is not a franchise or license agreement and does not grant you any rights to use R-WELLNESS's Proprietary Marks.

Franchise Agreement: R-WELLNESS identifies the System by means of certain trade names, trade dress, service marks, trademarks, and logos (“Proprietary Marks”). R-WELLNESS grants you the right to operate the Franchised Business under the name and mark “The Covery.” R-WELLNESS may designate other Proprietary Marks to be used in the System. The principal Proprietary Marks, which you may use, are listed below. The following Proprietary Marks have been registered on the principal register of the United States Patent and Trademark Office (“USPTO”):

| MARK | REGISTRATION NO. | REGISTRATION DATE |
|---------------------------------|------------------|-------------------|
| “THE COVERY” | 6922317 | December 13, 2022 |
| “THE COVERY” SELF-CARE: EVOLVED | 6922318 | December 13, 2022 |

All required applications and affidavits have been filed for the Proprietary Marks listed. R-WELLNESS also claims common law rights to all of its Proprietary Marks on the basis that these marks have been used in interstate commerce.

There currently are no effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of any state or court, any pending interference opposition or cancellation proceeding or any material litigation involving the Proprietary Marks listed in this Item which are relevant to their use in a R-WELLNESS Franchised Business.

There currently are no agreements in effect which significantly limit the rights of R-WELLNESS to use or license the use of its Proprietary Marks in any manner material to a R-WELLNESS Franchised Business.

R-WELLNESS will defend and hold you harmless from any claims of trademark infringement for the use of the Proprietary Marks if you promptly give written notice to R-WELLNESS and tender the full defense of the claims against you to R-WELLNESS. R-WELLNESS shall have complete control of the legal action and may settle the claims at any time without providing notice to you. R-WELLNESS will bear all costs of your defense. R-WELLNESS has taken and will take all steps reasonably necessary to preserve and protect the ownership and validity of the Proprietary Marks. You must sign any documents deemed necessary by R-WELLNESS or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. You may not contest the validity or ownership of the Proprietary Marks. If litigation involving the Proprietary Marks is instituted or threatened against you, you must promptly notify R-WELLNESS and must cooperate fully with R-WELLNESS in defending or settling the litigation.

R-WELLNESS does not warrant or guarantee that it has the exclusive right to use the mark “R-WELLNESS” or any other of its Proprietary Marks. If for any reason it becomes necessary or desirable for R-WELLNESS to discontinue using the Proprietary Marks, R-WELLNESS may substitute different proprietary marks. You then must operate under these other proprietary marks and cease using the Proprietary Marks. R-WELLNESS is not obligated to provide you with any other remedy other than the substitution of the Proprietary Marks.

R-WELLNESS does not actually know of any superior prior rights or of any infringing uses that could materially affect your use or any R-WELLNESS franchisee’s use of the principal Proprietary Marks in any state.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise. R-WELLNESS claims ownership of copyrights in all of its Manuals and its trade names, trade dress and trademarks. R-WELLNESS intends to claim ownership of copyright in any future manuals that are developed. Copyright applications have not been filed for any of the Manuals. The information contained in the Manuals is confidential and proprietary and part of R-WELLNESS's intellectual property. There are no other copyrights that are material to the franchise. R-WELLNESS also claims ownership of all member data in the System including that of its franchised locations.

The Manuals and other materials R-WELLNESS possesses contain R-WELLNESS's confidential information and intellectual property. This information includes specialized programs and regimens, methods, specifications, standards, suppliers, systems, procedures, operational, sales and marketing methods, plans and other trade secrets of R-WELLNESS. You may not use R-WELLNESS's confidential information and intellectual property in an unauthorized manner either during or after the term of the Franchise or Development Agreements and must prevent its disclosure to others. For example, you may not duplicate any part of the training information or any Manuals, remove them from the Franchised Business location or fail to return them to R-WELLNESS when the term of your Franchise Agreement is over. Information or techniques developed by you or your employees under the System or the operation of the Franchised Business is deemed a part of R-WELLNESS's confidential information and intellectual property protected under your Agreement. You must obtain and send to R-WELLNESS signed confidentiality agreements from all of your employees or agents who may have access to confidential information and intellectual property in a form satisfactory to R-WELLNESS.

There are currently no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements currently in effect which significantly limit R-WELLNESS's right to use or authorize others to use the copyrighted materials. There are no infringing uses actually known to R-WELLNESS that could materially affect the use of the copyrighted materials in any state. R-WELLNESS is not required by any agreement to protect or defend copyrights or confidential information and intellectual property, although it intends to do so when it is in R-WELLNESS's best interests. R-WELLNESS may control any litigation that it participates in. You should notify R-WELLNESS of any claims or infringing uses of the copyrights or unauthorized use of confidential information. R-WELLNESS may modify the Manuals at any time. R-WELLNESS may require you to discontinue use of the information in the Manuals at any time as long as it provides you with alternative information or techniques if this information is critical to the Franchised Business operations.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

Participation in Business: As a R-WELLNESS franchisee, you do not have to conduct on-premises supervision or personally participate in the direct operation of the Franchised Business. R-WELLNESS recommends, however, that you are actively involved in the operation of the Franchised Business, as personal participation may enhance the likelihood of operating successfully. You or your

designated development agent or manager must devote full-time to the development of your Franchised Businesses in your development area, unless otherwise approved in writing by R-WELLNESS. The Franchised Business that you develop and operate must at all times be under the direct, full-time, on-location supervision of you or a trained and competent employee acting as a full-time manager who has satisfactorily completed R-WELLNESS's initial management training program. Your development agent and manager must sign a confidentiality agreement to maintain the confidentiality of all confidential information and may have to sign a non-compete agreement. If you are a business entity, your development agent or manager need not have an ownership interest.

Personal Guaranty

General Policy: If you are a business entity, each individual holding, directly or indirectly through one or more entities, 15% or greater of your ownership interests must personally guarantee your obligations under your Franchise and Area Development Agreements. If you have personally signed the Franchise or Area Development Agreements and wish to transfer your agreement to a business entity, you must enter into a personal guaranty regardless of your ownership interest in the business entity. A personal guaranty is attached to this disclosure document as Exhibit H.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those goods and services that R-WELLNESS has approved.

You must offer all wellness programs, and goods and services at retail that R-WELLNESS designates as required for all franchisees, including new wellness programs, products or services that R-WELLNESS develops in the future. There are no limits on R-WELLNESS's right to change the types of wellness programs, goods and services or add new products or services. You may not offer or sell any other products or services without our prior written consent. You must follow all guidelines required by the laws of the state in which your Franchised Business is located and as required by R-WELLNESS in the Manuals or otherwise. You must discontinue offering any wellness programs, products or services, whether or not previously authorized by R-WELLNESS, promptly upon written notice from R-WELLNESS. You must provide for equipment or other items reasonably necessary to support new wellness programs, products or services introduced to enhance the value of the R-WELLNESS System. You are not restricted as to clients to whom you may offer wellness programs, goods and services.

All R-WELLNESS Franchised Businesses must offer R-WELLNESS's proprietary line as designated in the Manuals or in other writings. R-WELLNESS designates the wellness programs, retail product lines and brands making up your initial inventory upon opening a Franchised Business. In order to ensure that we have a more consistent product offering and member experience, R-WELLNESS has developed a core inventory list of best-selling items. The core inventory consists of approximately 5 – 10 particular branded retail product items. These items account for nearly 1% of our system wide total retail Revenues. All Franchised Businesses are required to stock these items. Beyond the core inventory, you may carry additional approved items. Franchised Businesses that do not have a retail area are exempt from this requirement.

R-WELLNESS may periodically make suggestions to you with regard to your pricing policies. You may decide whether or not to follow these suggestions. R-WELLNESS also has the right to establish maximum prices and/or minimum prices to be charged by you for the products and services you

offer at the Franchised Business, but any exercise of that right will be specifically set forth in writing. You must honor all maximum prices and minimum prices R-WELLNESS may establish in accordance with this Section. You must also honor and offer all coupons, discounts, gift cards or gift certificates, or similar promotions R-WELLNESS designates. You may not offer coupons, discounts, gift cards or gift certificates, loyalty programs, mobile applications, online ordering capabilities or similar promotions that are not part of a system-wide promotion or program without our prior written approval. In addition, R-WELLNESS has the right to periodically establish minimum advertised prices for the products and services you offer at the Franchised Business.

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

These tables list important provisions of the franchise and development agreements. You should read these provisions in the agreements attached to this disclosure document.

| Provision | Section in Franchise Agreement | Summary |
|--------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Length of the franchise term | Section 3.1 | 10 years. Term of lease will match the term of the Franchise Agreement |
| b. Renewal or extension of the term | Section 3.2 | You may renew your agreement for two (2) additional terms of 10 years each. |
| c. Requirements for you to renew or extend | Section 3.2 (a-f) | You must have a good record of compliance with the requirements of all R-WELLNESS Manuals and be in compliance with the Franchise Agreement; satisfy all monetary obligations to R-WELLNESS; give written notice; commit to remodeling Franchised Business pursuant to Franchisor's plans and specifications; attend training; sign release; pay renewal fee; and sign new Franchise Agreement (which may contain materially different terms and conditions than your original Franchise Agreement). |
| d. Termination by you | Not Applicable | |
| e. Termination by R-WELLNESS without cause | Not Applicable | |
| f. Termination by R-WELLNESS with cause | Sections 26.1 and 26.2 | R-WELLNESS can terminate only if you default. |

| Provision | Section in Franchise Agreement | Summary |
|------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| g. “Cause” defined—curable defaults | Section 26.3 | You have 24 hours to cure: failure to allow R-WELLNESS to inspect your Franchised Business; violation of any law, regulation, order or system standard relating to health, sanitation or safety; or failure to maintain the required insurance; You have 10 days to cure; You have 30 days to cure: non-payment of fees to R-WELLNESS or undisputed amounts owed to vendors, including taxing authorities and failing to observe mandatory standards or procedures; failure to submit reports; failure to obtain R-WELLNESS’s required consent; failure to obtain execution of confidentiality and non-compete agreements; if you make an unauthorized transfer to a third party; failure to attend and complete the initial management training program to R-WELLNESS’s satisfaction; failure to open the Franchised Business or sign a lease on an approved site within 12 months. |
| h. “Cause” defined—non-curable defaults | Section 26.1 | Non-curable defaults: insolvency, general assignment to creditors or file petition in bankruptcy; convicted of felony or liable in civil claim for practice that may have an adverse effect on the System; fail to comply with covenants not to compete; unauthorized disclosure of Manuals or confidential information; knowingly maintain false books or records or knowingly submit false reports; abandonment of Franchised Business (except for certain events not in your control); commit act that impairs goodwill of Proprietary Marks; non-curable breach; violation of immigration laws or loss of immigration status to operate Franchised Business: repeated defaults even if cured. |
| i. Your obligations on termination/non-renewal | Section 27 | Obligations include immediately ceasing to operate the Franchised Business; discontinue use of Proprietary Marks and Proprietary Software; return Manuals, other materials and confidential information and intellectual property; assign telephone numbers if requested; payment of amounts due; assign lease if requested; de-identify Franchised Business; allow R-WELLNESS to purchase proprietary products at cost; maintain confidentiality of information (also see q. below). |
| j. Assignment of contract by R-WELLNESS | Section 25.1 | No restriction on R-WELLNESS’s right to assign. |
| k. “Transfer” by you-definition | Section 25.2-25.4 | Includes transfer of contract, assets or ownership interest. |

| Provision | Section in Franchise Agreement | Summary |
|---------------------------------------------------------------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| l. R-WELLNESS's approval of transfer by franchisee | Sections 25.2 and 25.6-7 | You must obtain R-WELLNESS's consent to all transfers, except a transfer to an heir or beneficiary after your death or mental incapacity. R-WELLNESS will not unreasonably withhold approval as long as certain conditions are satisfied. |
| m. Conditions for R-WELLNESS approval of transfer | Sections 25.2-3 | You may transfer your interest to a corporation or other legal entity if you retain ownership of a majority of the total voting power. You may transfer to a third party if: R-WELLNESS does not exercise its right of first refusal; the Franchised Business is open for business; the transferee qualifies; all of your obligations are satisfied; you are in compliance with your Franchise Agreement; the transferee enters into a personal guaranty; you sign a release; you and the proposed transferee have complied with provisions regarding confidentiality and non-competition; the transfer fee is paid; transferee enters into a new Franchise Agreement, remodels the premises and completes training. If you are a business entity, your principals may transfer part of their ownership interest if they retain over 50% of the total voting power if prior notice is given, R-WELLNESS approves and confidentiality and non-compete agreements are obtained. |
| n. R-WELLNESS's right of first refusal to acquire the Franchised Business | Section 25.5 | R-WELLNESS can match any offer for the Franchised Business. |
| o. R-WELLNESS's option to purchase the Franchised Business | Section 25 | R-WELLNESS may conduct an inventory of your assets within 15 days and exercise its option to purchase your assets at fair market value within 30 days after the Franchise Agreement expires or is terminated. Also, R-WELLNESS may purchase any proprietary product you may have at fair market value. |
| p. Your death or disability | Sections 25.6-7 | Your estate must transfer your interest to your heirs or beneficiaries, or a third party approved by R-WELLNESS. |
| q. Non-competition covenants during the term of the franchise | Sections 21.2 | No involvement in similar business anywhere; cannot divert business to a competitor; or employ team member of R-WELLNESS or another franchisee without consent. |
| r. Non-competition covenants after the franchise is terminated or expires | Sections 21.3 | No involvement in similar business for two years within the territory or the territory of any other R-WELLNESS franchisee or area developer; cannot compete with or solicit clients of R-WELLNESS or other franchisees; cannot divert business to competitor; or employ team member of R-WELLNESS or another franchisee without consent. |

| Provision | Section in Franchise Agreement | Summary |
|---------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| s. Modification of the Agreement | Section 28 | No modifications generally but standards, specifications, Manuals, products and services, Proprietary Marks and other items specified in the Franchise Agreement are subject to change. |
| t. Integration/merger clause | Sections 28-30 | Only the terms of your Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. |
| u. Dispute resolution by arbitration or mediation | Section 32 | At R-WELLNESS's option, disputes may be referred to binding arbitration. |
| v. Choice of Forum | Section 32.1 | All disputes, claims and controversies will be brought in the Federal District Court for the Middle District of Louisiana or in 19 th Judicial District of Louisiana in which Franchisor has its principal place of business. (Subject to state law) |
| w. Choice of Law | Section 32 | Louisiana law applies (subject to federal and state law and to R-WELLNESS's rights under federal trademark law) applies to all disputes. |

| Provision | Section in Development Agreement | Summary |
|--------------------------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Term of the development agreement | Section 1 | From signing of Development Agreement until the date the last Franchised Business is scheduled to open, which may range from 12 months to 5 years depending upon the number of stores to be developed and the market area. |
| b. Renewal or extension of the term | None | N/A |
| c. Requirements for you to renew or extend | None | N/A |
| d. Termination by you | None | N/A |
| e. Termination by R-WELLNESS without cause | None | N/A |
| f. Termination by R-WELLNESS | Sections 5 and 5.C | R-WELLNESS can terminate only if you default. |

| Provision | Section in Development Agreement | Summary |
|-------------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| g. "Default" defined— defaults which cannot be cured | Sections 5 and 5.C | Non-curable defaults: failure to meet the development schedule, file petition in bankruptcy or other proceedings are begun to foreclose on assets; convicted of felony or liable in civil claim for practice that may have an adverse effect on the System; fail to comply with covenants not to compete; unauthorized disclosure of Manuals or confidential information; knowingly maintain false books or records or knowingly submit false reports; repeated defaults even if cured; knowingly fail to comply with requirements concerning taxes, permits and indebtedness. |
| h. Your obligations on termination/non-renewal | Section 8 | Obligations include: return Manuals, other materials and confidential information; payment of amounts due; maintain confidentiality of information (also see q. below). |
| i. Assignment of contract by R-WELLNESS | Sections 6 and 6.A | No restriction on R-WELLNESS's right to assign. |
| j. "Transfer" by you— definition | Section 6.B-E | Includes transfer of contract, assets or ownership interest. |
| k. R-WELLNESS's approval of transfer by developer | Section 6 | R-WELLNESS has the right to approve all transfers, except a transfer to an heir or beneficiary after your death or mental incapacity, but will not unreasonably withhold approval as long as certain conditions are satisfied. |
| l. Conditions for R-WELLNESS approval of transfer | Sections 6 and 6.A | You may transfer your interest to a legal entity as long as you retain ownership of a majority of the total voting power; you may transfer to a third party if: R-WELLNESS does not exercise its right of first refusal; the transferee qualifies; all of your obligations are satisfied; you are in compliance with your Development Agreement; the transferee enters into a personal guaranty; you sign a release; the transfer fee is paid (see Item 6); transferee enters into a new development agreement; and transferee completes training. If you are a business entity, your principals may transfer part of their ownership interest as long as they retain over 50% of the total voting power if prior notice is given, R-WELLNESS approves and confidentiality and non-compete agreements are obtained. |
| m. R-WELLNESS's right of first refusal to acquire developer | Section 6.B.5 | R-WELLNESS can match any offer for developer. |
| n. R-WELLNESS's option to purchase your Franchised Business | None | N/A |

| Provision | Section in Development Agreement | Summary |
|---------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| o. Your death or disability | Section 6.D | Your estate must transfer your interest to your heirs or beneficiaries, or a third party approved by R-WELLNESS. |
| p. Non-competition covenants during the term of the franchise | Section 8.B | No involvement in similar business anywhere; cannot divert business to a competitor; or employ employee of R-WELLNESS or another franchisee or developer without consent. |
| q. Non-competition covenants after the franchise is terminated or expires | Section 8.B | No involvement in similar business for two years within development area ("Development Area") and/or a reasonable market area extending from the Development Area or the market area of any other franchisee or R-WELLNESS company-owned Franchised Business; no competing with or soliciting clients of R-WELLNESS or other franchisees; cannot divert business to competitor; or employ employee of R-WELLNESS or another franchisee or developer without consent. |
| s. Modification of the Agreement | Sections 8.F and 9 | No modifications generally but standards, specifications, assistance and other items specified in the Development Agreement are subject to change (see Items 8, 9, and 16). |
| t. Integration/merger clause | Section 15-16 | Only the terms of your Franchise, Development and other Agreements attached to this offering circular and signed by you are binding (subject to state law). Any other promises may not be enforceable. |
| u. Dispute resolution by arbitration or mediation | Section 18 | At R-WELLNESS's option, disputes may be decided by binding arbitration. |
| v. Choice of Forum | Section 18 | Litigation must be brought either in United States District Court for the Middle District of Louisiana or the 19 th Judicial District of Louisiana. Arbitration hearings to be held in Baton Rouge, Louisiana. |
| w. Choice of Law | Section 17.C | Louisiana law applies (subject to R-WELLNESS's rights under federal trademark law). |

ITEM 18

PUBLIC FIGURES

R-WELLNESS does not use any public figure to promote its franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATION

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 which 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.

The financial performance representation below is derived from the historical performance of four (4) Spas including two (2) owned by two wholly-owned affiliates of us. The depicted Spas earned the revenue during the period of January 1, 2024 – December 31, 2024. There is no assurance that you will do as well. If you only rely on these figures, you must accept the risk of not doing as well.

| <u>Spa Locations</u> | |
|------------------------------------------|-----------------------|
| Units Open for a Minimum of One (1) Year | <u>Gross Revenues</u> |
| Huntsville, AL | \$943,295 |
| Flowood, MS* | \$917,380 |
| Dunedin, FL | \$663,816 |
| Baton Rouge, LA | \$543,535 |
| Denham Springs, LA | \$474,580 |
| Average Unit Volume | \$708,514 |

*Location open approximately 10.5 Months

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 Donnie Jarreau at 16161 Perkins Road, Baton Rouge, LA 70810 or at (225) 753-3573 or, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
System-Wide Franchised Business Summary
For Years 2022-2024

| Franchised Business Type | Year | Franchised Businesses at the Start of the Year | Franchised Businesses at the End of the Year | Net Change |
|------------------------------------|-------------|------------------------------------------------|----------------------------------------------|------------|
| Franchised | 2022 | 0 | 3 | 3 |
| | 2023 | 8 | 8 | 0 |
| | 2024 | 10 | 9 | 1 |
| Total Franchised Businesses | 2024 | 10 | 9 | 4 |

TABLE NUMBER 2
Transfers of Franchised Business From Franchisee to New Owners
(Other than the Franchisor)
For Year 2022-2024

| State | Year | Number of Transfers |
|------------|------|---------------------|
| All States | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 0 |

TABLE NUMBER 3
Status of Franchised Businesses
For Years 2022-2024

| State | Year | Franchised Businesses at the Start of the Year | Franchised Businesses Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations / Other Reasons | Franchised Businesses at the End of the Year |
|-----------|------|------------------------------------------------|------------------------------|--------------|--------------|--------------------------|-----------------------------------|----------------------------------------------|
| Alabama | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | | | | | | | | |
| Florida | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 1 | 2 |
| Louisiana | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 0 | 1 |

| State | Year | Franchised Businesses at the Start of the Year | Franchised Businesses Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations / Other Reasons | Franchised Businesses at the End of the Year |
|-----------------------------|------|------------------------------------------------|------------------------------|--------------|--------------|--------------------------|-----------------------------------|----------------------------------------------|
| Total Franchised Businesses | 2022 | 0 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 0 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2024 | 10 | 0 | 0 | 0 | 0 | 0 | 9 |

TABLE NUMBER 4
Status of Company Affiliate-Owned Franchised Businesses
For Years 2022-2024

| State | Year | Affiliate Businesses at the Start of the Year | Affiliate Businesses Opened | Affiliate Businesses Reacquired From Franchisees | Franchised Businesses Closed | Affiliate Businesses Sold to Franchisees | Affiliate Businesses at the End of the Year |
|---------------------------------|------|-----------------------------------------------|-----------------------------|--------------------------------------------------|------------------------------|------------------------------------------|---------------------------------------------|
| All States | | | | | | | |
| | 2022 | 1 | 1 | 0 | 0 | 0 | 2 |
| | 2023 | 8 | 6 | 0 | 0 | 0 | 8 |
| | 2024 | 10 | 0 | 0 | 0 | 0 | 9 |
| Total Affiliate Business | 2022 | 1 | 1 | 0 | 0 | 0 | 2 |
| | 2023 | 8 | 8 | 0 | 0 | 0 | 8 |
| | 2024 | 10 | 0 | 0 | 0 | 0 | 9 |

TABLE NUMBER 5
Projected Openings
As of December 31, 2024

| State | Franchise Agreements Signed But Franchised Business Not Opened | Projected New Franchised Businesses in the Next Fiscal Year | Projected New Company Affiliate-Owned Franchised Businesses in the Current Fiscal Year |
|-----------------------------|----------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Alabama | 0 | 0 | 0 |
| Alaska | 0 | 0 | 0 |
| Arizona | 3 | 1-2 | 0 |
| Arkansas | 0 | 0 | 0 |
| California | 0 | 0 | 0 |
| Colorado | 0 | 0 | 0 |
| Connecticut | 0 | 0 | 0 |
| Delaware | 0 | 0 | 0 |
| District of Columbia | 0 | 0 | 0 |
| Florida | 4 | 1-2 | 0 |

| State | Franchise Agreements Signed But Franchised Business Not Opened | Projected New Franchised Businesses in the Next Fiscal Year | Projected New Company Affiliate-Owned Franchised Businesses in the Current Fiscal Year |
|----------------|----------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Georgia | 0 | 0 | 0 |
| Hawaii | 0 | 0 | 0 |
| Idaho | 0 | 0 | 0 |
| Illinois | 0 | 0 | 0 |
| Indiana | 0 | 0 | 0 |
| Iowa | 0 | 0 | 0 |
| Kansas | 0 | 0 | 0 |
| Kentucky | 0 | 0 | 0 |
| Louisiana | 0 | 0 | 0 |
| Maine | 0 | 0 | 0 |
| Maryland | 0 | 0 | 0 |
| Massachusetts | 1 | 0-1 | 0 |
| Michigan | 0 | 0 | 0 |
| Minnesota | 0 | 0 | 0 |
| Mississippi | 5 | 1-2 | 0 |
| Missouri | 0 | 0 | 0 |
| Montana | 0 | 0 | 0 |
| Nebraska | 0 | 0 | 0 |
| Nevada | 0 | 0 | 0 |
| New Hampshire | 0 | 0 | 0 |
| New Jersey | 15 | 0-1 | 0 |
| New Mexico | 0 | 0 | 0 |
| New York | 0 | 0 | 0 |
| North Carolina | 0 | 0-3 | 0 |
| North Dakota | 0 | 0 | 0 |
| Ohio | 0 | 0 | 0 |
| Oklahoma | 0 | 0 | 0 |
| Pennsylvania | 0 | 0 | 0 |
| Rhode Island | 0 | 0 | 0 |
| South Carolina | 0 | 0-3 | 0 |
| South Dakota | 0 | 0 | 0 |
| Tennessee | 0 | 0-1 | 0 |
| Texas | 0 | 0-5 | 0 |
| Utah | 4 | 1 | 0 |
| Vermont | 0 | 0 | 0 |
| Virginia | 0 | 0 | 0 |
| Washington | 0 | 0 | 0 |
| West Virginia | 0 | 0-1 | 0 |
| Wisconsin | 0 | 0 | 0 |
| Wyoming | 0 | 0 | 0 |

| State | Franchise Agreements Signed But Franchised Business Not Opened | Projected New Franchised Businesses in the Next Fiscal Year | Projected New Company Affiliate-Owned Franchised Businesses in the Current Fiscal Year |
|--------------|----------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------|
| TOTAL | 27 | 4-7 | 0-1 |

The names, addresses and telephone numbers of all R-WELLNESS franchisees as of December 31, 2024, are attached to this disclosure document as Exhibit A. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. During the most recently completed fiscal year, we did not terminate, cancel or not renew the franchise of any franchisee or area developer in any state and no franchisee or area developer transferred his franchise. There is no franchisee, licensee or area developer in any state who has not communicated with us within 10 weeks of the issuance date of this disclosure document.

During the last three fiscal years, one former franchisee signed confidentiality clauses that partially restrict them from discussing with you their experiences as a franchisee in our franchise system. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are currently no franchisee organizations associated with the franchise system.

ITEM 21 **FINANCIAL STATEMENTS**

We were organized on August 10, 2020. Our audited financial statements as of May 7, 2025 appear in Exhibit C.

ITEM 22 **CONTRACTS**

The following agreements are attached as exhibits to this disclosure document.

| | |
|-----------|----------------------------------------------|
| Exhibit E | Area Development Agreement |
| Exhibit F | Franchise Agreement and Related Agreements |
| Exhibit G | R-WELLNESS Franchise Purchase Affidavit |
| Exhibit H | Guaranty Agreement |
| Exhibit I | Form of Lease Addendum |
| Exhibit J | R-WELLNESS Manuals – Table of Contents |
| Exhibit K | State Law Addenda |
| Exhibit L | STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS |
| Exhibit M | Authorization Agreement for Direct Payments |
| Exhibit N | Intranet Terms of Use Agreement |
| Exhibit O | Form Release of Claims |
| Exhibit P | Receipts |

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this disclosure document are included at the end of this disclosure document (Exhibit P). You should keep one copy as your file copy and return the second to us.

EXHIBIT A
LIST OF R-WELLNESS FRANCHISEES
AS OF DECEMBER 31, 2024

Prudence and Lee Millsap
Thriving All Day LLC DBA The Covery Dunedin
1717 Main St
Dunedin, FL 34698
PH: 888-268-3791

Anu and Jason Haynes
SFB Wellness LLC DBA The Covery Huntsville
2319 Memorial Pkwy SW
Suite 115
Huntsville, AL 35801
PH: 256-489-6365

Beau Vuillemot and Affinity Hernandez
Big Sky Wellness LLC (St. Pete)
1580 Belleair Rdg, Clearwater, FL 33764
St. Petersburg, FL 33701
PH: 787-235-5989

Beau Vuillemot and Affinity Hernandez
Big Lake Wellness LLC (Sarasota)
1580 Belleair Rdg, Clearwater, FL 33764
St. Petersburg, FL 33701
PH: 787-235-5989

Mark and Jessica Dolecheck
KRG Bayou Wellness LLC
225 Dixon Estates Road
Sterlington, LA 71280
PH: 318-235-6133

Adam Campana
Campana Holdings, LLC
1500 South 1000 West
Logan, UT 84321
PH: 617-895-9212

Matson Magleby
Utah Wellness Spas LLC
144 East 425 North
Vineyard, UT 84059
PH: 801-319-0933

Landon Burningham
5355 Berkshire Court, SE
Salem, OR 97306
PH: 503-949-8113

Jonathan Moorehead
Covery LLC
406 Port Arbor
Brandon, MS 39047
PH: 662-312-9438

Fred and Stephen Vicario
JUNIPER STREET FRANCHISING LLC
20 Clearbrook Lane
Sewell, NJ 08080
PH: 215-530-8142

**FRANCHISE AGREEMENTS SIGNED BUT
SPAS NOT OPEN AS OF DECEMBER 31, 2024**

Beau Vuillemot and Affinity Hernandez (three (3) unopened Spas)
Big Sky Wellness LLC (St. Pete)
1580 Belleair Rdg, Clearwater, FL 33764
St. Petersburg, FL 33701
PH: 787-235-5989

Landon Burningham
5355 Berkshire Court, SE
Salem, OR 97306
PH: 503-949-8113

Jonathan Moorehead (three (3) unopened Spas)
Covery LLC
406 Port Arbor
Brandon, MS 39047
PH: 662-312-9438

Fred and Stephen Vicario
JUNIPER STREET FRANCHISING LLC
20 Clearbrook Lane
Sewell, NJ 08080
PH: 215-530-8142

**FRANCHISE AGREEMENTS SIGNED BUT SPAS
CLOSED AS OF DECEMBER 31, 2024**

Emily and Laie Wong
R-Wellness Ascension, LLC DBA The Covery Ascension
14663 Airline Hwy
Suite 102
Gonzales, LA 70737
PH: 225-313-3150

Tony Jones
R-Wellness Tampa, LLC
615 Channelside Drive, Suite 111
Tampa, FL 33602
PH: 727-638-2273

EXHIBIT B

LIST OF FORMER R-WELLNESS FRANCHISEES

Jacob Tramontin
Covery Nola LLC
608 State Street
New Orleans, LA 70118
PH: 504-339-2281

Craig Hopson
PCH Inc.
6120 NW 40th St
Coral Springs, FL 33067
PH: 954-821-3017

Chris Landers
SHW1, LLC
6855 Swinnea Road, Building 2
Southaven, MS 38671
PH: 662-420-3104

EXHIBIT C
AUDITED FINANCIAL STATEMENTS

R-WELLNESS, L.L.C.

Audits of Financial Statements

December 31, 2024 and 2023



Contents

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Independent Auditor's Report

To the Members
R-Wellness, L.L.C.

