

FRANCHISE DISCLOSURE DOCUMENT

Nutrishop, Inc.
a Nevada corporation
751 W. Warm Springs Rd. #100, Henderson, NV 89011
Tel: (702) 558-8311
www.NutrishopUSA.com
bmclendon@nutrishopusa.com



The franchise offered is for the right to operate a “Nutrishop Store” franchised business offering sports nutrition, dietary supplements, vitamins, weight loss products, related food items and other products, goods and promotional items (e.g., apparel, clothing, shaker cups and sports items) utilizing the proprietary system for Nutrishop Stores.

The total investment necessary to begin operation of a franchise for a new Nutrishop Store that is not a Pro-Shop ranges from \$112,000 to \$207,795. This amount includes from \$65,000 to \$80,795 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of a franchise for a new Nutrishop Store that is a 24 Hour Fitness Location ranges from \$80,795 to \$149,795. This amount includes from \$40,795 to \$65,795 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of a franchise for a new Nutrishop Store that is a Pro-Shop but is not a 24 Hour Fitness Location ranges from \$44,500 to \$124,295. This amount includes from \$12,500 to \$53,295 that must be paid to the franchisor or its affiliate.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise 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 Bryon McLendon, President, at 930 Tahoe Boulevard, #802-542, Incline Village, NV 89451, and (775) 831-1435.

The terms of your contract will govern your franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read all 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. 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 of this Franchise Disclosure Document: March 21, 2022.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit J.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Nutrishop 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 Nutrishop franchisee?	Item 20 or Exhibit J lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and Product Distribution Agreement require you to resolve disputes with the franchisor and its affiliate by mediation, arbitration, or litigation only in the city in which franchisor's then current principal business address is located (currently Henderson, Nevada). Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor and its affiliate in the city in which franchisor's then current principal business address is located (currently Henderson, Nevada) than in your own state.
2. **Inventory Control.** You must make inventory and supply purchases of at least \$4,000 (or \$2,000 if your STORE is a Pro-Shop) each calendar month following the month in which you place your opening inventory order, even if you do not need that much. Your inability to make these purchases or to maintain inventory levels at all times may result in termination of your franchise and loss of your investment.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

TABLE OF CONTENTS

<u>ITEM</u>		<u>PAGE</u>
Item 1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
Item 2	BUSINESS EXPERIENCE	3
Item 3	LITIGATION.....	4
Item 4	BANKRUPTCY	7
Item 5	INITIAL FEES.....	7
Item 6	OTHER FEES.....	8
Item 7	ESTIMATED INITIAL INVESTMENT.....	12
Item 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	18
Item 9	FRANCHISEE’S OBLIGATIONS.....	22
Item 10	FINANCING.....	25
Item 11	FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	25
Item 12	TERRITORY	31
Item 13	TRADEMARKS	34
Item 14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	35
Item 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	36
Item 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	37
Item 17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	38
Item 18	PUBLIC FIGURES.....	48
Item 19	FINANCIAL PERFORMANCE REPRESENTATIONS	48
Item 20	OUTLETS AND FRANCHISEE INFORMATION.....	50
Item 21	FINANCIAL STATEMENTS	58
Item 22	CONTRACTS.....	58

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is Nutrishop, Inc. (“we,” “us,” or “our”). “You” means the individual or entity that buys the franchise. If you are a corporation, partnership, limited liability company, or other entity, your owners must sign the Franchise Agreement (a form of which is attached as Exhibit C) in their individual capacities, which means that your owners will be personally bound by, and liable for the breach of, the provisions of the Franchise Agreement applicable to you.

We were formed in 2003 as a California corporation and converted on February 5, 2013 into a Nevada corporation. Our principal business address is 751 W. Warm Springs Rd. #100, Henderson, NV 89011. We operate under our corporate name, “Nutrishop” and no other name. We have no predecessors required to be included in this Item. If we have an agent in your state for service of process, we disclose that agent in Exhibit B.

We grant franchises for stores operating under the “Nutrishop” name and other trademarks, service marks, and commercial symbols (collectively, the “Marks”). For reference purposes in this Disclosure Document, we collectively refer to all businesses using the System (defined below) and the Marks as “Nutrishop Stores,” and we call the Nutrishop Store that you will operate the “STORE.” Nutrishop Stores offer sports nutrition, dietary supplements, vitamins, weight loss products and related food items (collectively, “Nutrition Products”), promotional items bearing the Marks (e.g., apparel, clothing, shaker cups and sports items) that are intended to be given away or sold to customers for advertising purposes (“Promotional Items”) and other products and goods (the Nutrition Products, Promotional Items and other products and goods collectively referred to as the “Goods”) utilizing the System.

Nutrishop Stores operate using our business formats, methods, procedures, signage, designs, layouts, standards, specifications and Marks (the “System”), all of which we may improve, further develop or otherwise modify at any time. If you acquire a franchise, you operate your STORE according to the System. The STORE will operate from a retail outlet we approve (the “Approved Location”). If you operate your STORE within a 24 Hour Fitness gym, your STORE will be referred to as a “24 Hour Fitness Location,” and 24 Hour Fitness Locations and other Nutrishop Stores located within commercial facilities owned by third-parties, such as gyms, health clubs, or similar establishments, will be referred to collectively as “Pro-Shops.” If you operate a 24 Hour Fitness Location, you must sign the 24 Hour Fitness Location Addendum to the Nutrishop Store Franchise Agreement and Product Distribution Agreement (the “24 Hour Fitness Location Addendum”) (a form of which is attached as Exhibit F).

We have never conducted business in this or any other line of business or offered franchises in any other line of business. We began offering franchises for Nutrishop Stores in July 2018.

We previously granted licensees (“Licensees”) licenses for the right to operate Nutrishop Stores (“Licensed Businesses”). The first license agreement we entered into with a Licensee was signed in November 2003. The license agreement that the Licensees signed is different from the Franchise Agreement. We no longer offer licenses for Licensed Businesses and, as of the date of this Disclosure Document, we do not have any Licensees.

Our affiliate, Nutrishop Franchising, LLC (“Nutrishop Franchising”), has offered franchises for Nutrishop Stores in New York since April 2019. As of December 31, 2021, there were 2 franchisees operating Nutrishop Stores pursuant to franchise agreements with Nutrishop Franchising. We do not offer franchises for Nutrishop Stores in New York. Nutrishop Franchising’s principal business address is 751 W. Warm Springs Rd. #100, Henderson, NV 89011. Nutrishop Franchising has never conducted the type of business Nutrishop Store franchisees operate and has never offered franchises in any other line of business. Nutrishop Franchising does not currently provide products or services to our franchisees.

Our affiliates, Global Nutrition Group, Inc. (“Global Nutrition”), Stance Supplements LLC (“Stance”), The Shaker Cup Company, LLC (“Shaker Cup”) and Sourcewell Nutrition, LLC (“Sourcewell”) are manufacturers of certain Goods (e.g., Nutrition Products and Promotional Items). The principal business address of Global Nutrition, Stance and Sourcewell is the same as ours. Shaker Cup’s principal business address is 302 Oak Place, #A, Brea, California 92821. None of these affiliates have ever conducted the type of business Nutrishop Store franchisees operate and none have ever offered franchises in this or any other line of business.

Each of Global Nutrition, Stance, Shaker Cup and Sourcewell will sell their products to our affiliate, NS Nutrition Distribution, LLC (“NS Distribution”), for distribution to our franchisees. NS Distribution is currently the only designated supplier of Promotional Items that you sell (as opposed to Promotional Items that you give away) and certain Nutrition Products. You must enter into the Product Distribution Agreement with NS Distribution (a form of which is attached as Exhibit E), under which you must purchase an initial inventory and ongoing supply of Goods to sell in your STORE. NS Distribution’s principal business address is the same as ours. NS Distribution has never conducted the type of business Nutrishop Store franchisees operate and has never offered franchises in this or any other line of business.

We have no parents. Other than Global Nutrition, Stance, Shaker Cup, Sourcewell and NS Distribution, we have no affiliates who currently provide products or services to franchisees of Nutrishop Stores and, other than Nutrishop Franchising, we have no affiliates who currently offer franchises in any lines of business.

Your STORE will be located at the Approved Location in a specific geographic territory (the “Territory”) and will offer Goods to the general public throughout the year and compete with other stores selling nutritional products. The primary targeted customer base for Nutrishop Stores are health-conscious adults, generally in the age range of 18 to 55 years old, although people of all ages may be customers. Historically, Nutrishop Stores’ sales have been the strongest during the first and second quarters of the year. The nutritional supplement market is well developed. Your STORE will compete with independent, regional, and national chains offering similar products, including specialty stores, mass merchandisers, convenience stores, drug stores and grocery stores that sell similar products. Some competitors may be well established. In addition, various companies throughout the United States offer, by mail order, Internet, or catalog sales, products which are similar to those you will offer from your STORE.

The storage, offer, and sale of many products in your STORE will be subject to certain federal, state, and local laws and regulations, which may include rules and regulations of the U.S. Food and Drug Administration (“FDA”), the Consumer Product Safety Commission, the Federal Trade Commission (“FTC”), the Environmental Protection Agency, the U.S. Department of Agriculture, as well as local health departments. There may be other local laws and regulations which are not

mentioned in this Disclosure Document. The FDA and FTC rules and regulations may constrain the advertising or representations you can make about certain products offered for sale at your STORE or prohibit you from selling certain products, in some cases because of statements on their labels or advertising associated with them. You must submit all advertising to us for approval before you use them.

You also must comply with existing laws, regulations, and ordinances that apply generally to all businesses, such as the Americans with Disabilities Act, federal wage and hour laws and state law equivalents, the Affordable Care Act, the Occupational Safety and Health Act, anti-terrorism and anti-corruption laws (such as the Patriot Act and the Foreign Corrupt Practices Act), and data protection and privacy laws (such as credit card protection under the U.S. Fair and Accurate Credit Transactions Act, or “FACTA”). You should investigate these laws that may apply to the food service and beverage service industry and to all businesses in general.

Item 2

BUSINESS EXPERIENCE

President and Director: Bryon McLendon

Mr. McLendon has been our President and one of our Directors, located in Henderson, Nevada, since our initial formation in California in 2003. Mr. McLendon has also been Nutrishop Franchising’s President and one of its Directors, located in Henderson, Nevada, since its formation in February 2019. Mr. McLendon has also been the President and a member of NS Distribution, located in Henderson, Nevada, since April 2018; a Manager and a member of Sourcewell, located in Las Vegas, Nevada, since April 2015; a member of Stance, located in Henderson, Nevada, since June 2014; the President and an owner of Global Nutrition, located in Henderson, Nevada, since March 2013; the President of Pro 10 4 Holdings Inc., located in Incline Village, Nevada, since March 2013; and, a member of Shaker Cup, located in Incline Village, Nevada since January 2008.

Secretary and Director: Tania McLendon

Mrs. McLendon has been our Secretary and one of our Directors, located in Henderson, Nevada, since our initial formation in California in 2003. Mrs. McLendon has also been Nutrishop Franchising’s Secretary and one of its Directors, located in Henderson, Nevada, since its formation in February 2019. She has also been the Secretary and a member of NS Distribution, located in Henderson, Nevada, since April 2018; a Manager and a member of Sourcewell, located in Las Vegas, Nevada, since April 2015; a member of Stance, located in Henderson, Nevada, since June 2014; the Secretary and an owner of Global Nutrition, located in Henderson, Nevada, since March 2013; the Secretary of Pro 10 4 Holdings Inc., located in Incline Village, Nevada, since March 2013; and, the Manager and a member of Shaker Cup, located in Incline Village, Nevada since January 2008.

Chief Operating Officer: Brian Barthelmess

Mr. Barthelmess has been our Chief Operating Officer, located in Henderson, Nevada, since May 2007. Mr. Barthelmess has also been Nutrishop Franchising’s Chief Operating Officer, located in Henderson, Nevada, since its formation in February 2019. He has also been a member of Sourcewell, located in Las Vegas, Nevada, since April 2015; the Chief Operating Officer of Global Nutrition, located in Henderson, Nevada, since March 2013; and, the President of Sports Nutrition Concepts, located in Glendora, California, since January 2010.

Director: Clement Zirolì Jr.

Mr. Zirolì Jr. has been one of our Directors, located in Henderson, Nevada, since our initial formation in California in 2003. Mr. Zirolì Jr. has also been one of Nutrishop Franchising’s Directors, located in Henderson, Nevada, since its formation in February 2019. He has also been the Vice President and a member of NS Distribution, located in Henderson, Nevada, since April 2018; a member of Canterbury Creek Capital, LLC, located in Las Vegas, Nevada, since March 2017; a member of Golden Creek Construction, LLC, located in Las Vegas, Nevada, since October 2014; a member of Stance, located in Henderson, Nevada, since June 2014; a member of Silver Creek Capital, LLC, located in Las Vegas, Nevada, since April 2014; a Director and an owner of Global Nutrition, located in Henderson, Nevada, since March 2013; a member of Diamond Creek Holdings, LLC, located in Las Vegas, Nevada, since December 2012; the Chief Executive Officer of Golden Creek Holdings, Inc., located in Las Vegas, Nevada, since December 2012; a member of JC Gemini II, LLC, located in Las Vegas, Nevada, since October 2010; the Chief Financial Officer of Indian Creek Capital, Inc., located in Las Vegas, Nevada, since June 2009; a member of JC Gemini, LLC, located in Diamond Bar, California, since June 2009; the President of FinWest, located in Ontario, California, since March 2007; and, the Secretary of Zirolì Corporation, located in Diamond Bar, California, since March 1998.

Treasurer and Director: Dawn Zirolì

Mrs. Zirolì has been our Treasurer and one of our Directors, located in Henderson, Nevada, since our initial formation in California in 2003. Mrs. Zirolì has also been Nutrishop Franchising’s Treasurer and one of its Directors, located in Henderson, Nevada, since its formation in February 2019. She has also been the Treasurer and a member of NS Distribution, located in Henderson, Nevada, since April 2018; a member of Canterbury Creek Capital, LLC, located in Las Vegas, Nevada, since March 2017; a member of Stance, located in Henderson, Nevada, since June 2014; a member of Silver Creek Capital, LLC, located in Las Vegas, Nevada, since April 2014; the Treasurer and an owner of Global Nutrition, located in Henderson, Nevada, since March 2013; the Chief Executive Officer of Golden Creek Holdings, located in Las Vegas, Nevada, since December 2012; a member of JC Gemini II, LLC, located in Las Vegas, Nevada, since October 2010; the Chief Financial Officer of Indian Creek Capital, located in Las Vegas, Nevada, since June 2009; a member of JC Gemini, LLC, located in Diamond Bar, California, since June 2009; and, the Chief Executive Officer of Zirolì Corporation, located in Las Vegas, Nevada, since March 1998.