Opinion

We have audited the financial statements of R-Wellness, L.L.C. (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, the related statements of operations and members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



A Professional Accounting Corporation

Baton Rouge, LA
May 7, 2025

R-WELLNESS, L.L.C.
Balance Sheets
December 31, 2024 and 2023

| | 2024 | 2023 |
|-----------------------------------------------|--------------------|--------------------|
| Assets | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 46,842 | \$ 36,794 |
| Accounts Receivable, Net | 45,421 | 13,412 |
| Prepaid Expenses and Other Current Assets | 26,200 | 5,662 |
| Total Current Assets | 118,463 | 55,868 |
| Long-Term Assets | | |
| Other Assets | - | 8,334 |
| Total Assets | \$ 118,463 | \$ 64,202 |
| Liabilities and Members' Deficit | | |
| Current Liabilities | | |
| Accounts Payable | \$ 156,923 | \$ 105,882 |
| Accrued Expenses | 65,760 | 74,779 |
| Due to Related Parties | 680,552 | 639,015 |
| Deferred Revenue, Current Portion | 66,734 | 47,450 |
| Notes Payable, Current Portion | 359,000 | - |
| Total Current Liabilities | 1,328,969 | 867,126 |
| Long-Term Liabilities | | |
| Deferred Revenues, Less Current Portion | 335,078 | 417,091 |
| Notes Payable, Less Current Portion | 39,750 | 359,000 |
| Total Long-Term Liabilities | 374,828 | 776,091 |
| Total Liabilities | 1,703,797 | 1,643,217 |
| Members' Deficit | (1,585,334) | (1,579,015) |
| Total Liabilities and Members' Deficit | \$ 118,463 | \$ 64,202 |

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

R-WELLNESS, L.L.C.
Statements of Operations and Members' Deficit
For the Years Ended December 31, 2024 and 2023

| | 2024 | 2023 |
|--------------------------------------------|-----------------------|-----------------------|
| Revenue | \$ 723,123 | \$ 768,271 |
| Expenses | | |
| Payroll | 403,521 | 910,618 |
| General and Administrative | 351,549 | 576,392 |
| Selling | <u>13,275</u> | <u>14,427</u> |
| Total Expenses | 768,345 | 1,501,437 |
| Other Income (Expense) | | |
| Interest Expense | (35,831) | (11,893) |
| Other Income | <u>12,634</u> | <u>1,216</u> |
| Total Other Expense, Net | (23,197) | (10,677) |
| Net Loss | (68,419) | (743,843) |
| Members' Deficit, Beginning of Year | (1,579,015) | (835,172) |
| Contributions | 62,100 | - |
| Members' Deficit, End of Year | \$ (1,585,334) | \$ (1,579,015) |

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

R-WELLNESS, L.L.C.
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

| | 2024 | 2023 |
|-------------------------------------------------------------------------------|------------------|------------------|
| Cash Flows from Operating Activities | | |
| Net Loss | \$ (68,419) | \$ (743,843) |
| Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities | | |
| Amortization | 8,334 | 8,333 |
| (Increase) Decrease in Assets | | |
| Accounts Receivable | (32,009) | (7,358) |
| Prepaid Expenses and Other Current Assets | (20,538) | 5,328 |
| Increase (Decrease) in Liabilities | | |
| Accounts Payable | 51,041 | 4,262 |
| Accrued Expenses | (9,019) | 24,390 |
| Deferred Revenue | <u>(62,729)</u> | <u>216,462</u> |
| Net Cash Used in Operating Activities | <u>(133,339)</u> | <u>(492,426)</u> |
| Cash Flows from Financing Activities | | |
| Advances from Related Parties, Net | 41,537 | 169,009 |
| Contributions Received | 62,100 | - |
| Proceeds from Note Payables | <u>39,750</u> | <u>359,000</u> |
| Net Cash Provided by Financing Activities | <u>143,387</u> | <u>528,009</u> |
| Net Increase in Cash and Cash Equivalents | 10,048 | 35,583 |
| Cash and Cash Equivalents, Beginning of Year | 36,794 | 1,211 |
| Cash and Cash Equivalents, End of Year | \$ 46,842 | \$ 36,794 |
| Supplemental Cash Flow Information | | |
| Cash Paid for Interest | \$ - | \$ 7,235 |

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

Notes to Financial Statements

Note 1. Summary of Significant Accounting Principles

Nature of Activities

R-Wellness, L.L.C. (the Company) was formed as a Louisiana limited liability company on August 10, 2020. The Company is the developer and franchisor of a proprietary system and offers R-Wellness franchises through which it provides wellness, aesthetic, recovery, and therapeutic services in a boutique retail setting.

Basis of Accounting

The Company maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Revenue Recognition

Revenue from Contracts with Customers (Topic 606) provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when or as performance obligations are satisfied.

A large portion of the Company's revenue is generated by franchising intellectual property to franchisors in the United States. The results of the Company's operations are substantially affected by economic conditions, which can vary significantly by market and can be impacted by consumer disposable income levels and spending habits at franchised locations.

Franchise Fees

The Company franchises its brand to franchisees. This agreement includes (a) the right to use the Company's symbolic intellectual property and systems over the term of the agreement, and (b) ongoing marketing services. These promises are highly dependent upon and interrelated with each other, so they are not considered to be individually distinct and, therefore, are accounted for as a single performance obligation in which the franchise is considered predominant.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Principles (Continued)

Revenue Recognition (Continued)

Franchise Fees (Continued)

The performance obligation is the promise to provide daily access to the symbolic intellectual property over the term of the agreement, which is a series of distinct services that represent a single performance obligation. Although the Company's underlying activities associated with the symbolic intellectual property will vary daily, the symbolic intellectual property is accessed over time and the customer (franchisee) simultaneously receives and consumes the benefit from the Company's performance of providing access to the symbolic intellectual property (including other related activities). Under this arrangement, the Company receives an initial franchise fee upon execution of the agreement and also sales-based royalties calculated as a percentage of reported sales in the contract and other continuing sales-based fees, which are recognized as sales occur. The initial franchise fee is recognized over time as services are transferred over the life of the contract. There are some instances where franchise agreements include development fees for multiple locations. Per the franchise agreements, those development fees are non-refundable and recognized at the time received as revenue.

In most instances, the Company utilizes a third party processor to capture franchisee revenue and calculate related sales-based fees. These fees are remitted weekly by the third party processor. The primary purpose of the third party processor is to provide franchisees with a consistent, simplified and predictable way of capturing their revenues and remitting related franchise fees and not to receive financing from or provide financing to the franchisee. Additionally, the Company has elected the practical expedient that permits an entity to not recognize a significant financing component if the time between the transfer of a good or service and payment is one year or less.

Revenue on franchises of IP is recorded based on the transaction price which includes sales-based royalties. Royalty payments are calculated royalties based on the stated percentage of reported sales in the contract and other continuing sales-based fees, such as technology fees. These royalties are considered variable consideration but, because they relate to a franchise of intellectual property, they are recognized at the latter of when the performance obligation to which the royalty relates is satisfied or when the subsequent sales occur. Royalties, therefore, are recognized as the sales occur and are not estimated for the purpose of determining the transaction price.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Principles (Continued)

Revenue Recognition (Continued)

License Fees

The Company licenses its intellectual property and systems to licensees for a period of time. The performance obligation is the promise to provide access to the intellectual property over the term of the agreement, which is a series of distinct services that represent a single performance obligation. Although the Company's underlying activities associated with the symbolic intellectual property will vary daily, the symbolic intellectual property is accessed over time and the licensee simultaneously receives and consumes the benefit from the Company's performance of providing access to the intellectual property.

The licensees pay a fixed monthly fee to receive these benefits and the Company recognizes the license over time as earned.

Resale Equipment Revenue

In certain circumstances, the Company may purchase equipment on behalf of franchisees from its vendors through what it has identified as an agency relationship. Accordingly, the Company recognizes revenue, net of related expenses for the equipment purchased, at the time that the equipment is delivered. The Company does not intend to provide financing to franchisees as a result of this practice and invoices are due within 30 days.

Rebate Revenue

The Company has entered into agreements with certain vendors in an effort to negotiate volume discounts for its franchisees. In certain instances, the Company may receive rebate revenue from vendors when franchisees make purchases that qualify under these agreements. Rebate revenue is considered variable consideration that the Company is not able to estimate due to a lack of information regarding the purchase volume and timing of franchisees. As a result, the Company recognizes rebate revenue when payments are received.

Annual Conference

The Company hosts an annual conference for vendors and franchisees. The Company may receive fees for the conference prior to the event. Fees received prior to the actual conference are recorded as deferred revenue. Revenue is recorded at the time the conference is held and any amounts previously deferred are recognized at that time.

Total revenue recognized at a point in time and over time was as follows for the years ended December 31, 2024 and 2023:

| | 2024 | 2023 |
|---------------------------------------|-------------------|-------------------|
| Revenue Recognized at a Point in Time | \$ 126,785 | \$ 123,447 |
| Revenue Recognized Over Time | 596,338 | 644,824 |
| Total Revenue | \$ 723,123 | \$ 768,271 |

Notes to Financial Statements

Note 1. Summary of Significant Accounting Principles (Continued)

Revenue Recognition (Continued)

Accounts Receivable

Accounts receivable are carried at original invoice amount, net of an allowance for credit losses. Accounts receivable as of December 31, 2024 and 2023 are included in the balance sheets. The opening balance of accounts receivable at January 1, 2023 was \$6,054.

Management determines the allowance using an estimate of expected credit losses, applied to customer groupings with similar risk characteristics, based on historical experience, current economic conditions, and certain forward-looking information. Account balances are written-off against the established allowance when management determines it is probable the receivable will not be collected. As of December 31, 2024 and 2023, the total allowance recorded for credit losses was \$-0-. There were no provisions, charge-offs, or recoveries during the years ended December 31, 2024 and 2023.

Deferred Revenue

The Company accounts for the long-term portion of the initial franchise fee as deferred revenue. The current portion of deferred revenue is the amount the Company expects to recognize from deferred revenue within the next operating cycle. The franchise agreements are written with an initial franchise term of ten years. For the year ended December 31, 2024, the Company recognized \$82,013 of initial franchise fees from deferred revenue. Also included in deferred revenue are amounts received for the Company's annual conference.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less at the time of purchase are considered to be cash equivalents.

Advertising

The Company expenses advertising cost as they are incurred. Advertising costs of \$79,351 and \$172,983 was incurred during the years ended December 31, 2024 and 2023, respectively, and are included in general and administrative expenses.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Principles (Continued)

Leases

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates an enforceable right and obligation. A contract is or contains a lease which (i) explicitly or implicitly identified assets have been deployed in the contract, and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company accounts for leases on its balance sheet as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the term of the lease, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of operations and members' deficit.

The Company made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. The Company had no leases with a term longer than 12 months at December 31, 2024 or 2023.

Income Taxes

The Company is a limited liability company incorporated in Louisiana. As such, all income and deductions of the Company are reported on the individual tax returns of its members. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Company believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Penalties and interest assessed by income taxing authorities, if any, would be included in operating expenses.

Concentrations

The Company periodically maintains cash in bank accounts in excess of federally insured limits. The Company has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

R-WELLNESS, L.L.C.

Notes to Financial Statements

Note 2. Leases

The Company has an annual lease with a related party through which the Company is a sublessee. The lease is an annual lease from January 1st through December 31st each year. The Company can terminate the lease 30 days prior to January 1st of each year. The lease calls for monthly rental payments of \$2,880. The lease was terminated in January 2024. For the years ended December 31, 2024 and 2023, the Company had \$938 and \$26,890, respectively, of lease expense.

Note 3. Related-Party Transactions

The Company and its members have advanced and received funds among related party entities for the purposes of managing cash flows. Each of the entities through which these transactions take place have common ownership through its majority member. At December 31, 2024 and 2023, the Company had a net due to related parties of \$680,552 and \$639,015, respectively.

The Company receives franchise fees in the form of sales based royalties from five franchisees of which at least one of the Company's members is also a member. Franchise fees from these locations totaled \$150,617 and \$181,390 for the years ended December 31, 2024 and 2023, respectively.

The Company leased office space from a related party through an annual lease agreement. The lease expense paid to the related party totaled \$938 and \$26,890 for the years ended December 31, 2024 and 2023, respectively. This lease was terminated in January 2024.

Note 4. Notes Payable

The Company has notes payable that contain equity conversion features. The notes payable agreements do not have any fluctuations in terms and there are no derivative instruments contained within the agreements. As such, the notes payable are classified as debt until the point at which the note holder elects to convert the note at maturity. At the time that election is made, the note payable will be reclassified to equity.

R-WELLNESS, L.L.C.

Notes to Financial Statements

Note 4. Notes Payable (Continued)

Notes payable at December 31, 2024 and 2023 were as follows:

| | 2024 | 2023 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| Convertible note payable dated October 15, 2023, bearing interest at 8%. At maturity, October 15, 2025, the holder may elect to convert the total outstanding principal balance plus accrued interest into 2% of membership interest in the Company. | \$ 100,000 | \$ 100,000 |
| Convertible note payable dated October 15, 2023, bearing interest at 8%. At maturity, October 15, 2025, the holder may elect to convert the total outstanding principal balance plus accrued interest into 1% of membership interest in the Company. | 50,000 | 50,000 |
| Convertible note payable dated October 15, 2023, bearing interest at 8%. At maturity, October 15, 2025, the holder may elect to convert the total outstanding principal balance plus accrued interest into 1% of membership interest in the Company. | 50,000 | 50,000 |
| Convertible note payable dated December 1, 2023, bearing interest at 10%. At maturity, December 1, 2025, the holder may elect to convert the total outstanding principal balance plus accrued interest into 1% of membership interest in the Company. | 79,500 | 79,500 |
| Convertible note payable dated December 8, 2023, bearing interest at 10%. At maturity, December 7, 2025, the holder may elect to convert the total outstanding principal balance plus accrued interest into .5% of membership interest in the Company. | 39,750 | 39,750 |
| Convertible note payable dated December 8, 2023, bearing interest at 10%. At maturity, December 7, 2025, the holder may elect to convert the total outstanding principal balance plus accrued interest into .5% of membership interest in the Company. | 39,750 | 39,750 |
| Convertible note payable dated January 5, 2024, bearing interest at 10%. At maturity, January 4, 2026, the holder may elect to convert the total outstanding principal balance plus accrued interest into .5% of membership interest in the Company. | 39,750 | - |
| Total | 398,750 | 359,000 |
| Less: Current Maturities | <u>(359,000)</u> | - |
| Notes Payable, Less Current Portion | \$ 39,750 | \$ 359,000 |

R-WELLNESS, L.L.C.

Notes to Financial Statements

Note 4. Notes Payable (Continued)

Interest expense incurred on these notes payable totaled \$35,831 and \$4,658 for the years ended December 31, 2024 and 2023, respectively. Accrued interest expense of \$40,489 and \$4,658 is included in accrued expenses on the balance sheets as of December 31, 2024 and 2023, respectively.

Note 5. Deferred Revenue

Deferred revenue consisted of the following as of December 31, 2024, 2023 and January 1, 2023:

| | <u>December 31,</u> | | <u>January 1,</u> |
|----------------------|---------------------|-------------------|-------------------|
| | <u>2024</u> | <u>2023</u> | <u>2023</u> |
| Franchise Fees | \$ 382,528 | \$ 464,541 | \$ 248,079 |
| Annual Conference | <u>19,284</u> | - | - |
| Total Revenue | \$ 401,812 | \$ 464,541 | \$ 248,079 |

Note 6. Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As a young company, there have been some initial costs with growth that have presented early challenges. For the year ended December 31, 2024, the Company recognized a loss of approximately \$68,000 and at December 31, 2024 has members' deficit of \$1.6 million in addition to \$680,000 owed to a member as well as additional convertible debt taken on in 2024.

Management has evaluated its position, the improvements made in 2024 and its projections for 2025 and believes the financial position will improve over the next year and beyond.

In 2024, the Company increased both its franchised and licensed units resulting in increased revenues. In addition, they reduced operating costs by \$30,000 a month in an effort to minimize losses and improve cash flows. In 2025, the Company intends to aggressively market franchises with a reduced opening cost of about \$68,000 - \$220,000. While management has put extensive effort into 2025 and 2026 plans to increase franchise opportunities while operating efficiently from a cost perspective, members of the Company remain committed to fund cash shortfalls as necessary.

R-WELLNESS, L.L.C.

Notes to Financial Statements

Note 7. Subsequent Events

Management has evaluated all subsequent events through May 7, 2025, the date the financial statements were available to be issued. There were no events identified for disclosure.



LaPorte, APAC
8555 United Plaza Blvd. | Suite 400
Baton Rouge, LA 70809
225.296.5150 | Fax 225.296.5151
LaPorte.com

May 7, 2025

Mr. Donnie Jarreau
R-Wellness, LLC
16161 Perkins Road
Baton Rouge, LA 70810

Dear Mr. Donnie Jarreau:

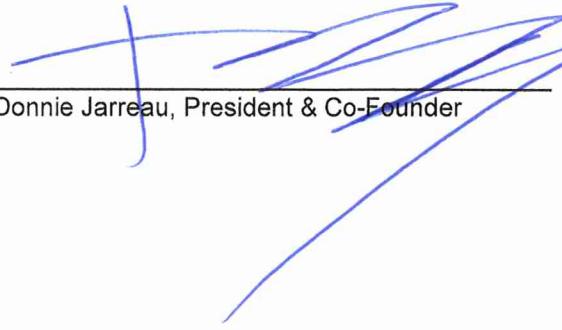
We agree to the inclusion of our report dated May 7, 2025 with respect to the balance sheet of R Wellness, LLC, as of December 31, 2024, and the related statements of operations and members' deficit and cash flows for the year then ended in R Wellness LLC's 2025-2026 Franchise Disclosure Document to be dated June 1, 2025. This letter should not be regarded as in any way updating the aforementioned report or representing that we performed any procedures subsequent to the date of such report.

Sincerely,

A handwritten signature in black ink that appears to read "Wendi Berthelot".

Wendi Berthelot, CPA
Director, Audit and Assurance Services

I understand and acknowledge that the attached financial statements and auditor's report thereon, must not be modified or rearranged in any manner, nor will they be distributed for any other purpose than that mentioned above. If you include the attached pdf in another document containing other information, a preliminary proof should be provided to us prior to finalization.

 05/21/25

Donnie Jarreau, President & Co-Founder Date

EXHIBIT D
GUARANTEE OF R-WELLNESS, LLC

GUARANTEE OF R-WELLNESS, LLC

For value received, _____ (the "Guarantor"), located at _____, absolutely and unconditionally guarantees to assume the duties and obligations of R-WELLNESS, LLC, located at 16161 Perkins Road, Baton Rouge, Louisiana 70810 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025-2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Baton Rouge, Louisiana, on the _____ day of _____, 202__.

Guarantor:

By: _____
Name: _____
Title: _____

EXHIBIT E
AREA DEVELOPMENT AGREEMENT

R-WELLNESS, LLC

AREA DEVELOPMENT AGREEMENT

R-WELLNESS, LLC
AREA DEVELOPMENT AGREEMENT

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GUARANTY

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EXHIBIT C - FRANCHISE AGREEMENT

Corporate Resolutions

Corporate Franchise Supplement

Corporate Affidavit

R-WELLNESS, LLC

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("Development Agreement") is made and entered into this ____ day of _____, 20____, by and between R-WELLNESS, LLC, a Louisiana Limited Liability Company organized under the laws of the State of Louisiana and having its executive offices at 16161 Perkins Road, Baton Rouge, LA 70810 (hereinafter referred to as "we," "us," "our," "R-WELLNESS," or "Franchisor") and _____, whose principal address is _____ (hereinafter referred to as "you," "your," or "Developer").

INTRODUCTION

As the result of the expenditure of time, skill, effort and money, we have developed a proprietary system (hereinafter "System"), the elements of which are owned by us, relating to the establishment, development and operation of R-WELLNESS franchises that offer wellness, aesthetic, recovery, weight loss, medical and therapeutic services, including hormone replacement therapy and testosterone replacement therapy, in a boutique retail setting ("Franchised Business" or "Spa") in a prototypical model including intra-venous ("IV") infusions, compression therapy and mobile cryotherapy. Depending on the size of the Spa, additional modalities offered in the Franchised Business may include hyperbaric oxygen therapy, dry float therapy, near infra-red ("NIR") sauna, mobile red light, cryotherapy and cryoskin treatments, hydra facials, cellulite reduction therapy and Ballancer Pro lymphatic drainage under the trade name "The Covery" ("Franchised Business(es)"). A Franchised Business may also offer clients the benefit of nutritional retail merchandise, nutritious snack items, and R-WELLNESS branded apparel.

The distinguishing characteristics of the System include, without limitation, specially-designed improvements, interior and exterior layouts, signs, marketing and advertising materials, programs, procedures and methods, and training and supervision, all of which may be changed, improved, and further developed by us from time to time;

We further identify the System by means of certain trademarks, logos, emblems, and indicia of origin (hereinafter "Proprietary Marks" or "Marks") including, but not limited to, the mark "The Covery" and such other trade names, service marks and trademarks as may be designated now or hereafter by us in the Confidential Operating Manuals, as hereinafter defined, or otherwise in writing, for use in connection with the System;

We also continue to develop, expand, use, control and add to the Proprietary Marks and System for the benefit and exclusive use of R-WELLNESS and its franchisees in order to reflect the changing health and wellness industry.

You have expressed an interest in acquiring from us the right to franchise, develop and operate a R-WELLNESS Franchised Business in a certain geographical area and pursuant to the terms of this Development Agreement. Reciprocally, we wish to grant to you the right to acquire the franchise rights so that you may, in turn, develop and operate the R-WELLNESS Franchised Business in the agreed-to geographical area pursuant to the terms and conditions set forth in this Development Agreement as follows.

1. **GRANT.**

A. We grant you, and you accept, subject to the terms and conditions of this Development Agreement and as long as you shall not be in default of this Development Agreement or any other development, franchise or other agreement between you and us, development rights to obtain franchises and to establish and operate ____ Franchised Business(es), and to use the R-WELLNESS System solely in connection therewith, and pursuant to the schedule set forth in Exhibit A to this Development Agreement (“Development Schedule”). Each Franchised Business developed pursuant hereto shall be located in the territory described in Exhibit B hereto (“Development Area”).

B. Subject to the terms and conditions herein, and unless agreed to otherwise in writing, we shall neither establish nor license anyone other than you to establish a Franchised Business in the Development Area until 60 days after the commencement of operations of the final Franchised Business under this Development Agreement, or written consent, provided this Development Agreement has not been previously terminated.

C. Each Franchised Business for which a development right is granted hereunder shall be established and operated pursuant to a separate franchise agreement (“Franchise Agreement”) to be entered into between you and us.

D. This Development Agreement is **not** a franchise agreement and does not grant you any right to use R-WELLNESS’s Proprietary Marks or the R-WELLNESS System, but merely sets forth the terms and conditions under which you will be entitled to obtain a franchise agreement.

E. You shall have no right under this Development Agreement to license others under either the Proprietary Marks or to use the R-WELLNESS System.

F. Any rights not specifically granted to you under this Development Agreement are expressly reserved to us.

2. **DEVELOPMENT FEE.**

In consideration of the development rights granted herein, you shall pay to us upon execution of this Development Agreement, a non-refundable development fee based on the number of Franchised Business(es) that you are required to establish and operate and as set forth in the table below and which is \$37,500 per Spa if you purchase two (2) Spas, \$32,500 per Spa if you purchase three (3) to five (5) Spas, or \$27,500 per Spa if you purchase six (6) or more Spas. This development fee has been fully earned by us for the administrative and other expenses we incurred and for the development opportunities lost or deferred as a result of the rights granted to you. For every Spa you open under this Development Agreement beyond the first, you will pay no additional initial franchise fees:

AREA DEVELOPMENT FEE SCHEDULE

| Franchised Spas | Fee per Additional Franchised Business Owed Upon Signing of Development Agreement | Balance of Initial Franchise Fee Owed Upon Signing of Franchise Agreement | Time to Develop/Open |
|-----------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------|
| 2 | \$37,500 | \$0 | 12-24 months |
| 3-5 | \$32,500 | \$0 | 24-60 months |
| 6 or more | \$27,500 | \$0 | 60-120 months (or longer if more than 10 Spas) |

The development fees are not refundable under any circumstances.

3. DEVELOPMENT SCHEDULE.

A. You shall exercise each development right granted herein only by executing a Franchise Agreement for each Franchised Business for a site approved by R-WELLNESS in the Development Area. Your right to execute such a Franchise Agreement shall be contingent upon your continuous performance of all of the terms and conditions of this Development Agreement and any other development, franchise or other agreements between you and us. The Franchise Agreement for each Franchised Business developed pursuant to this Development Agreement shall be in the form of the then current R-WELLNESS Franchise Agreement.

B. Recognizing that time is of the essence in this Development Agreement, you agree to exercise the development rights granted hereunder in the manner specified in the table above and Section 4 hereof and to satisfy the Development Schedule. Failure by you to adhere to the Development Schedule shall constitute a default under this Development Agreement, as provided in Section 5(C) hereof, subjecting it to termination.

C. If, within 30 days after the commencement of operation of the final Franchised Business developed hereunder, R-WELLNESS determines, in its sole discretion, that it will develop additional Franchised Business, either by establishment of our own Franchised Business or franchise others to develop Franchised Business, in the Development Area or any portion(s) thereof, then we shall notify you in writing ("Notice of Intent"), and shall indicate the time within which such additional Franchised Business(es) are intended to be developed and the territory in which they are to be developed. Upon receipt of R-WELLNESS's Notice of Intent, you may, within 30 days of receipt of the Notice of Intent, enter into a then current form of development agreement, to develop the number of Franchised Business(es) within the time and territory specified in R-WELLNESS's Notice of Intent. If you do not execute a development agreement in the time specified, we will thereafter have the right to develop, or franchise others to develop, such additional Franchised Business(es) within the Development Area without offering any right to such Franchised Business to you.

In the event that our Notice of Intent specifies a territory or territories constituting less than the entire Development Area, we shall, at all times after such notice, have the right to develop, or franchise others to develop, Franchised Business in the portions of the Development Area not specified.

4. FRANCHISED BUSINESS OPENINGS.

A. You shall submit a proposed site for each Franchised Business for approval by us. We shall, provided there exists no default by you under this Development Agreement or any other development, franchise or other agreement between you and us and/or one of our affiliates, evaluate each site proposed and shall promptly, but not more than 30 days after receipt of your proposal, send to you written notice of approval or disapproval of the site. Site approval does not assure that a Franchise Agreement will be executed. Execution of the Franchise Agreement is contingent upon you securing approval of the final plans and specifications as provided below.

B. Within 90 days after notice of our site approval, you shall:

1. Submit, in writing to us, satisfactory proof that you:
 - (a) own the approved site; or
 - (b) have leased the approved site for a term which, with renewal options, is not less than the initial term of the then current Franchise Agreement; or
 - (c) have entered into a written agreement to purchase or to lease the approved site on terms provided herein, subject only to obtaining necessary governmental permits. If you lease the approved site, the lease must provide: (i) that, in the event you default under or otherwise cease operating the Franchised Business at the approved site during the term of the lease, we, or our designee, shall have the right (but not the obligation), at our option, to assume your position under the lease; (ii) that, in the event you default under the lease, notice of the default shall immediately be forwarded to us; and (iii) that we shall have the right (but not the obligation), upon default under the lease or other cessation of operation at the approved site, to make the modifications and alterations to the Franchised Business set forth in the Franchise Agreement. The proof required by this Section includes, but is not limited to, submission of executed copies of all leases and deeds, as well as all governmental approvals if effectiveness of the leases or deeds is conditioned thereon.
2. Submit to us, and obtain from us written approval of, the final and complete plans and specifications for the construction (or renovation) and decoration of the Franchised Business, which must be in conformity with R-WELLNESS standards and specifications for a Franchised Business, as set out in the current Confidential Operations Manual (as defined in the Franchise Agreement) or otherwise in writing. Final and complete plans and specifications include, but are not limited to, floor plans, equipment layouts, décor, signage and interior and exterior elevations.

C. No less than 10 days after fulfilling the requirements of the obligations contained in paragraphs 4 (A) and (B), you shall execute the Franchise Agreement and pay the appropriate Initial

Franchise Fee. If you are a partnership, corporation or limited liability company, each general partner, stockholder, shareholder or member holding a beneficial interest of fifteen percent (15%) or more of the securities with voting rights shall guarantee the performance of the Franchise Agreement by executing R-WELLNESS's Franchise Agreement Guarantee form.

D. No less than 15 days after we approve your full and complete plans and specifications, you shall procure and maintain throughout the term of the Franchise Agreement, insurance coverage provided for in the Franchise Agreement and/or the then current Confidential Operations Manual.

E. No less than 30 days after we approve your full and complete plans and specifications, you shall commence construction or renovation of the Franchised Business. If commencement of construction or renovation is delayed by a cause beyond your reasonable control, the date upon which commencement of construction or renovation is to begin can only be extended by obtaining written approval of us.

F. You shall have completed construction or renovation and commenced operation of the Franchised Business within 120 days from commencement of construction or renovation as provided in Section 4(D) hereof.

G. You shall not open or commence operation of any Franchised Business without our prior written approval.

5. DEFAULT AND TERMINATION.

A. The rights granted to you in this Development Agreement have been granted based upon your representations and assurances, among others, that the conditions set forth in Sections 3 and 4 of the Development Agreement will be met by you in a timely manner.

B. You shall be deemed to be in default under this Development Agreement, and all rights granted herein shall automatically terminate without notice if you shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against you and not opposed by you; or if you are adjudicated bankrupt or insolvent; or if a receiver or other Custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under the applicable law of any jurisdiction should be instituted by or against you; or if a final judgment remains unsatisfied or of record for 30 days or longer (unless a supersedeas bond is filed); or if your company or limited liability company is dissolved; or if execution is levied against your property or business; or if suit to foreclose any lien mortgage against the premises or equipment of any Franchised Business developed hereunder is instituted against you and not dismissed within 30 days; or if the real or personal property of any Franchised Business developed hereunder shall be sold after levy thereupon by any sheriff, marshal, or constable.

C. If you fail to comply with the Development Schedule or any other terms of this Development Agreement, or fail to obtain our approval of a site or construction plans and specifications prior to commencement of construction, or fail to comply with any terms or conditions of any Franchise Agreement covering a Franchised Business established hereunder, or any other agreement between you or any affiliate of you and R-WELLNESS or any affiliate of R-WELLNESS, such action shall constitute a default under this Development Agreement. Upon such default, we, in our discretion, may, effective immediately upon the mailing of written notice to you, do any one or more of the following:

1. Terminate this Development Agreement and all rights granted hereunder without affording you any opportunity to cure the default;
2. Reduce the number of Franchised Business which you may establish pursuant to Section 1(A) of this Agreement;
3. Terminate the territorial exclusivity granted you in Section 1(A) or reduce the area of territorial exclusivity granted you;
4. Withhold evaluation or approval of site proposal packages and refuse to permit the opening of any Franchised Business then under construction or otherwise not ready to commence operations; or
5. Accelerate the Development Schedule set forth in Exhibit A.

In addition to the foregoing, we shall be entitled to pursue any other remedies available hereunder or at law or in equity.

D. Upon termination of this Development Agreement, you shall have no right to establish or operate any Franchised Business for which a Franchise Agreement has not been executed by R-WELLNESS and delivered to you at the time of termination; and we shall be entitled to establish, and to license others to establish, Franchised Business(es) in the Development Area, except as may be provided under any other agreement which is then in effect between R-WELLNESS and you.

E. A default in the Development Schedule under this Development Agreement shall constitute a default under any existing Franchise Agreement between you and R-WELLNESS and/or its affiliates.

6. TRANSFERABILITY OF INTEREST.

A. Transfer by R-WELLNESS.

We shall have the right to assign this Development Agreement, and all of its rights and privileges hereunder, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of the functions of R-WELLNESS: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing the obligations of R-WELLNESS hereunder, and (ii) the assignee shall expressly assume and agree to perform such obligations. Specifically, and without limitation to the foregoing, you expressly affirm and agree that R-WELLNESS may sell its assets, its Proprietary Marks, or its System outright to a third party; may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and shall, if requested, execute a written, general release in favor of R-WELLNESS and/or its affiliates.

Nothing contained in this Development Agreement requires us to remain in the health and wellness business or to offer services similar to those currently being offered by us whether or not bearing the Proprietary Marks in the event we exercise our rights to assign this Development Agreement.

B. Transfer by You.

1. **Prior Approval of Transfers.** You understand and acknowledge that the rights and duties set forth in this Development Agreement are personal to you, and that we have granted these development rights in reliance on your representations, business skill, financial capacity, and personal character. Accordingly, neither you nor any immediate or remote successor to any part of your interest in this Development Agreement, nor any other individual, partnership, limited liability company or corporation which directly or indirectly owns any interest in you and/or this Development Agreement, shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in this Development Agreement, without the prior written consent of us. Any purported assignment or transfer by operation of law or otherwise, not having our prior written consent shall be null and void and shall constitute a material breach of this Development Agreement for which we may terminate without opportunity to cure pursuant to Section 5 of this Development Agreement.

2. **Conditions to Transfer.** We shall not unreasonably withhold our consent to a transfer by you of any interest in this Development Agreement, subject to the satisfaction of the following conditions which we may impose:

a. All of your accrued monetary obligations and all other outstanding obligations to Franchisor, its subsidiaries, affiliates and suppliers shall be up current, fully paid and satisfied;

b. You shall not be in default of any provision of this Development Agreement, any amendment hereof or successor hereto, any other development, franchise or other agreement between you and Franchisor or its subsidiaries, affiliates or suppliers;

c. You (and each of your shareholders, members, partners, officers and directors of any entity having an interest in the Development Agreement) shall have executed a general release, in a form satisfactory to us, of any and all claims against Franchisor and its officers, directors, members, shareholders and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, provided, however, that you shall not be required to release Franchisor for violations of federal and state franchise registration and disclosure laws;

d. The transferee shall enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Development Agreement; and, if your obligations were guaranteed by the transferor, the transferee shall guarantee the performance of all such obligations in writing in a form satisfactory to R-WELLNESS;

e. The transferee shall demonstrate to our satisfaction that the transferee meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to develop the Franchised Business herein (as may be evidenced by prior related experience or otherwise); has at least the same managerial and financial criteria required of new franchisees and shall have sufficient equity capital to develop the Franchised Business;

f. The transferee shall pay to us a nonrefundable transfer fee of \$10,000 for each franchise transferred and remaining to be developed to cover our expenses in connection with the transfer which may include, but not be limited to, orientation and training. Notwithstanding the foregoing, you shall, at all times, remain liable for this transfer fee if unpaid by transferee;

g. You shall remain liable for all direct and indirect obligations to us in connection with the Development Agreement prior to the effective date of the transfer and shall continue to remain responsible for its obligations of nondisclosure, non-competition and indemnification as provided elsewhere in this Development Agreement;

h. You shall remain liable, as a primary obligor, for all direct and indirect obligations of the transferee, expressly and unequivocally guaranteeing the transferee's performance under to the transferred agreement.

i. The transferee shall have signed an Acknowledgement of Receipt of all required legal documents, such as the Franchise Disclosure Document and the then current Development Agreement and Franchise Agreement and ancillary agreements.

3. Security Interest. You shall grant no security interest in the Development Agreement or in any of its assets unless the secured party agrees that in the event of any default by you under any documents related to the security interest, we shall have the right and option to be substituted as obligor to the secured party and to cure any default of you. Notwithstanding the foregoing, R-WELLNESS shall not be construed as a guarantor or surety for you.

4. Conditions. You acknowledge and agree that each of the foregoing conditions of transfer which must be met by you and the transferee are necessary and reasonable to assure such transferee's full performance of the obligations hereunder.

5. R-WELLNESS's Right of First Refusal. Anything contained herein to the contrary notwithstanding, if you desire to transfer this Development Agreement, you shall submit a bona fide written letter of intent, agreement or offer signed by the potential transferee or purchaser to us. We shall have the option, exercisable within 30 days after receipt of such bona fide written agreement, letter of intent or offer, to purchase or cause a third party designated by us to purchase your business and/or your interest, upon the same terms and conditions as contained in the bona fide letter of intent, agreement or offer furnished us.

C. Additional Requirements - Corporate Developers. The following requirements shall apply to you if you are a corporation in addition to those set forth elsewhere in this Development Agreement:

1. You shall be a newly organized corporation and your Articles of Incorporation/Formation shall at all times provide that its activities are confined exclusively to operating the Franchised Business herein.

2. Copies of your Articles of Incorporation/Formation, Bylaws, Operating Agreements and other governing documents, and any amendments thereto, including the resolutions of the Board of Directors/Members authorizing entry into this Development Agreement, shall be promptly furnished to us.

3. Each stock/shareholder certificate issued to shareholders/members of the corporation party to the Development Agreement shall have conspicuously endorsed upon its face a statement in a form satisfactory to us, such as:

THE TRANSFER, PLEDGE OR ALIENATION OF THIS STOCK IS SUBJECT TO THE TERMS AND RESTRICTIONS CONTAINED WITHIN THE DEVELOPMENT AGREEMENT BETWEEN R-WELLNESS AND (Your corporation's name).

4. You shall maintain a current list of all owners of record and all beneficial owners of any class of voting stock of you and shall furnish the list to us upon request.

5. All shareholders/members shall jointly and severally guarantee your performance hereunder and shall bind themselves to the terms of this Development Agreement; provided, however, that the requirements of this Section 6 (C.5) shall not apply to a publicly held corporation.

D. Transfer Upon Death or Permanent Incapacity. Upon the death or permanent incapacity (as determined by a physician acceptable to us) of any person with an interest in you, this Development Agreement, or all or a substantial portion of the assets of the franchised business, and upon the dissolution of you that is a partnership or corporation, the executor, administrator, personal representative, or trustee of such person or entity shall transfer his or its interest to a third party approved by us within 90 days of such death or permanent incapacity, or such dissolution. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any transfer pursuant to Paragraph B hereof. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this article imposed by us, the personal representative of the deceased person shall have an additional 30 days to dispose of the deceased's interest, which disposition shall be subject to all the terms and conditions for transfers contained in this article. Upon the death or permanent incapacity of you, we may terminate this Development Agreement upon 30 days written notice to your last known business address unless the above procedures for transfer are met.

E. Non-Waiver of Claims. Our consent to a transfer of any of your interest in this Development Agreement, or all or a substantial portion of the assets of the Development Agreement shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Development Agreement by the transferee.

F. No Release of Your Liability. No assignment or any other transfer by you, with or without our consent, during the term of this Development Agreement or any renewal period shall release you from any liability under the terms of this Development Agreement nor shall you be relieved of the obligations of performing any of the terms, covenants and conditions of this Development Agreement.

7. CONFIDENTIAL INFORMATION.

A. Non-Disclosure. You shall not, during the term of this Development Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, or corporation any confidential information, knowledge, or know-how concerning the methods of development and/or operation of the Franchised Business hereunder which may be communicated to you, or of which you may be apprised, by virtue of your activities under the terms of this Development Agreement. You shall divulge such confidential information only to such of its employees as must have

access to it in order to develop the Franchised Business. Any and all information, knowledge, and know-how, including, without limitation, drawings, materials, equipment, specifications, techniques, and other data, which R-WELLNESS designates as confidential shall be deemed confidential for purposes of this Development Agreement, except information which (i) you can demonstrate came to your attention or lawful possession prior to disclosure thereof by R-WELLNESS, or (ii) at the time of disclosure by R-WELLNESS to you, had become a part of the public domain, through publication or communication by others, or (iii) after disclosure to you by R-WELLNESS, becomes a part of the public domain, through publication or communication by others.

B. Confidentiality Agreement. You shall require all employees to execute a confidentiality/non-compete agreement as provided in the Confidential Operations Manual, which prohibits them during the term of the employment or for two (2) years thereafter from communicating, divulging, or using for the benefit of another party any confidential information or knowledge relating to the methods of development of the Franchised Business which may be acquired during the term of their employment. This Development Agreement shall also preclude an employee's participation in a competing business for a period of one (1) year.

C. Your System Improvements. R-WELLNESS shall have the exclusive right to own, use and incorporate in the System for the benefit of all, any and all modifications, changes, and improvements to the System, in whole or in part, developed or discovered by you or your employees or agents in connection with the System or development and operation of your Franchised Business(es), without any liability or obligation to you. This may include, but is not limited to, discoveries or development of products, systems, or techniques, management practices or procedures, architectural designs and philosophies and names or groups of words relating to the System.

8. COVENANTS.

A. Full-Time and Best Efforts. You, and as applicable, your members, shareholders and/or partners shall devote full time, energy, and best efforts to the development of the Franchised Business.

B. Non-Solicitation and Non-Competition. You, and as applicable, your members, shareholders and/or partners shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, limited liability company or corporation:

a. Divert or attempt to divert any business or member of R-WELLNESS or any other R-WELLNESS franchisees 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 R-WELLNESS's Proprietary Marks and the System;

b. Employ or seek to employ any person who is at that time employed by R-WELLNESS or by any other R-WELLNESS franchisee or otherwise directly or indirectly induce such person to leave his or her employment; or

c. Own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any interest in any business which is the same as or substantially similar to the Franchised Business.

You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous uninterrupted period commencing upon the expiration or termination of this Development Agreement,

regardless of the cause for termination, and continuing for two (2) years thereafter, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any business which is the same as or substantially similar to the Franchised Business and which is located within a radius of 50 miles of the Designated Territory hereunder or the location of any Franchised Business under the System which is in existence on the date of expiration or termination of this Development Agreement.

C. Fairness and Reasonableness. You acknowledge and agree that the covenants not to compete set forth above are fair and reasonable and will not impose any undue hardship on you, or your shareholders or partners, since you and them have other considerable skills, experience and education which afford you and them the opportunity to derive income from other endeavors.

D. Exclusion from Covenants. Sections B and C above shall not apply to ownership by you of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation.

You acknowledge that violation of the covenants not to compete contained in this Development Agreement would result in immediate and irreparable injury to R-WELLNESS for which no adequate remedy at law will be available. Accordingly, you hereby consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of those covenants not to compete set forth in this Development Agreement. You expressly agree that you may conclusively be presumed that any violation of the terms of said covenants not to compete was accomplished by and through your unlawful utilization of R-WELLNESS's confidential information, know-how, methods and procedures. Further, you expressly agree that the existence of any claims you may have against us, whether or not arising from this Development Agreement, shall not constitute a defense to the enforcement by us of the covenants not to compete set forth in this Development Agreement. You further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by R-WELLNESS in connection with the enforcement of those covenants set forth in this Development Agreement.

E. Independence of Covenants. We agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Development Agreement. If any or all portions of the covenants in this Section is/are held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which R-WELLNESS is a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

F. Modification of Covenants. You understand and acknowledge that we may modify the Development Agreement only upon the execution of a written agreement by R-WELLNESS and you.

G. No Defense. You expressly agree that the existence of any claims you may have against us, whether or not arising from this Development Agreement, shall not constitute a defense to the enforcement by R-WELLNESS of the covenants in this Section.

H. Additional Covenants. At our request, you shall require and obtain execution of covenants similar to those set forth in this Section (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons: (1) who have received training from R-WELLNESS; (2) all members, officers, directors and holders of a beneficial interest of fifteen

percent (15%) or more of the securities of you and of any corporation/limited liability company directly or indirectly controlled by you; and (3) the general partners and any limited partners (including any corporation/limited liability company, and the members, officers, directors and holders of a beneficial interest of fifteen percent (15%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner) of partnership within which you are a partner. All covenants required by this Section shall be in forms satisfactory to us, including, without limitation, specific identification of R-WELLNESS as a third-party beneficiary of such covenants with the independent right to enforce them. Failure by you to obtain execution of a covenant required by this Section shall constitute a default under this Development Agreement.

9. CHANGES AND MODIFICATIONS.

We reserve and shall have the sole right to make changes in the Confidential Operations Manual, the System, and the Proprietary Marks at any time and without prior notice to you. You understand and agree that due to changes in competitive circumstances, presently unforeseen changes in the needs of consumers, and/or presently unforeseen technological innovations, the R-WELLNESS System must not remain stagnant in order that it best serve the interests of us, you, other franchisees and the System. Accordingly, you expressly understand and agree that R-WELLNESS may from time to time change the components of the System, including, but not limited to: altering the programs, services, methods, standards, forms, policies and procedures of that System; adding to, deleting from or modifying those programs, products and services which the Franchised Business is authorized to offer; and changing, improving or modifying the Proprietary Marks. Subject to the other provisions of this Development Agreement, you expressly agree to abide by any such modifications, changes, additions, deletions and alterations.

10. INDEPENDENT CONTRACTOR AND INDEMNIFICATION.

A. No Agency Relationship Created. It is understood and agreed by you and us that this Development Agreement does not create a fiduciary relationship between us, that you shall be an independent contractor, and that nothing in this Development Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. R-WELLNESS shall not (i) share in any of your profit or loss, (ii) have the power to hire or fire your employees, and (iii) except as herein expressly provided, may not control or have access to your funds or the expenditures thereof, or in any other way exercise dominion or control over the Franchised Business.

B. No Liability. It is understood and agreed that nothing in this Development Agreement authorizes you to make any contract, agreement, warranty or representation on R-WELLNESS's behalf, or to incur any debt or other obligation in R-WELLNESS's name, and that R-WELLNESS shall in no event assume liability for or be deemed liable hereunder as a result of any such action or by reason of any act or omission of you in your conduct in the development of the Franchised Business or any claim or judgment arising therefrom against R-WELLNESS. You agree at all times to defend at your own cost, and to indemnify and hold harmless to the fullest extent permitted by law, R-WELLNESS and any and all subsidiaries, affiliates, successors, assigns and designees of either entity, and the respective members, directors, officers, employees, agents, shareholders, designees, and representatives of each (R-WELLNESS and all other hereinafter referred to collectively as "Indemnities") from all losses and expenses 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 thereof which arises out of or is based upon any of the following: Your alleged infringement or any other violation or any other alleged

violation of any patent, trademark or copyright or other proprietary right owned or controlled by third parties; Your alleged violation or breach of any contract, federal, state or local law, regulation, ruling, standard or directive of any industry standard; libel, slander or any other form of defamation by you; Your alleged violation or breach of any warranty, representation, agreement or obligation in this Development Agreement; any acts, errors or omissions of you or any of its agents, servants, employees, contractors, partners, proprietors, affiliates, or representatives; latent or other defects in the development of the Franchised Business, whether or not discoverable by R-WELLNESS or you; the inaccuracy, lack of authenticity or nondisclosure of any information by any customer of the Franchised Business; any services or products provided by you at, from or related to the operation at the Franchised Business; any services or products provided by any affiliated or nonaffiliated participating entity; any action by any customer of the Franchised Business; and, any damage to the property of you or R-WELLNESS, their agents or employees, or any third person, firm or corporation, whether or not such losses, claims, costs, expenses, damages, or liabilities were actually or allegedly caused wholly or in part through the active or passive negligence of R-WELLNESS or any of its agents or employees, or resulted from any strict liability imposed on R-WELLNESS or any of its agents or employees.

C. Notice to Public. You shall conspicuously identify yourself and, ultimately, the Franchised Business in all dealings with its lenders, contractors, suppliers, public officials and others, as an independent franchisee of R-WELLNESS, and shall place such notice of independent ownership on all forms, business cards, stationery, advertising, signs and other materials and in such fashion as we may, in our sole and exclusive discretion, specify and require from time to time.

D. No Representations or Warranties. Except as otherwise expressly authorized by this Development Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than franchisor and franchise developer. R-WELLNESS does not assume any liability, and will not be deemed liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Development Agreement, nor will R-WELLNESS be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of your Franchised Business.

11. APPROVALS AND WAIVERS.

A. Written Consent. Whenever this Development Agreement requires the prior approval or consent of R-WELLNESS, you shall make a timely written request to us and such approval or consent shall be obtained in writing.

B. No Waiver. No failure of R-WELLNESS to exercise any power reserved to it by this Development Agreement, or to insist upon strict compliance by you with any obligation or condition required herein, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with any of the terms herein. Waiver by us of any particular default by you shall not affect or impair R-WELLNESS's rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission of us to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants hereof affect or impair our right to exercise the same, nor shall such constitute a waiver by us of any right hereunder or the right to declare any subsequent breach or default and to terminate this Development Agreement prior to the expiration of its term. Subsequent acceptance by us of any payments due from you shall not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Development Agreement.

C. **Right to Jury Trial.** You hereby waive any right to a jury trial with respect to this Development Agreement and/or any matters arising hereunder.

12. NOTICE.

All notices or communications required or permitted hereunder shall be deemed duly given if delivered, in writing, personally, by hand, sent by registered or certified mail, return receipt requested, first class postage prepaid, or by recognized carrier (such as United Parcel Service or Federal Express) or email to the address/number set out below.

A. If to R-WELLNESS:

R-WELLNESS, LLC
16161 Perkins Road
Baton Rouge, LA 70810
Attention: CEO/President
Telephone: (225) 753-3573
Email: donnie@gojre.com
Email: daniel@thecovery.com

B. If to You:

Telephone: _____
Email: _____

Notices shall be deemed delivered when deposited in the United States mail and/or as above provided, effective upon the date of receipt or refusal of delivery. Change of address by either party must be by notice given to the other in the same manner as above specified.

13. RELEASE OF PRIOR CLAIMS.

By executing this Development Agreement, you, individually and on behalf of your successors and assigns, and each assignee of this Development Agreement by accepting assignment of the same, hereby forever releases and discharges R-WELLNESS and its members, officers, directors, employees, agents and servants, including any of R-WELLNESS's subsidiary and affiliated corporations, their respective members, officers, directors, employees, agents and servants, from any and all claims relating to or arising under any other R-WELLNESS Development and/or Franchise Agreements or any other agreement between you and us executed prior to the date of this Development Agreement.

14. DISCLOSURE STATEMENT AND DISCLAIMER.

A. **Compliance with Applicable Laws.** You acknowledge, by the execution of this Development Agreement and the Franchise Agreement, that you received from R-WELLNESS a Franchise Disclosure Document at least 14 calendar days prior to the execution of this Development Agreement or the payment of any fees to us required by this Development Agreement.

B. Acknowledgement. You acknowledge and accept the following:

THE SUCCESS OF YOU IN DEVELOPING, OWNING AND OPERATING A FRANCHISE IS SPECULATIVE AND WILL DEPEND ON MANY FACTORS INCLUDING, TO A LARGE EXTENT, YOUR INDEPENDENT BUSINESS ABILITY. THIS OFFERING IS NOT A SECURITY AS THAT TERM IS DEFINED UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS. THE OBLIGATION TO TRAIN, MANAGE, PAY, RECRUIT AND SUPERVISE EMPLOYEES OF THE FRANCHISED BUSINESS RESTS SOLELY WITH YOU. YOU HAVE NOT RELIED ON ANY WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL SUCCESS OR PROJECTED INCOME OF THE BUSINESS VENTURE CONTEMPLATED HEREBY. NO REPRESENTATIONS OR PROMISES HAVE BEEN MADE BY R-WELLNESS TO INDUCE YOU TO ENTER INTO THIS DEVELOPMENT AGREEMENT EXCEPT AS SPECIFICALLY INCLUDED HEREIN. R-WELLNESS HAS NOT MADE ANY REPRESENTATION, WARRANTY OR GUARANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL REVENUES, PROFITS OR SERVICES OF THE BUSINESS VENTURE TO YOU AND CANNOT, EXCEPT UNDER THE TERMS OF THIS DEVELOPMENT AGREEMENT, EXERCISE CONTROL OVER THE DEVELOPMENT AND ULTIMATE OPERATION OF THE FRANCHISED BUSINESS(ES). YOU ACKNOWLEDGE AND AGREE THAT YOU HAVE NO KNOWLEDGE OF ANY REPRESENTATION MADE BY R-WELLNESS OR ITS REPRESENTATIVES OF ANY INFORMATION THAT IS CONTRARY TO THE TERMS CONTAINED HEREIN.

15. ENTIRE AGREEMENT.

This Development Agreement, the documents referred to herein, and the Exhibits or Addenda hereto, if any, constitute the entire, full, and complete agreement between R-WELLNESS and Developer concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced you to execute this Development Agreement. No representations, inducements, promises, or agreements, oral or otherwise, not embodied herein or attached hereto (unless of subsequent date) were made by either party with reference to this Development Agreement or otherwise. No amendment, change, or variance from this Development Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

16. SEVERABILITY AND CONSTRUCTION.

A. Severability. Except as expressly provided to the contrary herein, each section, part, term, and/or provision of this Development Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Development Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid sections, parts, terms, and/or provisions shall be deemed not to be a part of this Development Agreement; provided, however, that if R-WELLNESS determines that such finding of invalidity or illegality adversely affects the basic consideration of this Development Agreement, R-WELLNESS, at its option, may terminate this Development Agreement.

B. No Third-Party Rights. Anything to the contrary herein notwithstanding, nothing in this Development Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than R-WELLNESS or you and such of their respective successors and assigns as may be contemplated hereinabove, any rights or remedies under or by reason of this Development Agreement.

C. Captions. All captions in the agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provisions hereof.

D. References. All references herein to the masculine, feminine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable, and all acknowledgements, promises, covenants, agreements, and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all the parties hereto on behalf of you.

E. Counterparts. This Development Agreement may be executed in counterparts and each copy so executed shall be deemed an original.

17. APPLICABLE LAW; VENUE.

A. Rights Not Exclusive. No right or remedy conferred upon or reserved to R-WELLNESS or you by this Development Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

B. Injunctive Relief. Nothing herein contained shall bar R-WELLNESS's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions. You acknowledge that any failure to comply with the requirements of this Development Agreement, will cause R-WELLNESS irreparable injury, and you agree to pay all court costs and reasonable attorney's fees incurred by R-WELLNESS, in obtaining specific performance of, or an injunction against violation of, the requirements of this Development Agreement.

C. Governing Law. This Development Agreement takes effect upon its acceptance and execution by R-WELLNESS. This Development Agreement shall be interpreted and construed under the laws of the State of Louisiana, which laws shall prevail in the event of any conflict of law, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.).

D. Attorney's Fees. In the event that any action or proceeding is filed by one party against the other party to enforce or defend any of the covenants or conditions hereto, the party in whose favor final judgment shall be entered shall be entitled to recover from the other reasonable attorneys' fees and related litigation costs and expenses, to be set and ordered by the court in which the judgment is entered.

18. DISPUTE RESOLUTION.

Except as specifically otherwise provided in this Development Agreement, the parties agree that any and all disputes between them and any claim by either party that cannot be amicably settled shall be determined, in the sole discretion of R-WELLNESS, either by arbitration or within the forum of a court in the 19th Judicial District Court for the Parish of East Baton Rouge, LA or in the United States District Court for the Middle District of Louisiana. If arbitration is selected as a method of resolution, the rules of the

American Arbitration Association (“AAA”) shall apply. Said rules are hereby modified to provide that each party shall be entitled to conduct discovery in accordance with the Federal Rules of Civil Procedure. The parties agree to submit the dispute to an agreed arbitrator (the “Arbitrator”), who shall be a member of the American Bar Association Forum Committee on Franchising in good standing for at least five (5) years. The Arbitrator shall hear the dispute within 60 days of the date the dispute is filed with AAA. The Arbitrator shall hear the dispute in Baton Rouge, LA and may properly consider any and all matters related thereto that would be admissible in a non-jury trial under applicable Federal Rules of Civil Procedure or Evidence. The Arbitrator's award shall be announced within seven (7) days of the hearing of the dispute and shall include all fees, costs and attorneys' fees to the prevailing party. Judgment upon the award of the Arbitrator shall be binding and shall be entered in a court of competent jurisdiction. Developer knows, understands and agrees that it is the intent of the parties that any arbitration between R-WELLNESS and Developer shall be of your individual claims and that the claims subject to arbitration shall not be arbitrated on a class-wide basis. In many instances, arbitration may be the sole proceeding available to the parties, who may also be required by the Arbitrator to pay a filing fee.

Notwithstanding any provision contained in this Section, R-WELLNESS may at its option institute an action or actions for temporary, preliminary, or permanent injunctive relief or seeking any other equitable relief against you in addition to any other rights and remedies provided herein.

In no event shall you be entitled to make any claim for money damages by way of set-off, counterclaim or defense, based upon any claim or assertion by you that R-WELLNESS has unreasonably withheld or unreasonably delayed any consent or approval to a proposed act by you under any of the terms of this Development Agreement. Your sole remedy for any such claim shall be an action or proceeding to enforce any such provisions, or for specific performance, or declaratory judgment.

19. ACKNOWLEDGEMENTS.

A. Independent Investigation. You acknowledge that you have conducted an independent investigation of the business franchised hereunder, and recognize that the business venture contemplated by this Development Agreement involves business risks and that its success will be largely dependent upon your ability as an independent businessman. R-WELLNESS expressly disclaims the making of, and you acknowledge that you have not received, any warranty or guaranty, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Development Agreement.

B. Understanding of Agreement. You acknowledge that you have received, read, and understood this Development Agreement and the Exhibits or Addendum hereto, if any, and that R-WELLNESS has provided you all required franchise disclosure documents and has accorded you ample time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Development Agreement.

[Signatures on the following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Development Agreement on the day and year first above written.

WITNESSES:

FRANCHISOR: R-WELLNESS, LLC

By: _____
Name: _____
Title: _____

DEVELOPER: _____

By: _____
Name: _____
Title: _____

GUARANTOR:

By: _____
Name: _____
Individually, and as Guarantor of
_____, a [corporation, LLC or
partnership]

Each of the undersigned owns a 5% or greater beneficial interest in the Developer; each has read this Development Agreement and each agrees to be individually bound by its terms.

WITNESS:

EXHIBIT A

DEVELOPMENT SCHEDULE

| <u>Number of Franchised Business(es) to Be Opened</u> | <u>Date</u> |
|-------------------------------------------------------|-------------|
|-------------------------------------------------------|-------------|

TO BE INITIALED BY BOTH PARTIES:

DEVELOPER

R-WELLNESS, LLC

EXHIBIT B
TERRITORY
DESCRIPTION OF AREA

TO BE INITIALED BY BOTH PARTIES:

DEVELOPER

R-WELLNESS, LLC

EXHIBIT F

FRANCHISE AGREEMENT AND RELATED AGREEMENTS

R-WELLNESS, LLC

FRANCHISE AGREEMENT AND RELATED AGREEMENTS

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RELATED RIDERS AND ATTACHMENTS

FRANCHISE AGREEMENT RIDER

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FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is entered into by R-WELLNESS, LLC, a Louisiana limited liability company, with its principal office at 16161 Perkins Road, Baton Rouge, Louisiana 70810 ("R-WELLNESS", "we", "us" or "our"), and _____ whose address is _____ ("you", "your" or "Franchisee") and is effective as of the date ("Effective Date").

RECITALS

A. As the result of the expenditure of time, skill, effort and money, we have developed a proprietary system (hereinafter "System"), the elements of which are owned by us, relating to the establishment, development and operation of R-WELLNESS franchises that offer wellness, aesthetic, recovery, weight loss, medical and therapeutic services, including hormone replacement therapy and testosterone replacement therapy, in a boutique retail setting ("Franchised Business" or "Spa") in a prototypical model including intra-venous ("IV") infusions, compression therapy and mobile cryotherapy. Depending on the size of the Spa, additional modalities offered in the Franchised Business may include hyperbaric oxygen therapy, dry float therapy, near infra-red ("NIR") sauna, mobile red light and cryotherapy and cryoskin treatments, hydra facials, cellulite reduction therapy and Ballancer Pro lymphatic drainage under the trade name "The Covery" ("Franchised Business(es)" or "R-WELLNESS Franchised Business(es)"). Franchised Business may also offer clients the benefit of nutritional retail merchandise, nutritious snack items, and R-WELLNESS branded apparel.

B. The distinguishing characteristics of the System include, without limitation, specially designed improvements, interior and exterior layouts, signs, websites, mobile applications, marketing and advertising materials, programs, procedures and methods, and training and supervision, all of which may be changed, improved, and further developed by us from time to time;

C. We further identify the System by means of certain trademarks, logos, emblems, and indicia of origin (hereinafter "Proprietary Marks" or "Marks") including, but not limited to, the marks "R-WELLNESS" and "The Covery" and such other trade names, service marks and trademarks as may be designated now or hereafter by us in the Confidential Operating Manuals, as hereinafter defined, or otherwise in writing, for use in connection with the System;

D. We also continue to develop, expand, use, control and add to the Proprietary Marks and System for the benefit and exclusive use of R-WELLNESS and its franchisees in order to reflect the changing health and wellness industry.

E. We franchise others to use the System and the Marks and will also provide to you continuing advice on the establishment and operation of a R-WELLNESS Franchised Business.

F. You desire to establish and operate a R-WELLNESS Franchised Business, to use the Marks and all other elements of the System, and to derive the benefits of the System as developed by us. You acknowledge that it is essential to the maintenance of the high standards which the public has come to expect of R-WELLNESS services and products, and to the preservation of the integrity and goodwill of the Marks, that you adhere to the standards for the establishment and operation of a R-WELLNESS Franchised Business.

G. 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.

In consideration of the recitals above and of the terms below, we and you agree:

1. GRANT OF FRANCHISE

1.1 Subject to the terms of this Agreement, we grant to you the right, and you undertake the duty, to establish and operate a R-WELLNESS Franchised Business (the "Franchised Business") for the term described in Section 3 (the "Franchise").