Item 3

LITIGATION

Concluded litigation brought against one of our directors:

Securities and Exchange Commission v. First Mortgage Corporation, Inc., Clement Zirolì, Sr., Clement Zirolì, Jr., Pac W. Dong, Ronald T. Vargus, Scott Lehrer, and Edward Joseph Sanders, 2:16-cv-03772-BRO-E, United States District Court, Central District of California. On May 31, 2016, the Securities and Exchange Commission filed a Complaint against First Mortgage Corporation, Inc. (“FMC”), the issuer of residential mortgage-backed securities guaranteed by the Government National Mortgage Association (“GNMA RMBS”), Clement Zirolì, Sr., Pac W. Dong, Ronald T. Vargus, Scott Lehrer, Edward Joseph Sanders, and Clement Zirolì, Jr., one of our directors who was, from January 2007 to June 2014, the President, Chief Operating Officer and one of the Directors of FMC, alleging (i) fraud, untruthful statements of material facts and omissions of material facts in the offer or sale of securities in violation of Section 17(A) of the Securities Act of 1933 (“Securities Act”); (ii) fraud in

connection with the purchase or sale of any security in violation of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5(a) and (c) promulgated thereunder; and, (iii) untruthful statements of material facts and omissions of material facts in connection with the purchase or sale of any security in violation of Section 10(b) of the Exchange Act and rule 10b-5(b) promulgated thereunder. The Securities and Exchange Commission alleged that FMC, with the knowledge and approval of the company's senior-most management, purposely delayed depositing checks from borrowers who had been behind on their loans, falsely claiming to both investors and the Government National Mortgage Association that such loans remained delinquent when in reality they were current. The Complaint alleged that, after repurchasing at prices applicable to delinquent loans, FMC was able to resell the loans into new GNMA RMBS pools at higher prices applicable to current loans for an immediate, nearly risk-free profit. In the Securities and Exchange Commission's view, investors, meanwhile, were wrongly deprived of the interest payments on the repurchased loans. Pursuant to a Consent of Defendant Clement Zirolì, Jr., in which he did not admit or deny any allegations in the Complaint (except as to jurisdiction and exceptions to discharge set forth in Section 523 of the United States Bankruptcy Code), the court entered a Final Judgment as to Defendant Clement Zirolì, Jr. on July 20, 2016 pursuant to which Mr. Zirolì, Jr. (i) was permanently enjoined from violating Section 17(a) of the Securities Act in the offer or sale of any security (a) to employ any device, scheme, or artifice to defraud; (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; (ii) was permanently enjoined from violating Section 10(b) of the Exchange Act and Rule 10(b)-5(a) and (c) promulgated thereunder in connection with the purchase or sale of any security (a) to employ any device, scheme, or artifice to defraud; or (b) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; (iii) is prohibited, for 5 years from the entry of the Final Judgment, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act; and, (iv) was ordered to pay disgorgement in the amount of \$411,421.98, prejudgment interest in the amount of \$27,203.92, and a civil penalty in the amount of \$200,000, for a total of \$638,625.90.

In the Matter of the Mortgage Banker License of First Mortgage Corporation and Clement Zirolì, Jr., President, No. 11F-BD071-SBD, Arizona Department of Financial Institutions. On October 13, 2010, the Arizona Department of Financial Institutions ("Arizona Department") entered an Order to Cease and Desist against First Mortgage Corporation, Inc. ("FMC") and Clement Zirolì, Jr., one of our directors who was, from January 2007 to June 2014, the President, Chief Operating Officer and one of the Directors of FMC, as a result of claims that they violated Arizona Revised Statutes and Arizona Administrative Code (a) by failing to obtain a branch office license from the Arizona Department and designate a person from each branch to oversee the operations of that office; (b) by failing to conduct the minimum elements of reasonable employee investigations prior to hiring employees; (c) by failing to maintain originals or copies of loan transactions; (d) by allowing borrowers to sign regulated documents containing blank spaces without authorization; (e) by failing to comply with the disclosure requirements of Title I of the Consumer Credit Protection Act, the Real Estate Settlement Procedures Act, and the regulations promulgated under those acts; (f) by making false promises or misrepresentations or concealing an essential or material fact in the course of the mortgage banker business; (g) by failing to use a statutorily correct written fee agreement signed by all parties; (h) by failing to maintain a complete and accurate trust subsidiary ledger/verification; (i) by failing to obtain the approval of the Arizona Department prior to storing their records; (j) by failing to ensure their Responsible Individual was in active management and knowledgeable of their activities in Arizona; and, (k) by using an unlawful appraisal disclosure. The Order to Cease and Desist also ordered FMC

and Clement Zirolì, Jr. to pay a civil money penalty in the amount of \$70,000 and an examination fee of \$4,582.50, for a total of \$74,582.50. Wanting to resolve the matter, without admitting liability, FMC and Clement Zirolì, Jr. entered a Consent Order on December 29, 2010 pursuant to which they agreed to immediately stop violations (a) through (e) and (g) through (k) set forth in the Order to Cease and Desist described above and to pay a civil money penalty in the amount of \$35,000 and an examination fee of \$4,582.50, for a total of \$39,582.50.

Concluded matters involving us:

In the Matter of Registration of NutriShop, Inc., (Order No. 55178/BD). We filed an initial franchise registration application with the State of Minnesota Department of Commerce (“Minnesota Department of Commerce”), at which time the Minnesota Department of Commerce alleged that we violated the registration and disclosure provisions of the Minnesota Franchise Act (the “Act”) by selling two unregistered franchises in Minnesota. Without admitting or denying any violation of law, we voluntarily entered into a Consent Order with the Minnesota Department of Commerce dated August 8, 2019. In the Consent Order, we agreed to: (i) cease and desist from violating any laws, rules, or orders related to the duties and responsibilities under Act; and (ii) pay the Minnesota Department of Commerce \$1,300 in civil penalties and investigative costs.

In the Matter of Nutrishop, Inc., (Order No. S-19-2724-19-CO01). We filed an initial franchise registration application with the Securities Division of the Department of Financial Institutions of Washington (“Washington Securities Division”), at which time the Washington Securities Division alleged that we violated the registration and disclosure provisions of the Washington Franchise Investment Protection Act (the “Act”) by entering into a Nutrishop store license agreement prior to registering the offer or sale with the Washington Securities Division, failing to provide the franchisee with a franchise disclosure document prior to the sale of the franchise, and omitting to disclose material facts regarding prior litigation against one of our directors. Without admitting or denying any violation of law, we voluntarily entered into a Consent Order with the Washington Securities Division dated September 25, 2019. In the Consent Order, we agreed to: (i) cease and desist from offering or selling franchises in Washington that do not comply with the Act; (ii) cease and desist from violating section 19.100.080 of the Act, which addresses requirements for the franchise disclosure document; and (iii) pay the Washington Securities Division \$1,000 for investigative costs.

In the Matter of The Commissioner of Financial Protection and Innovation v. Nutrishop, Inc. We filed a renewal franchise registration application with the Department of Financial Protection and Innovation of the State of California (“California Department”) in April 2021, at which time the California Department alleged that we (i) offered and sold at least 58 franchises in California prior to becoming registered with the Commissioner of Financial Protection and Innovation (the “Commissioner”) from August 2018 to April 2021, in violation of section 31110 of the California Franchise Investment Law (the “Corporations Code”); (ii) failed to provide prospective franchisees in California with a Nutrishop franchise disclosure document (“FDD”) at least 14 days prior to the receipt of consideration in at least 58 instances prior to becoming registered with the Commission from August 2018 to April 2021, in violation of section 31119 of the Corporations Code; and, (iii) in 232 occurrences, willfully omitted to state in our 2018, 2019 and 2020 franchise applications that we had 58 franchised Nutrishop Stores in California, or failed to notify the Commissioner of any material change, in violation of Section 31200 of the Corporations Code. In order to resolve the matter, we voluntarily entered into a Consent Order with the Commissioner dated September 15, 2021. In the Consent Order, we agreed to: (i) desist and refrain from the violations of Corporations Code sections

31110, 31119, and 31200; and (ii) pay the California Department an administrative penalty of \$95,000, which was paid to the California Department on September 23, 2021.

Other than the actions above, no litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

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

Item 5

INITIAL FEES

Initial Fee

If we grant you a franchise for a Nutrishop Store, then when you sign the Franchise Agreement you must pay us a non-recurring initial fee (the “Initial Fee”) in the amount of \$20,000, unless (i) your STORE is a 24 Hour Fitness Location, in which case the Initial Fee is \$15,000 if the designated retail space at the Approved Location has a front door open to the public that is separate from the main door for the 24 Hour Fitness gym, and \$10,000 if the designated retail space at the Approved Location does not have a front door open to the public that is separate from the main door for the 24 Hour Fitness gym, (ii) your STORE is a Pro-Shop that is not a 24 Hour Fitness Location, in which case the Initial Fee is \$2,500, or (iii)(a) you are an existing Nutrishop Store franchisee in good standing under your Franchise Agreement and product distribution agreement(s) and (b) your STORE is a Nutrishop Store at an Approved Location you are converting from an existing nutrition store that is not a Nutrishop Store, in which case the Initial Fee is waived. The Initial Fee will be reduced to \$15,000 for franchisees that were previously Licensees and that are signing a Franchise Agreement for a second or subsequent Nutrishop Store franchise. The Initial Fee is fully earned by us when paid and is not refundable under any circumstances, except as provided below in this Item 5. In our last fiscal year, we waived the Initial Fee for one franchisee of a Pro Shop that is not a 24 Hour Fitness Location and for two franchisees of 24 Hour Fitness Locations, and decreased the Initial Fee to \$10,000 for one franchisee of a 24 Hour Fitness Location with a designated retail space with a front door open to the public that is separate from the main door for the 24 Hour Fitness gym. Nutrishop Franchising, LLC did not receive any Initial Fees in its last fiscal year. Except as described in this paragraph and for franchisees that were previously Licensees that are signing a Franchise Agreement for a second or subsequent Nutrishop Store franchise, the Initial Fee is uniform as to all franchisees currently purchasing a franchise for a Nutrishop Store.

You may be eligible to receive a refund of your Initial Fee (less costs we incur) if your Designated Manager cannot complete initial training to our satisfaction prior to opening your STORE, we terminate your Franchise Agreement (at our option), and you sign and submit to us a release of claims in a form we prescribe.

Franchisee Website Development Fee

Subject to the terms and conditions of the Franchise Agreement, we will allow you to establish and maintain a Website to promote your STORE via the Internet (a “Franchisee Website”). If your

STORE is a 24 Hour Fitness Location, you must establish and maintain a Franchisee Website to promote your 24 Hour Fitness Location. “Website” means an interactive electronic document contained in a network of computers linked by communications software (including, the internet and World Wide Web home pages) as well as any computer software application developed specifically for use on wireless computing devices, such as smartphones and tablets. If you request our consent, and we allow you, to establish and maintain a Website prior to opening your STORE, then when your attendees attend Orientation Training you must pay us a non-recurring franchisee Website development fee (the “Website Development Fee”) in the amount of \$795. The Website Development Fee is fully earned by us when paid and is not refundable under any circumstances. The Website Development Fee is uniform as to all franchisees who are permitted to establish and maintain a Franchisee Website.

Opening Inventory Requirement

As described in Item 1, you must enter into the Product Distribution Agreement (a form of which is attached as Exhibit E) with our affiliate, NS Distribution, under which you must purchase an initial inventory and ongoing supply of Goods to sell in your STORE. These Goods are obtained by NS Distribution from our affiliates Global Nutrition and Stance, the manufacturers of the Goods. The initial inventory of Goods includes an opening order of specific types and quantities of Goods that NS Distribution designates for a minimum cost that NS Distribution designates (which we estimate to range between \$50,000 and \$60,000 in the case of a Nutrishop Store that is not a Pro-Shop, between \$10,000 and \$50,000 in the case of a Nutrishop Store that is a Pro-Shop that is not a 24 Hour Fitness Location, and between \$30,000 and \$50,000 in the case of a Nutrishop Store that is a 24 Hour Fitness Location) (the “Minimum Opening Inventory Requirement”). The amount you pay to fulfill the Minimum Opening Inventory Requirement is fully earned by NS Distribution when paid and is not refundable under any circumstances. Neither the specific types and quantities of Goods that NS Distribution designates, nor the minimum cost that NS Distribution designates, to fulfill the Minimum Opening Inventory Requirement is uniform as to all franchisees. In its last fiscal year, NS Distribution collected amounts applicable to the Minimum Opening Inventory Requirement under a Product Distribution Agreement ranging from \$35,495.46 to \$50,290.51 (from franchisees of Nutrishop Stores that are not Pro-Shops), \$28,972.31 to \$35,231.82 (from franchisees of Nutrishop Stores that are Pro-Shops that are not 24 Hour Fitness Locations), and \$2,167.26 to \$40,550.92 (from franchisees of 24 Hour Fitness Locations). The franchisee of the 24 Hour Fitness Location that paid \$2,167.26 applicable to the Minimum Opening Inventory Requirement was an existing franchisee of a Nutrishop Store that used existing inventory from its Nutrishop Store as part of its opening inventory at the 24 Hour Fitness Location.

Item 6

OTHER FEES

Column 1	Column 2	Column 3	Column 4
Type of Fee⁽¹⁾	Amount	Due Date	Remarks
Transfer	\$10,000, unless your STORE is a Pro-Shop, in which case, \$2,500	Before transfer completed	Applicable to transfers of a controlling interest in you, a controlling interest in any of your owners, or an interest in the Franchise Agreement. You must satisfy all our conditions of transfer as provided

			<p>under the Franchise Agreement in order for us to approve any transfer</p> <p>No Transfer Fee is due if the transferee is an existing Nutrishop Store franchisee and is in good standing under its Franchise Agreement or license agreement, as applicable, and product distribution agreement(s)</p>
Purchases of Goods and/or other products and services	Varies, but subject to a Minimum Monthly Purchase Order Requirement of \$4,000 per month, unless if your STORE is a Pro-Shop that is not a 24 Hour Fitness Location, in which case, \$2,000 per month	When billed	<p>You will buy Goods and/or other products and services from us, our affiliates (including NS Distribution), designated and approved vendors whose items meet our standards and specifications, and/or other suppliers in the industry (See Item 8)</p> <p>Under the Product Distribution Agreement, you must purchase from NS Distribution \$4,000, unless your STORE is a Pro-Shop that is not a 24 Hour Fitness Location, in which case, \$2,000, worth of Goods per calendar month after the month in which you place your opening order for the Minimum Opening Inventory Requirement</p> <p>If your STORE is a 24 Hour Fitness Location, you must use commercially reasonable efforts to at all times maintain an inventory of Goods in your 24 Hour Fitness Location at the same levels as those required for the Minimum Opening Inventory Requirement, but you must at no time maintain an inventory of Goods less than 85% of the Goods required for the Minimum Opening Inventory Requirement</p>
Monthly Administration Fees	\$0 - \$600 per month, unless your STORE is a Pro-Shop that is not a 24 Hour Fitness Location, in which case \$0 - \$200 per month	10 th day of each month	<p>Under the Product Distribution Agreement, you will pay an Administration Fee by the 10th of each month to cover expenses associated with NS Distribution performing its obligations under the Product Distribution Agreement. If your STORE is not a Pro-Shop, your monthly Administration Fee will be \$600, except if you purchased \$4,000.01 to \$7,000 worth of Nutrition Products from NS Distribution in the preceding calendar month, your Administration Fee for the then current month will be reduced to \$300, and if you purchased more than</p>