1.2 The Franchise includes the right and obligation to sell R-WELLNESS services and products.

1.3 The Franchise includes the right and obligation to use the complete System, as it exists or may be supplemented or modified during the term of the Franchise. You agree that the System will continue to evolve to reflect changing market conditions and to meet new and changing consumer demands, and that variations and additions to the System may be required to preserve and enhance the public image of the System and to ensure the continuing operational efficiency of the Franchised Business generally. Accordingly, you agree that we may, on notice and acting reasonably, add to, modify and change the System, including the adoption and use of new and modified service marks, trademarks, trade names, trade dresses, equipment, techniques and methodologies relating to the preparation, marketing, promotion and sale of R-WELLNESS services and products, but any modifications or changes may not unreasonably increase your obligations under this Agreement or place an excessive economic burden on the Franchised Business. You further agree to promptly accept, implement, use and display in the operation of the Franchised Business all of those additions, modifications and changes at your expense.

2. INTERIM RESERVED AREA, SITE, TERRITORY AND OUR RESERVATIONS OF RIGHT

2.1 Interim Reserved Area. If you have not located a site for the Franchised Business that is acceptable to us by the time of execution of this Agreement, you agree that you will seek to locate the Franchised Business only at a site acceptable to us within the geographic area ("Interim Reserved Area") identified in the Interim Reserved Area Addendum (Attachment 1A).

2.2 Site. When you have located a site for the Franchised Business acceptable to us, the site will be identified in the Site Addendum (Attachment 1B). If the possession or ownership of or lease for the premises of the Franchised Business expires or terminates without fault of you, or if the premises are destroyed, condemned or otherwise rendered unusable, or if in our judgment there is a change in character of the site of the Franchised Business sufficiently detrimental to its business potential to warrant its relocation, we may grant you permission to relocate the Franchised Business to another site acceptable to us within the Territory. Any relocation will be at your sole expense.

2.3 Territory. The territory for your site ("Territory") will be identified in the Territory Addendum (Attachment 1C). You acknowledge that the Territory may be different from the Interim Reserved Area. During the term of the Franchise, we will not:

(a) establish or operate, or grant any person other than you the right to establish or operate, a R-WELLNESS Franchised Business at any location in the Territory; or

(b) sell to any person in the Territory products or services that are the same as the products and services offered by a R-WELLNESS Franchised Business, except as may be provided in Section 2.4.

2.4 Our Reservations of Right. We reserve the sole and absolute right:

(a) To establish and operate, and to grant to others the right to establish and operate (whether by franchise, license or other agreement), R-WELLNESS Franchised Business at non-traditional venues and locations anywhere inside the Territory, including locations near the Territory's boundaries, including by example and without limitation, hotels/motels, shopping malls, airports, sports stadiums, convention centers, military bases, public transportation facilities, toll road plazas, universities/colleges, recreational theme parks, and World Wide Web/Internet solicitations and purchases, even though such types of facilities may be located within the Territory.

(b) To establish and operate, and to grant to others the right to establish and operate, R-WELLNESS Franchised Business at locations anywhere outside the Territory, including locations near the Territory's boundaries;

(b) To offer and sell to persons outside the Territory, using R-WELLNESS trademarks or different trademarks, services and products that are the same as the services and products offered by a R-WELLNESS Franchised Business;

(c) To offer and sell different services and products outside the Territory, using R-WELLNESS trademarks or different trademarks, without offering you the right to participate;

(d) To acquire or be acquired by any owner, franchisor or licensor of any business operating under different trademarks in or outside the Territory;

(e) To establish and promote other franchise systems involving different services or products using different trademarks, in or outside the Territory, and to establish owned, franchised or licensed outlets for those systems, without offering you the right to participate; or

(f) To offer and sell R-WELLNESS franchises to persons in or outside the Territory.

3. TERM OF FRANCHISE

3.1 Initial Term. The Franchise will begin on the date we execute this Agreement and will continue for an initial term of 10 years from the date that you open your Franchised Business unless sooner terminated under Section 26.

3.2 Renewal Terms. You will have the right to renew the Franchise for two (2) successive ten (10) year terms, if:

(a) You give us written notice, not more than one (1) year and not less than 180 days before the expiration of the prior term, of your intention to renew;

(b) You are solvent (are able to pay your debts as they come due and have assets that are greater than your debts), have not abandoned the Franchised Business, are not operating the Franchised Business in a manner that endangers public health or safety, have not repeatedly committed defaults of this Agreement during the prior term that have been noticed by us, have not repeatedly failed to submit timely reports to us during the prior term, and have not repeatedly submitted false or incomplete reports to us during the prior term;

(c) You, or any of your principal officers, shareholders, members or partners ("principals"), if you are a corporation, limited liability company, partnership or other legal entity ("legal entity"), have not been convicted of a felony or a crime involving moral turpitude, consumer fraud or any other

offense that is reasonably likely, in our sole judgment, to have an adverse effect on the Marks, the System, the goodwill associated with the Marks or System, or our interest in the Marks or System;

(d) You have signed our then-current franchise agreement, which will supersede this Agreement, except for renewal provisions, and may contain terms that are substantially different from those in this Agreement;

(e) At our option, you remodel the Franchised Business to conform it to our then-current requirements, except that you will not be required to expend more than 10% of your prior year's Gross Revenues to accomplish any required remodeling; and

(f) You pay to us a renewal fee equal to the greater of \$10,000 or 10% of our then-current Franchise Fee.

4. PERSONAL ATTENTION OF FRANCHISEE OR MANAGER TO THE FRANCHISED BUSINESS

4.1 You (or if you are not an individual, your principal operating officer or other principal), or a Manager who has successfully completed all required initial training, must personally manage the Franchised Business at all times.

4.2 You understand and agree that the success of the Franchised Business will depend on personal, continued and full-time attention to the Franchised Business by you, your principal operating officer or other principal, or your Manager. Personal, continued, and full-time attention will include at least: availability during normal and peak business periods; participation in the development and implementation of management and operational policies; and involvement in the training and supervision of employees and independent contractors to ensure that the System is followed.

5. ESTABLISHMENT AND MAINTENANCE OF THE FRANCHISED BUSINESS

5.1 Ownership of or Lease for the Franchised Business. You represent that you own, have leased, or promptly after the execution of this Agreement, will attempt to purchase or lease the premises of the Franchised Business. Any lease or replacement lease for the premises, or any lease for acceptable substitute premises, must include the Lease Addendum attached to this Agreement as Attachment 5 or provisions in place of the addendum that we approve. You agree that you will not execute a lease which has for any reason not been approved by us. Your execution of a lease or purchase agreement for the premises of the Franchised Business will constitute acceptance by you of the premises and of the terms of the lease or purchase agreement, and a waiver of any claim or right against us relating to the choice of the premises or the terms of the lease or purchase agreement. For purposes of this Agreement, the term "lease" includes a sublease. The signing of a lease must occur within 180 days of the Effective Date.

5.2 Development of the Franchised Business. You agree to develop the Franchised Business in accordance with our specifications. You will, promptly after obtaining possession of the premises of the Franchised Business, and before opening, do or cause to be done all of the following:

(a) Before leasing, purchasing or building out the premises of the Franchised Business, prepare and submit to us for acceptance, which will not be unreasonably withheld, plans for the Franchised Business (or any deviations from the plans) (including, but not limited to, plans for construction, dimensions, exterior design, materials, interior layout, equipment installation, fixtures, furniture, signs and decorating), which plans will comply with our specifications and recommendations for a R-WELLNESS Franchised Business. In connection with the preparation and any modification of the plans, we will provide you with assistance regarding the design and layout of the Franchised Business (including a preliminary layout for the premises), and the selection of equipment and supplies. After being accepted, the plans may

be further modified only to the extent necessary to comply with applicable ordinances and building codes, and applicable permit, lease and deed requirements and restrictions. All plans and modifications will be subject to our prior written acceptance.

(b) Obtain all required building, driveway, utility, sign and business permits and licenses, and any other required permits and licenses necessary for the establishment and operation of the Franchised Business.

(c) Construct all required improvements to the premises, decorate the premises in compliance with plans and specifications accepted by us and otherwise conform the premises to all applicable ordinances and building codes, and all applicable permit, lease and deed requirements and restrictions and our specifications, as modified by you with our prior written approval to fit the particular site, and obtain all customary contractors' sworn statements and partial and final waivers of liens for construction, remodeling, decorating and installation services.

(d) Purchase or lease and install all equipment, fixtures, furniture and signs required for the business as listed in our specifications.

(e) Failure to comply with all of our pre-opening requirements including, by example, having a minimum number of pre-sold memberships, if applicable, may result in a delay of your opening until all such requirements are met to our reasonable satisfaction.

(f) The Franchised Business shall be open and operating not less than 365 days after the Effective Date.

5.3 Equipment, Fixtures, Furniture and Signs. You agree to use in the operation of the Franchised Business only those brands and models of equipment, fixtures, furniture and signs that we have approved for a R-WELLNESS Franchised Business as meeting our specifications and standards. Specifications may include minimum standards for design, appearance, function, performance, serviceability and warranties. You further agree to place or display at the premises of the Franchised Business (interior and exterior) only the signs, emblems, lettering, logos and display materials that we approve in writing. You may purchase approved brands and models of equipment, fixtures, furniture and signs from any supplier, including us or our affiliates, where applicable. If you propose to purchase any brand and/or model of equipment, fixture, furniture or sign which is not then approved by us, you will first notify us and will submit to us, on our request, sufficient written specifications, photographs, drawings and/or other information or samples for a determination by us of whether the brand and/or model of equipment, fixture, furniture or sign complies with our specifications and standards, which determination will be made and communicated to you within a reasonable time. We will have the right to charge you a reasonable amount to cover the expenses incurred by us for any testing or inspection. See Section 14.2.

5.4 Selection of Premises. If the premises of the Franchised Business have not been located by you and accepted by us prior to execution of this Agreement, it will be your obligation to locate and lease premises suitable for the operation of the Franchised Business and acceptable to us within the Interim Reserved Area. We will not unreasonably withhold acceptance of any premises that meet our minimum standards for size and layout. We will give you written notice of acceptance or rejection of the proposed site within a reasonable time after receiving written notice of your proposed location and letter of intent or other evidence satisfactory to us confirming your favorable prospects of obtaining the proposed site. We agree to hold the Interim Reserved Area for the Franchised Business during the period specified in Section 5.5 below, and to expend time and effort as may reasonably be required to evaluate the premises proposed by you. You acknowledge that our acceptance of any premises does not constitute any assurance that a R-WELLNESS Franchised Business will be profitable at those premises or more profitable at those premises in comparison to other premises. Our acceptance is only an indication that the particular premises meet our minimum criteria.

5.5 Franchised Business Opening. You agree to either sign a lease on a site acceptable to us or open the Franchised Business not later than one (1) year after signing the franchise agreement, but if you are delayed from opening within that one (1) year timeframe, you will be in default of this Agreement and must immediately provide us with a written request to delay opening once it is known by you that you cannot meet the opening deadline. The request must state: (1) that a delay is anticipated; (2) the reasons which caused the delay; (3) the efforts that you are making to proceed with the opening; and (4) an anticipated opening date. In considering the request, we will not unreasonably withhold our consent to a delay, up to a maximum of 90 days, if, in our sole judgment, you have been diligently pursuing the opening. Otherwise, we are not obligated or required to honor your request for a delayed opening.

5.6 Pre-Opening and Grand Opening. You agree to conduct a pre-opening and grand opening marketing program for the Franchised Business, commencing not less than 90 days prior to opening and continuing for 30 days after opening, and to expend \$30,000 (minimum) during that period. This marketing program will be in addition to marketing conducted under Sections 16.2 and 16.3 of this Agreement, and will utilize marketing and public relations programs and media and advertising materials approved by us. We will either collect the marketing funds from you and spend them on your behalf or you will pay them directly to our approved vendors and either we or the approved vendors will provide you with advice and guidance with respect to the pre-opening and grand opening marketing program which you must follow. On our request, you will participate in a joint pre-opening and/or grand opening program with other franchisees whose facilities are located in the same advertising market and who are opening R-WELLNESS Franchised Business(es) at about the same time. You will not be permitted to open your Franchised Business or have access to the System unless you have achieved the minimum number of pre-sold memberships as required by us.

6. CONTINUOUS OPERATION OF THE FRANCHISED BUSINESS

6.1 You must operate the Franchised Business on a continuous basis throughout the year and must be open for business each week for the minimum hours and minimum days stated in the Confidential Operations Manual unless you are limited by your landlord's rules and regulations, or by local government regulation.

7. LIMITATIONS ON ACTIVITIES OF THE FRANCHISED BUSINESS

7.1 In order to preserve the System and the identification of R-WELLNESS franchisees operating under the Marks, you agree that the Franchised Business will not engage in activities other than those approved under the System. You further agree that you must obtain our prior written consent to offer any services or sell any products other than those approved under the System.

7.2 You may not engage in any deceptive or unfair trade practice or other activity, or offer any service or product which is harmful to the goodwill or reputation of you, us, our franchisees generally, the System or the Marks.

7.3 You may not maintain your own Franchised Business website, mobile application, social network or any other technology platform in connection with the Franchised Business on the Internet or any comparable electronic network of computers.

7.4 You must maintain the interior and exterior of the Franchised Business in the exact form(s) provided or specified by us. We may require you to modify the interior and/or exterior on reasonable written notice. You may modify the interior and exterior only with our prior written consent, which we may not arbitrarily withhold, subject to the following procedures:

- (a) You must submit to us, in writing, any proposed modifications;

(b) You must submit to us, if we request, samples of any proposed new or modified items;

(c) Within 60 days, we will notify you, in writing, whether any proposed modifications, or any proposed new or modified items, have been approved or disapproved and, if disapproved, the reasons for the disapproval; and

(d) You must reimburse us for any costs incurred in reviewing or testing any proposed modifications, or any proposed new or modified items.

7.5 You must offer for sale to your clients any and all products and services that we mandate.

8. PRICES CHARGED BY THE FRANCHISED BUSINESS

8.1 To the extent permitted by law, we may set or suggest minimum and/or maximum pricing tiers for memberships, products or services. If we decline to do so, you will have the right to offer and sell services and products at any prices you may determine.

9. FEES PAYABLE TO US OR OUR DESIGNEES

9.1 Initial Franchise Fee. If this Agreement is not being signed as part of a Development Agreement for a second or more Spas or subject to a verified Military Veteran's discount or the renewal or transfer of the Franchise, you must pay to us on signing an initial franchise fee of \$42,500. The fee or any portion of the fee is non-refundable and fully earned by us when paid.

9.2 Continuing Franchise (Royalty) Fee. You must pay us a continuing franchise (royalty) fee equal to the greater of \$2,500 per month or 6.75% percent of weekly Gross Revenues (as defined in Section 9.12). This fee is due and payable weekly by electronic transfer (as we specify in the Confidential Operations Manual or otherwise in writing) for each preceding week and begins to accrue in the week in which the Franchised Business is established. You must submit a statement of Gross Revenues to us in the form and at the time stated in the Confidential Operations Manual or otherwise as we direct in writing, and we will draft your designated account based on the contents of your statement to us. You must pay the fee by the established due date. During any period of the Franchised Business disruption, you must continue to pay us this fee weekly based on your average weekly payment during the 12-week period immediately preceding the period of business disruption.

9.3 Technology Fee. You must pay us a weekly technology fee (currently \$109-\$204) to help off-set our cost of research, development and license fees expended on technological advancements that we integrate into the System for your benefit. We reserve the right to increase the fee but not more than once annually.

9.4 Assigned Medical Director and Lead Nurse Practitioner/Tele-Med Fees. You must pay us, or our designee, a monthly fee (currently \$1,200 - \$2,000) for the Medical Director and Lead Nurse Practitioner assigned to your Franchised Business. You must also pay a per call fee (currently \$30-\$60 per call) should you wish to receive telephone support regarding the medical aspects of your Franchised Business. We and/or our designee, reserve the right to increase these fees but not more than once annually. See Section 10.1 (n).

9.5 Advertising and Promotional Contributions. See Section 16.

9.6 Training and Continuing Education Fees. See Sections 11.2(b) and (d), 11.4 and 11.5.

9.7 Annual Conference Fee. See Section 11.2(c).

9.8 Audit Fee. See Section 13.7.

9.9 Transfer Fee. See Section 25.2(b) (viii).

9.10 Renewal Fee. See Section 3.2(f).

9.11 Interest and Late Fees. If any sum you must pay to us under this Agreement is not actually received by us by the due date, that sum will bear interest calculated daily after the due date until paid at the lesser of a rate equal to one and one-half percent (1.5%) of the monthly balance of principal and interest, or the highest rate of interest allowed by law. If the due date for a sum is not stated in this Agreement, generally it will be the 30th day after the billing date. Any payment received toward an overdue sum will first be applied to the interest due and will be applied to the overdue sum only after all outstanding interest is paid. You also must pay a late fee of \$50 for each past due payment and/or from \$25-\$300 to cover our costs of handling late sales and other reports as required to be timely submitted by you and a maximum of \$20 per hour if your reports deviate from our required format. These costs are subject to change depending on the expenses we incur. Interest and late fees will be in addition to any other rights or remedies that we have under this Agreement or otherwise. Regardless of your designation, we, in our sole discretion, may apply your payments to any of your past due indebtedness to us or our affiliates. See also Section 13.7.

9.12 Gross Revenues. For purposes of this Agreement, "Gross Revenues" means all receipts of the Franchised Business, including all amounts received or charged, the value of all services or products received for services provided or products sold utilizing the Franchised Business, whether for cash or barter, or on a charge, credit or time basis, excluding excise, sales and use taxes, gross receipts taxes or similar taxes you pay based on revenues, if those taxes are separately stated when the member is charged, and also excluding bona fide refunds, allowances or discounts to clients.

9.13 Withholding of Sums Payable. You agree that you will not, on grounds of the alleged nonperformance by us of any of our obligations under this Agreement, withhold payment of any fee or other sum payable to us under this Agreement, or of any other sum payable to us or our affiliates.

9.14 Equipment, Supplies or Supplier Testing or Inspection, and Grant or Approval of Equipment, Supplies or Suppliers. See Section 14.2.

9.15 Product Ordering Fee. See Section 10.1 (p).

10. SERVICES AND PRODUCTS FURNISHED BY US

10.1 During the term of the Franchise, we will provide the following:

(a) Specifications for signage, fixtures, equipment, inventory, supplies and services needed to establish a R-WELLNESS Franchised Business;

(b) Training programs and assistance as described in Section 11;

- (c) Confidential Operations Manual as described in Section 12 (paper copy and/or Intranet access);
- (d) Updates to the Confidential Operations Manual (paper copies and/or Intranet access) as described in Section 12;
- (e) Specifications for signage, fixtures, equipment, inventory, supplies and services used under the System, and continued efforts to negotiate purchasing agreements with suppliers for equipment, supplies and services, as described in Section 14;
- (f) Samples of initial (pre-opening and grand opening) advertising and promotional materials and assistance in implementing an initial (pre-opening and grand opening) advertising and promotional program;
- (g) Periodic efforts to report improvements in the System to you as they are developed or acquired by us in our sole discretion;
- (h) Continuing assistance by personal visit, telephone, electronic mail, voice mail, facsimile, mail, newsletters, or other methods, that we, in our sole discretion, deem reasonable under the circumstances;
- (i) Manuals and related materials other than the Confidential Operations Manual that we, in our sole and absolute judgment, select (paper copies or Intranet access);
- (j) Assistance with site selection and lease;
- (k) Guidance in initially organizing your business;
- (l) In connection with the operation of the Franchised Business, provide reviews and analyses of your operations;
- (m) At our option, Intranet access to our manuals, franchisee resources and company news;
- (n) For a mandatory fee set annually (currently \$1,200 - \$2,000 per month), provide you with an assigned Medical Director and Lead Nurse Practitioner;
- (o) For a mandatory fee set annually (currently \$109 - \$204 per week) provide you with technological advancements that we integrate into the System;
- (p) For a mandatory fee set annually (currently \$100 per month), provide you with ordering coordination and handling for required product purchases.

10.2 If you request, we will furnish special guidance and assistance relative to the operation of the Franchised Business, other than continuing assistance provided at no charge, at per diem charges we establish (currently \$500 per person per day, plus out-of-pocket expenses). If you request special training of business personnel or other assistance in operating the business that must take place at the location of the Franchised Business, you must pay all expenses for training, including the then-current per diem charges and all reasonable transportation, meal and lodging expenses incurred by our personnel supplying the additional assistance.

10.3 We may establish and maintain a R-WELLNESS Internet website(s) or home page(s), mobile application(s) and various social media networks and sites (“Web Branding”) to advertise and promote the R-WELLNESS System. In our discretion, we may permit a link to your approved Franchised Business Website and access to the Web Branding as described in Section 16.6.

Any representations and warranties of any kind whatsoever, express or implied, regarding our website(s), including representations and warranties as to the operation, functionality, lack of interruption or resources of our website(s), are expressly excluded. Without limiting the foregoing, we disclaim any implied warranties of merchantability and wellness for a particular purpose as to our website(s). As to any malfunctioning of our website(s), we will not be liable to you for any consequential, incidental, indirect, economic, special, exemplary or punitive damages, such as, but not limited to, loss of revenue or anticipated profits or lost business, even if you have advised us that such damages are possible as a result of any breach of warranty or malfunction.

10.4 Our obligations under this Agreement are to you. No other person or entity, directly, indirectly or by subrogation, may rely on, enforce or obtain relief under this Agreement for any default by us.

11. TRAINING

11.1 You and your employees and independent contractors must maintain the standards of skill, efficiency and quality associated with the System.

11.2 To assist you in establishing and maintaining those standards, we will provide training as follows:

(a) We will provide you (or if you are not an individual, your principal operating officer or other principal) and your original Manager, if any, orientation and initial training for the operation of a R-WELLNESS Franchised Business, at a location or virtually and according to our then current training programs that we designate. If you are opening your second or additional Franchised Business, we may, in our sole discretion, waive the initial training for you but not of any new Manager. Initial training will be about five (5) days duration at our headquarters and about 10 days duration at your location. It will be comprised of three parts: Orientation/Initial Training; Field Training; and Nurse Training. You (or if you are not an individual, your principal operating officer or other principal) and your original Manager, if any, must successfully complete initial training to our satisfaction before opening the Franchised Business. We will bear the cost of providing initial training, including the cost of basic materials and instructors, but you must bear the cost of trainees' wages and benefits, and trainees' travel, lodging and meal expenses.

(b) If the original or any succeeding Manager leaves your employ, a replacement Manager must successfully complete initial training at a location we designate, subject to our scheduling, within eight (8) weeks of the date of replacement. You must bear the cost of the succeeding Manager's wages and benefits, and travel, lodging, and meal expenses. You must pay us our then-current training fee (currently \$500 per person) as to that training, if we provide replacement manager training to you more than once per calendar year.

(c) We may conduct an annual conference for our franchisees to discuss and review new business and marketing and may be held on a regional or national basis. We will provide you with notice of the time and place of the conference, which time and place we will determine. You (or if you are not an individual, your principal operating officer or other principal) or your Manager must attend the conference. For each of your representatives attending the conference, you must pay a non-refundable per-attendee fee to us equal to the approximate pro-rata out-of-pocket cost of holding the conference, and also must pay all wages

and benefits, and your attendees' travel, lodging and meal expenses. Failure to attend the conference shall be a default of this Agreement and will result in you also being assessed a non-refundable fee equal to two times the fee charged those franchisees who chose to attend.

(d) You (or if you are not an individual, your principal operating officer or other principal) and your Manager and/or key employees, must successfully complete remedial or follow-up training if, in our sole and absolute judgment, that training is necessary. The fee for such training shall be \$500 per day per person being trained and you must also bear the cost of your wages and benefits, travel, lodging and meal expenses as well as that of your Manager and/or key employees.

(e) If, in our estimation, your Franchised Business is not operating in a manner consistent with our brand standards and systems, we may require you and/or your key personnel to undergo additional training at your expense.

11.3 Except as otherwise stated in this Section 11, you are responsible for training managers, employees and independent contractors other than your Managers.

11.4 If you request our trainers to give any initial, remedial or follow-up training at your location, you must bear the actual and reasonable travel, lodging and meal expenses of those trainers.

11.5 We may require you to make reservations for trainees or attendees in advance of any training or conference. We may require deposits for those reservations (which may be refunded or, in our sole discretion, applied toward training or conference fees) and may charge cancellation fees if reservations are cancelled.

12. CONFIDENTIAL OPERATIONS MANUAL; ADDITIONAL MANUALS AND MATERIALS

12.1 We have developed copyrighted Confidential Operations Manual containing mandatory and suggested specifications, standards, procedures and rules applicable to the System. The Confidential Operations Manual is and will remain our exclusive property. You will merely be lent paper copies of, or be given Intranet access to, the Confidential Operations, Training and Marketing Manuals during the term of the Franchise. We also may lend you paper copies of, or may give you Intranet access to, additional manuals and materials we develop for aspects of the System. In order to protect our reputation and goodwill, the System and the Marks, you must operate the Franchised Business in strict conformance with the Confidential Operations Manual and any additional manuals or materials we develop that are lent to you.

12.2 You agree that we may modify the System, and that modifications to the System may require modifications to the Confidential Operations Manual and to any additional manuals or materials we develop, as long as those modifications do not unreasonably increase your obligations under this Agreement or place excessive economic burdens on the Franchised Business. You agree to operate the Franchised Business in strict conformance with any modifications to the Confidential Operations Manual and any additional manuals or materials we develop. Modifications will be effective on receipt by you, unless we otherwise state.

12.3 The provisions of the Confidential Operations Manual, including the mandatory specifications, standards, procedures and rules applicable to the System, and any modifications that we make, are provisions of this Agreement as if fully stated in this Agreement. All references in this Agreement to the provisions of the Confidential Operations Manual mean the provisions of the Confidential Operations Manual, including all modifications and mandatory and recommended specifications, standards, procedures and rules, as of the time they are in effect.

12.4 You must at all times ensure that any paper copies of the Confidential Operations Manual and any additional manuals or materials we provide to you are up-to-date and kept in a secure place. If there is any dispute as to their contents, the terms of our master paper copies of the Confidential Operations Manual, and of any additional manuals or materials we develop and maintain at our headquarters, will be controlling.

12.5 You must treat the Confidential Operations Manual and any additional manuals or materials we develop and provide to you that are designated as "Confidential", and the information in those manuals and materials, as confidential, and must take all reasonable precautions to maintain those manuals' and materials' confidentiality. You may not, without our written consent, copy, duplicate, record or otherwise reproduce the Confidential Operations Manual or any additional manual or materials we develop, in whole or in part, or otherwise make the same available to any person who is not bound by the confidentiality terms of this Agreement or who has not signed a separate confidentiality agreement (see Section 20.2 and Attachment 4).

13. ACCOUNTING PROCEDURES

13.1 You must use computerized point-of-sale, record-keeping and accounting systems as we require.

13.2 You recognize the importance of financial and statistical analysis and agree to provide us with weekly and monthly sales reports in the forms and at the times and places required in the Confidential Operations Manual. All financial information you provide to us must be prepared in accordance with accounting methods we accept.

13.3 You must provide us annually, within three (3) months after your fiscal year end, with a statement of revenues, expenses and income (or loss) for the year, and a statement of assets and liabilities as of the end of the year, which statements must be prepared in accordance with accounting methods we accept. At our option, we may require this statement to be prepared by an independent certified public accountant in accordance with the standards for a compilation or review. Simultaneously with this statement, you must provide us with copies of all tax returns you file for the year as to the Franchised Business, including federal and state income tax returns.

13.4 You must submit to us any other financial or statistical reports, records, statements or information that we reasonably deem to be required or desirable, in the forms and at the times and places we reasonably state, in the Confidential Operations Manual or otherwise in writing.

13.5 All financial or statistical information you provide to us must be accurate and correct in all material respects.

13.6 We have the right to use any financial or statistical information you provide as we deem appropriate. We will not identify you as the source of that information and will not disclose any information shown in any of your tax returns (other than information disclosed in other documents submitted to us) except: (i) with your permission; (ii) as required by law or compulsory order; or (iii) in connection with audits or collections under this Agreement.

13.7 We or our designated agents have the right, at all reasonable times, to examine, copy and audit your and the Franchised Business's books, records and tax returns. If an examination or audit discloses any underpayment of any fee, you must promptly pay the deficient amount plus interest calculated daily from the due date until paid at the lesser of a rate equal to 1.5% of the monthly balance of principal and interest or the highest rate of interest allowed by law and late fees as described in Section 9.8.

If an examination or audit discloses an underpayment or understatement of any amount due us by 3% or more for any three (3)-month period, or if the examination or audit is made necessary by your failure to furnish required information or documents to us in a timely manner, you must, in addition, reimburse us for the cost of having your books examined or audited. If an examination or audit discloses an underpayment or understatement of any amount due us by 5% or more for any three (3)-month period, we will have the right to terminate the Franchise under Section 26.2(n). These rights will be in addition to any other rights or remedies we have under this Agreement or otherwise.

13.8 During and for five (5) years after the term of the Franchise, you must maintain and preserve all books, records and accounts of the Franchised Business for at least five (5) years after the close of the fiscal year to which the books, records and accounts relate.

14. EQUIPMENT, SOFTWARE, SUPPLIES, SERVICES AND PRODUCTS

14.1 Unless we require otherwise, you may obtain your equipment, software, supplies, services and products from whomever you decide, except that:

(a) You will subscribe to an online computer network and point-of-sale system as we require;

(b) You will obtain from us or our designated suppliers certain equipment, software, supplies, services and products that are proprietary to the System, as we require in the Confidential Operations Manual;

(c) You will obtain from our designated suppliers certain equipment, software, supplies, services and products as we require in the Confidential Operations Manual. The purpose of these designations is to achieve and maintain quality and consistency in the System;

(d) You will obtain all other equipment, software, supplies, services and products that meet our specifications listed in the Confidential Operations Manual. The purpose of these specifications is to protect and maintain the goodwill of the System and the Marks; and,

(e) You will participate in any purchasing or distribution cooperatives that we may establish, if we require your participation.

14.2 We reserve the right to inspect and re-inspect the products, supplies and facilities of your suppliers, to determine their conformity with this Section 14. We will maintain and make available to you a list of certain equipment, software, supplies and services that meet our specifications. We may modify this list. If you desire to use equipment or supplies not on the list, you will so notify us in writing before using the equipment or supplies and, if we so request, will provide us samples of the equipment or supplies and any relevant data. At your option, we will test any equipment or supply to determine whether it meets the required specifications and will notify you accordingly within a reasonable time. You will reimburse us for our expenses for equipment or supply testing or grant or approval of equipment, supplies or suppliers, and for the then-current per diem charges for our personnel. If we determine that any equipment or supply does not meet the required specifications, you agree that you will not use the equipment or supply in the Franchised Business. The supplier of any equipment or supply proposed for your use under this Section may be required to demonstrate to our reasonable satisfaction that:

(a) the supplier meets our specifications, including our quality, quantity, warranty, variety, service and safety specifications, for the equipment or supply and for the facilities used in the production and distribution of the equipment or supply;

- (b) the supplier has the capacity to supply franchisee requirements;
- (c) the supplier has a sound financial condition and business reputation;
- (d) the supplier will supply equipment or supplies to a sufficient number of our franchisees to enable us to economically monitor compliance by the supplier with our specifications; and,
- (e) the supplier will offer to sell its goods and/or services on terms equal to or better than any existing supplier of the same goods and/or services.

14.3 We or our affiliates may offer to sell to you equipment, software, supplies, services and products used in operating a R-WELLNESS Franchised Business, that you may purchase at your option. We or our affiliates will endeavor, to the extent we are able to do so based on total purchases by our franchisees, to negotiate volume purchasing arrangements for equipment and supplies, and to offer them to our franchisees at prices not otherwise generally available to the franchisees.

14.4 To the extent we are not the manufacturer of any equipment or supply that we may sell or provide to you, unless specifically stated otherwise in writing, we do not provide any warranty or guarantee to you or any third party, and you may not make any representation to the contrary to any third party. If we are able to secure from any manufacturer any warranty, guarantee or assumption of liability that we are authorized to convey to you, we will so notify you.

14.5 Security deposits or advance payments may be required by us or our affiliates as to your purchases of fixtures, equipment or supplies by you. You agree to pay all invoices rendered by us or our affiliates for equipment or supplies within 30 days after the dates of the invoices.

14.6 You agree to use in the operation of the Franchised Business all software that we prescribe, and to comply with all specifications and standards that we prescribe regarding proprietary software. Proprietary software may be developed and integrated into the System in our discretion. We or our designee may provide initial issuances, upgrades or updates of proprietary software to you for reasonable fees and subject to reasonable license terms.

15. DESIGN AND APPEARANCE OF THE FRANCHISED BUSINESS

15.1 The condition and appearance of a R-WELLNESS Franchised Business is part of our trade dress. You agree to maintain the condition and appearance of the Franchised Business consistent with our trade dress and the image of the business as a clean, attractive, modern, sanitary, convenient and efficiently operated facility selling high quality services and products. If at any time, in our reasonable judgment, the general state of repair, appearance or cleanliness of the premises of the Franchised Business or its equipment, fixtures, furniture, signs or decor does not meet our standards, we will so notify you, specifying the action to be taken by you to correct the deficiency. If you fail or refuse to initiate, within 30 days after receipt of notice, and then continue, a bona fide program to undertake and complete any required maintenance within the timetable set by us, your failure or refusal will be considered a default for which we may terminate the Franchise. In addition, we will have the right, but will not be obligated, to enter the premises of the Franchised Business and effect required repairs, painting, decorating and/or replacements of equipment, fixtures, furniture, signs or decor on behalf of you, and you will have the obligation to pay the entire cost to us on demand. Your obligation to initiate and continue any required maintenance will be suspended during any period in which the maintenance is impractical due to war, civil disturbance, natural disaster, labor dispute or other event beyond your reasonable control.

15.2 You may make no change to your facility design or appearance without our written consent, and must maintain and renovate periodically, at your expense, the interior and exterior of the

facility in the manner we reasonably require so as to maintain standards of design and appearance consistent with the image of the System. We will have the right to require remodeling to the facility at your expense no more often than once every five (5) years, but you will not be required to expend more than 10% of your prior year's Gross Revenues to accomplish any particular required remodeling and will not be required to do any particular required remodeling if it would occur within one (1) year of the expiration date of any term of the Franchise.

15.3 You agree to purchase or lease, and to display at the Franchised Business, only signs, emblems, logos, lettering and pictorial materials that are in accordance with specifications required by us in the Confidential Operations Manual or otherwise in writing, subject to changes for which we have given our written consent. We have the right to revise the specifications for signs, emblems, logos, lettering and pictorial materials, and you must promptly alter your signs, etc., at your location to conform to the revised specifications. The alterations will be at your expense if revisions are required no more often than once every three (3) years.

15.4 You must maintain the Franchised Business and all adjacent areas in good, clean, attractive and safe condition at all times. You must, at your expense, undertake all maintenance and make all repairs, replacements, alterations and additions as required for that purpose, including periodic cleaning, repainting, repairs and replacement of obsolete fixtures, equipment, and furnishings as we reasonably require.

15.5 You, at your or your employees' expense, will cause your employees and independent contractors to present themselves to clients and prospective clients, in terms of general appearance, dress and accessories, in accordance with written standards we require in the Confidential Operations Manual or otherwise in writing.

16. ADVERTISING AND PROMOTION

16.1 Upon the commencement of your pre-opening, pre-sale campaign, you shall pay either to us or our approved vendors a minimum of \$30,000 (depending on the size of the market in which your Franchised Business is located and as determined by us) for your market introduction advertising campaigns.

16.2 Recognizing the value of marketing and the importance of the standardization of promotions and public relations programs to the furtherance of the goodwill and public image of the System and the Marks, you agree to contribute to a system-wide advertising and promotional fund ("Fund") during the term of the Franchise and on a weekly basis, an amount that we determine (currently 1.75%) but that will not exceed three percent (3%) of your Gross Revenues.

16.3 The Fund will be maintained and administered as follows:

(a) You will contribute to the Fund weekly by electronic transfer (as specified in the Confidential Operations Manual) based on your Gross Revenues for each preceding week. During any period of business interruption, you will continue to make weekly contributions based on your average weekly payment during the 12-week period immediately preceding the period of business interruption.

(b) Any company-owned R-WELLNESS Franchised Business will make contributions to the Fund on a basis at least equal to that described in Section 16.2.

(c) We will direct all advertising and promotional programs, with the sole discretion of approval over agencies, spokespersons, creative concepts, materials, and media placements and allocations used in the programs. The Fund will establish and maintain an on-line presence. You agree that the

Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System, and that we and our designees undertake no obligation in administering the Fund to make expenditures for you that are equivalent or proportionate to your contributions, or to ensure that you benefit directly or pro rata from the placement of advertising.

(d) You agree that the Fund may be used to meet the costs of researching, preparing, maintaining, administering and directing advertising and promotional materials and programs (including the costs of preparing and conducting television, radio, magazine, newspaper, direct mail, coupon and social media advertising campaigns and other public relations activities; employing advertising agencies; providing a toll-free number for prospective clients to call for referral purposes; and providing promotional brochures and other marketing materials to franchisees in the System). All sums contributed to the Fund will be maintained in a separate account from our general funds and will not be used to defray our general operating expenses, except for reasonable administrative costs and overhead incurred in activities related to the administration or direction of the Fund (up to 15%).

(e) If we spend less than the total of all contributions to the Fund during any fiscal year, we have the right to retain those contributions for use in subsequent years. If we spend more than the contributions accumulated in the Fund during any fiscal year, we will have the right to receive from the Fund, reimbursement or credit during the same or subsequent years to the extent of the excess expenditure.

(f) An unaudited summary report on the operation of the Fund will be prepared annually and will be made available to you on request 90 to 120 days after fiscal year end.

(g) Although the Fund is intended to be of perpetual duration, we retain the right to terminate the Fund. The Fund will not be terminated, however, until all contributions have been used for the purposes described above or returned to contributors on a prorated basis.

(h) We may establish an advertising council of franchisees. The council will advise us on advertising policies. Franchisees will elect the members of the council. The council will be advisory and have no operational or decision-making power. The council will operate under its own bylaws, but we will have the right to change or dissolve the council.

16.4. Regarding local marketing and advertising, you must:

(a) Spend at least three percent (3%) of your monthly Gross Revenues on local advertising as pre-approved by us as described below. If other R-WELLNESS Franchised Business(es) are located in your area, you must participate in any regional and/or local advertising cooperative that we establish or cause to be formed, if we require your participation. Any contributions paid by you to either a regional advertising fund or local advertising cooperative will be credited against your local marketing obligation. Such participation may involve, for example, paying your pro rata share of the cost of any local marketing program or campaign placed on behalf of you and other local R-WELLNESS Franchised Business(es). You may not solicit business outside the Territory through the use of social media, a toll-free telephone number, direct mail or other advertising method without our prior written consent.

(b) Submit to us, for our approval, all materials to be used for local advertising, unless they have been approved before or they consist only of materials we provided. All materials containing our proprietary marks must include the designation trademark [™], registered trademark [®], service mark SM, copyright [©], or any other designation we specify. If you do not receive written or oral disapproval of any materials submitted within 10 days from the date we receive the materials, the materials are approved. We may require you to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved. We must make this requirement in writing, and you have five (5) days after receipt of our notice to withdraw and/or discontinue use of the materials or advertising. You must include in any significant

display advertisements, and in marketing materials for the Franchised Business, in conformance with standards in the Confidential Operations Manual, a notice that the Franchised Business is individually owned and operated. Subject to any legal restrictions, you also must display or make available, in the reception area of the Franchised Business, marketing materials that we provide to you about the purchase of R-WELLNESS Franchised Business franchises, but you have no responsibility or authority to act for us in franchise sales.

16.5 You acknowledge and agree that we will own all rights to and interest in each telephone number and telephone or internet directory listing used by you that is associated in any manner with your R-WELLNESS Franchised Business(es) and/or with any Mark (“Listing”). You acknowledge and agree that all goodwill arising from or in connection with the use of each Listing will inure to our benefit. Promptly after the expiration, termination, repurchase or transfer of the Franchise, and at your own expense, you will notify all telephone companies with whom you have any Telephone Listing and direct them to transfer the Listing to us, or any person(s) we designate; and you will execute any and all documents necessary to complete these transfer(s). On the execution of this Agreement, you will sign a telephone transfer consent and authorization, in a form substantially similar to Attachment 6, granting us the authority to change, transfer or terminate your Listing(s) on your behalf. We will use this authorization only if you do not comply fully with this Section 16.5 after the expiration, termination, repurchase or transfer of the Franchise.

16.6 We may establish and maintain a R-WELLNESS Internet website(s) or home page(s), mobile application(s) and various social media networks and sites (“Web Branding”) to advertise and promote the R-WELLNESS System as follows:

(a) All features of the Web Branding, including the domain name(s), content format and links to other websites, will be determined by us in our sole discretion. We will also have the right to modify, suspend or temporarily or permanently discontinue all Web Branding in our sole discretion. We and our affiliates will have the right to sell merchandise directly to retail and/or wholesale customers via the Internet under the name “R-WELLNESS” and the Marks, to create a website or home page containing the “R-WELLNESS” and/or “The Covery” name and Marks, and the exclusive right to reserve or to use “R-WELLNESS” or any derivative or related or similar domain name or e-mail address (without regard to domain name suffix).

(b) You must establish your own Franchised Business Website, but only through our Franchised Business Website management system or other designated source. We, or our designee, will develop your Franchised Business Website for you, but you will be responsible for the web page development fee then applicable. We will also provide a template to you that you must use in developing your Franchised Business Website. Once you have developed your Franchised Business Website, you must then submit it to us for review and approval before posting any content to it. Once we approve your content, we will establish and continue to carry content from your Franchised Business Website by launching it through a link from our home page. In addition, you may not directly or indirectly establish or maintain any form of Web Branding except as approved by us.

(c) Any form of Web Branding developed by you and approved by us must be operated and maintained by you in compliance with 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 also maintain any approved Franchised Business Website and Web Branding in compliance with all applicable laws, rules and regulations, including, but not limited to, copyright and trademark, privacy, anti-defamation and advertising and promotion.

(d) You may not advertise any goods or services on your Franchised Business Website or Web Branding that you do not offer at your Franchised Business, or those that we have not approved, without our written approval.

(e) You will be required to pay us (or our designee) a monthly web page maintenance fee in existence from time to time for providing this service.

(f) We reserve the right at any time and in our sole discretion to require you to modify, remove or delete your Franchised Business Website or Web Branding, or any other website, home page or social media site, and to modify, remove or delete any content or posts thereon.

(g) You may not use the Marks in any Internet website, home page or social media site, including your Franchised Business Website, without our prior written consent.

(h) We retain sole ownership of your Franchised Business Website and Web Branding, including the domain name(s) and any content and e-mail addresses, and all such information will automatically terminate and revert to us at the time this Agreement expires or is terminated. In addition, we will retain sole ownership of any social media site developed by you including any content thereon and domain names related thereto, which includes the words "R-WELLNESS" or any of the Marks, or a word, phrase or symbol confusingly similar thereto or a variant thereof as part of the domain name, username, account name, profile or page reference, and all such information shall revert to us at the time this Agreement expires or is terminated.

(i) You hereby release and agree to hold us, our members, officers, 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 R-WELLNESS home page, all Web Banding and, if applicable, your Franchised Business Website unless such liability arises out of our gross negligence or intentional acts.

17. INSURANCE

17.1 You alone are responsible for any claim, action, loss, damage, liability, injury or death arising out of or relating to the operation of your Franchised Business or arising out of or relating to your acts or omissions or those of your employees, agents or contractors. As such, and at your expense, you must secure before opening the Franchised Business, and then must continuously maintain during the term of the Franchise, minimum insurance as follows and as we may later require:

(a) Worker's compensation or similar insurance with statutory limits as required by the law of the state or jurisdiction in which you are engaged in business. This insurance must be maintained for trainees, as well as for those employed or engaged in the operation of the Franchised Business.

(b) Employer's liability insurance with limits of at least \$1,000,000 for each employee disease, \$1,000,000 for each accident and \$1,000,000 for each disease policy limit.

(c) Commercial general liability insurance with limits of at least \$1,000,000 for property damage and bodily injury per occurrence; \$2,000,000 general aggregate; \$1,000,000 products/completed operations aggregate; and \$1,000,000 personal/advertising injury.

(d) All Risk Property insurance on the premises, equipment (except portable equipment) and supplies, for loss or damage by fire, windstorm, flood and other risks usually insured against by the owners or lessors of similar property. The insurance must be for at least 90% of the replacement cost of the property. Unless a written waiver is obtained from us, any R-WELLNESS Franchised Business

sustaining loss or damage must be repaired, restored or rebuilt within 60 days of the date of the loss or damage.

(e) Business interruption insurance for a period of at least six (6) months.

(f) Cyber liability insurance with an overall aggregate limit of no less than \$1,000,000. Such insurance shall provide coverage for, but not limited to, the following: Network Security Liability, Data Breach or Loss Response Costs; Regulatory Defense and Penalties; PCI Fines and Costs; Data Restoration/Data Recovery or Loss of Digital Assets; and Cyber Extortion. Any sub-limit for Data Breach or Loss Response Costs must be 50% of the limit of liability.

(g) Professional Liability insurance with limits of at least \$1,000,000 per claim and \$3,000,000 annual aggregate. Such insurance shall provide coverage against claims arising out of or relating to the negligent acts, errors or omissions in connection with professional services provided in the operation of the Franchised Business.

(h) Employment practices liability insurance with a limit of at least \$1,000,000 per occurrence.

(i) Medical Expense with a limit of at least \$100,000 per occurrence and \$2,000,000 general aggregate; and,

(j) Physician's Professional Liability with a limit of at least \$1,000,000 per occurrence and \$2,000,000 general aggregate.

17.2 If circumstances require for the protection of you and us, we, in our sole discretion, may increase or modify the insurance limits noted above and may require additional types of insurance. If we determine that any required insurance is not generally available to you at a cost that we, in our sole and absolute judgment, deem to be reasonable, then we may modify the insurance requirements to provide for lower limits until the insurance becomes available at a reasonable cost.

17.3 Except for Worker's Compensation, Employer's Liability, Employment Practices and Professional Liability, each insurance policy you maintain for the Franchised Business must: name us, and our affiliates, successors, assigns, shareholders, partners, officers, directors, employees and agents as additional insureds; require the insurer to defend each person or entity if there is a claim; provide that any liability coverage afforded applies separately to each person or entity against whom a claim is brought as though a separate policy had been issued to that person or entity; contain no provision that limits or reduces coverage if there is a claim by one or more additional insured, or by reason of any insurance that we maintain; and provide coverage for your indemnification obligation under Section 24.2 of this Agreement. Coverage for the additional insured will apply on a primary basis irrespective of any other insurance, whether collectable or not. All insurance policies must be issued by insurance companies with performance ratings of at least A+ as rated in the most recent edition of Best's Insurance Reports or comparable publication. For each insurance policy you maintain for the Franchised Business, you waive all rights of subrogation and agree to obtain any endorsement that may be necessary to affect this waiver of subrogation. You shall be responsible for payment of any and all deductibles and/or retentions from insured claims under its policies of insurance.

17.4 At least 10 days before opening the Franchised Business and then annually when annual financial statements are provided, you must furnish to us a then-current copy of each insurance policy, including all amendments and endorsements, evidencing the limits noted above or as then required,

and proof of premium payments, and providing that the insurance will not be cancelled, amended or modified without 30 days' prior written notice to us, together with evidence of payment of premiums.

17.5 You may not reduce any insurance limit, restrict any insurance coverage, or cancel, alter or amend any insurance policy without our prior written consent. If you fail to obtain or maintain any required insurance, you agree that we may, but are not obligated, to obtain the insurance and that you will reimburse us for the cost of the insurance, and for any reasonable expenses incurred in procuring the insurance, within 30 days of the date of our invoice. You expressly waive any objection to our purchase of insurance under this Section. If any insurance policy or coverage is written on a claims-made basis, an extended reporting endorsement (tail coverage) for a period of not less than three (3) years after the end of the franchise term, or an agreement to continue liability coverage with a retroactive date on or before the beginning of the franchise term, shall be provided.

17.6 We make no representations or warranty that the insurance set forth in this section will be sufficient to protect your interests. The coverages specified above are minimum amounts. In the event that you maintain higher limits of coverage, the limits required under this Agreement shall be the minimum limits or the limits carried, whichever are higher. The insurance requirements herein shall be the minimum limits stated or the limits carried, whichever are higher. The insurance requirements herein shall in no way limit your liability, including your indemnification obligations.

18. Legal Compliance, Taxes, Licenses, Utilities and Other Obligations

18.1 You must comply with all laws applicable to the operation of the Franchised Business, including all administrative and governmental regulations relating to "corporate practice of medicine," fictional business names, occupational hazards, health, consumer protection, and unfair or deceptive practices, securing and promptly paying for all licenses, permits and inspections, and promptly paying all withholding, unemployment, occupational, privilege, license, sales, use and income taxes and the like, including all taxes and fees levied and asserted on your business property, and all water, sewer, gas, telephone, electric, power and other utility charges assessed or charged to the Franchised Business.

18.2 You must promptly satisfy any other indebtedness that you incur in operating the Franchised Business.

18.3 You must promptly notify us of the commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality that may adversely affect the operation of the Franchised Business.

18.4 If there is any bona fide dispute as to any liability for taxes assessed or other indebtedness, you may contest the validity of the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, you may not permit a tax sale or seizure by levy of signing or similar writ or warrant, or attachment by a creditor to occur against the premises of the Franchised Business or any of its improvements.

18.5 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 R-WELLNESS 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 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 R-WELLNESS 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 if 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.

19. PROPRIETARY MARKS

19.1 The Marks are our exclusive property. You agree that your use of the Marks is a temporary authorized use under the Franchise and that we retain all ownership interests in the Marks. You acknowledge and agree that all goodwill arising from or in connection with the use of the Marks will inure to our benefit. You agree to use the Marks only in accordance with the terms of this Agreement and agree that the use of the Marks outside the scope of the terms of this Agreement without our prior written consent, is an infringement of our exclusive right, title and interest in and to the Marks. You agree that during the term of the Franchise, and after the expiration, termination, repurchase or transfer of the Franchise, you will not, directly or indirectly, commit an act of infringement or contest or aid others in contesting the validity, distinctiveness, secondary meaning, ownership or enforceability of the Marks, or take any other action in derogation of the Marks, and that no monetary amount will be assigned as attributable to any goodwill associated with your use of the System or the Marks.

19.2 You must provide services and products to the public under the service mark, trademark and trade name "R-WELLNESS" and/or "The Covery" (and any other marks that we may designate) but may not use any Mark, any derivation or modified version of any Mark, or any confusingly similar mark: as part of any corporate, partnership, firm or other business name, website address, email address, domain name or other identification in any print, electronic or other medium; or with any prefix, suffix or other modifying word, term, symbol or design. You may not use any Mark in connection with the offer or sale of unauthorized services or products or in any manner that we have not authorized in writing. You agree to execute, during or after the term of the Franchise, at our request, any consents necessary for the registration of our corporate name in the state where you conduct the Franchised Business.

19.3 You agree that when any Mark is affixed to any packaging or point of sale display, or is used in advertising or promotional materials, the Mark will be accompanied either by an appropriate notice immediately following the Mark (™ if on a product package and K if advertising a service) or by an

asterisk immediately following the Mark and the legend "The Covery" is a service mark or trademark of R-WELLNESS, LLC (or other appropriate corporate name)" printed on or in the package, display, advertisement or material. A suitably abbreviated form of the legend, approved by us, may be used where space restrictions so require. If we receive a Certificate of Registration from the United States Patent and Trademark Office for any Mark, the symbol ® will be substituted for the notices described above, and the word "Registered" will precede the word "service" in the legend described above, as required by written notice from us to you.

19.4 If it becomes advisable at any time, in our sole and absolute judgment, for the business to modify or discontinue use of any Mark and/or to use one or more additional or substitute service marks, trademarks, trade names or trade dresses, you agree to comply with our directions to modify or otherwise discontinue the use of the Mark, and/or to use one or more additional or substitute service marks, trademarks, trade names or trade dresses, within a reasonable time after receiving notice from us. You will be responsible for the costs of modifying or discontinuing the use of any trademark, service mark or trade name, or using one or more substitute trademarks, service marks or trade names. We will not be responsible for reimbursing you for any loss of goodwill in connection with the modification or discontinuation of any trademark, service mark or trade name.

19.5 During the term of the Franchise, in conjunction with the use of any Mark, you must identify yourself as the operator of the Franchised Business on letterhead sheets, invoices, order forms, receipts, contracts and similar documents, and, where we require, on signs. The form and content of the identification must comply with specifications in the Confidential Operations, Training and Marketing Manuals.

19.6 During the term of the Franchise, you must file and maintain requisite trade name or fictitious name registrations and must execute any documents deemed necessary by us or our counsel to obtain protection for the Marks or maintain their continued validity and enforceability.

19.7 You must promptly notify us of any use of any Mark or any name or mark confusingly similar to any Mark by any person or entity other than us or another of our franchisees.

19.8 You agree to promptly notify us of any litigation brought or threatened by any person or entity against you involving any Mark. If we, in our sole and absolute judgment, undertake the defense or settlement of that litigation or claim, we will do so at our own expense, but you agree to execute any documents, and to render any assistance (excluding financial assistance) as might, in the sole discretion of our counsel, be reasonably necessary to carry out the defense or settlement. If the defense does not involve issues concerning the operation of your business, we will reimburse you for all reasonable out-of-pocket costs incurred in connection with assisting in the defense or settlement.

19.9 You agree that the use of any Mark contrary to any term of this Agreement is an act of infringement, and that the use will cause irreparable injury to us and entitle us to an order of specific performance and/or a temporary, preliminary or permanent injunction, without bond, from a court or agency of competent jurisdiction, court costs, reasonable expenses of litigation, reasonable attorney's fees, and any other appropriate relief.

20. TRADE SECRETS AND CONFIDENTIAL INFORMATION

20.1 You acknowledge that the System involves trade secrets we own and that, during your relationship with us, you will acquire knowledge of confidential information, including know-how, sales, organizational, operational and other information concerning the System.

20.2 You agree that, without our prior written consent, you will never either during or after the term of the Franchise, use or allow the use of any trade secret or confidential information except in connection with the operation of the Franchised Business by persons actively involved in the operation of the business. You further agree that you will not disclose the contents of any manuals, plans, Franchised Business designs, regimens, records or other documents relating to the Franchised Business to any third party, except a party who is actively involved in the operation of the business and who has a valid need for disclosure. Any third party or employee to whom a trade secret or confidential information is disclosed will be informed that the trade secret or confidential information is confidential and proprietary to us and that it may not be used except under a franchise agreement with us. You must have each of your Managers, supervisory employees and independent contractors, and persons attending initial training (but not non-supervisory employees) enter into a Confidentiality and Noncompetition Agreement substantially similar to Attachment 4.

20.3 You agree to promptly reveal to us discoveries, inventions, innovations or improvements made by you or any of your Managers, employees or independent contractors relating to materials, devices, methods or processes in any way connected with the System, and further agree that all proprietary interests in the information, materials, devices, methods, techniques, know-how and processes utilizing those discoveries, inventions, innovations and improvements will be our property.

20.4 You agree that use of any trade secret or confidential information contrary to any term of this Agreement is an act of infringement, and that the use will cause irreparable injury to us and entitle us to an order of specific performance and/or a temporary, preliminary or permanent injunction, without bond, from a court or agency of competent jurisdiction, court costs, reasonable expenses of litigation, reasonable attorney's fees, and any other appropriate relief. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing, and expressly waive all claims for damages caused by the wrongful issuance of any injunction.

20.5 You acknowledge and agree that all of our records and all information we or our affiliates derive, receive from you or are entitled to about your Franchised Business, including, without limitation, all information in your records or ours concerning the members, member data and member lists of your (and all) R-WELLNESS Franchised Business(es) in the System, whether prepared by you or otherwise coming into your possession, and all revenues we derive from such information, are the exclusive and confidential property of R-WELLNESS or our affiliates. Additionally, you agree that all files, records, documents, drawings, specifications and similar items for our R-WELLNESS Franchised Business, including all copies of those items, whether prepared by you or otherwise coming into your possession, will not be removed by you from our premises without our written consent. Any records not at our premises will immediately be returned to us by you on termination of your engagement or employment, regardless of the cause of termination.

21. NON-COMPETITION

21.1 Unless otherwise stated in this Agreement, the word "you" in this Section 21 includes, collectively and individually, each principal, and each direct or indirect holder (and each principal of each holder) of any beneficial interest in you, if you are a legal entity.

21.2 You agree that during the term of the Franchise, you will not, directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person or entity, divert or attempt to divert any business or member of the Franchised Business to any competitor or other person by direct or indirect inducement or otherwise, but this Section 21 will not prevent you from referring clients in good faith to other businesses, including competitors' businesses, that may be able to provide those clients with services not available from the Franchised Business.

21.3 You agree that during the term of the Franchise, and for an uninterrupted period of two (2) years after expiration, termination, repurchase or transfer of the Franchise, regardless of the cause of expiration, termination, repurchase or transfer, you will not, without our prior written consent, directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person or entity, employ, engage as an independent contractor, or seek to employ or engage as an independent contractor, any person who, within the prior six (6) months, has been an employee or independent contractor of us or any of our franchisees, or induce or seek to induce any person who is an employee or independent contractor of us or any of our franchisees, to leave his or her employment or engagement.

21.4 You acknowledge that certain methods of doing business and other elements comprising the System are unique and distinctive, and have been developed by us at great effort, skill, time and expense; that you will have regular and continuing access to valuable trade secrets, confidential information and valuable training regarding the System; and that you recognize your continuing obligation to promote the Franchised Business. You accordingly agree as follows:

(a) During the term of the Franchise, you will not, without our prior written consent, directly or indirectly, for yourself, or through, on behalf of or in conjunction with any other person or entity, own, operate, engage in, have any interest in, be employed by or perform any service for any business located in the United States which offers, or which franchises or licenses others to offer, services or products that are the same as or substantially similar to services or products that are or could be offered by you under this Agreement. As appearing herein, the phrase, "the same or similar thereto" shall include by example Med-Spa centers, cosmetic and injectable facilities, bio-metric programming, or cryotherapy center.

(b) Unless we give you written notice under Section 3 of this Agreement of our intention not to renew the Franchise, you agree that, for an uninterrupted period of two (2) years after the expiration or termination of the Franchise, regardless of the cause of expiration or termination, you will not, without our prior written consent, directly or indirectly, for yourself, or through, on behalf of or in conjunction with any other person or entity, own, operate, engage in, have any interest in, be employed by or perform any service for any business, which offers, or which franchises or licenses others to offer, services or products that are the same as or substantially similar to services or products that were or could have been offered by you under this Agreement, and which operates: (1) within the Territory, (2) within the territory of any other R-WELLNESS Franchised Business operating or in planning at the time of expiration or termination, or (3) within the protected area of any R-WELLNESS area developer operating at the time of expiration or termination.

21.5 You agree that your violation of any term of this Section 21 will cause irreparable injury to us for which no adequate remedy at law is available. You accordingly consent to the issuance of an order of specific performance and/or a temporary, preliminary or permanent injunction, without bond, prohibiting any conduct by you in violation of any term of this Section 21.

21.6 Each provision and subpart of a provision of this Section 21 is independent of each other provision and subpart of a provision of this Agreement. If a provision or subpart of a provision of this Section 21 is held unreasonable or unenforceable by any court, agency or other tribunal of competent jurisdiction, you agree to be bound by any lesser provision or subpart that imposes the maximum duty permitted by law, as if the resulting lesser provision or subpart were separately stated in this Section 21, and also agree to be bound by each other subpart of a provision of this Agreement.

21.7 You agree that we may, in our sole discretion, reduce the scope of any provision or subpart of any provision in this Section 21 without your consent, effective immediately on written notice from us, and you agree that you will promptly comply with any provision or subpart so modified, which will be fully enforceable notwithstanding any other provision or subpart of this Agreement.

21.8 You agree that any claim you may have against us, whether or not related to the Franchised Business, will not be a defense to the enforcement by us of any provision of this Section 21. You further agree that we will be entitled to set off any amounts we owe to you against any loss or damage to us arising from your breach of this Agreement, including this Section 21.

21.9 This Section 21 will not apply to any ownership by you of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation.

21.10 You must have each of your Managers and supervisory employees and independent contractors enter into a Confidentiality and Noncompetition Agreement substantially similar to Attachment 4.

22. INSPECTION BY US

22.1 Our field representative or designee may make an announced or unannounced inspection of the Franchised Business at any reasonable time to ensure compliance with all terms of this Agreement, which inspection may include interviews of your Managers, employees and independent contractors to ascertain their knowledge of and compliance with the System, as well as interviews with your clients to determine their level of satisfaction. You agree that the field representative or designee will be allowed to take a physical inventory of the assets of the Franchised Business, and to inspect any records of the Franchised Business, including your books and financial accounts, at any time during normal business hours. Any inspection will be made at the expense of us or our designee, but if we or our designee must make two (2) inspections concerning your repeated or continuing failure to comply with this Agreement, we will have the right to charge you for the costs of making all further inspections concerning your failure to comply, including travel expenses, room, board and compensation of our field representative or our designee. At the conclusion of this inspection, the field representative or designee will prepare a written report. You (or if you are not an individual, your principal operating officer or other principal), if present, or your Manager, will be given a copy of the report and will sign a second copy to be sent to us, on which he or she may agree with or contest the field representative's or designee's conclusions and observations.

22.2 During any inspection, you agree to cooperate fully and to give any assistance reasonably requested. Promptly after receiving notice of any deficiencies detected in an inspection, you agree to take steps necessary to correct the deficiencies, including, if necessary, the temporary closing of the Franchised Business. Without limiting our other rights and remedies, we will have the right, if you fail or refuse to act promptly, to make or cause to be made any required corrections and to charge the costs of correction to you.