		<p>\$7,000 worth of Nutrition Products from NS Distribution in the preceding calendar month, your Administration Fee for the then current month will be reduced to \$0. If your STORE is a 24 Hour Fitness Location and the designated retail space at the Approved Location has a front door open to the public that is separate from the main door for the 24 Hour Fitness gym, your monthly Administration Fee will be \$600, except if you purchased \$3,000 to \$6,000 worth of Nutrition Products from NS Distribution in the preceding calendar month, your Administration Fee for the then current month will be reduced to \$300, and if you purchased more than \$6,000 worth of Nutrition Products from NS Distribution in the preceding calendar month, your Administration Fee for the then current month will be reduced to \$0. If your STORE is a 24 Hour Fitness Location and the designated retail space at the Approved Location does not have a front door open to the public that is separate from the main door for the 24 Hour Fitness gym, your monthly Administration Fee will be \$600, except if you purchased \$2,500 to \$4,000 worth of Nutrition Products from NS Distribution in the preceding calendar month, your Administration Fee for the then current month will be reduced to \$300, and if you purchased more than \$4,000 worth of Nutrition Products from NS Distribution in the preceding calendar month, your Administration Fee for the then current month will be reduced to \$0. If your STORE is a Pro-Shop that is not a 24 Hour Fitness Location, your Monthly Administration Fee will be \$200, except if you exceeded the Minimum Monthly Purchase Order Requirement in the preceding calendar month, your Administration Fee for the then current month will be reduced to \$0. NS Distribution assigned to us its right to collect the Administration Fee under the Product Distribution Agreement from Nutrishop Store franchisees.</p>
--	--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Franchisee Website Development Fee and Franchisee Website Hosting Fee	\$795 one-time Franchisee Website Development Fee and \$100 annual Franchisee Website Hosting Fee	Franchisee Website Development Fee when billed and Franchisee Website Hosting Fee on each anniversary of signing up for hosting services	Due in order to host a Franchisee Website to promote your STORE via the Internet. If your STORE is a 24 Hour Fitness Location, you must establish and maintain a Franchisee Website.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due when you do not comply with the Franchise Agreement
Non-Compliance Charge	\$500 per day per violation	On demand	Where permitted by law, we may charge you a non-compliance charge in an amount up to \$500 per day per violation by you of any term or condition of the Franchise Agreement. The non-compliance charge is to compensate us for our damages in dealing with non-compliance
Indemnification	All amounts (including attorneys' fees) incurred by us or otherwise required to be paid	As incurred	Payable to indemnify us and the other Indemnified Parties (defined in the Franchise Agreement) against all claims, liabilities, costs, expenses and other damages related to your ownership and operation of your franchise

Explanatory Notes:

- 1/ Except for purchases of Goods and other products and/or services described in Item 8, and except as otherwise noted in this Item 6, all fees are imposed and collected by and payable to us. Except as noted above, all fees are uniform and nonrefundable.

[Remainder of Page Left Blank Intentionally]

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

FOR A NEW NUTRISHOP STORE THAT IS NOT A PRO-SHOP*

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be made
Initial Fee (1)	\$15,000 - \$20,000	Lump Sum	Upon Signing Franchise Agreement	Us
3 Months Real Estate/Rent (2)	\$3,000 - \$18,000	As Agreed	As Incurred	Landlord
Lease, Utility and Security Deposits (2)	\$5,000 - \$15,000	As Agreed	As Incurred	Landlord
Design & Architectural Fees (3)	\$0 - \$2,000	As agreed	As Incurred	Architect/ Designer
Leasehold Improvements (3)	\$0 - \$10,000	As Agreed	As Incurred	Outside Suppliers
Furniture and Fixtures (6)	\$15,000 - \$30,000	As Agreed	As Incurred	Outside Suppliers
Signage	\$3,000 - \$6,000	As Agreed	As Incurred	Outside Suppliers
Computer System (4)	\$2,000 - \$3,000	As Agreed	As Incurred	Outside Suppliers
Professional Fees (5)	\$1,000 - \$3,000	As Agreed	As Incurred	Lawyers, Accountants and other Advisors
Equipment (6)	\$1,000 - \$3,000	As Agreed	As Incurred	Outside Suppliers
Business License and Permits (5)	\$1,000 - \$2,000	As Agreed	As Incurred	Government Agencies

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be made
Initial Inventory (7)	\$50,000 - \$60,000	As Agreed	As Incurred	Us and Affiliates (NS Distribution)
Orientation Training (8)	\$2,000 - \$6,000	As Incurred	As Incurred	Third Parties
Insurance (9)	\$2,000 - \$4,000	As Incurred	As Incurred	Insurance Company
Franchisee Website Development Fee (10)	\$0 - \$795	As Agreed	At Orientation Training if you request our consent, and we allow you to, establish and maintain a Website prior to opening your STORE. If your STORE is a 24 Hour Fitness Location, you must establish and maintain a Franchisee Website.	Us
Miscellaneous Operating Costs (12)	\$2,000 - \$5,000	As Incurred	As Incurred	Third Parties
Additional Funds – 3 months (13)	\$10,000 - \$20,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT (14)	\$112,000 - \$207,795			

FOR A NEW NUTRISHOP STORE THAT IS A PRO-SHOP*

Column 1	Column 2		Column 3	Column 4	Column 5
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Pro-Shop That is Not a 24 Hour Fitness Location	24 Hour Fitness Location			
Initial Fee (1)	\$2,500	\$10,000 - \$15,000	Lump Sum	Upon Signing Franchise Agreement	Us
3 Months Real Estate/Rent (2)	\$3,000 - \$6,000	\$4,000 - \$8,000	As Agreed	As Incurred	Landlord
Lease, Utility and Security Deposits (2)	\$1,000 - \$2,000	\$0	As Agreed	As Incurred	Landlord
Leasehold Improvements (3)	\$0 - \$4,000	\$0 - \$4,000	As Agreed	As Incurred	Outside Suppliers
Furniture and Fixtures (6)	\$5,000 - \$7,000	\$10,000 - \$18,000	As Agreed	As Incurred	Outside Suppliers
Signage	\$2,000 - \$6,000	\$4,000 - \$7,000	As Agreed	As Incurred	Outside Suppliers
Computer System (4)	\$2,000 - \$3,000	\$2,000 - \$3,000	As Agreed	As Incurred	Outside Suppliers
Professional Fees (5)	\$1,000 - \$3,000	\$1,000 - \$3,000	As Agreed	As Incurred	Lawyers, Accountants and other Advisors
Equipment (6)	\$1,000 - \$3,000	\$1,000 - \$3,000	As Agreed	As Incurred	Outside Suppliers
Business License and Permits (5)	\$1,000 - \$2,000	\$1,000 - \$2,000	As Agreed	As Incurred	Government Agencies
Initial Inventory (7)	\$10,000 - \$50,000	\$30,000 - \$50,000	As Agreed	As Incurred	Us and Affiliates (NS Distribution)

Column 1	Column 2		Column 3	Column 4	Column 5
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Pro-Shop That is Not a 24 Hour Fitness Location	24 Hour Fitness Location			
Orientation Training (8)	\$2,000 - \$6,000	\$2,000 - \$6,000	As Incurred	As Incurred	Third Parties
Insurance (9)	\$2,000 - \$4,000	\$2,000 - \$4,000	As Incurred	As Incurred	Insurance Company
Franchisee Website Development Fee (10)	\$0 - \$795	\$795	As Agreed	At Orientation Training if you request our consent, and we allow you to, establish and maintain a Website prior to opening your STORE. If your STORE is a 24 Hour Fitness Location, you must establish and maintain a Franchisee Website.	Us
Grand Opening Event (11)	\$0	\$1,000	As Agreed	As Incurred	Outside Suppliers
Miscellaneous Operating Costs (12)	\$2,000 - \$5,000	\$2,000 - \$5,000	As Incurred	As Incurred	Third Parties
Additional Funds – 3 months (13)	\$10,000 - \$20,000	\$10,000 - \$20,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT (14)	\$44,500 - \$124,295	\$80,795 - \$149,795			

Explanatory Notes

* The estimated initial expenses in the above tables and these Explanatory Notes apply only to new Nutrishop Stores.

Except for the Initial Fee (See Item 5), all amounts listed in the above tables are nonrefundable. These estimated initial expenses are our best estimate of the range of costs you may incur in establishing and operating your STORE. Our estimates are based on our and our executives' experience in assisting Licensees and Nutrishop Store franchisees open and operate their Nutrishop Stores.

1. We describe the Initial Fee in Item 5. The Initial Fee will be \$20,000, unless (i) your STORE is a 24 Hour Fitness Location, in which case the Initial Fee is \$15,000 if the designated retail space at the Approved Location has a front door open to the public that is separate from the main door for the 24 Hour Fitness gym, and \$10,000 if the designated retail space at the Approved Location does not have a front door open to the public that is separate from the main door for the 24 Hour Fitness gym, (ii) your STORE is a Pro-Shop that is not a 24 Hour Fitness Location, in which case the Initial Fee is \$2,500, or (iii)(a) you are an existing Nutrishop Store franchisee in good standing under your Franchise Agreement and product distribution agreement(s) and (b) your STORE is a Nutrishop Store at an Approved Location you are converting from an existing nutrition store that is not a Nutrishop Store, in which case the Initial Fee is waived. The Initial Fee will be reduced to \$15,000 for franchisees that were previously Licensees and that are signing a Franchise Agreement for a second or subsequent Nutrishop Store franchise.
2. It is your responsibility to identify and obtain our approval of the Approved Location. We estimate that the Approved Location should occupy approximately 1,200 square feet of space (in the case of a Nutrishop Store that is not a Pro-Shop), 600 square feet of space (in the case of a 24 Hour Fitness Location), and 300 square feet of space (in the case of a Pro-Shop that is not a 24 Hour Fitness Location) and provisions for telecommunication equipment and potential additional storage space in support of your operation. Any storage requirement will vary and be dependent upon your location, its size, sales volume and other inventory needs that may vary. We anticipate that you will rent the Approved Location. It is possible, however, that if your STORE is not a Pro-Shop, you might choose to buy, rather than rent, real estate on which a building suitable for your STORE already is constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and could be considerably higher in large metropolitan areas. Nutrishop Stores can be located in high traffic locations, such as malls, strip shopping centers, free-standing units, other venues in downtown commercial areas or residential areas with high street visibility and consumer traffic or other similarly suitable locations. The figures in the tables for "Real Estate/Rent" represent an estimate of three months rent, and the figures in the tables for "Lease, Utility and Security Deposits" represent an estimate of the cost of those items, in each case for a 1,100 square foot Nutrishop Store within the area of West Covina, California (for the first table) and for a 300 square foot Pro-Shop that is not a 24 Hour Fitness Location within the area of Lacey, Washington and a 600 square foot 24 Hour Fitness Location within the area of Sacramento, California (for the second table).

3. Leasehold improvements may include necessary construction work, landscaping and grading of the premises and parking lots, and other alterations to the proposed site to create a suitable retail space for your STORE. This estimate does not include any construction allowances that may be offered by your landlord or presume a specific delivery condition. Building and construction costs will vary depending upon the condition of the Approved Location, the size of the Approved Location and local construction costs.

If the Approved Location already has a retail space that is suitable for your STORE, you may not need to spend anything for design and architectural services or leasehold improvements. For this reason, the low end of the ranges for the “Design & Architectural Fees” and “Leasehold Improvements” categories in the tables above is “\$0.” The high end of the ranges represents an estimate of the costs associated with making leasehold improvements to the Approved Location if it does not already have a retail space that is suitable for your STORE.

4. We do not require Nutrishop Store franchisees to buy or use any specific electronic cash registers or computer systems. You must, however, have access to a functioning e-mail account and purchase and use whatever computer hardware and software you deem necessary to effectively operate your STORE according to our standards and specifications. The low end of the estimate above assumes you purchase a basic computer and point of sale system with limited functionality and the high end estimate assumes you purchase a high end computer and point of sale system with additional functionality (such as inventory and customer tracking).
5. You may be required to obtain business licenses from the local government agency to operate your STORE. We have estimated the costs of the business licenses to be, depending upon the jurisdiction, between \$1,000 and \$2,000. Any associated legal and/or accounting or set-up fees are variable depending upon state regulation and the negotiated arrangement. You may also incur legal fees, accounting fees and other professional fees in order to incorporate your business, set up a LLC, review agreements relating to the operation of the franchise, to perform background checks and personality profiles of potential employees and other professionals, and to perform all necessary tax filings and to set up a small business, including a general ledger, tax reports, payroll deposits, etc.
6. The costs for furniture, fixtures and equipment vary depending on the size, configuration and condition of your STORE, and the particular type of, and location within the, commercial space in which your STORE is located.
7. You are responsible for purchasing an initial supply of Goods and other products, materials and supplies to operate your STORE from us or our affiliates (e.g., NS Distribution). As described in Items 1 and 5, you must enter into the Product Distribution Agreement (a form of which is attached as Exhibit E) with our affiliate, NS Distribution, under which you must purchase an initial inventory and ongoing supply of Goods to sell in your STORE. The Product Distribution Agreement requires you to fulfill the Minimum Opening Inventory Requirement, which requires you to purchase from NS Distribution an opening order of specific types and quantities of Goods that NS Distribution designates for a minimum cost that NS Distribution designates (which we estimate to range between \$50,000 and \$60,000 in the case of a Nutrishop Store that is not a Pro-Shop, between \$10,000 and \$50,000 in the case of a Nutrishop Store that is a Pro-Shop that is not a 24 Hour Fitness Location, and between \$30,000 and \$50,000 in the case of a Nutrishop Store that is a 24 Hour Fitness Location).

8. While we do not charge for Orientation Training, you are required to pay for your trainees' transportation to and from our training site and your trainees' lodging, food and other expenses during the two week long Orientation Training. We estimate that your travel, lodging, food and other expenses will be between \$1,000 and \$3,000 for each of the 2 attendees that may attend Orientation Training. Travel expenses, however, will be minimal if your trainees live in or near California or the other location we designate for training to take place.
9. You must obtain and maintain certain types and amounts of insurance. (See Item 8) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, square footage, location, business contents, and other factors bearing on risk exposure. The estimate contemplates insurance costs for 12 months. Your costs will vary.
10. Subject to the terms and conditions of the Franchise Agreement, we will allow you to establish and maintain a Franchisee Website. If your STORE is a 24 Hour Fitness Location, you must establish and maintain a Franchisee Website. If we allow you to establish and maintain a Website prior to opening your STORE, or if you must establish and maintain a Franchisee Website because your STORE is a 24 Hour Fitness Location, then you must pay us the Website Development Fee when your attendees attend Orientation Training.
11. If your STORE is a 24 Hour Fitness Location, you must spend a minimum of \$1,000 to advertise and promote your Pro-Shop during a one-day grand opening event held between 2 and 3 months after the opening of your Pro-Shop. We must approve the plan for your grand opening event. Your advertising must comply with our specifications. See Item 11.
12. Miscellaneous operating costs may include, among other things, phones, radios and paper, restroom, cleaning and desk supplies.
13. This item estimates your initial start-up expenses (other than the items identified separately in the tables). These expenses include: payroll costs (but not any draw or salary for you); installations; security deposits; utility costs; incorporation fees; signage; materials; and an allocation for unforeseen incidental expenses related to facilities improvements. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period. We relied on our and our executives' experience in assisting Licensees and Nutrishop Store franchisees open and operate their Nutrishop Stores to compile these estimates.
14. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We will provide you access to one copy of the Operations Manual containing best practices, as well as instructions for use of the Marks, specifications for Goods, fixtures, furniture, vehicles,

furnishings, signs and other items that will be used in or sold by your STORE, information on marketing, management, and administration methods we develop for use in your STORE and other information that we believe may be necessary or helpful to you in your operation of your STORE. We will also give you, in the Operations Manual or otherwise in writing, a list of names and contact information of approved suppliers of Goods and other products and services you may offer and sell in your STORE that currently meet our standards and specifications. We may limit or expand the number of approved suppliers with whom you may deal and/or designate sources that you must use for a particular item or service.