23. FRANCHISEE AS INDEPENDENT CONTRACTOR

23.1 This Agreement does not create a partnership, joint venture, fiduciary, parent/subsidiary, principal/agent or employer/employee relationship between us and you. You will be an independent contractor with entire control and direction of the Franchised Business, subject only to the terms of this Agreement and the related agreements. The Franchised Business will be totally separate from any business that may be operated by us. You will conspicuously identify yourself in all dealings with clients, suppliers, public officials, your personnel and others as the independent owner and operator of the business under a franchise granted by us, and place notices of independent ownership and operation on signs, forms, business cards, stationery, advertising and other materials as we may require. We will have no right to hire or fire any employees or independent contractors of you or to exercise any control over those employees or independent contractors, all of whom will be entirely under your control and direction and you will be responsible for their acts and omissions.

23.2 No party to this Agreement may make any representation tending to create an apparent partnership, joint venture, fiduciary, parent/subsidiary, principal/agent or employer/employee relationship between us and you. No party may act for or on behalf of any other party in any manner to create obligations or debts binding on the other party, or may make any agreement, warranty or representation on behalf of any other party. No party is responsible for any obligations, debts or expenses of any other party.

24. INDEMNIFICATION

24.1 We must indemnify you, your affiliates, successors and assigns, and your principals, for any expenses arising out of any claim for copyright or trademark infringement or unfair competition directly or indirectly related to your authorized use of our materials or the Marks under this Agreement and the provisions of the Confidential Operations Manual, if you notify us in writing within 30 days, or within any shorter period necessary to avoid prejudice, after learning of the claim, and also if we are given the opportunity, if we so choose, in our sole discretion, to control the settlement or defense of the claim. You may not settle any claim to which this Section 24.1 applies without our prior written consent.

24.2 You must indemnify us, our affiliates, successors and assigns, and our partners, shareholders, officers, directors, employees and agents, for any expenses arising out of any claim directly or indirectly related to your operation of the Franchised Business or performance or lack of performance under this Agreement, if the claim does not arise from our negligent or wrongful conduct. You also must promptly notify us of any claim by or against you directly or indirectly related to your operation of the Franchised Business and, on request, must furnish us with copies of any filings in any proceeding involving the claim.

24.3 As used in this Section 24, the word "expenses" includes all losses, compensatory, exemplary or punitive damages, fines, charges, costs, lost profits, attorneys' fees, accountants' fees, expert witness fees, expenses, court costs, settlement amounts, judgments, compensation for damages to reputation or goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and costs of recall, refunds, compensation and public notices.

24.4 The indemnification obligations of us and you will survive the expiration or termination of the Franchise for as long as any potential for liability under any applicable law, rule, ordinance, statute or judicial decision remains. In this regard, to the maximum extent permitted by law, we and you each waive the effect of any statute of limitation which would, by lapse of time, limit our **indemnification obligations**.

25. TRANSFERS OF INTEREST

25.1 Transfer by Us. We may sell, assign, transfer, convey, give away, pledge, hypothecate, mortgage or otherwise encumber ("transfer") all or any part of our rights, interests or obligations in this Agreement to any person or entity.

25.2 Transfer by Franchisee.

(a) Your rights and obligations under this Agreement are personal to you, and we have granted the Franchise in reliance on you and/or your principal's business skill, financial capacity, personal character, and reputation for honesty, integrity and fair dealing. Accordingly, you and your successors, assigns and principals, may not transfer any interest in you, in this Agreement or any related agreement, in the Franchise or the Franchised Business, without our prior written consent. Any purported transfer not having our prior written consent will be void.

(b) We will not unreasonably withhold our consent to a transfer of any interest in you, this Agreement, any related agreement, the Franchise or the Franchised Business, but if a transfer, alone or together with other previous, simultaneous or proposed transfers, would have the effect of transferring either a controlling interest in or operating control of you, this Agreement, any related agreement, the Franchise or the Franchised Business, we may, in our sole discretion, require as conditions to our consent that:

(i) You must be in substantial compliance with the terms of this Agreement;

(ii) The transferee (including any person with a beneficial interest in the transferee if it is a legal entity) has demonstrated to our satisfaction that it meets the then-current standards which we would normally apply to any prospective franchisee. The transferee, for example, has demonstrated that it meets our educational, personal, managerial and business standards; possesses a good moral character and a good business reputation; has the aptitude and ability to conduct the Franchised Business (as may be shown by prior related experience); has adequate financial resources and capital to operate the Franchised Business; is financially responsible and has a good credit rating; will be likely in our sole and absolute judgment to comply with the terms of this Agreement and our then-current standard franchise agreement and Confidential Operations Manual; and has no direct or indirect connection with any actual or potential competitor of us or any of our franchisees;

(iii) Your debts to us and others relating to the Franchised Business have been satisfied;

(iv) You and the transferor have signed a general release, in a form satisfactory to us, of any claims against us and our partners, shareholders, officers, directors, employees and agents, in their corporate and individual capacities;

(v) The transferee (including any person with a beneficial interest in the transferee if it is a legal entity) has entered into a written transfer agreement, in a form satisfactory to us, assuming and agreeing to discharge your and/or the transferor's obligations under this Agreement and any related agreements;

(vi) The transferee (including any person with a beneficial interest in the transferee if it is a legal entity) executes our then-current standard franchise agreement (excluding any requirement to pay an initial franchise fee) and related agreements (including any guaranty agreements). The then-current franchise agreement will have the same term expiration date of this Agreement, but may contain terms substantially different from those in this Agreement, including different fees, advertising contributions and training requirements.

(vii) The transferee and its Manager, if any, have agreed to successfully complete (at the transferee's expense and to our satisfaction) any then-current initial training programs;

(viii) You or the transferor has paid, in lieu of paying the initial franchise fee specified in Section 9.1, a transfer fee of \$10,000 plus full reimbursement for any actual and reasonable travel, lodging and meal expenses incurred by us in connection with the transfer;

(ix) We have decided not to exercise our right of first refusal, if any, under Section 25.5;

(x) You have updated your equipment and premises to our then-current specifications in the Confidential Operations Manual;

(xi) We have consented to the material terms of the transfer, including the price and terms of payment, which will not be so burdensome as to adversely affect the operation of the Franchised Business by the transferee.

(xii) If any part of the sale price of any transferred interest is to be financed, the transferor will have agreed that all obligations of the transferee under any promissory notes, agreements or security interests reserved by the transferor in the assets of the Franchised Business will be subordinate to the obligations of the transferee to pay continuing franchise fees, advertising contributions and other amounts due to us and our affiliates, or otherwise to comply with this Agreement or the franchise agreement signed by the transferee.

(c) Except as stated below, the transfer fee stated in Section 25.2(b) (viii) is non-refundable and fully earned by us when paid. If, before the completion of the transferee's initial training, we, in our sole discretion, decide that transferee should not operate a R-WELLNESS Franchised Business, we may cancel this Agreement or the transferee's then-current franchise agreement. If we so cancel this Agreement or the transferee's then-current franchise agreement, we will refund the transfer fee, less expenses incurred.

(d) No transfer in the nature of a grant of a security interest in you, this Agreement, any related agreement, the Franchise or the Franchised Business will be permitted without our prior written consent, in our sole discretion. If we consent to a transfer in the nature of a grant of a security interest, and if the holder of the security interest later seeks to exercise your right or assume the interest of you in the Franchise, this Agreement, any related agreement, you or the Franchised Business due to a default under any documents related to the security interest, we will have the option to purchase the rights of the secured party by paying all sums then due to the secured party, and the secured party will sign an agreement to that effect before any transfer takes place.

25.3 Transfer to Franchisee's Legal Entity. If a proposed transfer is to a legal entity you control which is formed solely for the convenience of ownership, our consent to the transfer may, in our sole discretion, be conditioned on the following requirements:

(a) The legal entity's activities will be confined exclusively to operating the Franchised Business;

(b) You will own a majority stock interest or partnership interest in the transferee legal entity, and will act as its principal operating officer or other principal;

(c) Each stock certificate of a corporation, evidence of ownership in a LLC or certificate of interest in a partnership will have conspicuously endorsed on its face a statement in a form satisfactory to us that it is held subject to, and that further transfer is subject to, all restrictions on transfers in this Agreement;

(d) All principals will jointly and severally guarantee the legal entity's performance and will bind themselves to the terms of this Agreement and any related agreements;

(e) You will maintain a then-current list of all principals and beneficial owners of any class of stock, and furnish the list to us on request; and,

(f) Copies of the transferee's Certificate and Articles of Incorporation, Certificate and Articles of Organization, Certificate and Agreement of Partnership, By-Laws, resolution authorizing entry into this Agreement and any other significant governing documents, promptly will be furnished to us.

25.4 Transfer and Issuance of Securities. If you are a legal entity, you will maintain stop transfer instructions against the transfer of any stock certificate, certificate of interest, or evidence of ownership contrary to the terms of this Section 25, and will issue no certificate on the face of which the following statement does not legibly and conspicuously appear:

The transfer of this [stock certificate, certificate of interest, or evidence of ownership] is subject to the terms of a Franchise Agreement dated _____ between R-WELLNESS, LLC and the [legal entity].

25.5 Our Right of First Refusal.

(a) If you or any other person or entity at any time determines to sell an interest in you, the Franchise or the Franchised Business, a true and complete copy of the offer (and any proposed ancillary agreements) will immediately be submitted to us by you or the other person or entity involved. The offer must apply only to an interest in you, the Franchise or the Franchised Business. It must not include the purchase of any of your other property or rights (or those of your principal(s)), but if the offeror proposes to buy any other of your property or rights (or those of your principal(s)) under a separate, contemporaneous offer, the price and terms of purchase offered to you (or to your principal(s)) for the interest in you, the Franchise or the Franchised Business will reflect the bona fide price offered and will not reflect any value for any other property or rights. We will have the right, exercisable by written notice delivered to you, or the person or entity involved, within 30 days after receipt of the copy of the offer, to purchase the interest for the price and on the terms in the offer, but we may substitute cash, a cash equivalent or marketable securities of equal value for any form of payment proposed in the offer. Our credit will be deemed equal to the credit of any proposed purchaser, and we will have not less than 60 days to prepare for closing. If we cannot agree on a cash equivalent within a reasonable time, we will either jointly select one (1) appraiser, or three (3) appraisers will be selected (one (1) by us, one (1) by you, and one (1) jointly by the first two (2) appraisers), and his, her or their determination will be binding. The parties will share equally the fees and expenses of any appraiser jointly selected, but each must pay any separately selected appraiser individually. We will be entitled to purchase the interest subject to all customary representations and warranties given by the seller of the assets of a business or voting stock of an incorporated business, as applicable, including representations and warranties as to ownership, condition and title to stock and/or assets, liens and encumbrances relating to the stock and/or assets, validity of contracts, and liabilities, contingent or otherwise, of any corporation whose stock is purchased. If we do not exercise our right of first refusal, you or the person or entity involved may complete the sale to the purchaser under the terms of the offer subject to our consent to the transfer under Section 25.2(b), but if the sale to the purchaser is not completed within 120 days after receipt of the offer by us, or if there is a material change in the terms of the sale, we will have an additional right of first refusal for 30 days on the same terms as were applicable to the initial right of first refusal.

(b) If a proposed transferee is the spouse, child or parent of the proposed transferor, or is a person or entity already holding an equity interest in you or the Franchised Business, as of the date of this Agreement, that has been disclosed to us, we will not have any right of first refusal as provided in Section 25.5(a), unless the proposed transferee has a direct or indirect connection with any actual or potential competitor of us or any of our franchisees. However, written notification of this type of transfer must be provided to us by the transferor at least 30 days before consummation of that transfer.

25.6 Transfer on Death, Permanent Incapacity or Dissolution. On the death or permanent incapacity of any person with an interest in you, this Agreement, any related agreement, the Franchise or the Franchised Business, or on your dissolution if you are a legal entity, the executor, administrator, personal representative or trustee ("Personal Representative") of that person or entity will transfer his, her or its interest to a third party acceptable to us within 180 days after assuming that capacity. Any transfer of this type, including a transfer by devise or inheritance, will be subject to the same requirements as other transfers under this Agreement, but if the transfer is to a spouse, child or parent, the fee required under Section 25.2(b) (viii) will not be required. If the personal representative is unable to meet these conditions, the personal representative of that deceased person will have an additional 60 days to dispose of the interest, which disposition will be subject to the requirements for transfers in this Agreement, including the requirements of this Section 25. If the interest is not disposed of within 60 days, we may terminate this Agreement or exercise an option to purchase or have transferred from you the assets of the Franchised Business in accordance with the procedures and standards specified in Section 27.3, by giving you written notice of the exercise of the option at any time during those additional 60 days.

25.7 Interim Operation of Business on Death or Permanent Disability. Pending transfer on your death or permanent incapacity (or your principal operating officer or other principal, if you are a legal entity), we will have the option to appoint a general manager to operate your Franchised Business for your account until an approved transferee is able to assume the operation of your Franchised Business, for a period of up to 12 months without your consent, your personal representative, or your successor in interest. All funds from the operation of your Franchised Business during the period of operation by our appointed general manager will be kept in a separate fund, and all expenses incurred, including compensation, other costs and travel and living expenses of our appointed general manager (the "Management Expenses"), will be charged to the fund. As compensation for services provided, we will charge the fund the full amount of the Management Expenses incurred during the period of our operation. We will only have a duty to utilize reasonable efforts in operating your Franchised Business, and will not be liable to you or your principals for any debts, losses or obligations incurred by your Franchised Business, or to any creditor for any equipment, inventory, products, supplies or services purchased for your Franchised Business during any period in which it is operated by our appointed general manager.

25.8 Non-Waiver of Claims. Our consent to a transfer of any interest in you, this Agreement, any related agreement, the Franchise or the Franchised Business will not be a waiver of any claims we may have against the transferring party, nor will it be a waiver of our right to demand the transferee's compliance with the terms of this Agreement.

26. DEFAULT AND TERMINATION

26.1 Automatic Termination. Except as may be prohibited by federal bankruptcy law or applicable state law, you will be deemed to be in default under this Agreement, and the Franchise will automatically terminate without notice to you, if you make a general assignment for the benefit of creditors, suffer the filing of an involuntary bankruptcy petition which is not dismissed within 60 days after filing, file a voluntary bankruptcy petition, are adjudicated a bankrupt, or suffer temporary or permanent court-appointed receivership of substantially all of your property; if suit to foreclose any lien or mortgage against the premises or equipment of your business is instituted and not dismissed within 30 days; or if the premises or equipment of your business is sold after levy thereupon by any sheriff, marshal or constable.

26.2 Termination on Notice. Except as may be prohibited by federal bankruptcy law or applicable state law, you will be in default and we may, in our sole discretion, terminate the Franchise, without giving you any opportunity to cure the default, effective immediately on giving written notice of termination to you, if:

- (a) You are insolvent (are unable to pay your debts as they come due or have debts that are greater than your assets) and not otherwise subject to automatic termination under Section 26.1;
- (b) You, without our prior written consent, cease to operate the Franchised Business;
- (c) You (or your principals, if you are a legal entity) are convicted of a felony, a crime involving consumer fraud, or any other crime that is reasonably likely, in our sole and absolute judgment, to have an adverse effect on the System, the Marks, the goodwill associated with the System or the Marks, or our interest in the System or the Marks;
- (d) The operation of the Franchised Business is creating a threat or danger to public health or safety;
- (e) You have repeatedly failed to make timely payments of continuing franchise fees or any other monies owed to us, or have repeatedly committed defaults of this Agreement, within 12 months of any prior default for which we have given you written notice;
- (f) You knowingly make a materially false or incomplete statement in any report submitted to us;
- (g) We discover that you knowingly made a materially false or incomplete statement to us to obtain the Franchise;
- (h) You or any other person or entity purportedly transfer any interest contrary to Section 25;
- (i) You participate in in-term competition contrary to Section 21;
- (j) You improperly disclose the contents of the Confidential Operations Manual or any other information learned or received under this Agreement and designated as "Confidential", contrary to Section 12 or 20;
- (k) An approved transfer is not effectuated following death, permanent incapacity or dissolution as required by Section 25.6;
- (l) You suffer any federal, state or local tax lien, levy or suit to enforce the same brought against you or your property;
- (m) You fail to open for business within the period stated in Section 5 of this Agreement; or
- (n) You underpay or under-report any amount due us by five percent (5%) or more for any three (3)-month period.

26.3 Termination After Notice and 30-Day Opportunity to Cure. You will have 30 days, or any greater period permitted by us or required by law, to cure any default for which we have given written notice of termination to you under this Section 26.3, and to provide us with evidence of the cure. If a default is not cured within that period, the Franchise will terminate without the need for further notice to you, effective immediately on the expiration of the cure period. We may give written notice of termination

under this Section 26.3 for any failure by you to comply with any term of this Agreement or any requirement in the Confidential Operations Manual. Defaults may include, for example, if:

- (a) You fail, refuse or neglect to pay to us or any affiliated company or vendor any sum owing when due, or to submit to us any required information when due;
- (b) You fail to maintain any standard, specification or procedure required to be maintained or followed by this Agreement or the Confidential Operations Manual;
- (c) You fail, refuse or neglect to obtain our prior written acceptance, approval or consent as required by this Agreement;
- (d) You misuse or make any unauthorized use of the System or the Marks, or otherwise materially impair the goodwill associated with or our rights in the System or the Marks;
- (e) You or your Manager fail to comply with the requirement of personal attention in Section 4;
- (f) You fail to maintain books and records as stated in the Confidential Operations Manual and any additional manuals we provide to you, and in a manner that permits an accurate determination of Gross Revenues; or,
- (g) You fail, refuse or neglect to pay to any third party, including any major supplier, or government taxing or licensing authority, any sum owing when due, or to satisfy any other material obligation relating to the Franchised Business.

27. OBLIGATIONS ON REPURCHASE, EXPIRATION OR TERMINATION

27.1 On repurchase, expiration or termination of the Franchise, in addition to fulfilling your other continuing obligations under this Agreement:

- (a) You will promptly pay us, our affiliates and our suppliers and vendors all sums due;
- (b) You will promptly surrender to us or our designee, or, if directed by us, destroy and immediately discontinue the use of, any materials or designations indicating or intending to indicate in any way that you are our franchisee;
- (c) You will immediately and permanently discontinue use of the System and Marks and any of our or your information received under this Agreement and designated as "Confidential" including, without limitation, all member lists and data in any commercial manner;
- (d) You will promptly deliver to us or our designee the Confidential Operations Manual and all other manuals, bulletins, instruction sheets, forms, devices, member, employee and independent contractor lists, other written materials, proprietary software, and all copies of the same, you received under this Agreement;
- (e) You will promptly pay all charges due for R-WELLNESS internet, intranet, website, web pages, social media platforms and/or telephone services ("Listings") and will assign those Listings to us or our designee as provided in Section 16.5 and 16.6 of this Agreement, and will discontinue any internet, social media, radio, newspaper or other advertising which may in any way identify

you with our services or products and all use of our domain name and website, your Franchised Business Website and Web Branding;

(f) You will promptly take any action necessary to cancel any assumed name or equivalent registration that contains the mark R-WELLNESS or any other Mark, and submit to us proof of compliance with this obligation within 30 days after repurchase, termination or expiration;

27.2 On expiration or termination of the Franchise, you and we will make a prompt and final accounting. Any sums owed under this Agreement, any sums related to the Franchised Business owed to third parties, and any other sums related to the Franchised Business owed for judgments or otherwise, promptly will be paid by the owing party.

27.3 On expiration of the Franchise, or on termination of the Franchise under Sections 26.1, 26.2 or 26.3, we will have the option, exercisable by giving you written notice within 15 days after the date of expiration or termination, to purchase or have transferred to us the assets of the Franchised Business. Those assets will include the leasehold improvements, equipment, furniture, fixtures, signs and inventory of the Franchised Business, and the lease for the premises of the Franchise Business. We will have the unrestricted right to assign this option. If we exercise this option, the purchase and transfer will be completed on the following terms:

(a) We or our assignee will be entitled to all customary warranties and representations concerning the assets, including representations and warranties as to ownership, condition and title to the assets, liens and encumbrances on the assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise;

(b) The purchase price for the assets of the Franchised Business will be their fair market value, determined in a manner consistent with reasonable depreciation of the owned leasehold improvements, equipment, furniture, fixtures, signs and inventory of the Franchise Business. The purchase price will not contain any factor or increment for any trademark, service mark or other commercial symbol used in the operation of the Franchised Business, or for the goodwill or "going concern" value of the Franchised Business. We will be permitted to exclude from the assets purchased and valued any equipment, furniture, fixtures, signs and inventory that do not meet the quality standards for a R-WELLNESS Franchised Business. Also, the lease for the premises of the Franchised Business will not be considered in determining the fair market value of the assets. If you and we are unable to agree on the fair market value of the assets, the fair market value will be determined by an independent appraiser jointly selected by you and us, and if we are unable to agree on an appraiser, you and we will each select one appraiser, who will jointly select a third appraiser, and the fair market value will be deemed to be the average of the three (3) independent appraisals, so long as the highest appraisal is no more than 30% greater than the middle appraisal. If the highest appraisal is more than 30% greater than the middle appraisal, the fair market value will be deemed to be the average of the lowest appraisal and the middle appraisal. You and we will share equally the fees and expenses of any appraiser jointly selected, but will pay for any separately selected appraiser individually.

(c) The closing of the purchase and transfer will take place no later than 90 days after your receipt of our notice of the exercise of this option. We or our assignee will have the option of paying the purchase price at the closing, or in 12 equal monthly installments of principal and interest calculated at the rate of prime plus two percent (2%) per annum, with the first installment due at the closing. If the purchase price is paid at the closing (in cash, cash equivalents or marketable securities of equal value), you will deliver instruments transferring to us or our assignee:

(i) good and merchantable title to the purchased assets free and clear of all liens and encumbrances (other than liens and security interests acceptable to us or our assignee), with all sales and other transfer taxes paid by you;

(ii) all licenses and permits for the Franchised Business which may be transferred; and,

(iii) the lease for the premises of the Franchised Business (if we have not negotiated a new lease for the premises with the lessor).

If the purchase price is paid in installments (in cash, cash equivalents or marketable securities of equal value), at the closing, you will deliver the same instruments to us or our assignee as those described above, except that the documents may reserve liens and encumbrances for your benefit relating to the installments.

(d) We will have the right to set off against and reduce the purchase price of the assets by any and all amounts owed by you to us and our affiliates, and by the amount of any liens or encumbrances against the assets or any other obligations related to the assets that we assume;

(e) If we or our assignee exercise this option, pending the closing, we will have the right to appoint a general manager to maintain the operation of the Franchised Business. If we do, the procedures, duties and limitations specified in Section 25.7 will apply to the operation of the Franchised Business by the general manager. Alternatively, we may require you to close the Franchised Business pending the closing without removing any assets from the premises; and,

(f) You will maintain in force all insurance policies required under this Agreement pending the closing.

28. ENTIRE AGREEMENT; EXECUTION DATE; MODIFICATION

28.1 This Agreement and the related agreements, riders and attachments are the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter. The terms of this Agreement are binding on the parties, and on their heirs, executors, administrators, successors and assigns.

28.2 The execution date of this Agreement is the date it is countersigned by us.

28.3 Except as otherwise stated in this Agreement, this Agreement may not be modified except in a written agreement of at least equal formality signed by the parties.

29. INTERPRETATION

29.1 The caption headings of this Agreement are for convenience only and should in no way affect the manner in which any term of this Agreement is interpreted.

29.2 Whenever the context requires, the singular includes the plural, the plural includes the singular, the whole includes any part, and any gender includes all other genders.

29.3 The following words have the following meanings in this Agreement and any related agreements: "including" means "including but not limited to"; "will" means "shall"; and "repeatedly" means "at least three (3) times".

29.4 Whenever this Agreement gives us the right to perform an act in the future, that act may be performed "from time to time", when we choose, in our sole discretion, unless stated otherwise in this Agreement.

29.5 If two (2) or more parties sign this Agreement for you or as your guarantors, their liability is joint and several.

29.6 This Agreement is governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) and the laws of Louisiana; but if any term of this Agreement not governed by the Federal Arbitration Act is not enforceable under the laws of Louisiana, that term is governed by the laws of the state in which the largest portion of your Territory is located.

30. PARTIAL INVALIDITY

30.1 If any Section of this Agreement is determined to be wholly invalid, that determination will not be deemed to affect the validity of any other Section. The parties agree that the remaining Sections will be deemed to be in full effect as if they had been executed by the parties after removal of the invalid Section. If any Section is determined to be partially invalid, the remainder of that Section will continue to be enforceable if in accordance with the intent of the parties.

30.2 If any applicable and binding law or rule of any jurisdiction requires greater prior notice of the termination of or refusal to renew the Franchise than is required by this Agreement or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure required by us is invalid or unenforceable, the notice and/or action required by the law or rule will be substituted for the notice or action requirements of this Agreement, or the invalid or unenforceable provision, specification, standard or operating procedure will be modified to the extent required to be valid and enforceable. The modifications to this Agreement will be effective only in the jurisdiction requiring them, and this Agreement will be enforced as originally made and entered into in all other jurisdictions.

31. WAIVER AND ESTOPPEL

31.1 Our failure to exercise any right reserved to us under this Agreement, or to insist on compliance by you with any term of this Agreement, and no custom or practice of the parties at variance with any term of this Agreement, will constitute a waiver of our right to demand compliance with any term of this Agreement. Our waiver of any default will not affect or impair our rights as to any subsequent default of the same or a different nature; nor will any delay, forbearance or omission by us to exercise any right as to any default of any term of this Agreement affect, impair or be our waiver of any right as to any subsequent default. Our rights and remedies under this Agreement are cumulative, and our exercise or enforcement of any right or remedy under this Agreement will not preclude us from exercising or enforcing any other right or remedy to which we are entitled.

32. DISPUTE RESOLUTION; ENFORCEMENT; CHOICE OF LAW

32.1 Except as specifically otherwise provided in this Agreement, the parties agree that any and all disputes between them and any claim by either party that cannot be amicably settled shall be determined, in the sole discretion of R-WELLNESS, either by arbitration or within the forum of a court in the 19th Judicial District Court for the Parish of East Baton Rouge, Louisiana or in the United States District Court for the Middle District of Louisiana with Louisiana law applying in all forums.

32.2 If arbitration is selected as a method of resolution, the rules of the American

Arbitration Association ("AAA") shall apply. Said rules are hereby modified to provide that each party shall be entitled to conduct discovery in accordance with the Federal Rules of Civil Procedure. The parties agree to submit the dispute to an agreed arbitrator (the "Arbitrator"), who shall be a member of the American Bar Association Forum Committee on Franchising in good standing for at least five (5) years. The Arbitrator shall hear the dispute within 60 days of the date the dispute is filed with AAA. The Arbitrator shall hear the dispute in Baton Rouge, Louisiana and may properly consider any and all matters related thereto that would be admissible in a non-jury trial under applicable Federal Rules of Civil Procedure or Evidence. The Arbitrator's award shall be announced within seven (7) days of the hearing of the dispute and shall include all fees, costs and attorneys' fees to the prevailing party. Judgment upon the award of the Arbitrator shall be binding and shall be entered in a court of competent jurisdiction. You know, understand and agree that it is the intent of the parties that any arbitration between R-WELLNESS and you shall be of your individual claims and that the claims subject to arbitration shall not be arbitrated on a class-wide basis. In many instances, arbitration may be the sole proceeding available to the parties, who may also be required by the Arbitrator to pay a filing fee. Louisiana law shall apply.

32.3 If any dispute or claim cannot be the subject of arbitration, the parties agree that the dispute or claim will be separated from all other disputes and claims, which other disputes and claims will first be resolved by arbitration, after which any dispute or claim which cannot be the subject of arbitration will be brought before any court stated in Section 32.6. If the parties are unable to separate out these matters, their allegations and positions on them will be brought before the arbitrator(s), who will rule separately on the matters, and that ruling will be subject to appropriate judicial review on the petition of a party.

32.4 Nothing in this Section 32 will prevent us from obtaining temporary, preliminary or permanent injunctive relief, without bond, from a court or agency of competent jurisdiction against actual or threatened conduct causing loss or damage that can be remedied under usual equity rules.

32.5 If any arbitration, any action for any dispute or claim which cannot be the subject of arbitration, or any action for injunctive relief is started concerning this Agreement, any related agreement, the Franchise or the Franchised Business, the party which substantially prevails in that arbitration or action will be entitled to a judgment against the other party for the costs of the arbitration or action, including reasonable attorneys' fees, reasonable expenses of arbitration or litigation, and arbitration or court costs.

32.6 **You and we each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other, and agree that if there is a dispute with the other, each party will be limited to the recovery of actual damages sustained by it. If suit is brought, you and we each irrevocably waive trial by jury in any action, whether at law or equity, brought by either party. You and we each also agree that any action brought by either party relating to this Agreement, any related agreement, the Franchise or the Franchised Business will be brought in either the 19th Judicial District Court for the Parish of East Baton Rouge, Louisiana or the United States District Court for the Middle District of Louisiana or the courts of equally competent jurisdiction in the city in which our home office is located at the time. You irrevocably submit to the jurisdiction of these courts and waive any objections you may have to the venue of these courts and to the application of Louisiana law.**

Your Initials _____

33. NOTICES

33.1 Any notice required to be given under this Agreement will be deemed to be given when delivered: by certified, registered or other receipted mail; by fax; by receipted courier or delivery service; by telegram; or personally. If delivery has not occurred after at least two (2) of these methods have

been used, any notice required to be given under this Agreement will be deemed to be given three (3) days after being posted by first-class mail, postage prepaid.

33.2 Notices to us will be sent to our address as stated in this Agreement or to any other address we may specify to you in writing. Notices to you will be sent to the address of the Franchised Business as stated in this Agreement or any other address you may specify to us in writing.

34. ACCEPTANCES, APPROVALS AND CONSENTS

34.1 Acceptances, approvals and consents required by this Agreement will not be unreasonably withheld or delayed.

34.2 Whenever this Agreement requires our prior acceptance, approval, or consent, you will make a timely written request to us for the acceptance, approval or consent, which will be obtained in writing.

34.3 We assume no liability or obligation to you by providing any acceptance, approval, consent or suggestion to you, or by delaying action on or denying any request for an acceptance, approval or consent.

35. ACKNOWLEDGMENTS BY FRANCHISEE

35.1 You acknowledge that:

(a) You have conducted an independent investigation of the business contemplated by this Agreement and recognize that it involves significant risks, making the success of the business largely dependent on your abilities and attention. We expressly disclaim the making of, and you acknowledge that you have not received or relied on, any representation, warranty or guarantee, expressed or implied, as to the potential sales, profits or success of the Franchised Business.

Your Initials _____

(b) In entering into this Agreement, you have not relied on any representation by us, or any of our members, officers, directors, partners, shareholders, employees, agents or brokers concerning the Franchised Business which are contrary to the terms of this Agreement, the documents incorporated into this Agreement or attached to it, or the disclosure document provided to you by us.