You agree that your STORE will offer for sale all of the required Goods and other products and services that we specify. You agree that you will not offer for sale or sell at your STORE or any other location any unauthorized Goods or other products or services we specify.

Currently, NS Distribution is the sole designated supplier of Promotional Items that you sell (as opposed to Promotional Items that you give away) to customers and certain designated Nutrition Products (which you will purchase under the Product Distribution Agreement, described below). Promotional Items include clothing and apparel, key chains, shaker cups, gym towels, water bottles, pill boxes, mugs, powder funnels, and other related items. Except in limited circumstances as may be set forth in the Operations Manual, you must not manufacture, give away or sell, or cause to be manufactured or produced, any Promotional Items, without our prior written consent.

You must enter into the Product Distribution Agreement (a form of which is attached as Exhibit E) with NS Distribution, under which you must purchase an initial inventory and ongoing supply of Goods to sell in your STORE. These Goods are obtained by NS Distribution from our affiliates Global Nutrition, Stance, Shaker Cup and Sourcewell, the manufacturers of the Goods. The Product Distribution Agreement requires you to (i) fulfill the Minimum Opening Inventory Requirement, which requires you to purchase from NS Distribution an opening order of specific types and quantities of Goods that NS Distribution designates for a minimum cost that NS Distribution designates (which we estimate to range between \$50,000 and \$60,000 in the case of a Nutrishop Store that is not a Pro-Shop, between \$10,000 and \$50,000 in the case of a Nutrishop Store that is a Pro-Shop that is not a 24 Hour Fitness Location, and between \$30,000 and \$50,000 in the case of a Nutrishop Store that is a 24 Hour Fitness Location) and (ii) fulfill the Minimum Monthly Purchase Order Requirement, which requires you to purchase from NS Distribution \$4,000, unless your STORE is a Pro-Shop that is not a 24 Hour Fitness Location, in which case, \$2,000, worth of Goods of the types and quantities you determine in each calendar month following the month in which you place your opening order for the Minimum Opening Inventory Requirement. If your STORE is a 24 Hour Fitness Location, you must use commercially reasonable efforts to at all times maintain an inventory of Goods in your 24 Hour Fitness Location at the same levels as those required for the Minimum Opening Inventory Requirement, but you must at no time maintain an inventory of Goods less than 85% of the Goods required for the Minimum Opening Inventory Requirement. Under the Product Distribution Agreement, you must purchase Nutrition Products, but you may also purchase Promotional Items and other products and goods at your option.

Other than Promotional Items that you sell (as opposed to Promotional Items that you give away), certain designated Nutrition Products and the initial inventory and ongoing monthly supply of Goods that you must purchase under the Product Distribution Agreement, you may purchase Goods that are to be sold or used in your STORE from any approved supplier. If your STORE is a 24 Hour Fitness Location, at no time may the products and goods you offer or sell from your 24 Hour Fitness Location consist of more than 20% of goods or products that you have obtained from a supplier other

than us and/or one of our affiliates.

If you would like to use or sell any goods or products not previously authorized by us or which are sold by a supplier not previously approved by us, you must provide written notice to us in the form we require and, upon our request, give us product specifications, sample products, and/or information about the supplier. We will communicate to you either our approval or our reasons for withholding approval within 30 days of our receipt of all of the information we request. Our silence may not be construed as consent. As a condition of approving a supplier of any product that will bear the Marks, we may require that the supplier sign a license agreement in a form acceptable to us. We may withdraw our approval of a supplier or product if either or both no longer meet our standards or specifications, in which case you must immediately cease to (i) purchase the product(s) from that supplier and/or (ii) offer and sell such product from your STORE. We will issue and modify standards and specifications based on our and our Nutrishop Store franchisees' experience.

You may deliver Goods from your STORE to consumers that are located in your Territory and to consumers that are located outside of your Territory, provided that the consumer must not be located within the territory of any other Nutrishop Store franchisee. If you wish to use a third-party to offer delivery services to consumers, you must make accommodations for those delivery services in compliance with our standards and procedures in the Operations Manual or otherwise provided in writing by us. (See Item 12)

Insurance. Besides these purchases or leases, you must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. You currently must have professional liability insurance; comprehensive public liability, general liability, product liability and contractual liability insurance against claims for bodily and personal injury, death and property damage; all risk or special form coverage on your premises, including machinery coverage having adequate limits to replace all that is damaged as caused by, or occurring in connection with, your STORE's operation; business interruption insurance to cover the rent of your STORE, previous profit margins, maintenance of competent personnel and other fixed expenses for the duration of the interruption to your STORE's operation; if any vehicle is used to operate your STORE, motor vehicle liability insurance; worker's compensation and employer's liability insurance (in amounts authorized by statute), unemployment insurance and state disability insurance for your employees (as required by governing law); builder's and/or contractors insurance, lien insurance, and performance and completion bonds in forms and amounts acceptable to us; and insurance coverage of those types, nature and scope sufficient to satisfy your indemnification obligations. Each type of insurance must contain the minimum liability coverage we prescribe at any time in the Operations Manual. Premiums depend on the insurance carrier's charges, terms of payment, and your history. All insurance policies must name us as an additional insured party.

Franchisee Website. Subject to the terms and conditions of the Franchise Agreement, we will allow you to establish and maintain a Franchisee Website. If your STORE is a 24 Hour Fitness Location, you must establish and maintain a Franchisee Website. You are responsible for adapting and modifying our standard Website template for use to promote your STORE. Before establishing a Franchisee Website, you must submit to us for our prior written approval a sample of the proposed Website format, visible content (such as proposed screen shots) and non-visible content (such as meta tags) in the form and manner that we require. You may not launch, maintain or authorize a Franchisee Website or any content on a Franchisee Website that we have not approved. You shall comply with all standards that we periodically promulgate with respect to Franchisee Websites.

Advertising Materials. We, for no additional charge, will use reasonable efforts to assist you in designing and developing certain advertisements. All printing, reproduction, publication, broadcasting and distribution of your advertisements are at your own expense. We may provide templates for advertisements at no additional charge. You must submit to us copies of all advertisements that you propose to use, or to submit any request for an advertisement from us, with at least 7 days' notice.

You agree to obtain our prior written consent, and to comply with all mandatory policies in the Operations Manual, before entering into any third-party agreement relating to advertising. This includes modeling contracts, and contracts with certain third party vendors including photographer, videographers, and designers. You further agree to comply with any of our policies relating to your use of employees or customers in advertisements.

STORE Development. The Operations Manual will give you sample plans and specifications to guide you in constructing tenant improvements to, furnishing, and equipping your STORE. You will, at your own expense, tailor the plans and specifications we provide for your individual use and will then submit the customized plans and specifications to us for written approval. If your STORE is a 24 Hour Fitness Location, you must maintain all shelves in your 24 Hour Fitness Location fully stocked with all of the required Goods and other products we specify, and you must ensure that none of the shelves in your 24 Hour Fitness Location are empty or give an appearance of not being fully stocked.

STORE Site. You must, at your own expense, locate, obtain, and occupy the site for your STORE. The site you proposed for your STORE must conform to the general guidelines for suitable Nutrishop Store sites as set out in the Operations Manual. We may, at no additional charge, inspect any reasonably proposed site for your STORE. Our prior approval of the proposed site must be obtained in writing in order for such site to be designated as the Approved Location. If your STORE is a 24 Hour Fitness Location, you must sign our required form of Lease Addendum when you sign the lease for the Approved Location (attached as Exhibit A to the 24 Hour Fitness Location Addendum).

Global Nutrition assigned to NS Distribution its right to collect revenue from Licensees' purchases of Goods under product distribution agreements. In 2021, NS Distribution received \$18,787,083.34 in revenue from Nutrishop Store franchisees' purchases of Goods under Product Distribution Agreements and Licensees' purchases of Goods under product distribution agreements.

Global Nutrition assigned to us its right to collect Administration Fees under product distribution agreements with Licensees. NS Distribution also assigned us its right to collect Administration Fees under Product Distribution Agreements with Nutrishop Store franchisees located outside of New York, and assigned to our affiliate, Nutrishop Franchising, its right to collect Administration Fees under Product Distribution Agreements with Nutrishop Store franchisees located in New York. In 2021, we received \$69,175 from the payment of Administration Fees from Licensees and Nutrishop Store franchisees, which is approximately 8.9% of our total revenue of \$784,560. In 2021 Nutrishop Franchising received \$1,800 from the payment of Administration Fees.

Other than as described in the prior two paragraphs, neither we nor our affiliates received any revenue, rebates or other material consideration from franchisees or suppliers based on required franchisee purchases during 2021, but we may do so in the future. We received no rebates from any suppliers during fiscal year 2021, but we may do so in the future.

There currently are no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms). We do not provide material benefits to Nutrishop Store franchisees (for example, renewal or granting additional franchises) based on their purchase of particular products or services or use of particular suppliers.

Collectively, the purchases and leases described above are approximately 85% of your overall purchases and leases in establishing your STORE and 75% of your overall purchases and leases in operating your STORE.

Our officers, Bryon McLendon and Tania McLendon, each have an ownership interest in Global Nutrition, NS Distribution, Stance, Shaker Cup, and Sourcewell; our officer, Dawn Zirolì, has an ownership interest in Global Nutrition, NS Distribution, and Stance; our director, Clement Zirolì, Jr., has an ownership interest in Global Nutrition, NS Distribution, and Stance; and our officer, Brian Barthelmeß, has an ownership interest in Sourcewell. Except as disclosed in the previous sentence, none of our officers currently owns an interest in any supplier to the franchise network.

Except as we describe above, there are no other goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate or comparable items for establishing or operating your STORE that you currently must buy or lease from us (or an affiliate) or designated suppliers.

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 AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Sections 1.2.4 and 2.1 of Franchise Agreement; and Sections 3, 5 and 15 of the 24 Hour Fitness Location Addendum	Items 7, 8, and 12
b. Pre-opening purchases/leases	Sections 2.1, 2.2, and 4.6 of Franchise Agreement; and Section 4 of, and Exhibit A to, Product Distribution Agreement	Items 5, 7, 8, and 11
c. Site development and other pre-opening requirements	Sections 2 and 4 of Franchise Agreement	Items 7, 8, and 11
d. Initial and ongoing training	Sections 2.3 and 2.4 of Franchise Agreement	Items 6, 7, and 11

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
e. Opening	Section 4.3.1 of Franchise Agreement; and Section 4 of, and Exhibit A to, Product Distribution Agreement	Item 11
f. Fees	Sections 2.2, 2.6.1, 2.7, 3.1, 6.4, 7.2, 10.6 and 10.10 of Franchise Agreement; Sections 4, 5, 6 and 8 of, and Exhibit A to, Product Distribution Agreement; and Sections 9 and 17 of the 24 Hour Fitness Location Addendum	Items 5, 6, and 7
g. Compliance with standards and policies/operating manual	Sections 1.2, 1.3, 2.1, 2.2, 2.3, 2.5, 2.7, 4, 6.1, 8.1, 8.2, 8.4 and 11 of Franchise Agreement; and Sections 1 and 11 of Product Distribution Agreement	Items 8 and 11
h. Trademarks and proprietary information	Sections 4.1, 4.8, 5, 6.3 and 8.4 of Franchise Agreement; Sections 1 and 12 of Product Distribution Agreement; and Section 8 of the 24 Hour Fitness Location Addendum	Items 13 and 14
i. Restrictions on products/services offered	Sections 2.5, 2.7 and 4.3 of Franchise Agreement; Sections 4 and 9 of Product Distribution Agreement; and Sections 11 and 12 of the 24 Hour Fitness Location Addendum	Items 8, 11, 12, and 16
j. Warranty and customer service requirements	Sections 2.7.1, 4.2 and Schedule 3 of Franchise Agreement and Section 13 of Product Distribution Agreement	Items 8, 12, and 16
k. Territorial development and sales quotas	Sections 1.1 and 1.2 of Franchise Agreement; and Section 2 of the 24 Hour Fitness Location Addendum	Items 12 and 17
l. Ongoing product/service purchases	Sections 2.5, 2.6.1, 2.7, 4.3 and 4.6 of Franchise Agreement; Section 4 of, and Exhibit A to, Product Distribution Agreement; and Sections 12 and 16 of the 24 Hour Fitness Location Addendum	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	Sections 2.2, 4.3.2, 4.4, 4.6, 5.2 and 7.2 of Franchise Agreement; and Section 12 of the 24 Hour Fitness Location Addendum	Items 8, 11, 16, and 17

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
n. Insurance	Section 4.6 of Franchise Agreement and Section 16 of Product Distribution Agreement	Items 7 and 8
o. Advertising	Sections 1.2, 2.6, 4.1, 4.2, 4.3, 8.4 and 11 of Franchise Agreement; Sections 1, 3 and 18 of Product Distribution Agreement; and Sections 8 and 10 of the 24 Hour Fitness Location Addendum	Items 6, 7, 8, and 11
p. Indemnification	Section 6.4 of Franchise Agreement and Section 14 of Product Distribution Agreement	Item 6
q. Owner's participation/ management/staffing	Sections 2.3.1, 4.3.3, 6.1 and 9.1 of Franchise Agreement	Items 11 and 15
r. Records and reports	Section 4.5 of Franchise Agreement and Sections 2 and 3 of Product Distribution Agreement	Not Applicable
s. Inspections and audits	Section 4.5 of Franchise Agreement and Section 6 of Product Distribution Agreement	Items 6 and 11
t. Transfer	Section 7 of Franchise Agreement and Section 18.9 of Product Distribution Agreement	Item 17
u. Renewal	Section 1.3 of Franchise Agreement; Section 11 of Product Distribution Agreement; and Section 4 of the 24 Hour Fitness Location Addendum	Item 17
v. Post-termination obligations	Section 8.4 of Franchise Agreement; Section 11 of Product Distribution Agreement; and Sections 5 and 15 of the 24 Hour Fitness Location Addendum	Item 17
w. Non-competition covenants	Sections 6.3, 6.5, 7.2, 10.11, 11 and Schedules 2A and 2B of Franchise Agreement and Sections 3 and 12 of, and Exhibit C to, Product Distribution Agreement	Items 15 and 17

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
x. Dispute resolution	Section 10 of Franchise Agreement and Sections 8.2 and 18 of Product Distribution Agreement	Item 17
y. Other - Guaranty	Section 9.2 of Franchise Agreement	Items 1 and 15

Item 10

FINANCING

We and our affiliates do not offer direct or indirect financing. Neither we nor our affiliate will guarantee your note, lease, or obligation.

Item 11

FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Pre-Opening Assistance

Before you open and begin operating your STORE, we will:

1. Designate the Territory for your STORE. (Franchise Agreement – Section 1.2)
2. Approve or disapprove each site that you propose in accordance with our general guidelines for suitable Nutrishop Store sites as set out in the Operations Manual. The site must meet our criteria for demographic characteristics; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics.

We will approve or disapprove any proposed site within 30 days of receipt of the site request materials we require. (Franchise Agreement – Section 2.1)

3. Provide you, in the Operations Manual, with sample plans and specifications (which you will, at your expense, tailor for your individual use) to guide you in constructing tenant improvements to, furnishing, and equipping your STORE. We will approve or disapprove of your tailored plans and specifications. (Franchise Agreement – Section 2.2).
4. As discussed in Item 8, provide you with instructions for use of the Marks, specifications for Goods, fixtures, furniture, vehicles, furnishings, signs and other items that will be used in or sold by your STORE, information on marketing, management, and administration methods we develop for use in your STORE and other information that we believe may be necessary or helpful to you in your operation of your STORE. (Franchise Agreement – Section 2.5)

5. As discussed in Item 8, provide you with a list of names and contact information of approved suppliers of Goods and other products and services you may offer and sell in your STORE that currently meet our standards and specifications. (Franchise Agreement – Sections 2.2 and 2.7)
6. Provide you access to one copy of the Operations Manual, the current table of contents of which is Exhibit H. As of the date of this Disclosure Document, the Operations Manual contains approximately 54 pages. (Franchise Agreement – Section 2.5)
7. Train you and certain members of your management team and staff. (Franchise Agreement – Section 2.3) We describe this training later in this Item.
8. If your STORE is a 24 Hour Fitness Location, advise you on your 24 Hour Fitness Location's grand opening event. (24 Hour Fitness Location Addendum – Section 10)
9. Through our affiliate, NS Distribution, sell you Goods and grant you the authority to resell the Goods to customers in your STORE. (Product Distribution Agreement – Section 1)

Ongoing Assistance

During your operation of your STORE, we will:

1. Periodically offer refresher training courses. (Franchise Agreement – Section 2.3)
2. Use reasonable efforts to make our personnel available to you (by phone, video conference or in-person at our sole discretion) for consultation throughout the term of the franchise in a timely manner for no additional charge. If your STORE is a 24 Hour Fitness Location, you must participate on a weekly video conference meeting via Zoom or another application we designate with one or more members of our personnel. (Franchise Agreement – Section 2.4; and 24 Hour Fitness Location Addendum – Section 6)
3. Continue to provide you, either electronically or in another format that we deem appropriate, access to one copy of the Operations Manual. The Operations Manual contains best practices, as well as instructions for use of the Marks, specifications for Goods, fixtures, furniture, vehicles, furnishings, signs and other items that will be used in or sold by your STORE, information on marketing, management, and administration methods developed by us for use in your STORE, names of approved suppliers, and other information that we believe may be necessary or helpful to you in your operation of your STORE. We may modify the Operations Manual periodically to reflect changes in the System. (Franchise Agreement – Section 2.5)
4. For no additional charge, use reasonable efforts to assist you in designing and developing certain advertisements for your Territory. We may provide templates for advertisements at no additional charge. (Franchise Agreement – Section 2.6)
5. As discussed in Item 8, continue to provide you with a list of names and contact information of approved suppliers of Goods and other products and services you may offer and sell in your STORE that currently meet our standards and specifications. (Franchise Agreement – Sections 2.2 and 2.7)

6. Let you use our Marks. (Franchise Agreement – Sections 4 and 5)
7. Inspect your STORE and your books and records concerning your STORE to confirm your compliance with the terms of the Franchise Agreement, to the extent that we are required to do so by law, or pursuant to any third-party discovery request, regulatory examination, or subpoena. (Franchise Agreement – Section 4.5)
8. Let you use our confidential information. (Franchise Agreement – Section 6.3)
9. Continue, through our affiliate NS Distribution, to sell you Goods and grant you the authority to resell the Goods to customers in your STORE. (Product Distribution Agreement – Section 1)

Advertising Fund

There is no advertising fund in which Nutrishop Store franchisees must participate.

Your Local Advertising

If your STORE is a 24 Hour Fitness Location, you must spend a minimum of \$1,000 to advertise and promote your Pro-Shop during a one-day grand opening event held between 2 and 3 months after the opening of your Pro-Shop. We must approve the plan for your grand opening event. Your advertising must comply with our specifications.

You agree to comply with the Operations Manual’s written policies and procedures (as they may be updated, modified and amended) on advertisements, advertising materials, marketing materials, commercial representations, endorsements, testimonials, banners, flyers, posters, visual graphics, promotions, Promotional Items, sales, campaigns, contests, vehicle wraps, whether in print, radio, television, online, or via social media, or as otherwise defined by the Federal Trade Commission Act, or relevant state laws (collectively “Advertising” or “Advertisement”).

We, for no additional charge, will use reasonable efforts to assist you in designing and developing certain Advertisements for your Territory. All printing, reproduction, publication, broadcasting and distribution of your Advertisements for your Territory shall be at your own expense. We may provide templates for Advertisements at no additional charge. All Advertisements must prominently display the Marks as we prescribe and must be pre-approved by us. You agree to submit to us copies of all Advertisements that you propose to use, or to submit any request for an Advertisement from us, with at least 7 days’ notice. We will review the Advertisements within a reasonable time and will promptly notify you whether we approve or reject them. If you do not receive written approval within 7 calendar days after you submit the proposed Advertising to us for approval, you should follow up with us because they are deemed to be disapproved until you receive our written approval. Even if we have approved specified materials, we may later withdraw our approval if we reasonably believe it necessary to make the Advertising conform to changes in the System or to correct unacceptable features of the Advertising, including any misrepresentation in the Advertisement. If your STORE is a 24 Hour Fitness Location, then you may not use the “24 Hour Fitness” trademark, service mark, and/or other commercial symbol without obtaining our and the landlord of the Approved Location’s prior written approval.

You must obtain our prior written consent, and comply with all mandatory policies in the Operations Manual, before entering any third-party agreement relating to advertising. This includes

modeling contracts and contracts with certain third party vendors including photographer, videographers, and designers. You further agree to comply with any of our policies relating to your use of employees or customers in Advertisements.

You may advertise and promote your STORE, and Goods bearing the Marks, throughout your Territory and outside of your Territory, or on the Internet and in social media, provided that no Advertisements may be made or appear, or target customers residing, in another Nutrishop franchisee's territory, such as by publishing, posting, or circulating Advertisements in another Nutrishop franchisee's territory. The nature of certain forms of Advertising can and may result in the Advertisements of other franchisees reaching your Territory, including and subject to any restrictions in the Franchise Agreement or in the Operations Manual, the Internet, social media, t-shirts and vehicle wrap Advertisements and Promotional Items (such as apparel) of other franchisees.

Under no circumstances may you advertise via radio or television without our prior written approval. We will not unreasonably deny such approval, except that we will not approve any radio or television Advertising that, in our opinion, negatively impacts or infringes on the rights of another franchisee, unless the impacted franchisee(s) approve(s) in writing.

You will not be required to participate in any sales promotion we propose. However, if you participate in any particular sales promotion, you must abide by the terms of the promotion, which terms we may revise during the term of the Franchise Agreement. You may sponsor or exhibit at a Major Promotional Event (as defined in Section 11 of the Franchise Agreement) within your Territory so long as the Major Promotional Event is not also within the territory of another Nutrishop Store franchisee, in which case you must first obtain our approval, which we may withhold in our sole discretion. You may participate in Promotional Events (as defined in the Franchise Agreement) in your Territory as a sponsor or exhibitor. We may prohibit you from participating in any Promotional Event which we determine, (i) does not comply with our mission and values as a business, or (ii) might injure the goodwill of the Marks and System.

Subject to the terms and conditions of the Franchise Agreement, we will allow you to establish and maintain a Franchisee Website or require you to establish and maintain a Franchisee Website if your STORE is a 24 Hour Fitness Location. You shall not otherwise establish or maintain a Website for your STORE. You shall obtain our prior written approval of any domain names relating to a Franchisee Website. You are responsible for adapting and modifying our standard Website template for use to promote your STORE. Before establishing a Franchisee Website, you must submit to us for our prior written approval a sample of the proposed Website format, visible content (such as proposed screen shots) and non-visible content (such as meta tags) in the form and manner that we require. You may not launch, maintain or authorize a Franchisee Website or any content on a Franchisee Website that we have not approved. You may not make any material modifications to an approved Franchisee Website without our prior written consent. You must comply with all standards that we periodically promulgate with respect to Franchisee Websites.

If you choose to use any social media page(s) to advertise or promote your STORE, you must comply with our advertising policies in the Operations Manual. In addition, you must ensure that the social media page used to promote your STORE is readily distinguishable as a business page, separate and distinct from a private or personal social media page. If your STORE is a 24 Hour Fitness Location, you must establish and maintain social media pages on platforms we designate from time to time in compliance with our advertising policies and the Franchise Agreement.

If you elect to sell Promotional Items at your STORE, you must sell only those Promotional Items you purchase from our designated supplier(s) (currently, NS Distribution). Except in limited circumstances as may be set forth in the Operations Manual, you must not manufacture, give away or sell, or cause to be manufactured or produced, any Promotional Items unless approved by us, which approval we may withhold in our sole discretion. (Franchise Agreement – Sections 2.6, 2.7, 4.1, 4.3.8 and 11; and 24 Hour Fitness Location Addendum – Sections 7, 8, 10 and 13)

Cooperative Advertising Programs

There is no local or regional advertising cooperative in which Nutrishop Store franchisees must participate.

Computer System

We do not require Nutrishop Store franchisees to buy or use any specific electronic cash registers or computer systems. You must, however, have access to a functioning e-mail account and purchase and use whatever computer hardware and software you deem necessary to effectively operate your STORE according to our standards and specifications.

Opening

We estimate that it will be 90 to 150 days after you sign the Franchise Agreement before you open and begin operating your STORE. The specific timetable for opening and operating your STORE depends on various factors, including the length of time to locate and sign a lease for the site; the location of your STORE; the construction or remodeling of the site; the delivery and installation schedule for equipment and supplies; the hiring of staff and completion of required training; financing arrangements; and the compliance with local laws and regulations.

You may not open your STORE to the public until you have completed all pre-opening conditions outlined in the Operations Manual to our satisfaction. We must provide our prior written approval before you open your STORE for business. If, for any reason, you fail to complete all pre-opening conditions within 180 days of the agreed-on date when your STORE must open for business (“Opening Date”), you will be in material breach of the Franchise Agreement. (Franchise Agreement – Sections 4.3.1 and 11).

Training

We will offer and provide training to you and certain members of your management team and staff.

If the STORE is your first Nutrishop Store, then before the opening of your STORE, we will conduct a 2 week long Orientation Training for the operation of your STORE under the System for up to 2 attendees, one of whom must be your Designated Manager. This training will be at no cost to you, except that travel, meals, and lodging and other incidental expenses incurred by you or your personnel shall be at your expense. If you or your Managing Owner complete our Orientation Training, then you or your Managing Owner, as applicable, may provide similar orientation training to any successor Designated Managers you appoint instead of the successor Designated Managers attending our Orientation Program. All successor or replacement Designated Managers must either attend and successfully complete our Orientation Training or receive similar orientation training from you or your

Managing Owner. You must employ at all times a Designated Manager who can train your STORE's other personnel.

We or our designee conduct Orientation Training as frequently as we deem necessary at a designated training facility and/or at one or more operating Nutrishop Stores in California, or another location we designate. If the STORE is your first Nutrishop Store, Orientation Training must occur and be successfully completed to our satisfaction before you open your STORE.

As of the date of this Disclosure Document, Orientation Training includes the following programming:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Outside marketing	2	16	California, or other location we designate
Customer retention	1	7	California, or other location we designate
Selling	1	10-20	California, or other location we designate
Point of sale training	0	2	California, or other location we designate
Product knowledge	0	8-16	California, or other location we designate
Store set up	1	1	California, or other location we designate
Ordering/shipping	2	1	California, or other location we designate
Marketing	2	5	California, or other location we designate
Intro/policies and procedures	2	1	California, or other location we designate

Brian Barthelmess, our Chief Operating Officer, supervises and coordinates the Orientation Training program. Mr. Barthelmess has 19 years of relevant experience in the nutritional products field and with us and our affiliates.

The instructional materials for our Orientation Training program may include computer-based training courses and software, videos, handouts, the Operations Manual, and tests or other evaluations that we require you or your attendees to complete.

In addition to Orientation Training, we may offer optional continuing education programs and require continuing education programs on matters related to the operation or promotion of your

STORE, as set forth in the Operations Manual. Besides attending these programs, you must attend an annual meeting of Nutrishop franchisees at a location we designate, if we organize and plan (at our option) an annual meeting. We will not require in-person attendance for more than two days during any calendar year. You must pay all costs to attend these meetings and continuing education programs.

We, for no additional charge, will use reasonable efforts to make our personnel available to you (by phone, video conference or in-person at our sole discretion) for consultation throughout the term of the franchise in a timely manner for no additional charge. If your STORE is a 24 Hour Fitness Location, you must participate on a weekly video conference meeting via Zoom or another application we designate with one or more members of our personnel. (Franchise Agreement – Section 2.4, and 24 Hour Fitness Location Addendum – Section 6)

Item 12

TERRITORY

You will operate your STORE at the Approved Location within a specific Territory. The Territory is the lesser of: (i) a 10 mile radius from the center of the Approved Location or (ii) an area immediately surrounding the Approved Location that encompasses an estimated population of 400,000 residents. We may during the term of the Franchise Agreement, upon providing notice to you, reduce or otherwise modify the size and/or boundaries of the Territory to encompass a geographic area immediately surrounding the Approved Location consisting of 400,000 residents. If at any time during the term of the Franchise Agreement the population in the Territory becomes less than 400,000 residents, we have no obligation to expand or modify the size and/or boundaries of the Territory to include a greater population.

If your STORE is a 24 Hour Fitness Location, your Territory will be the lesser of: (i) a 5 mile radius from the center of the Approved Location or (ii) an area immediately surrounding the Approved Location that encompasses an estimated population of 200,000 residents. We may during the term of the Franchise Agreement, upon providing notice to you, reduce or otherwise modify the size and/or boundaries of the Territory to encompass a geographic area immediately surrounding the Approved Location consisting of 200,000 residents. If at any time during the term of the Franchise Agreement the population in the Territory becomes less than 200,000 residents, we have no obligation to expand or modify the size and/or boundaries of the Territory to include a greater population. If your STORE is a Pro-Shop but is not a 24 Hour Fitness Location, then your Territory will consist of the commercial facility in which the Pro-Shop is located and a one mile radius from the center of the commercial facility in which your STORE is located, regardless of population.

If any event giving rise to our right to terminate the Franchise Agreement occurs, we may instead elect to temporarily or permanently reduce the size of the Territory to no more than a two (2) mile radius from the center of the Approved Location, unless the STORE is designated as a Pro-Shop, in which case the size of the Territory will be reduced to the commercial facility in which the Pro-Shop is located.

Your Territory may overlap with the territories of other franchised or company-owned Nutrishop Stores located outside of your Territory, or located within your Territory. In the event of overlap(s), the distance between your Approved Location and another Nutrishop Store having an overlapping territory will be split in half based on the actual distance in miles, and your territorial rights and advertising rights will not extend beyond the boundary. In the event that any location you wish to

target for advertising or sales, such as a commercial gym that is geographically located equally between your Approved Location and the other Nutrishop Store, you and the other Nutrishop Store both may advertise at the location, subject to obtaining the consent of the location's owner.