Your Initials _____

(c) You (and each principal, if you are a legal entity) have read and understand this Agreement and all related agreements; we have fully and adequately explained the terms of each to your satisfaction; and we have accorded you ample time and opportunity to consult, and you have consulted, with existing franchisees, and with financial, legal and other advisors of your own choosing, about the potential benefits and risks of establishing and operating a Franchised Business under this Agreement.

Your Initials _____

(d) Complete and detailed uniformity among our franchisees under varying conditions may be inadvisable, impractical or impossible, and accordingly agree that we, in

our sole discretion, may modify or vary aspects of the System as to any franchisee or group of franchisees based on, for example, local sales potential, demographics, competition, business practices or other conditions. You further agree that we will have no obligation to disclose or offer the same or similar variances to you. You are aware that other R-WELLNESS franchisees may operate under different agreements and, consequently, that our obligations and rights as to those franchisees may differ materially in certain circumstances.

Your Initials _____

(e) You have received a disclosure document, our standard Franchise Agreement and all related agreements at least 14 calendar days before signing this Agreement, and have received a substantially complete version of this Agreement and all related agreements at least seven (7) calendar days before signing this Agreement if there were material changes made to the original disclosure document that you received from us.

Your Initials _____

(f) You have made no payment to us before the signing of this Agreement.

Your Initials _____

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Agreement on the day and year first above written.

WITNESSES:

FRANCHISOR (“WE” and/or “US”):
R-WELLNESS, LLC

By: _____
Name: _____
Title: _____

FRANCHISEE (“YOU”):

By: _____
Name: _____
Title: _____

GUARANTOR:

By: _____
Name: _____
Individually, and as Guarantor of
_____, a [corporation, LLC or
partnership]

Each of the undersigned owns a 15% or greater beneficial interest in the Franchisee; each has read this Franchise Agreement and each agrees to be individually bound by its terms.

WITNESS:

FRANCHISE AGREEMENT RIDER

1. Effective Date: _____
2. Franchisee: _____
3. Franchised Location: _____

If no location has been determined at the time this Agreement has been executed, then the Franchised Business shall be within the following area, provided that the exact location shall be subject to our review and approval:

If the above location specifies a location yet to be determined, we reserve the right to sell franchises and grant territories to others who will operate R-WELLNESS Franchised Business(es) in and around the above-described location. You may be required to choose a final location outside of any territory granted to other franchisees, and that territory may be outside of the city or areas identified above. In that event, you would have to obtain our review and approval for a new location. Similarly, if you choose to move your final address at any time, or if the location set forth above or any alternative location that we agree upon, becomes available for any reason, you are required to select a new location, and to obtain our review and approval of that location before you acquire the site, or obtain any rights in that location.

ATTACHMENT 1A

INTERIM RESERVED AREA ADDENDUM

Your Interim Reserved Area is as follows:

If the U.S. Postal Service alters the boundary (ies) or number(s) of any assigned ZIP code(s), we will reassign to you the re-designated ZIP code(s) that most correspond to any previously held ZIP code(s).

ATTACHMENT 1B

SITE ADDENDUM

The approved site for the Franchised Business is as follows:

ATTACHMENT 1C

TERRITORY ADDENDUM

Your Territory is as follows or as depicted on the below map:

If the U.S. Postal Service alters the boundary (ies) or number(s) of any assigned ZIP code(s), we will reassign to you the re-designated ZIP code(s) that most correspond to any previously held ZIP code(s).

ATTACHMENT 2
LEGAL ENTITY INFORMATION SHEET

Name of Legal Entity: _____

State/Date of Formation: _____

Shareholders/Partners/Members:

| | | |
|------------|-----------------------------------------|------|
| % Interest | Class/General or Limited Partner/Member | Name |
| % Interest | Class/General or Limited Partner/Member | Name |
| % Interest | Class/General or Limited Partner/Member | Name |
| % Interest | Class/General or Limited Partner/Member | Name |
| % Interest | Class/General or Limited Partner/Member | Name |

| <u>Documents:</u> | <u>Not Required</u> | <u>Provided to Us</u> | <u>To Be Provided to Us Within 30 Days</u> |
|--------------------------------------------|--------------------------|--------------------------|--------------------------------------------|
| Certificate and Articles of Incorporation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Certificate and Agreement of Partnership | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Certificate and Articles of Organization | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| By-Laws | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution Authorizing Franchise Agreement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Operating Agreement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Conditions: _____ Yes _____ No _____

The legal entity's activities must be confined exclusively to
operating the Franchised Business.

_____ (or another person with our written consent) must act as the legal entity's principal operating officer, member or partner.

Each principal who has a 5% or more interest must sign the Guaranty Agreement (Attachment 3).

The legal entity must maintain stop transfer instructions against transfer on its records of any stock certificate, membership certificate or certificate of interest contrary to the terms of Section 25 of the Franchise Agreement.

Each stock certificate, membership certificate or certificate of interest must include the statement specified in Section 25.4 of the Franchise Agreement.

The legal entity must maintain a current list of all shareholders, members or partners and other beneficial owners, and must furnish the list to us on request.

ATTACHMENT 3

GUARANTY AGREEMENT

In consideration of, and as an inducement to, the signing by R-WELLNESS, LLC ("we", "us" or "our") of the Franchise Agreement between us and _____ ("Franchisee") signed _____ (the "Agreement") each undersigned Guarantor ("you or "your") personally and unconditionally (1) guarantees to us and our successors and assigns, for the term of the Franchise and thereafter as provided in the Agreement, that Franchisee will punctually pay or perform each obligation in the Agreement, and (2) agrees to be personally bound by, and personally liable for the default of, each term of the Agreement. Each of you waives:

- (1) our acceptance and notice of acceptance of these undertakings;
- (2) notice of demand for payment of any indebtedness or nonperformance of any obligation guaranteed;
- (3) protest and notice of default to any party as to any indebtedness or nonperformance of any obligation guaranteed;
- (4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- (5) any other notices and legal or equitable defenses to which you may be entitled.

Each of you agrees that:

- (1) your direct and immediate liability under this guaranty is joint and several;
- (2) you will render any payment or performance required under the Agreement on demand if Franchisee fails or refuses to do so punctually;
- (3) your liability will not be contingent or conditioned on our pursuit of any remedies against Franchisee or any other person; and
- (4) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claim, none of which will in any way modify or amend this guaranty, that will be continuing and irrevocable for as long as any obligation in the Agreement remains in effect.

Each of you affixes your signature to this guaranty as of the same date as the date of signing of the Agreement.

GUARANTOR

Name: _____

Address: _____

Percentage Ownership in Franchise _____

GUARANTOR

Name: _____

Address: _____

Percentage Ownership in Franchise _____

ATTACHMENT 4

MANAGER/RN CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

(Note: To be signed by Franchisee and Manager or Supervisor, if Applicable)

THIS AGREEMENT is entered into by _____ ("we," "us," or "our"), a franchisee of R-WELLNESS, LLC ("R-WELLNESS"), and _____ ("you," "your" or "yourself").

RECITALS

A. We desire to engage you; and

B. You desire to be engaged or employed by us, in connection with our R-WELLNESS Franchised Business.

In consideration of the recitals above and the terms below, the parties agree:

1. Covenants Not to Disclose; Covenants Not to Compete. You agree that certain methods of doing business and other elements comprising the R-WELLNESS system are distinctive and have been developed by R-WELLNESS and us at great effort, skill, time and expense; that you will have regular and continuing access to valuable trade secrets, confidential information and valuable training regarding the R-WELLNESS system; and that you recognize your obligation to promote and develop our R-WELLNESS Franchised Business. You accordingly agree as follows:

(a) Except as required in duties performed for us, you will never, either during or after the term or engagement or employment, either directly or indirectly, use, or disseminate or disclose to any person or entity, any trade secrets or confidential information, including member names, other member information and business methods, of R-WELLNESS or us, and will always seek to preserve the confidentiality of those trade secrets and confidential information.

(b) During your engagement or employment, you will not, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, divert or attempt to divert any business or member of ours to any competitor or other person by direct or indirect inducement or otherwise, but this Section will not prevent you from referring clients in good faith to other businesses, including competitors' businesses, that may be able to provide those clients with services or products not available from our business.

(c) During your engagement or employment and for an uninterrupted period of one (1) year after termination of your engagement or employment, regardless of the cause of termination, you will not, without the written consent of us and R-WELLNESS, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, engage or seek to engage as an independent contractor or employ or seek to employ any person who, within the preceding six (6) months, has been an independent contractor or employee of R-WELLNESS, us or any other R-WELLNESS Franchised Business franchisee.

(d) During your engagement or employment, you will not, without the written consent of us and R-WELLNESS, directly or indirectly, for yourself, or through, on behalf of, or in conjunction

with any other person or entity, own, maintain, engage in, have any interest in or perform any service for any business other than us located in the United States that offers, or that franchises or licenses others to offer, services or products that are the same as or substantially similar to services and products offered by us or R-WELLNESS.

(e) For one (1) year after termination of your engagement or employment, regardless of the cause of termination, you will not, without the written consent of us and R-WELLNESS, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any other person or entity, own, maintain, engage in, have any interest in or perform any service for any business that offers, or that franchises or licenses others to offer, services or products that are the same as or substantially similar to the services or products that were or could have been offered by us or R-WELLNESS when you were engaged or employed, and that operates: (1) within our Territory, or (2) within the Territory of any other franchisee's business operating or in planning at the time of termination.

2. You agree that we may, if we require in our sole discretion, reduce the scope of any term or subpart of any term in this Agreement without your consent, effective immediately on written notice from us, and you agree that you will promptly comply with any term or subpart so modified, that will be fully enforceable notwithstanding any other term or subpart of this Agreement.

3. Covenants As Independent and As Conditions Precedent to Employment. Your covenants in Section 1 are independent of any other terms of this Agreement and are conditions precedent to engagement or employment. Any claim or cause of action against us or R-WELLNESS, whether predicated on this Agreement or otherwise, will not be a defense to the enforcement by us or R-WELLNESS of the covenants in Section 1.

4. Covenants Concerning R-WELLNESS Property. You acknowledge and agree that all of our records and all information we or our affiliates derive or receive from you or about your Franchised Business, including, without limitation, all information in your records or ours concerning the clients and member lists of your and all R-WELLNESS Franchised Business(es) in the System, whether prepared by you or otherwise coming into your possession, and all revenues we derive from such information, are the exclusive property of R-WELLNESS or our affiliates. Additionally, you agree that all files, records, documents, drawings, specifications and similar items for our R-WELLNESS Franchised Business, including all copies of those items, whether prepared by you or otherwise coming into your possession, will not be removed by you from our premises without our written consent. Any records not at our premises will immediately be returned to us by you on termination of your engagement or employment, regardless of the cause of termination.

5. Severability. If a part of a covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency, you agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in this Agreement. If an entire covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency, the remaining covenants in this Agreement will continue in effect.

6. Injunctive Relief. We or R-WELLNESS, in addition to other legal and equitable rights, will be entitled to temporary, preliminary or permanent injunctive relief, without bond, restraining your actual or threatened violation of any covenant in this Agreement.

7. Attorneys' Fees. In a legal action for damages, injunctive relief, the return of property or any other legal or equitable remedy, you agree to pay our or R-WELLNESS's reasonable attorneys' fees, court costs and reasonable out-of-pocket expenses for the action.

8. Governing Law. This Agreement will be governed by the laws of the state in which our principal business office is located on the date of signing of this Agreement.

9. Binding Effect. This Agreement will be binding on the parties, and their heirs, executors, administrators, successors and assigns.

10. Modification. This Agreement may not be modified except in written agreement of at least equal formality signed by the parties.

The undersigned agree to the terms of this Agreement.

INDEPENDENT CONTRACTOR OR EMPLOYEE:

By: _____
Name: _____
Date: _____

FRANCHISEE: _____

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

ATTACHMENT 5

LEASE ADDENDUM

THIS LEASE ADDENDUM ("Addendum") is entered into this _____ day of _____, _____ by R-WELLNESS, LLC, a Louisiana limited liability company, with its principal office at 16161 Perkins Road, Baton Rouge, Louisiana 70810 ("R-WELLNESS"); _____ with its principal office at _____ ("Lessor"); and _____ with its principal office at _____ ("Lessee").

RECITALS:

A. Lessor has agreed to lease to Lessee premises located at _____ for use by Lessee as a R-WELLNESS Franchised Business ("Franchised Business") operated under R-WELLNESS's system and proprietary marks under a written Franchise Agreement dated _____ between R-WELLNESS and Lessee as franchisee ("Franchise Agreement");

B. Under the terms of the Franchise Agreement, all right, title and interest in the lease and this Addendum ("Lease") must be transferred to R-WELLNESS, if R-WELLNESS, in its sole and absolute right, exercises any option to purchase the assets of the Franchised Business contained in the Franchise Agreement;

C. It is the intent of the parties to provide R-WELLNESS with the opportunity to preserve the premises as a Franchised Business in case of any expiration or termination of the franchise granted in the franchise agreement and to assure Lessor that any defaults under the Lease will be cured before R-WELLNESS takes possession of the premises; and,

D. Lessee and R-WELLNESS wish to preserve their rights under the Franchise Agreement as to the premises, including R-WELLNESS's right to enter and/or take possession of the premises to enforce R-WELLNESS's rights on Lessee's default under the Lease or the Franchise Agreement.

In consideration of the recitals above and of the terms below, the parties agree:

1. Default of Lessee under Lease. Lessor will give R-WELLNESS notice of any default or termination of the Lease concurrently with giving notice to Lessee. If Lessee fails to cure any default within the period provided in the Lease, Lessor will give R-WELLNESS immediate written notice of the failure to cure and Lessor will offer to R-WELLNESS and R-WELLNESS will have the sole and absolute right (but not the obligation), either to cure the default and preserve Lessee's interest in the premises and in the Lease, or to accept an assignment of the Lease or a new lease containing the same terms and conditions of the Lease, whichever R-WELLNESS elects. If R-WELLNESS elects to continue the use of the premises under an assignment of the Lease or a new lease, it will so notify Lessor in writing within 30 days after it has received written notice from Lessor specifying the default(s) Lessee has failed to cure within the period specified in the Lease. On receipt of that notice from R-WELLNESS, Lessor will promptly execute and deliver to R-WELLNESS an assignment of the Lease or a new lease, whichever R-WELLNESS requests, and will promptly deliver to R-WELLNESS possession of the premises, free and clear of any rights of Lessee or any third party. R-WELLNESS, before taking possession of the premises, will cure the default(s) specified by Lessor in its notice to R-WELLNESS and will execute and deliver to Lessor its acceptance of the assignment of Lease or of a new lease, as the case may be.

2. Repurchase, Termination or Expiration of Franchise. If R-WELLNESS repurchases the franchise from Lessee, or if the franchise between R-WELLNESS and Lessee expires or is terminated for any reason during the term or any extension of the Lease, Lessee, on the written request of R-WELLNESS, will assign to R-WELLNESS all of its right, title and interest in the Lease. If R-WELLNESS elects to accept the assignment of the Lease from Lessee, it will give Lessee and Lessor written notice of its election to acquire the leasehold interest. Lessor consents to the assignment of the Lease from Lessee to R-WELLNESS, subject to Lessee's and/or R-WELLNESS's curing any default(s) of Lessee under the Lease before R-WELLNESS takes possession of the premises. Alternatively, in case of repurchase, expiration or termination of the franchise, R-WELLNESS may elect to enter into a new lease with Lessor containing the same terms and conditions as the Lease. On Lessor's receipt of written notice from R-WELLNESS advising Lessor that R-WELLNESS elects to enter into a new lease, Lessor will execute and deliver the new lease to R-WELLNESS for its acceptance. Lessor and Lessee will deliver possession of the premises to R-WELLNESS, free and clear of all rights of Lessee or third parties, subject to R-WELLNESS curing any default(s) of Lessee under the Lease and executing an acceptance of the assignment of Lease or the new lease, as the case may be. If R-WELLNESS does not accept assignment of the Lease or a new lease after expiration or termination of the franchise, or if R-WELLNESS determines that it must enter the premises to enforce any of its rights under the Franchise Agreement, Lessor consents to R-WELLNESS's or its agent's entry onto the premises to enforce R-WELLNESS's rights under the Franchise Agreement, including the removal of signs, materials, fixtures, equipment and other items identifying Lessee with R-WELLNESS or belonging to R-WELLNESS. Lessor agrees that, in exercising these rights, R-WELLNESS will not be guilty of trespass or any other tort as to Lessor. R-WELLNESS agrees to repair any damage to the premises caused by its entry and activity on the premises.

3. Relationship to Franchise Agreement. Lessor acknowledges that the Lease and/or any new or amended lease executed by the parties will be subject to and not inconsistent with the Franchise Agreement. For example, Lessor must permit R-WELLNESS's entry onto the premises for the purpose of enforcing R-WELLNESS's rights under the Franchise Agreement or for routine visits.

4. Use or Assignment of Premises. The parties agree that the premises must only be used for the operation of the Franchised Business, and that Lessee may not sublease or assign all or any part of its occupancy rights without R-WELLNESS's prior written approval.

5. Obligations of R-WELLNESS. The parties acknowledge that the Lease does not create any rights against or obligations of R-WELLNESS unless specifically stated in this Addendum.

6. Display of Marks. Lessor agrees that Lessee and/or R-WELLNESS may display R-WELLNESS's and/or its licensor's marks according to R-WELLNESS's specifications in the Confidential Operations Manual provided to Lessee under the Franchise Agreement, as modified from time to time by R-WELLNESS in its sole and absolute right, subject to the provisions of applicable law and community standards.

7. Right to Information. Lessor agrees to provide to R-WELLNESS, on request, information regarding the Franchised Business or the Lease, including any information furnished to Lessor by Lessee.

8. Delivery of Lease; R-WELLNESS's Prior Written Approval. Lessor and Lessee agree to deliver the Lease in executed form to R-WELLNESS within five (5) days after execution and acknowledge that the Lease is subject to R-WELLNESS's execution and prior written approval.

9. Waiver. Failure of R-WELLNESS to enforce or exercise any of its rights under this Addendum will not constitute a waiver of those rights or a waiver of any subsequent enforcement or exercise of its rights under this Addendum.

10. Execution of Documents. The parties agree to execute all documents or agreements and to take all action as may be necessary or desirable to effectuate the terms of this Addendum.

11. Amendment of Lease. Lessor and Lessee agree not to amend, modify or waive the terms of the Lease in any respect without the prior written consent of R-WELLNESS.

12. Vacation of Premises. Lessee agrees to peaceably and promptly vacate the premises and to remove its personal property on the repurchase, termination or expiration of the franchise or on Lessee's failure to timely cure defaults under the Lease. Any property not so removed within 10 days after Lessee vacates the premises will be deemed abandoned.

13. Delivery of Possession. If it becomes necessary for Lessor to pursue legal action to evict Lessee in order to deliver possession of the premises to R-WELLNESS, R-WELLNESS will, at the written request of Lessor, pay into escrow amounts necessary to cure any default(s) by Lessee, pending delivery of the premises to R-WELLNESS. If Lessor is unable to deliver the premises to R-WELLNESS within six (6) months after the date R-WELLNESS notifies Lessor of its election to continue the use of the premises, R-WELLNESS will have the right at any time to withdraw its election to acquire a leasehold interest in the premises, at which time all amounts deposited by R-WELLNESS in escrow plus interest earned will be returned immediately to R-WELLNESS. R-WELLNESS will not be required to cure defaults and/or begin paying rent until delivery to it of possession of the premises, free and clear of any of Lessee's rights or the rights of any third parties.

14. Lessee's Liability. Lessee will remain liable for all of its obligations under the Lease regardless of the assignment of the Lease to R-WELLNESS or the execution of a new lease between R-WELLNESS and Lessor, and R-WELLNESS will be entitled to recover from Lessee all amounts it has paid to Lessor to cure any default(s) by Lessee under the Lease.

15. Notices. All notices will be mailed by certified mail to the addresses described in this Addendum or to such other addresses as the parties may, by written notice, designate. Such notices will be deemed to be given three (3) days after being mailed.

16. Binding Effect. This Addendum will be binding on the parties, their heirs, executors, successors, assigns and legal representatives.

17. Severability. If any provision of this Addendum or any part is declared invalid by any court of competent jurisdiction, the provision will not affect the validity of this Addendum and the remainder of this Addendum will remain in effect according to the terms of the remaining provisions or parts of provisions of this Addendum.

18. Remedies. The rights and remedies created under this Addendum will be deemed cumulative and no one of the rights or remedies will be exclusive at law or in equity of the rights and remedies which R-WELLNESS may have under this Addendum or any other agreement to which R-WELLNESS and Lessee are parties.

19. Attorneys' Fees. If any action is instituted by any party to enforce any provision of this Addendum, the prevailing party will be entitled to recover all attorneys' fees and costs incurred in the action.

20. Construction. This Addendum will be governed by and interpreted under the laws of Louisiana.

Each of the undersigned agrees to the terms of this Addendum, effective the day and year first above written.

LESSOR: _____

By: _____

Name: _____

Title: _____

LESSEE: _____

By: _____

Name: _____

Title: _____

R-WELLNESS, LLC

By: _____

Name: _____

Title: _____

ATTACHMENT 6

TELEPHONE TRANSFER CONSENT AND AUTHORIZATION

On the expiration, termination, repurchase or transfer of the Franchise Agreement for any reason whatsoever, Franchisee hereby irrevocably appoints and designates R-WELLNESS, LLC as Franchisee's attorney-in-fact to direct the telephone company to change, transfer and/or terminate any listed telephone numbers relating to the Franchised Business, and also hereby agrees that R-WELLNESS, LLC may execute any legal document on behalf of Franchisee to carry out the intent of this consent and authorization.

Franchisee: _____

Date

By: _____

Name: _____

Title: _____

Franchisee: _____

Date

By: _____

Name: _____

Title: _____

ATTACHMENT 7

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Company
Name _____

Company
ID Number _____

I (we) hereby authorize R-WELLNESS, LLC, hereinafter called COMPANY, to initiate debit entries to my (our) Checking Account/ Savings Account (select one) indicated below at the depository financial institution named below, hereafter called DEPOSITORY, and to debit the same to such account. I (we) acknowledge that the organization of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Depository
Name _____

Branch _____

City _____

State _____ Zip _____

Routing
Number _____

Account
Number _____

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it

Name(s) _____
(Please Print)

ID Number _____

Date _____

Signature _____

NOTE: ALL DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION

EXHIBIT G

R-WELLNESS FRANCHISE PURCHASE AFFIDAVIT

R-WELLNESS FRANCHISE PURCHASE AFFIDAVIT*

Applicant _____
(If corporation) State of Incorporation _____
Address of Applicant _____
Location (Territory) Applied For _____

1. I have received all appropriate Franchise Disclosure Documents ("FDD") for the State(s) of _____ before or at my first personal meeting with R-WELLNESS, LLC ("R-WELLNESS" or "Franchisor") and have had at least 14 calendar days before signing the Franchise Agreement and/or payment of any monies.
2. I have signed and returned to Franchisor the acknowledgment of receipt for each FDD given me.
3. I have had an opportunity to read the Development and/or the Franchise Agreements thoroughly and understand all of Franchisor's covenants and obligations and my obligations as a franchisee of the R-WELLNESS system. I understand that the Franchise Agreement contains all obligations of the parties and that R-WELLNESS does not grant to me any first right of refusal under the Franchise Agreement.
4. I understand that this franchise business, as in all business ventures, involves risk and despite assistance and support programs, the success of my business will depend largely upon me and my ability.
5. I acknowledge and understand that no rights to any territory or locations whatsoever are granted to me or any other person or entity designated as Developer/Franchisee in my Development and/or Franchise Agreements except as set forth in the FDD, Development and/or Franchise Agreements.
6. I acknowledge and understand that the range of costs set forth in Item 7 of the FDD are estimates of the complete investment in establishing a R-WELLNESS unit and it is possible to significantly exceed the estimated costs. I understand that I am responsible for obtaining cost estimates and bids from approved suppliers before entering into a lease agreement or making cash outlays or other commitments with respect to the franchise. I understand that I should not rely on any estimates provided to me from any other source than the suppliers who are to provide the equipment or services to me. I also acknowledge and understand that I am responsible for performing my own investigation with respect to working capital requirements and sales and profit projections, and R-WELLNESS is not required to provide me with any sales or cost figures that are not otherwise provided in the FDD.
7. I acknowledge and understand that I will be receiving certain materials and information during the course of my initial training and throughout the entire term of my franchise relationship with R-WELLNESS that are confidential and proprietary and constitute trade secrets belonging to R-WELLNESS. These trade secrets include, but are not limited to, all manuals, systems, product specifications, member, supplier and equipment lists, handouts, workbooks, binders, portfolios, or other written materials that refer to, relate to, or involve any technical, operations, marketing, administration, or other information given to me by any representative of R-WELLNESS; as well as any oral information given to me by any representative of R-WELLNESS that refers to, relates to, or involves technical procedures, operations, marketing, administration, or other know-how. I further acknowledge and understand that these trade secrets are the property of R-WELLNESS and that R-WELLNESS has taken and will undertake any and

all reasonable means to protect these trade secrets. I agree that I will not, directly or indirectly, disseminate these trade secrets to anyone for any reason other than for the operation of a R-WELLNESS franchise under the express written authorization of R-WELLNESS as provided in the Development and/or Franchise Agreements.

8. Other than fill in the blank provisions or changes as a result of negotiations that I initiated, I received a completed Franchise Agreement at least seven (7) calendar days before the actual date I signed the Agreement.

9. I understand that Franchisor has a system advertising fund which is not directed towards any specific franchise territory, but is intended to benefit the entire R-WELLNESS system nationwide.

10. I have had no promises, guarantees or assurances made to me and no information provided to me relative to earnings, revenues, profits, expenses or projected revenues for this franchise, except as disclosed in the disclosure document. If I believe that I have received any such promises, guarantees, assurances or information, I agree to describe it below (otherwise write "None").

Applicant(s) Acknowledgment:

By: _____
Name: _____
Date: _____

By: _____
Name: _____
Date: _____

*All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

EXHIBIT H
GUARANTY AGREEMENT

GUARANTY AGREEMENT

In consideration of, and as an inducement to, the signing by R-WELLNESS, LLC ("we", "us" or "our") of the Franchise Agreement between us and _____ ("Franchisee") signed _____ (the "Agreement") each undersigned Guarantor ("you or "your") personally and unconditionally (1) guarantees to us and our successors and assigns, for the term of the Franchise and thereafter as provided in the Agreement, that Franchisee will punctually pay or perform each obligation in the Agreement, and (2) agrees to be personally bound by, and personally liable for the default of, each term of the Agreement. Each of you waives:

- (1) our acceptance and notice of acceptance of these undertakings;
- (2) notice of demand for payment of any indebtedness or nonperformance of any obligation guaranteed;
- (3) protest and notice of default to any party as to any indebtedness or nonperformance of any obligation guaranteed;
- (4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- (5) any other notices and legal or equitable defenses to which you may be entitled.

Each of you agrees that:

- (1) your direct and immediate liability under this guaranty is joint and several;
- (2) you will render any payment or performance required under the Agreement on demand if Franchisee fails or refuses to do so punctually;
- (3) your liability will not be contingent or conditioned on our pursuit of any remedies against Franchisee or any other person; and
- (4) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claim, none of which will in any way modify or amend this guaranty, that will be continuing and irrevocable for as long as any obligation in the Agreement remains in effect.

[Signatures appear on next page]

Each of you affixes your signature to this guaranty as of the same date as the date of signing of the Agreement.

GUARANTOR

Name: _____

Address: _____

Percentage Ownership in Franchisee _____

GUARANTOR

Name: _____

Address: _____

Percentage Ownership in Franchisee _____

EXHIBIT I
FORM OF LEASE ADDENDUM

LEASE ADDENDUM

THIS ADDENDUM is entered into this _____ day of _____, _____, by R-WELLNESS, LLC, a Louisiana limited liability company, with its principal office at 16161 Perkins Road, Baton Rouge, Louisiana 70810 ("R-WELLNESS"); _____ with its principal office at _____ ("Lessor"); and _____ with its principal office at _____ ("Lessee").

RECITALS:

- A. Lessor has agreed to lease to Lessee premises located at _____ for use by Lessee as a R-WELLNESS Franchised Business ("Franchised Business") operated under R-WELLNESS's system and proprietary marks under a written Franchise Agreement dated _____ between R-WELLNESS and Lessee as franchisee ("Franchise Agreement");
- B. Under the terms of the Franchise Agreement, all right, title and interest in the lease and this Addendum ("Lease") must be transferred to R-WELLNESS, if R-WELLNESS, in its sole and absolute right, exercises any option to purchase the assets of the Franchised Business contained in the Franchise Agreement;
- C. It is the intent of the parties to provide R-WELLNESS with the opportunity to preserve the premises as a Franchised Business in case of any expiration or termination of the franchise granted in the franchise agreement and to assure Lessor that any defaults under the Lease will be cured before R-WELLNESS takes possession of the premises; and,
- D. Lessee and R-WELLNESS wish to preserve their rights under the Franchise Agreement as to the premises, including R-WELLNESS's right to enter and/or take possession of the premises to enforce R-WELLNESS's rights on Lessee's default under the Lease or the Franchise Agreement.

In consideration of the recitals above and of the terms below, the parties agree:

1. Default of Lessee Under Lease. Lessor will give R-WELLNESS notice of any default or termination of the Lease concurrently with giving notice to Lessee. If Lessee fails to cure any default within the period provided in the Lease, Lessor will give R-WELLNESS immediate written notice of the failure to cure and Lessor will offer to R-WELLNESS and R-WELLNESS will have the sole and absolute right (but not the obligation), either to cure the default and preserve Lessee's interest in the premises and in the Lease, or to accept an assignment of the Lease or a new lease containing the same terms and conditions of the Lease, whichever R-WELLNESS elects. If R-WELLNESS elects to continue the use of the premises under an assignment of the Lease or a new lease, it will so notify Lessor in writing within 30 days after it has received written notice from Lessor specifying the default(s) Lessee has failed to cure within the period specified in the Lease. On receipt of that notice from R-WELLNESS, Lessor will promptly execute and deliver to R-WELLNESS an assignment of the Lease or a new lease, whichever R-WELLNESS requests, and will promptly deliver to R-WELLNESS possession of the premises, free and clear of any rights of Lessee or any third party. R-WELLNESS, before taking possession of the premises, will cure the default(s) specified by Lessor in its notice to R-WELLNESS and will execute and deliver to Lessor its acceptance of the assignment of Lease or of a new lease, as the case may be.

2. Repurchase, Termination or Expiration of Franchise. If R-WELLNESS repurchases the franchise from Lessee, or if the franchise between R-WELLNESS and Lessee expires or is terminated for any reason during the term or any extension of the Lease, Lessee, on the written request of R-WELLNESS, will assign to R-WELLNESS all of its right, title and interest in the Lease. If R-WELLNESS elects to accept the assignment of the Lease from Lessee, it will give Lessee and Lessor written notice of its election to acquire the leasehold interest. Lessor consents to the assignment of the Lease from Lessee to R-WELLNESS, subject to Lessee's and/or R-WELLNESS's curing any default(s) of Lessee under the Lease before R-WELLNESS takes possession of the premises. Alternatively, in case of repurchase, expiration or termination of the franchise, R-WELLNESS may elect to enter into a new lease with Lessor containing the same terms and conditions as the Lease. On Lessor's receipt of written notice from R-WELLNESS advising Lessor that R-WELLNESS elects to enter into a new lease, Lessor will execute and deliver the new lease to R-WELLNESS for its acceptance. Lessor and Lessee will deliver possession of the premises to R-WELLNESS, free and clear of all rights of Lessee or third parties, subject to R-WELLNESS curing any default(s) of Lessee under the Lease and executing an acceptance of the assignment of Lease or the new lease, as the case may be. If R-WELLNESS does not accept assignment of the Lease or a new lease after expiration or termination of the franchise, or if R-WELLNESS determines that it must enter the premises to enforce any of its rights under the Franchise Agreement, Lessor consents to R-WELLNESS's or its agent's entry onto the premises to enforce R-WELLNESS's rights under the Franchise Agreement, including the removal of signs, materials, fixtures, equipment and other items identifying Lessee with R-WELLNESS or belonging to R-WELLNESS. Lessor agrees that, in exercising these rights, R-WELLNESS will not be guilty of trespass or any other tort as to Lessor. R-WELLNESS agrees to repair any damage to the premises caused by its entry and activity on the premises.

3. Relationship to Franchise Agreement. Lessor acknowledges that the Lease and/or any new or amended lease executed by the parties will be subject to and not inconsistent with the Franchise Agreement. For example, Lessor must permit R-WELLNESS's entry onto the premises for the purpose of enforcing R-WELLNESS's rights under the Franchise Agreement or for routine visits.

4. Use or Assignment of Premises. The parties agree that the premises must only be used for the operation of the Franchised Business, and that Lessee may not sublease or assign all or any part of its occupancy rights without R-WELLNESS's prior written approval.

5. Obligations of R-WELLNESS. The parties acknowledge that the Lease does not create any rights against or obligations of R-WELLNESS unless specifically stated in this Addendum.

6. Display of Marks. Lessor agrees that Lessee and/or R-WELLNESS may display R-WELLNESS's and/or its licensor's marks according to R-WELLNESS's specifications in the Confidential Operations, Training and Marketing Manuals provided to Lessee under the Franchise Agreement, as modified from time to time by R-WELLNESS in its sole and absolute right, subject to the provisions of applicable law and community standards.

7. Right to Information. Lessor agrees to provide to R-WELLNESS, on request, information regarding the Franchised Business or the Lease, including any information furnished to Lessor by Lessee.

8. Delivery of Lease; R-WELLNESS's Prior Written Approval. Lessor and Lessee agree to deliver the Lease in executed form to R-WELLNESS within five (5) days after execution, and acknowledge that the Lease is subject to R-WELLNESS's execution and prior written approval.

9. Waiver. Failure of R-WELLNESS to enforce or exercise any of its rights under this Addendum will not constitute a waiver of those rights or a waiver of any subsequent enforcement or exercise of its rights under this Addendum.

10. Execution of Documents. The parties agree to execute all documents or agreements and to take all action as may be necessary or desirable to effectuate the terms of this Addendum.

11. Amendment of Lease. Lessor and Lessee agree not to amend, modify or waive the terms of the Lease in any respect without the prior written consent of R-WELLNESS.

12. Vacation of Premises. Lessee agrees to peaceably and promptly vacate the premises and to remove its personal property on the repurchase, termination or expiration of the franchise or on Lessee's failure to timely cure defaults under the Lease. Any property not so removed within 10 days after Lessee vacates the premises will be deemed abandoned.

13. Delivery of Possession. If it becomes necessary for Lessor to pursue legal action to evict Lessee in order to deliver possession of the premises to R-WELLNESS, R-WELLNESS will, at the written request of Lessor, pay into escrow amounts necessary to cure any default(s) by Lessee, pending delivery of the premises to R-WELLNESS. If Lessor is unable to deliver the premises to R-WELLNESS within six (6) months after the date R-WELLNESS notifies Lessor of its election to continue the use of the premises, R-WELLNESS will have the right at any time to withdraw its election to acquire a leasehold interest in the premises, at which time all amounts deposited by R-WELLNESS in escrow plus interest earned will be returned immediately to R-WELLNESS. R-WELLNESS will not be required to cure defaults and/or begin paying rent until delivery to it of possession of the premises, free and clear of any of Lessee's rights or the rights of any third parties.

14. Lessee's Liability. Lessee will remain liable for all of its obligations under the Lease regardless of the assignment of the Lease to R-WELLNESS or the execution of a new lease between R-WELLNESS and Lessor, and R-WELLNESS will be entitled to recover from Lessee all amounts it has paid to Lessor to cure any default(s) by Lessee under the Lease.

15. Notices. All notices will be mailed by certified mail to the addresses described in this Addendum or to such other addresses as the parties may, by written notice, designate. Such notices will be deemed to be given 3 days after being mailed.

16. Binding Effect. This Addendum will be binding on the parties, their heirs, executors, successors, assigns and legal representatives.

17. Severability. If any provision of this Addendum or any part is declared invalid by any court of competent jurisdiction, the provision will not affect the validity of this Addendum and the remainder of this Addendum will remain in effect according to the terms of the remaining provisions or parts of provisions of this Addendum.

18. Remedies. The rights and remedies created under this Addendum will be deemed cumulative and no one of the rights or remedies will be exclusive at law or in equity of the rights and remedies which R-WELLNESS may have under this Addendum or any other agreement to which R-WELLNESS and Lessee are parties.

19. Attorneys' Fees. If any action is instituted by any party to enforce any provision of this Addendum, the prevailing party will be entitled to recover all attorneys' fees and costs incurred in the action.

20. Construction. This Addendum will be governed by and interpreted under the laws of Louisiana.

Each of the undersigned agrees to the terms of this Addendum, effective the day and year first above written.

LESSOR: _____

By: _____
Name: _____
Title: _____

LESSEE: _____

By: _____
Name: _____
Title: _____

R-WELLNESS, LLC

By: _____
Name: _____
Title: _____

EXHIBIT J
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EXHIBIT K

STATE LAW ADDENDA

**CALIFORNIA ADDENDUM TO
R-WELLNESS, LLC
DISCLOSURE DOCUMENT**

The following information applies to franchises and franchisees subject to the California Franchise Investment Act and modifies information stated in the main body of the FDD.

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

2. The Franchisor's website is found at www.thecovery.com.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

3. Item 3. Item 3 is amended to provide that neither we nor any other person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association.

4. Item 17. Item 17 of the disclosure document is amended to include the following additional provisions:

(a) California Business & Professions Code Sections 20000 through 20043 provide rights to you concerning termination or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

(b) 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.).

(c) 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.

(d) You must sign a general release if you transfer your franchise. This provision may be unenforceable under California law. 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).

(e) The franchise agreement requires that, at the option of the franchisor, any cause of action, claim, suit or demand be brought either in the Federal District Court for the Middle District of Louisiana or in the state court in the judicial district in which the franchisor has its principal place of business. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281) to any

provisions of a franchise agreement restricting venue to a forum outside the State of California.

(f) The franchise agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

(g) The franchise agreement requires the parties to waive any and all rights to a jury trial. This provision may not be enforceable under California law.

(h) 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.

**ILLINOIS ADDENDUM TO
R-WELLNESS, LLC
DISCLOSURE DOCUMENT**

The following information applies to franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987 and modified information stated in the main body of the FDD.

1. Cover Page—Risk Factors. Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of the state of Illinois is void.

2. Item 17. Item 17 of the disclosure document is amended to provide as follows:

For Illinois franchisees, Illinois law governs the franchise agreement. The conditions under which the franchise can be terminated and rights upon nonrenewal may be affected by Illinois law. Litigation must be in federal district court in Illinois. Pursuant to Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any Franchise Agreement to waive compliance with any provision of the Act or other law of the State is void.

**MARYLAND ADDENDUM TO
R-WELLNESS, LLC
DISCLOSURE DOCUMENT**

The following information applies to franchises and franchisees subject to Maryland statutes and regulations and modifies information stated in the main body of the FDD.

1. Item 17. Item 17 of the disclosure document is amended to include the following additional provisions:

- (a) Any claims arising under the Maryland Franchise Registration and Disclosure law must be brought within 3 years after we grant you a R-WELLNESS franchise.
- (b) Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.)
- (c) Any claims under the Maryland Franchise Registration and Disclosure law may be brought in the State of Maryland.
- (d) The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

**MINNESOTA ADDENDUM TO
R-WELLNESS, LLC
DISCLOSURE DOCUMENT**

The following information applies to franchises and franchisees subject to Minnesota statutes and regulations and modified information stated in the main body of the FDD.

1. Item 13. We will indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding arising out of your use of any Proprietary Mark that complies with the Franchise Agreement. We will also reimburse you for all costs that you reasonably incur in defending any such claim brought against you in any proceeding in which you are named as a party. You must timely notify us of such claim or proceeding and comply with the Franchise Agreement.

2. Item 17.

(a) Minnesota law provides you with certain termination and nonrenewal rights. As of the date of this disclosure document, Minn. Stat. 80C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

(b) Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Franchise Agreement can eliminate 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.

(c) No release language stated in the Franchise Agreement will relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota, provided that this part will not bar the voluntary settlement of disputes.

**NEW YORK ADDENDUM TO
R-WELLNESS, LLC
DISCLOSURE DOCUMENT**

The following information applies to franchises and franchisees subject to New York statutes and regulations and modified information stated in the main body of the FDD.

1. **Cover Page. We may, if we choose, negotiate with you about items covered in the Franchise Disclosure Document. However, we cannot use the negotiating process to require you to accept terms which are less favorable than those stated in this disclosure document.**

2. **Item 3. Except as described below, neither we, our affiliates or any person identified in Item 2 of this disclosure document:**

A. 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, including 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.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-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.

C. 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. **Item 4. Neither we, our affiliates or any officers identified in Item 2 of this disclosure document has, during the 10-year period preceding the date of this disclosure document:** (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer of franchisor held this position in the company.

4. **Item 17(c). Item 17(c) of the disclosure document is amended to provide that all rights arising in your favor from the provisions of Article 33 of the Gen. Bus. Law of the State of**

New York and the regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of Gen. Bus. Law sections 687.4 and 687.5 be satisfied.

5. Item 17(j). Item 17(j) of the disclosure document is amended to provide that no assignment will be made by us, except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

6. We represent that this Prospectus does not knowingly omit any material fact or contain any untrue statement of a material fact.

**NORTH DAKOTA ADDENDUM TO
R-WELLNESS, LLC
DISCLOSURE DOCUMENT**

The following information applies to franchises and franchisees subject to North Dakota statutes and regulations and modified information stated in the main body of the FDD.

THE NORTH DAKOTA SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09) AND THE FOLLOWING MAY NOT BE ENFORCEABLE UNDER NORTH DAKOTA LAW:

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 Franchisees 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 damages.
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.

**WISCONSIN ADDENDUM TO
R-WELLNESS, LLC
DISCLOSURE DOCUMENT**

The following information applies to franchises and franchisees subject to the Wisconsin Fair Dealership Law and modifies the information stated in the main body of the FDD.

1. Item 17.

(a) For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

(b) For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

**CALIFORNIA ADDENDUM TO
R-WELLNESS, LLC
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in California and is intended to comply with California statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Sections 16, 23 and Attachment 3 of the Franchise Agreement require Franchisee to sign a general release of claims. This provision may not be enforceable under California law.
2. Section 21 of the Franchise Agreement contains a covenant not to compete which extends beyond the term of the franchise. This provision may not be enforceable under California law.
3. Except as amended herein, the Franchise Agreement will be construed and enforced with its terms.

FRANCHISEE: _____

R-WELLNESS, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**ILLINOIS ADDENDUM TO
R-WELLNESS, LLC
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Illinois and is intended to comply with Illinois statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Section 32 of the Agreement is amended to provide that:

(i)- Illinois law governs this Agreement. The conditions under which the franchise can be terminated and rights upon nonrenewal may be affected by Illinois law; and

(ii)- Only in the event that R-WELLNESS elects to litigate a claim arising under this Agreement, any such cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in Illinois federal or state court.

2. Section 35 is amended to provide that it is not intended to suggest that Franchisee may not rely on the R-WELLNESS disclosure document that Franchisor has provided to Franchisee in connection with the offer and purchase of Franchisee's R-WELLNESS franchise. Although the statements in the disclosure document do not become part of the Franchise Agreement, the disclosure document cannot contradict the contract terms.

3. The Franchise Purchase Affidavit (Exhibit H to the disclosure document) is unenforceable under Illinois law to the extent it may have the effect of forcing a franchisee to waive or release certain rights that franchisee has under the Illinois Franchise Disclosure Act, 815 IL § 705.

4. Except as amended herein, the Franchise Agreement will be construed and enforced with its terms.

FRANCHISEE:_____

R-WELLNESS, LLC

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Title:_____

**MARYLAND ADDENDUM TO
R-WELLNESS
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Sections 16, 25 and Attachment 3 are amended to provide that the general release required as a condition of renewal, sale, and/or assignment/transfer will not apply to any liability incurred under the Maryland Franchise Registration and Disclosure Law.

2. Section 32 is amended to provide that Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Section 32 is amended to provide that Louisiana law will not apply to a claim arising under the Maryland Franchise Registration and Disclosure Law. Section 32 is further amended to provide that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the date of the Franchise Agreement.

4. Any provision in the Agreement that requires Franchisee to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law is not intended to and will not act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. Except as amended herein, the Franchise Agreement will be construed and enforced with its terms.

FRANCHISEE: _____

R-WELLNESS, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**MINNESOTA ADDENDUM TO
R-WELLNESS
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Minnesota and is intended to comply with Minnesota statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Franchisor will undertake the defense of any claim of infringement by third parties involving the R-WELLNESS mark, and Franchisee will cooperate with the defense in any reasonable manner Franchisor directs with any direct cost of such cooperation to be borne by Franchisor.

2. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Franchise Agreement, Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

3. Section 25.1 of the Agreement is amended by replacing the second sentence with the following:

Franchisor and Franchisee agree that if Franchisee breaches or threatens to breach any of the terms of this Agreement, Franchisor will be entitled to seek an injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief, until such time as a final and binding determination is made by the court.

4. No release language stated in the Franchise Agreement will relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota, provided that this part will not bar the voluntary settlement of disputes.

5. Except as amended herein, the Franchise Agreement will be construed and enforced with its terms.

FRANCHISEE:_____

R-WELLNESS, LLC

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

**NEW YORK ADDENDUM TO
R-WELLNESS
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in New York and is intended to comply with New York statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Sections 16 and 25 of the Franchise Agreement are amended to provide that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this provision that the applicable nonrenewal or termination provisions of the General Business Law be satisfied.

2. Sections 16 and 25 of the Franchise Agreement are amended by adding the following sentence at the end of such Section: "The foregoing should not be considered a waiver of any right that either Franchisor or Franchisee may have under the General Business Law of the State of New York, Article 33."

3. Except as amended herein, the Franchise Agreement will be construed and enforced with its terms.

FRANCHISEE: _____

R-WELLNESS, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**NORTH DAKOTA ADDENDUM TO
R-WELLNESS
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in North Dakota and is intended to comply with North Dakota statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

THE NORTH DAKOTA SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09) AND THE FOLLOWING MAY NOT BE ENFORCEABLE UNDER NORTH DAKOTA LAW:

1. 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.
2. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
3. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
4. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
5. Waiver of Trial by Jury: Requiring North Dakota Franchisees to consent to the waiver of a trial by jury.
6. Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damages.
7. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
8. 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.
9. 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.

FRANCHISEE: _____

R-WELLNESS, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**RHODE ISLAND ADDENDUM TO
R-WELLNESS
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Rhode Island and is intended to comply with Rhode Island statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. The Rhode Island Franchise Investment Act (the "Act") at Section 19-28.1-14 provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. Except as amended herein, the Franchise Agreement will be construed and enforced with its terms.

FRANCHISEE: _____

R-WELLNESS, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**WASHINGTON ADDENDUM TO
R-WELLNESS
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Washington and is intended to comply with Washington statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There also may 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.

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

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

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

5. Except as amended herein, the Franchise Agreement will be construed and enforced with its terms.

FRANCHISEE: _____

R-WELLNESS, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**WISCONSIN ADDENDUM TO
R-WELLNESS
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Wisconsin and is intended to comply with Wisconsin statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Article 14 of the Agreement pertaining to Defaults and Terminations is amended as follows:

Franchisee will provide you at least 90 days prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that Franchisee have 60 days in which to cure any claimed deficiency. If the deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, Franchisee will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice.

2. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between you and us inconsistent with the Law.

3. Except as amended herein, the Franchise Agreement will be construed and enforced with its terms.

FRANCHISEE: _____

R-WELLNESS, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT L

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

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

| STATE | STATE ADMINISTRATOR/AGENT | ADDRESS |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| California | Commissioner of Business Oversight California Department of Business Oversight | 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677 |
| Hawaii (State Administrator) | Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch | 335 Merchant Street Room 205 Honolulu, HI 96813 |
| Illinois | Illinois Attorney General | 500 South Second Street Springfield, IL 62706 |
| Indiana (State Administrator) | Indiana Securities Commissioner Securities Division | 302 West Washington Street, Room E111 Indianapolis, IN 46204 |
| Indiana (Agent) | Indiana Secretary of State | 302 West Washington Street, Room E018 Indianapolis, IN 46204 |
| Maryland (State Administrator) | Office of the Attorney General Division of Securities | 200 St. Paul Place Baltimore, MD 21202-2020 |
| Maryland (Agent) | Maryland Securities Commissioner | 200 St. Paul Place Baltimore, MD 21202-2020 |
| Michigan | Michigan Department of Attorney General Consumer Protection Division | G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, MI 48933 |
| Minnesota | Commissioner of Commerce Minnesota Department of Commerce | 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 |
| New York (State Administrator) | Office of the New York State Attorney General Investor Protection Bureau, Franchise Section | 120 Broadway, 23rd Floor New York, NY 10271-0332 212-416-8236 Phone 212-416-6042 Fax |
| New York (Agent) | New York Department of State | One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492 |
| North Dakota | Securities Commissioner North Dakota Securities Department | 600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 |
| Rhode Island | Director, Department of Business Regulation, Securities Division | 1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920 |
| South Dakota | Department of Labor and Regulation Division of Securities | 124 S. Euclid, Suite 104 Pierre, SD 57501 |
| Virginia (State Administrator) | State Corporation Commission Division of Securities and Retail Franchising | 1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051 |
| Virginia (Agent) | Clerk of the State Corporation Commission | 1300 East Main Street, 1st Floor Richmond, VA 23219-3630 |
| Washington | Department of Financial Institutions Securities Division | 150 Israel Road SW Tumwater, WA 98501 360-902-8760 |
| Wisconsin | Commissioner of Securities | Department of Financial Institutions Division of Securities 201 W. Washington Avenue, Suite 300 Madison, WI 53703 |

EXHIBIT M
AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Company
Name _____

Company
ID Number _____

I (we) hereby authorize R-WELLNESS, LLC, hereinafter called COMPANY, to initiate debit entries to my (our) Checking Account/ Savings Account (select one) indicated below at the depository financial institution named below, hereafter called DEPOSITORY, and to debit the same to such account. I (we) acknowledge that the organization of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Depository
Name _____

Branch _____

City _____

State _____ Zip _____

Routing
Number _____

Account
Number _____

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Name(s) _____
(Please Print)

Number _____

Date _____

Signature _____

NOTE: ALL DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

EXHIBIT N
INTRANET TERMS OF USE AGREEMENT

TERMS OF USE R-WELLNESS, LLC INTRANET

R-WELLNESS, LLC has developed a password controlled, restricted access, secure intranet that allows our franchisees and certain of their employees to view and print portions of our confidential Policy and Procedure Manual, news articles and corporate forms, to communicate with us and each other, and participate in discussion forums. We call this facility the R-WELLNESS Intranet. The following are the terms and conditions of use of the R-WELLNESS Intranet (“Terms of Use”). Please read them carefully. When you respond to this message with this statement: “I AGREE TO BE BOUND BY ALL OF THE R-WELLNESS INTRANET TERMS OF USE,” we will issue a special User ID and password to you. By logging onto the R-WELLNESS Intranet the first time and each subsequent log-on, you confirm that you are eligible to access the R-WELLNESS Intranet and you agree to observe and be bound by all these Terms of Use, as may be amended from time to time.

PRIVACY POLICY

The Internet is an amazing tool. It has the power to change the way we live, and we’re starting to see that potential today. With only a few mouse-clicks, you can follow the news, look up facts, buy goods and services, and communicate with others from around the world. It’s important to The Covery to help our customers retain their privacy when they take advantage of all the Internet has to offer.

We believe your business is no one else’s. Your privacy is important to you and to us. So we’ll protect the information you share with us. To protect your privacy, The Covery follows different principles in accordance with worldwide practices for customer privacy and data protection.

- We won’t sell or give away your name, mail address, phone number, email address or any other information to anyone.
- We’ll use state-of-the-art security measures to protect your information from unauthorized users.

NOTICE

We will ask you when we need information that personally identifies you (personal information) or allows us to contact you. Generally, this information is requested when you create a Registration ID on the site or when you download free software, enter a contest, order email newsletters or join a limited-access premium site. We use your Personal Information for four primary purposes:

- To make the site easier for you to use by not having to enter information more than once.
- To help you quickly find software, services or information.
- To help us create content most relevant to you.
- To alert you to product upgrades, special offers, updated information and other new services from The Covery.

CONSENT

If you choose not to register or provide personal information, you can still use most of thecovery.com, but you will not be able to access areas that require registration.

If you decide to register, you will be able to select the kinds of information you want to receive from us by subscribing to various services, like our electronic newsletters. If you do not want us to communicate with you about other offers regarding The Covery products, programs, events, or services by email, postal mail, or telephone, you may select the option stating that you do not wish to receive marketing messages from The Covery.

The Covery occasionally allows other companies to offer our registered customers information about their products and services, using postal mail only. If you do not want to receive these offers, you may select the option stating that you do not wish to receive marketing materials from third parties.

ACCESS

We will provide you with the means to ensure that your personal information is correct and current. You may review and update this information at any time at the Visitor Center. There, you can:

- View and edit personal information you have already given us.
- Tell us whether you want us to send you marketing information, or whether you want third parties to send you their offers by postal mail.
- Sign up for electronic newsletters about our services and products.
- Once you register, you won't need to do it again. Wherever you go on thecovery.com, your information stays with you.

SECURITY

The Covery has taken strong measures to protect the security of your personal information and to ensure that your choices for its intended use are honored. We take strong precautions to protect your data from loss, misuse, unauthorized access or disclosure, alteration, or destruction.

We guarantee your e-commerce transactions to be 100% safe and secure. When you place orders or access your personal account information, you're utilizing secure server software SSL, which encrypts your personal information before it's sent over the Internet. SSL is one of the safest encryption technologies available.

In addition, your transactions are guaranteed under the Fair Credit Billing Act. This Act states that your bank cannot hold you liable for more than \$50.00 in fraudulent credit card charges. If your bank does hold you liable for \$50.00 or less, we'll cover your liability provided the unauthorized, fraudulent use of your credit card resulted through no fault of your own and from purchases made from us over our secure server. In the event of unauthorized use of your credit card, you must notify your credit card provider in accordance with its reporting rules and procedures.

The Covery strictly protects the security of your personal information and honors your choices for its intended use. We carefully protect your data from loss, misuse, unauthorized access or disclosure, alteration, or destruction.

Your personal information is never shared outside the company without your permission, except under conditions explained above. Inside the company, data is stored in password-controlled servers with limited access. Your information may be stored and processed in the United States of America or any other country where The Covery, its subsidiaries, affiliates or agents are located.

You also have a significant role in protecting your information. No one can see or edit your personal information without knowing your username and password, so do not share these with others.

NOTICE TO PARENTS

Parents or guardians: we want to help you guard your children's privacy. We encourage you to talk to your children about safe and responsible use of their Personal Information while using the Internet.

The Covery site does not publish content that is targeted to children. However, if you are concerned about your children providing The Covery any personal information without your consent, The Covery offers a Kids account. It allows parents to give parental consent for the collection, use and sharing of children's (ages 12 and under) personal information online.

ENFORCEMENT

If for some reason you believe The Covery has not adhered to these principles, please notify us by email at info@thecovery.com, and we will do our best to determine and correct the problem promptly. Be certain the words Privacy Policy are in the Subject line.

ELECTRONIC PRODUCT REGISTRATION

When you buy and install a new product, we may ask you to register your purchase electronically. When you do, we merge your registration information with any information you've already left with us (we call that information your personal profile). If you haven't previously registered with us, we create a personal profile for you from your product registration information. If you ever want to review or update that information, you can visit the Profile Center, click on Update Profile, and edit any of the Personal Information in your profile. If you haven't already created a Registration ID, we will ask you to do so. This ensures that only you can access your information.

CUSTOMER PROFILES

As mentioned above, every registered customer has a unique personal profile. Each profile is assigned a unique personal identification number, which helps us ensure that only you can access your profile.

When you register, we create your profile, assign a personal identification number, then send this personal identification number back to your hard drive in the form of a cookie, which is a very small bit of code. This code is uniquely yours. It is your passport to seamless travel across thecovery.com, allowing you to download free software, order free newsletters, and visit premium sites without having to fill out registration forms with information you've already provided. Even if you switch computers, you won't have to re-register – just use your Registration ID to identify yourself.

What we do with the information you share

When you join us, you provide us with your contact information, including full name, email address, and phone number. We use this information to send you updates about your order, questionnaires to measure your satisfaction with our service and announcements about new and exciting services that we offer. When you order from us, we ask for your credit card number and billing address. We use this information only to bill you for the product(s) you order at that time.

For your convenience, we do save billing information in case you want to order from us again, but we don't use this information again without your permission. We occasionally hire other companies to provide limited services on our behalf, including packaging, mailing and delivering purchases, answering customer questions about products or services, sending postal mail and processing event registration. We will only provide those companies the information they need to deliver the service, and they are prohibited from using that information for any other purpose.

The Covery will disclose your personal information, without notice, only if required to do so by law or in the good faith belief that such action is necessary to: (a) conform to the edicts of the law or comply with legal process served on The Covery or the site; (b) protect and defend the rights or property of The Covery and its family of Websites, and, (c) act in urgent circumstances to protect the personal safety of users of The Covery, its Websites, or the public.

EXHIBIT O
FORM RELEASE OF CLAIMS

RELEASE OF CLAIMS

**THIS IS A CURRENT RELEASE FORM THAT GENERALLY WILL BE USED WITH
OR INCORPORATED INTO A SEPARATE AGREEMENT.
THIS FORM IS SUBJECT TO CHANGE OVER TIME.**

For and in consideration of the Agreements and covenants described below, R-WELLNESS, LLC ("R-WELLNESS") and _____ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

A. R-WELLNESS and Franchisee entered into a Franchise Agreement dated _____, _____.
B. [NOTE: Describe the circumstances relating to the release.]

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]
- 2-3. [NOTE: Detail other terms and conditions of the release.]
4. **Release.** Franchisee hereby releases R-WELLNESS, its officers, directors, shareholders, and agents, and their respective successors, assigns, heirs, and personal representatives, from all debts, representations, agreements, liabilities, actions, and causes of action of every kind and nature arising out of or relating to the Franchise Agreement between R-WELLNESS and Franchisee, the offer and sale of that franchise and the franchise relationship between the parties.
5. **General.** No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of _____ without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

FRANCHISEE:

R-WELLNESS, LLC

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

EXHIBIT P

RECEIPTS

Receipt

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

If R-WELLNESS, LLC (“R-WELLNESS”) offers you a franchise, R-WELLNESS must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, R-WELLNESS or our affiliate in connection with the proposed franchise sale. Iowa and New York require that R-WELLNESS gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that R-WELLNESS gives 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 R-WELLNESS does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on Exhibit L.

The franchisor is R-WELLNESS, LLC located at 16161 Perkins Road, Baton Rouge, Louisiana 70810. Its telephone number is (225) 753-3573.

Issuance Date: June 1, 2025.

The franchise sellers involved in offering and selling the franchise to you are listed below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement:

R-Wellness, LLC
Attn: Donnie Jarreau and Daniel Stickler
16161 Perkins Road
Baton Rouge, LA 70810
T: (225) 753-3573

R-WELLNESS authorizes the respective state agencies identified on Exhibit L to receive service of process for us in the particular state.

I have received a disclosure document dated June 1, 2025 that included the following Exhibits:

| | |
|-----------------------------------------------|-------------------------------------------------|
| A. List of R-WELLNESS Franchisees | J. R-WELLNESS Manuals—Table of Contents |
| B. List of Former R-WELLNESS Franchisees | K. State Law Addenda |
| C. Audited Financial Statements | L. State Agencies/Agents for Service of Process |
| D. Guarantee of R-WELLNESS, LLC | M. Authorization Agreement for Direct Payments |
| E. Area Development Agreement | N. Intranet Terms of Use Agreement |
| F. Franchise Agreement and Related Agreements | O. Form Release of Claims |
| G. R-WELLNESS Franchise Purchase Affidavit | P. Receipts |
| H. Guaranty Agreement | |
| I. Form of Lease Addendum | |

Date: _____

(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Copy for R-WELLNESS, LLC

Receipt

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

If R-WELLNESS, LLC ("R-WELLNESS" or "R-WELLNESS") offers you a franchise, R-WELLNESS must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, R-WELLNESS or our affiliate in connection with the proposed franchise sale. Iowa and New York require that R-WELLNESS gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that R-WELLNESS gives 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 R-WELLNESS does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on Exhibit L.

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Attn: Donnie Jarreau and Daniel Stickler

16161 Perkins Road

Baton Rouge, LA 70810

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|-----------------------------------------------|-------------------------------------------------|
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| B. List of Former R-WELLNESS Franchisees | J. R-WELLNESS Manuals—Table of Contents |
| C. Audited Financial Statements | K. State Law Addenda |
| D. Guarantee of R-WELLNESS, LLC | L. State Agencies/Agents for Service of Process |
| E. Area Development Agreement | M. Authorization Agreement for Direct Payments |
| F. Franchise Agreement and Related Agreements | N. Intranet Terms of Use Agreement |
| G. R-WELLNESS Franchise Purchase Affidavit | O. Form Release of Claims |
| H. Guaranty Agreement | P. Receipts |

Date: _____

(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Copy for Franchisee

Please sign and date both copies of this receipt, keep one copy (the previous page) for your records, and mail one copy (this page) to the address listed on the front page of this disclosure document or send to the R-WELLNESS, LLC Franchise Development Department by email to franchise@thecov.com.