You have no options, rights of first refusal, or similar rights to acquire additional franchises within the Territory or in contiguous territories. You may not relocate your STORE without our approval.

We and our affiliates retain certain rights within and outside the Territory, as described below in this Item. Therefore, you will not receive an exclusive territory. You may face competition from other Nutrishop Store franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Except as limited in this Item, we and our affiliates will not operate or grant a franchise for the operation of a Nutrishop Store at a location in the Territory during the term of your Franchise Agreement. Otherwise, we and our affiliates retain all rights with respect to Nutrishop Stores, the Marks, the sale of identical, similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including:

- (1) the right to locate any Nutrishop Store within the borders of your Territory, but only if the store would be at least 11 driving miles from your STORE at the Approved Location;
- (2) if at any time you operate a Nutrishop Store or Pro-Shop within a gym located in your Territory under a separate franchise agreement with us (or our affiliate) and that franchise agreement is terminated or expires, then we have the right to operate, or authorize any other franchisee to operate, a Nutrishop Store or Pro-Shop in that gym location within your Territory. If we operate or authorize another franchisee to operate a Nutrishop Store or Pro-Shop in that gym location, then the Nutrishop Store's or Pro-Shop's territory will overlap with your Territory, and your territorial rights and advertising rights will be restricted as described above.
- (3) the right to participate in, and to promote the Marks, trade name, System, and distribute and sell the Goods, at Major Promotional Events (as defined in the Franchise Agreement) within your Territory;
- (4) the right to advertise and promote, and the exclusive right to sell Goods bearing the Marks, and the Goods of approved suppliers, or any connected services therewith, over the Internet, radio, television, or via social media or e-commerce, which sales will be subject to our then current e-commerce policies as provided in the Operations Manual;
- (5) the right to acquire the assets or ownership interests of one or more businesses providing products and services the same as or similar to those provided at Nutrishop Stores, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired; and
- (6) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction) by a business providing products and services the same as or similar to those provided at Nutrishop Stores, or by another business.

We may exercise any of the retained rights without compensating you. Although we have the right to do so (as described above), neither we nor our affiliate currently operates, franchises, or have present plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will sell in your STORE.

If you are signing a Franchise Agreement for the right to operate a Nutrishop Store or Pro-Shop within a gym that is located within the territory of an existing Nutrishop Store you operate (“Existing Territory”), you must modify the franchise agreement for the existing Nutrishop Store to provide that we have the right to operate or authorize another franchisee to operate a Nutrishop Store or Pro-Shop in that gym location upon the Franchise Agreement’s termination or expiration. If we operate or authorize another franchisee to operate a Nutrishop Store or Pro-Shop in that gym location upon the Franchise Agreement’s termination or expiration, the territory for the Nutrishop Store or Pro-Shop in that gym location will overlap with the Existing Territory, and your territorial rights and advertising rights in the Existing Territory will be restricted as described above.

We may institute certain policies in our Operations Manual regarding the sale of Goods on our Website. These policies may be changed in our discretion in our Operations Manual or otherwise. Currently, if we offer Goods for sale on our Website and a customer purchases those Goods for delivery to an address within your Territory (regardless whether the customer accessed the product-ordering portion of our Website through a link on your Franchisee Website, another Nutrishop Store’s Website or another Nutrishop Store’s click-thru subpage on our Website), then you will receive an “Online Purchase Credit” or cash, at your option, equal to the difference between the price charged by our Website for the Goods and the then-current standard loyalty price of the Goods. Additionally, if a customer accesses the product-ordering portion of our Website through a link on your Franchisee Website or click-thru subpage on our Website, and the customer purchases Goods for delivery to an address that is not included in a territory assigned to another Nutrishop Store franchisee, then you will receive the Online Purchase Credit or cash, at your option, for the purchase of the Goods. The Online Purchase Credits or cash, if applicable, you earn each calendar month will be added together and, in the case of Online Purchase Credits, will be made available by the 10th day of the following calendar month to be applied to the next order of Goods you place with our affiliate under the Product Distribution Agreement and, in the case of cash, will be paid to you via PayPal.

Except as described in the two paragraphs that follow, you will not sell Goods through any channel of distribution other than sale to retail customers at your STORE (including sales at wholesale; sales to distributors, liquidators or other retail stores; sales through outlets; and sales via catalogs or electronic means such as the internet, your Franchisee Website or via social media or e-commerce).

You may deliver Goods from your STORE to consumers that are located in your Territory and to consumers that are located outside of your Territory, provided that the consumer must not be located within the territory of any other Nutrishop Store franchisee. If you wish to use a third-party to offer delivery services to consumers, you must make accommodations for those delivery services in compliance with our standards and procedures in the Operations Manual or otherwise provided in writing by us.

In addition to delivery services, we may institute certain policies in our Operations Manual allowing you to sell Goods away from your STORE. We currently allow you to sell Goods away from your STORE at Promotional Events as often as you want under the following circumstances: (i) the Promotional Event is inside your Territory and not within the assigned territory of any other Nutrishop Store franchisee and (ii) the Promotional Event is not located within your Territory or the assigned

territory of any other Nutrishop Store franchisee. As described above, your Territory may overlap with the territories of other franchised or company-owned Nutrishop Stores located outside of or within your Territory. In the event of an overlap, you will only be permitted to sell Goods at Promotional Events within the part of your Territory that does not overlap with the other Nutrishop Store’s territory.


You may not sublicense, sub-franchise, partition, impair, limit, or divide any of your rights related to the Territory or your right to operate your STORE at the Approved Location.

Except as described above, continuation of your franchise and your territorial exclusivity (as described above) does not depend on your achieving a certain sales volume, market penetration, or other contingency.

Item 13

TRADEMARKS

You may use certain Marks in operating your STORE. The current principal Marks are:

MARK	REGISTRATION OR APPLICATION NUMBER	REGISTRATION OR APPLICATION DATE
Nutrishop	3018521 (Reg.)	November 22, 2005 (Reg.)
	4376153 (Reg.)	July 30, 2013 (Reg.)

We own the principal Marks. We have registered the Marks listed above on the Principal Register of the United States Patent and Trademark Office (“USPTO”). No affidavits or renewal filings are yet due in connection with these registrations. No agreement limits our right to use or license the Marks.

You must follow our rules when you use the Marks, including giving proper notices of trademark and service mark registration and obtaining fictitious or assumed name registrations required by law. You may not use any Mark in your corporate or legal business name; with modifying words, terms, designs, or symbols (except for those we license to you); in selling any unauthorized services or products; or as part of any domain name, homepage, electronic address, or otherwise in connection with a Website.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Marks. We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person’s claim of any rights in any Mark, and you may not communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or

claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You must assist us, as we direct, in protecting and maintaining our interests in any litigation or USPTO or other proceeding. At our option, we may defend and/or control the defense of any proceeding arising from your use of any Mark. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving the Marks; however, if you timely notify us and comply with our directions in response to a trademark infringement proceeding that disputes your authorized use of the Marks, then we will reimburse you for your damages and reasonable expenses you incur.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. If we require you to change your STORE's signs, we will reimburse you for your direct expenses of doing so, but we will not reimburse you for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise. We claim copyrights in the Operations Manual (which contains our trade secrets), advertising and marketing materials, and similar items used in operating Nutrishop Stores. We have not registered these copyrights with the United States Registrar of Copyrights, but we need not do so at this time to protect them. You may use these items only as we specify while operating your STORE (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the USPTO, the United States Copyright Office, or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if in the best interests of the System or all or some Nutrishop Stores, as we solely determine. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Operations Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes, or may in the future include: site selection criteria and layouts, designs and other plans and specifications for Nutrishop Stores; training and operations materials and manuals; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Nutrishop Stores; marketing, promotional and advertising research and programs for Nutrishop Stores; knowledge of specifications for and suppliers of Goods, Nutrition Products, and other products and supplies, including supplier pricing and related terms; any computer software or similar technology which is proprietary to us or the System; knowledge of the operating results and financial performance of Nutrishop Stores other than your STORE; graphic designs and related intellectual property; customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs; all data and other information

generated by, or used in, the operation of your STORE, including customer names, addresses, phone numbers, pricing and other information supplied by any customer (such as credit card information or personal information), and any other information that visitors to your STORE provide to the Website for the network of Nutrishop Stores; future business plans relating to Nutrishop Stores and the Nutrishop Store franchise opportunity, including expansion and development plans; and any other information that we reasonably designate as confidential or proprietary.

All ideas, concepts, techniques, or materials concerning a Nutrishop Store, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us. Under the Franchise Agreement you will grant (and agree to take any further necessary action to grant) us a global, perpetual, irrevocable, and exclusive royalty-free license to incorporate those ideas, concepts, techniques and materials in the System for use in all Nutrishop Stores operated by us, our affiliates and our franchisees.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent its improper disclosure to others. You agree to have our then current form of “Nondisclosure and Non-Competition Agreement” executed by all of the following persons: (i) your Designated Manager, prior to their employment; and (ii) if you are an entity, all your officers, directors, shareholders, partners, members and owners, and those of any entity directly or indirectly controlling you, at the same time the Franchise Agreement is signed, or at such time as they assume such status. You also agree to have any supervisory or other employees who have received or will receive training from us, prior to their employment, execute our then current form of “Nondisclosure Agreement.” You agree to provide us copies of all executed Nondisclosure and Non-Competition Agreements no later than 10 days following their execution. We will be a third party beneficiary of each Nondisclosure and Non-Competition Agreement and Nondisclosure Agreement with independent enforcement rights.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE

If you are a legal entity, you must appoint a shareholder, member, or partner (as applicable) to be your “Managing Owner,” responsible for overseeing and supervising the operation of your STORE. You must maintain a competent, conscientious, trained staff, including a fully-trained, general manager, which may be you (or, if you are an entity, your Managing Owner), who must act as the Designated Manager of your STORE with responsibility to conduct day-to-day business activities at your STORE. There are no limits on who you can hire as your on-premises Designated Manager except that if the STORE is your first Nutrishop Store, your initial Designated Manager must complete the Orientation Training to our satisfaction. If you or your Managing Owner complete our Orientation Training, then you or your Managing Owner, as applicable, may provide similar orientation training to any successor Designated Managers you appoint instead of the successor Designated Managers attending our Orientation Program. Your Designated Manager is not required to possess any designated amount of equity interest in your franchised business. You must at all times faithfully, honestly, and diligently perform your contractual obligations and use best efforts to promote and enhance your STORE. You must operate your STORE in full compliance with the mandatory standards and specifications in the Operations Manual, as we may change them.

You agree to have all of the following persons sign our then current form of Nondisclosure and Non-Competition Agreement: (i) your Designated Manager, prior to their employment; and (ii) if you are a corporation, limited liability company, or partnership, all your officers, directors, shareholders,

partners, members and owners, and those of any corporation, limited liability company, or partnership directly or indirectly controlling you, at the time the Franchise Agreement is signed, or at such time as they assume such status. You also agree to have any supervisory or other employees who have received or will receive training from us, prior to their employment, execute our then current form of Nondisclosure Agreement. You agree to provide us copies of all executed Nondisclosure and Non-Competition Agreements and Nondisclosure Agreements no later than 10 days following their execution.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all Goods and other products and services that we periodically require for Nutrishop Stores. We periodically may change required and/or authorized Goods and other products and services. There are no limits on our right to do so. (See Item 8) You may not advertise, promote, sell, distribute, or cause to be sold, any Goods or other products or services that are prohibited by us, or goods that violate state or federal law, including: (a) pro-steroids, (b) pro-hormones, (c) SARMS, (d) ephedrine products (ma huang, ephedra, ephedra derivatives), or (e) DMAA, Methylhexanamine, 1, 3-dimethylamylamine, Picamilon, Dendrobium, Methysynephrine, Higenamine or Vinpocetine. We have the right to add to or delete from the list of goods and products that we prohibit you to advertise, promote, sell, distribute, or cause to be sold.

If your STORE is a 24 Hour Fitness Location: (a) you may not without our prior written approval charge customers of your 24 Hour Fitness Location any fee to use an Inbody machine, Evolt machine and/or other similar approved device, or to participate in the Nutrishop Meal Plan and/or any other approved meal plan, (b) you must use commercially reasonable efforts to at all times maintain an inventory of Goods in your 24 Hour Fitness Location at the same levels as those required for the Minimum Opening Inventory Requirement, but you must at no time maintain an inventory of Goods less than 85% of the Goods required for the Minimum Opening Inventory Requirement, and (c) at no time may the products and goods you offer or sell from your 24 Hour Fitness Location consist of more than 20% of goods or products that you have obtained from a supplier other than us and/or one of our affiliates.

You may conduct business only with customers at your STORE and any delivery or other operations you conduct in compliance with our standards and procedures in the Operations Manual or otherwise provided in writing by us. You are not restricted as to the customers whom you may serve at your STORE. You may not operate your STORE outside the Territory.

[Remainder of Page Left Blank Intentionally]

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
a. Length of the franchise term	Section 1.3.1 of Franchise Agreement	5 years (or, if your STORE is a 24 Hour Fitness Location, 3 years) from the Opening Date.
	Section 11.1 of Product Distribution Agreement	Begins on the effective date and ends when the Franchise Agreement expires or terminates.
b. Renewal or extension of the term	Section 1.3.2 of Franchise Agreement	If you are in full compliance, you may acquire 3 successor franchise terms of 5 years each (or, if your STORE is a 24 Hour Fitness Location, 1 successor franchise term of 3 years). Each successor franchise will be on our then current form of Franchise Agreement (which may contain materially different terms and conditions than your original franchise agreement except that the Territory will be the same).
	Not applicable in the Product Distribution Agreement	Not applicable.
c. Requirements for franchisee to renew or extend	Section 1.3.2 of Franchise Agreement	To “renew,” you must be in full compliance with the Franchise Agreement, all other agreements between us and the Operations Manual; sign our then current Franchise Agreement; maintain possession of the Approved Location; and sign a release (if law allows).

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		The terms of our then current Franchise Agreement that you sign for renewal of the franchise may differ materially from any and all of those contained in the Franchise Agreement attached to this Disclosure Document.
	Not applicable in the Product Distribution Agreement	Not applicable.
d. Termination by franchisee	Section 8.1 of Franchise Agreement	You may terminate effective 30 days after you provide us with written notice of termination, if we are in material breach and fail to cure within 60 days.
	Not applicable in the Product Distribution Agreement	Not applicable.
e. Termination by franchisor without cause	Not Applicable	Not Applicable.
f. Termination by franchisor with cause	Section 8.2.1 of Franchise Agreement	We may terminate your franchise only if you or your owners commit one of several violations (see (g) and (h) below).
	Section 11.2 of Product Distribution Agreement	NS Distribution may terminate only if you or your owners commit one of several violations (see (g) and (h) below).
	Section 14 of 24 Hour Fitness Location Addendum	We may terminate your franchise if you commit any violation described in (h) below.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
g. "Cause" defined-curable defaults	Section 8.2.1 of Franchise Agreement	You have 10 days to cure operational defaults and other defaults not listed in (h) below (except for advertising or offering any Goods in violation of our pricing provisions, which is subject to a 24 hour cure period).
	Section 11.2 of Product Distribution Agreement	If you fail to fulfill the Minimum Monthly Purchase Order Requirement for any one calendar month (a "Minimum Order Deficiency"), you will have 90 days after your receipt of written notice to cure the Minimum Order Deficiency; provided, however, that you must satisfy the Minimum Monthly Purchase Order Requirement in each calendar month following the Minimum Order Deficiency. You have 10 days to cure other operations defaults and other defaults not listed in (h) below, except that you have 15 days to cure breaches relating to your failure to pay amounts owed under the Product Distribution Agreement.
h. "Cause" defined- non-curable defaults	Sections 8.2.1 and 8.3 of Franchise Agreement	Non-curable defaults include: an assignment for the benefit of creditors; appointment of a trustee or receiver; abandonment for 10 consecutive business days or 15 business days in any month; failure to obtain our prior approval before you relocate your STORE; advertising, promoting, selling, distributing or causing to be sold any goods or products we designate as prohibited or that are illegal, including pro-steroids, pro-hormones, SARMS, ephedrine products (ma huang, ephedra, ephedra derivatives), or DMAA, Methylhexanamine, 1, 3-dimethylamylamine, Picamilon, Dendrobium, Methylsynephrine, Higenamine or Vinpocetine; conviction of a felony, crime involving moral turpitude, or other

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		<p>crime; dishonest or unethical conduct which, in our reasonable judgment, adversely affects the STORE's reputation or the goodwill associated with the Marks; you, any of your Owners, representatives or employees make any illicit statements, including in an email to our employees, officers, or directors, or in any social media posts, or any other unlawful, threatening, abusive, libelous, defamatory, obscene, vulgar, pornographic, gambling-related, drug-related, alcohol-related, profane, racist, sexually explicit or indecent comments that in our opinion negatively affects us, our employees, our operations or otherwise affects the STORE's reputation or the goodwill associated with the Marks; repeated defaults (even if cured); termination of any product distribution agreement between you and us or one of our affiliates due to your committing an incurable breach or failure to cure a curable breach.</p> <p>Your default or breach of any other agreement with us or our affiliate will be an event of default under the Franchise Agreement, and your default or breach of the Franchise Agreement will be an event of default or breach under all agreements between us or our affiliates and you.</p>
	Section 11.2 and 11.3 of Product Distribution Agreement	<p>Non-curable defaults include: failure to fulfill the Minimum Opening Inventory Requirements; an assignment for the benefit of creditors; appointment of a trustee or receiver; conviction of a felony, crime involving moral turpitude, or other crime; dishonest or unethical conduct; repeated defaults (even if cured); termination of any franchise agreement between you and us or one</p>

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		<p>of our affiliates due to your failure to comply.</p> <p>Your default or breach of any other agreement with NS Distribution or its affiliate will be an event of default under the Product Distribution Agreement, and your default or breach of the Product Distribution Agreement will be an event of default or breach under all agreements between NS Distribution or its affiliates and you.</p>
	Section 14 of 24 Hour Fitness Location Addendum	<p>Non-curable default if your STORE is a 24 Hour Fitness Location and you or any of your owners, representatives, or employees engage in any behavior that is, or make any statements, whether orally, in an email, or in a social media post directed to us, the landlord of the Approved Location, or any third party, that are, illicit, unlawful, threatening, harassing, abusive, libelous, defamatory, obscene, vulgar, pornographic, gambling-related, drug-related, alcohol-related, profane, racist, sexually explicit or indecent, that in our opinion negatively affects us, the landlord of the Approved Location, either of our or their staff or employees, or otherwise affects your Pro-Shop's reputation or the goodwill associated with the Marks.</p>
i. Franchisee's obligations on termination/nonrenewal	Section 8.4 of Franchise Agreement	<p>Obligations under the Franchise Agreement include providing a final accounting and inventory of Goods; ceasing the use of the Marks; discontinuing the use, and cancelling all registrations, of any Franchisee Website and social media used for your STORE; canceling all fictitious or assumed name registrations; delivering or destroying all signs and other materials containing any Mark;</p>

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		de-identifying your STORE as we specify; notifying online listings of the termination of your right to use email addresses associated with any Mark; providing us with evidence that you have satisfied your post-termination obligations; ceasing to use and returning the confidential information.
	Section 11.4 of Product Distribution Agreement	Obligations under the Product Distribution Agreement include ceasing to represent and conduct yourself as an authorized distributor of the Goods; ceasing all sales of the Goods; returning all documents and tangible materials based on NS Distribution’s Confidential Information; erasing all of NS Distribution’s Confidential Information from computer systems; and certifying in writing that you have complied with all obligations on termination.
j. Assignment of contract by franchisor	Section 7.6 of Franchise Agreement	No restriction on our right to assign; we may assign without your approval.
	Section 18.9 of Product Distribution Agreement	No restriction on NS Distribution’s right to assign; NS Distribution may assign without your approval.
k. “Transfer” by franchisee – defined	Section 7.1 of Franchise Agreement	Includes transfer of Franchise Agreement, your STORE (or its profits, losses or capital appreciation), sale of assets of your STORE, and change in controlling ownership interest in you or your owners.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Section 18.9 of Product Distribution Agreement	Includes change in your controlling ownership interest and/or assignment of the Product Distribution Agreement or any interest therein to a third party.
l. Franchisor approval of transfer by franchisee	Section 7.1 of Franchise Agreement	No transfer without our prior written consent under the Franchise Agreement.
	Section 18.9 of Product Distribution Agreement	No transfer without NS Distribution's prior written consent under the Product Distribution Agreement.
m. Conditions for franchisor approval of transfer	Section 7.2 of Franchise Agreement	New franchisee qualifies (based on business experience, aptitude and financial resources); you pay us, our affiliates, and third party vendors all amounts due and submit all required reports; new franchisee (and its owners and affiliates) are not in a Competitive Business ("Competitive Business" means any business that: (i) manufacturers, distributes or sells Nutrition Products and/or sells products similar to the Goods or (ii) grants franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a Nutrishop Store operated under a franchise agreement with us); training completed; your landlord allows the transfer or sublease of your lease; you or transferee signs our then current Franchise Agreement and other documents; transfer fee paid; you sign release (if law allows); you correct existing STORE deficiencies of which we notify you on punchlist and/or transferee agrees to upgrade, remodel, expand and/or refurbish; and you and your owners agree not to at any time use any Mark or other indicia of a Nutrishop Store in any manner.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Section 18.9 of Product Distribution Agreement	NS Distribution Group can condition or withhold consent in its sole discretion.
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable.
o. Franchisor's option to purchase franchisee's business	Not Applicable in the Franchise Agreement	Not Applicable in the Franchise Agreement.
	Section 11.5 of Product Distribution Agreement	NS Distribution may offer to purchase all or a portion of any remaining inventory at a price equal to the lesser of your cost and NS Distribution's then-prevailing distributor price, and in either case minus a ten percent (10%) restocking fee.
	Sections 5 and 15 of 24 Hour Fitness Location Addendum	If your STORE is a 24 Hour Fitness Location, we may require you to, upon termination or expiration of the Franchise Agreement, either assign your leasehold interest in the premises to us or enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the lease.
p. Death or disability of franchisee	Section 7.4 of Franchise Agreement	Your or your Managing Owner's representative must assign the franchise or an ownership interest in you to approved party within 120 days; substitute Designated Manager must be appointed and complete Orientation Training within 60 days.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Not Applicable in the Product Distribution Agreement	Not Applicable in the Product Distribution Agreement.
q. Non-competition covenants during the term of the franchise	Section 6.5 and Section 6.6 of Franchise Agreement	Under the Franchise Agreement, no diverting business; no ownership interest in, performing services for, or lending money to, Competitive Business anywhere; no manufacturing or production of, or causing to manufacture or produce, nutrition products; no engagement in activities that may, in our reasonable opinion, injure goodwill of the Marks; no, without our prior written consent, solicitation of any other Nutrishop Store franchisee for the purpose of soliciting, marketing, promoting or servicing any product or service (subject to state law).
	Sections 3 and 12 of Product Distribution Agreement	Under the Product Distribution Agreement, no engaging in any competitive practices regarding NS Distribution, any of its affiliates, trademarks or the Goods. NS Distribution has the right to regulate the form of Nondisclosure and Non-Competition Agreement you use for store personnel (subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	Section 6.6 of Franchise Agreement	For a period of 3 years after expiration or termination of the Franchise Agreement, no, without our prior written consent, solicitation of any other Nutrishop Store franchisee for the purpose of soliciting, marketing, promoting or servicing any product or service (subject to state law).
	Not Applicable in the Product Distribution Agreement	Not Applicable in the Product Distribution Agreement.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
s. Modification of the agreement	Section 10.13 of Franchise Agreement	No modifications except by written agreement signed by both us and you, but we may change the Operations Manual and standards, requirements and procedures of the System.
	Section 18.16 of Product Distribution Agreement	No modifications except by written agreement signed by both NS Distribution and you.
t. Integration/merger clause	Section 10.1 of Franchise Agreement	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). However, nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document. Any representations or promises made outside of this Disclosure Document and the Franchise Agreement may not be enforceable.
	Section 18.3 of Product Distribution Agreement	Only the terms of the Product Distribution Agreement are binding (subject to state law). However, nothing in the Product Distribution Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document. Any representations or promises made outside of this Disclosure Document and the Product Distribution Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 10.6 of Franchise Agreement	With limited exceptions, all disputes must be resolved first by arbitration. We and you must arbitrate all disputes in city in which our then current principal business address is located (currently, Henderson, Nevada).

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Section 18.11 of Product Distribution Agreement	With limited exceptions, all disputes must be resolved first by arbitration. NS Distribution and you must arbitrate all disputes in city in which NS Distribution's then current principal business address is located (currently, Henderson, Nevada).
v. Choice of forum	Section 10.7 of Franchise Agreement	Subject to arbitration requirements, litigation generally must be in courts having competent jurisdiction in city in which our then current principal business address is located (currently, Henderson, Nevada) (subject to state law)
	Section 18.11 of Product Distribution Agreement	Subject to arbitration requirements, litigation generally must be in courts having competent jurisdiction in city in which NS Distribution's then current principal business address is located (currently, Henderson, Nevada) (subject to state law)
w. Choice of law	Section 10.2 of Franchise Agreement	Except for applicable federal law, Nevada law governs (subject to state law).
	Section 18.10 of Product Distribution Agreement	Except for applicable federal law, Nevada law governs (subject to state law).

Item 18

PUBLIC FIGURES

We do not currently use any public figures to promote our franchise.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if information is included in the disclosure document. Financial performance

information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The Table below contains data regarding the annual dollar amount of Goods purchased by Nutrishop Store franchisees and Licensees from NS Distribution in 2021. Although there were 98 franchised Nutrishop Stores operating as of December 31, 2021, the Table below only provides purchase information for Goods for the 88 franchised Nutrishop Stores that were not Pro-Shops and that opened on or before December 31, 2020. The Table below provides purchase information for Goods for the 2 licensed Nutrishop Stores operating as of December 31, 2021, neither of which were Pro-Shops and both of which opened on or before December 31, 2020.

Average Annual Purchases in 2021	Number and % of franchisees that attained or surpassed average	High	Low	Median
\$194,454.11	38 or 42%	\$712,274.51	\$6,049.40	\$163,507.06

Notes to Table:

1. The Table above does not include purchase information for Goods for the 6 franchised Pro-Shops operating as of December 31, 2021, as there are significant differences between standard Nutrishop Stores and Pro-Shops. You should not rely on the data contained in the Table above if you plan on opening and operating a Pro-Shop as your purchases for Goods will likely be substantially lower.

2. Subject to the Minimum Monthly Purchase Order Requirement, Nutrishop Stores franchisees determine the types and quantities of Goods that they purchase each month, including the amount of Nutrition Products. Importantly, the Table above only discloses information regarding the purchase of Goods from NS Distribution. Franchisees are also permitted to order products from other approved suppliers and the dollar amount of purchases from other approved suppliers are not included in the table above. The percentage of Nutrition Products franchisees purchase from NS Distribution to products purchased from other approved suppliers varies from Nutrishop Store to Nutrishop Store.

General Notes

Some outlets have spent this amount. Your individual expenditures may differ. There is no assurance that you'll spend this amount.

We have not audited the information presented above, nor have we independently verified this information. Written substantiation of the data used in preparing these sales figures will be made available to you upon written request.

The numbers reported above do not reflect all of the costs or expenses that must be deducted from total sales to obtain net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating a Nutrishop Store. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections for your future income, you should report it to our management by contacting Bryon McLendon, President, 930 Tahoe Blvd. #802-542, Incline Village, NV 89451, (775) 831-1435, the Federal Trade Commission and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2019 to 2021

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of Year	Outlets at the End of Year	Net Change
Licensed Businesses	2019	68	10	-58
	2020	10	3	-7
	2021	3	2	-1
Franchised Businesses	2019	85	108	+23
	2020	108	99	-9
	2021	99	98	-1
Company Owned	2019	0	1	+1
	2020	1	3	+2
	2021	3	4	+1
Total Outlets	2019	153	119	-34
	2020	119	105	-14
	2021	105	104	-1

Table 2
Transfers of Outlets from Licensees to New Owners (other than Us)
For years 2019 to 2021

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Arizona	2019	1
	2020	0
	2021	0
New Mexico	2019	1
	2020	0
	2021	0
Oregon	2019	0
	2020	0
	2021	0
Tennessee	2019	2
	2020	0
	2021	0
Texas	2019	2
	2020	1
	2021	0
Totals	2019	6
	2020	1
	2021	0

Table 2
Transfers of Outlets from Franchisees to New Owners (other than Us)
For years 2019 to 2021

Column 1	Column 2	Column 3
State	Year	Number of Transfers
California	2019	7
	2020	6
	2021	1
Florida	2019	0
	2020	1
	2021	0
Minnesota	2019	0
	2020	0
	2021	1
Nevada	2019	0
	2020	1
	2021	0
Oregon	2019	0
	2020	1

Column 1	Column 2	Column 3
State	Year	Number of Transfers
	2021	0
Tennessee	2019	0
	2020	2
	2021	1
Texas	2019	0
	2020	0
	2021	1
Washington	2019	0
	2020	0
	2021	1
Totals	2019	7
	2020	11
	2021	5

Table 3
Status of Licensed Businesses
For years 2019 to 2021

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Us	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of Year
Arizona	2019	3	0	0	0	0	3	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Florida	2019	7	0	0	0	0	7	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Georgia	2019	2	0	0	0	0	2	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Idaho	2019	2	0	0	0	0	2	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Indiana	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Kansas	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Kentucky	2019	2	0	0	0	0	2	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2019	1	0	0	0	0	1	0

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Us	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of Year
Louisiana	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Massachusetts	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Minnesota	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	2	0
	2021	0	0	0	0	0	0	0
Mississippi	2019	3	0	0	0	0	3	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Missouri	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Nebraska	2019	3	0	0	0	0	3	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Nevada	2019	3	0	0	0	0	3	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
New Jersey	2019	3	0	0	0	0	3	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
New Mexico	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
New York	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	1	1
	2021	1	0	0	0	0	1	0
North Carolina	2019	6	0	0	0	0	5	1
	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
North Dakota	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Ohio	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Oregon	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
South Carolina	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Us	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of Year
	2021	0	0	0	0	0	0	0
South Dakota	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Tennessee	2019	6	0	0	0	0	6	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Texas	2019	9	0	0	0	0	8	1
	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
Utah	2019	2	0	0	0	0	1	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Virginia	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Washington	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	2	0
	2021	0	0	0	0	0	0	0
Wisconsin	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
TOTALS	2019	68	0	0	0	0	58	10
	2020	10	0	0	0	0	7	3
	2021	3	0	0	0	0	1	2

Table 3
Status of Franchised Businesses
For years 2019 to 2021

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Us	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of Year
Arizona	2019	0	1	0	0	0	0	1
	2020	1	1	0	0	0	1	1
	2021	1	0	0	0	0	1	0
California	2019	73	2	0	0	1	19	55
	2020	55	0	0	0	1	9	45
	2021	45	4	0	0	0	2	47

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Us	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of Year
Florida	2019	0	8	0	0	0	2	6
	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
Georgia	2019	0	2	0	0	0	2	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Idaho	2019	1	3	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	1	0	0	0	0	5
Kentucky	2019	0	2	0	0	0	1	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Louisiana	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Massachusetts	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Minnesota	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Missouri	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
Mississippi	2019	0	4 ^(A)	0	0	0	1	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
Nebraska	2019	0	2	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Nevada	2019	0	3	0	0	0	1	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	2	0
New Jersey	2019	0	3	0	0	0	2	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
New Mexico	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	1	3
	2021	3	0	0	0	0	1	2
New York	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2019	0	5	0	0	0	2	3

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Us	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of Year
North Carolina	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
Ohio	2019	0	1	0	0	0	1	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	1	0
Oklahoma	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Oregon	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	1	0
South Dakota	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
Tennessee	2019	5	7	0	0	0	2 ^(B)	10
	2020	10	0	0	0	0	2	8
	2021	8	1	0	0	0	0	9
Texas	2019	2	7	0	0	0	0	9
	2020	9	3	0	0	0	5	7
	2021	7	0	0	0	0	2	5
Utah	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Virginia	2019	0	1	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Washington	2019	0	0	0	0	0	0	0
	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
TOTALS	2019	85	58	0	0	1	34	108
	2020	108	10	0	0	1	18	99
	2021	99	9	0	0	0	10	98

(A) This figure includes one franchisee who relocated its outlet from another state.

(B) This figure includes one franchisee who relocated its outlet to another state.

Table 4
Status of Company-Owned Outlets
For years 2019 to 2021

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
California	2019	0	0	1	0	0	1
	2020	1	1	1	0	0	3
	2021	3	1	0	0	0	4
Totals	2019	0	0	1	0	0	1
	2020	1	1	1	0	0	3
	2021	3	1	0	0	0	4

Table 5
Projected Openings as of December 31, 2021

Column 1 State	Column 2 Franchise Agreements Signed but Outlets Not Opened	Column 3 Projected New Franchised Outlets In The New Fiscal Year	Column 4 Projected New Company-Owned Outlets In The New Fiscal Year
California	0	4	0
Colorado	0	1	0
Texas	0	2	0
Totals	0	7	0

Explanatory Notes to Item 20 Tables

(1) Table 1 in this Item 20 includes both Licensees that operated Licensed Businesses under license agreements and Nutrishop Store franchisees that operated and are operating franchised businesses under license and franchise agreements, and there is a Table 2 and Table 3 for each of Licensees that operated Licensed Businesses under license agreements and Nutrishop Store franchisees that operated and are operating franchised businesses under license and franchise agreements. While Licensed Businesses were similar to Nutrishop Stores that will be operated by franchisees, the license agreement was significantly different from the Franchise Agreement and did not expressly and thoroughly outline the prescribed marketing plan for Nutrishop Stores that will be operated by franchisees.

(2) The company-owned Nutrishop Stores in Tables 1 and 4 are owned and operated by our affiliate, NS Retail Holding Inc.

(3) The “Ceased Operations-Other Reasons” column in Table 3 for Licensees that operated Licensed Businesses, and the “Outlets Opened” column in Table 3 for Nutrishop Store franchisees that are operating franchised businesses, include the Licensed Businesses that converted to franchised businesses in 2019, 2020 and 2021. There was no interruption of business for these Nutrishop Stores that converted from Licensed Businesses to franchised businesses.

(4) The New York outlets included in Table 1 and Table 3 for Licensed Businesses were operated by Licensees operating their Licensed Businesses under license agreements with us. The New York outlets included in Table 1 and Table 3 for Franchised Businesses were/are operated by franchisees operating their Nutrishop Store franchises under franchise agreements with Nutrishop Franchising.

Exhibit J reflects the current list of Licensees operating Licensed Businesses and Nutrishop Store franchisees operating franchised businesses as of the end of our last fiscal year. Exhibit J also reflects (i) the list of Licensees that had Licensed Businesses terminated, canceled, transferred, or not renewed, or otherwise voluntarily or involuntarily ceased to do business or converted their Licensed Businesses to Nutrishop Store franchises, during our last fiscal year or who have not communicated with us within 10 weeks of this Disclosure Document’s issuance date and (ii) the list of Nutrishop Store franchisees that had an outlet terminated, canceled, transferred, or not renewed, or otherwise voluntarily or involuntarily ceased to do business, during our last fiscal year or who have not communicated with us within 10 weeks of this Disclosure Document’s issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Nutrishop franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. There are currently no trademark-specific franchisee organizations associated with the franchise system.

Item 21

FINANCIAL STATEMENTS

Our audited financial statements for the fiscal years ending December 31, 2021, December 31, 2020 and December 31, 2019 are attached as Exhibit G. Our fiscal year ends on December 31.

Item 22

CONTRACTS

The following agreements are exhibits:

- (a) Exhibit C Franchise Agreement
- (b) Exhibit D State Addenda to Franchise Agreement
- (c) Exhibit E Product Distribution Agreement

- (d) Exhibit F 24 Hour Fitness Location Addendum to Nutrishop Retail Store Franchise Agreement and Product Distribution Agreement
- (e) Exhibit I Sample Form of General Release

Item 23

RECEIPTS

Our and your copies of the receipt to this Disclosure Document are located at the last 2 pages of this Disclosure Document.

EXHIBIT A TO FDD

LIST OF STATE ADMINISTRATORS

Listed here is the contact information for each of the state agencies responsible for franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

CALIFORNIA

Office of the Commissioner
California Department of Financial Protection and
Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(866) 275-2677

HAWAII

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs,
Business Registration Division,
Securities Compliance Branch
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Chief – Franchise Bureau
Office of Attorney General
State of Illinois
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

Franchise Section
Indiana Securities Commission
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MICHIGAN

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, Michigan 48913
(517) 373-7117

MINNESOTA

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

NEW YORK

Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222 Phone
(212) 416-6042 Fax

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue, Fifth Floor
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

Dept. of Consumer & Business Services
Division of Finance and Corporate Securities
350 Winter St. NE, Rm. 410
Salem, OR 97309
(503) 378-4387

RHODE ISLAND

Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920
(401) 462-9527

SOUTH DAKOTA

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

VIRGINIA

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

WASHINGTON

Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Tumwater, WA 98501
(360) 902-8715

WISCONSIN

Department of Financial Institutions
Division of Securities
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-0448

EXHIBIT B TO FDD

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed.

CALIFORNIA

Commissioner of the Department of Financial
Protection and Innovation:
Toll Free: 1 (866) 275-2677

Los Angeles

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

Sacramento

2101 Arena Boulevard
Sacramento, California 95834
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94105-2980
(415) 972-8559

HAWAII

Hawaii Commissioner of Securities
State of Hawaii Department of Commerce and
Consumer Affairs
Business Registration Division - Securities
Compliance Branch
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

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

INDIANA

Indiana Secretary of State
Franchise Division
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND

Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

Department of Labor and Economic Growth
Corporations Division
Bureau of Commercial Services
P.O. Box 30213
Lansing, Michigan 48909
(517) 373-7117

MINNESOTA

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

NEW YORK

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Ave., 6th Floor
Albany, New York 12231
(518) 473-2492

WISCONSIN

Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-8557

NORTH DAKOTA

Securities Commissioner, State of North Dakota
600 East Boulevard Avenue, 5th Floor
Bismarck, North Dakota 58505-0510
(701) 328-4712

OREGON

Oregon Division of Finance and Corporate
Securities
350 Winter Street NE, Room 410
Salem, Oregon 97301-3881
(503) 378-4387

RHODE ISLAND

Director of Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

VIRGINIA

Clerk, Virginia State Corporation Commission
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9733

WASHINGTON

Director, Department of Financial Institutions
Securities Division – 3rd Floor
150 Israel Road Southwest
Tumwater, Washington 98501
(360) 902-8760

EXHIBIT C TO FDD
FRANCHISE AGREEMENT



Nutrishop Retail Store Franchise Agreement



Table of Contents

Section 1.	Grant of Franchise.....	1
Section 1.1.	Granting Clause.....	1
Section 1.2.	Territorial Rights.....	1
Section 1.2.1.	Pro-Shop Territorial Rights.....	2
Section 1.2.2.	Franchisor’s Reservation of Rights.....	2
Section 1.2.3.	Restrictions on Territorial Rights.....	3
Section 1.2.4.	Delivery Services and Other Sales Away from Store.....	3
Section 1.2.5.	Relocation Conditions.....	4
Section 1.2.5.1.	Limitations on Relocation.....	4
Section 1.3.	Term & Renewal.....	4
Section 1.3.1.	Initial Term.....	4
Section 1.3.2.	Renewal.....	4
Section 2.	FRANCHISOR’S Services.....	5
Section 2.1.	Site Inspection & Selection.....	5
Section 2.2.	Layout and Décor.....	6
Section 2.3.	Training.....	6
Section 2.3.1.	Orientation Training.....	6
Section 2.3.2.	Continuing Education.....	6
Section 2.4.	Consultation.....	6
Section 2.5.	Nutrishop Store Operations Manual.....	7
Section 2.6.	Advertising Services.....	7
Section 2.6.1.	Store Websites.....	7
Section 2.7.	Suppliers & Goods.....	8
Section 2.7.1.	Approved Suppliers.....	8
Section 2.7.2.	Nutrishop Promotional Items.....	8
Section 3.	Payments by YOU.....	8
Section 3.1.	Initial Fee.....	8
Section 4.	YOUR Obligations.....	9
Section 4.1.	Use of Trade Name & Marks.....	9
Section 4.1.1.	Advertising & Marketing.....	9
Section 4.2.	Unauthorized Representations.....	10
Section 4.3.	Quality Control.....	11
Section 4.3.1.	Opening.....	11



Table of Contents

Section 4.3.2.	Compliance with Operations Manual.	11
Section 4.3.3.	Adequate Staffing; Regular Business Hours.	11
Section 4.3.4.	Health & Safety.....	11
Section 4.3.5.	Goods & Services Offered.....	11
Section 4.3.6.	Nutrition Products.....	12
Section 4.3.7.	Notification of Legal Actions & Investigations.....	12
Section 4.3.8.	Social Media.	13
Section 4.4.	Signs.	13
Section 4.4.1.	Criticism & Negative Statements.	13
Section 4.5.	Reports & Audits.	13
Section 4.6.	Insurance.	13
Section 4.7.	Financial & Legal Responsibility.	15
Section 4.7.1.	Compliance with Law.....	15
Section 4.7.2.	Payment of Indebtedness.....	15
Section 4.8.	Protection of Customer Data.	15
Section 5.	MARKS.....	15
Section 5.1.	Ownership and Goodwill of Marks.	15
Section 5.2.	Limitations on YOUR Use of Marks.....	16
Section 5.3.	Notification of Infringements and Claims.	16
Section 5.4.	Discontinuance of Use of Marks.	16
Section 5.5.	Indemnification for Use of Marks.	17
Section 6.	Relationship of Other Parties.	17
Section 6.1.	Independent Status.	17
Section 6.2.	No Liability for Acts of Other Party.	18
Section 6.3.	Confidentiality & Nondisclosure.	18
Section 6.4.	Indemnification.	19
Section 6.5.	Covenant Not to Compete.	19
Section 6.6.	Non-Solicitation.....	20
Section 7.	Transfer of Franchise.	21
Section 7.1.	Purpose of Conditions for Approval of Transfer.....	21
Section 7.2.	Conditions for Consent to Transfer.	21



Table of Contents

Section 7.3.	Transfer to a Wholly-Owned Entity.	23
Section 7.4.	Transfer Upon Death or Disability.....	23
Section 7.5.	Effect of Consent to Transfer.....	23
Section 7.6.	Assignment by Franchisor.	23
Section 8.	Termination of Franchise.....	24
Section 8.1.	Termination by Franchisee.....	24
Section 8.2.	Termination by Franchisor.....	24
Section 8.2.1.	Acts of Default.....	24
Section 8.2.2.	FRANCHISOR’s Alternate Remedies Upon YOUR Default.....	25
Section 8.3.	Cross Default.....	26
Section 8.4.	Rights & Obligations After Termination.....	26
Section 9.	Entity Franchisee.	27
Section 9.1.	Founding Document Restrictions.	27
Section 9.2.	Joinder.	28
Section 10.	Miscellaneous Provisions.....	28
Section 10.1.	Construction of Contract.	28
Section 10.2.	Governing Law.....	29
Section 10.3.	Notices.....	29
Section 10.4.	Waiver of Obligations.....	30
Section 10.5.	Rights of Parties are Cumulative.....	30
Section 10.6.	Arbitration.....	31
Section 10.7.	Consent to Jurisdiction.....	32
Section 10.8.	Waiver of Punitive Damages and Jury Trial.....	32
Section 10.9.	Limitation of Actions.....	33
Section 10.10.	Attorney’s Fees & Costs.....	33
Section 10.11.	Severability.....	33
Section 10.12.	Equitable Remedies.	34
Section 10.13.	Limited Liability for Franchisor’s Related Parties.	34
Section 10.14.	Covenant of Good Faith.	34
Section 10.15.	Multiple Forms of Agreement.....	34



Table of Contents

Section 10.16. Binding Effect and Acceptance by Franchisor..... 35
Section 10.17. Electronic Signatures..... 35
Section 10.18. Acknowledgments..... 35
Section 11. Definitions..... 36

- Schedule 1 – LISTING OF OWNERSHIP INTERESTS AND GENERAL TERMS
- Schedule 2A – NONDISCLOSURE AND NON-COMPETITION AGREEMENT
- Schedule 2B – NONDISCLOSURE AGREEMENT
- Schedule 3 – FRANCHISEE DISCLOSURE QUESTIONNAIRE



Nutrishop Retail Store Franchise Agreement

THIS NUTRISHOP STORE FRANCHISE AGREEMENT (this “Agreement”) is entered into by and between NUTRISHOP, INC., a Nevada corporation (“FRANCHISOR”) and _____, a _____ [corporation, limited liability company, partnership, or sole proprietor] (“YOU”), and made effective this _____ (“Effective Date”).

RECITALS

WHEREAS, FRANCHISOR and its Affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols in operating Nutrishop Stores, which have gained and will continue to gain public acceptance and goodwill, and may create, use, and license other trademarks, service marks, and commercial symbols for Nutrishop Stores (collectively, the “Marks”).

WHEREAS, FRANCHISOR and its Affiliates have, over a considerable time period and with considerable effort, developed (and continue to develop and modify) a system and franchise opportunity for the operation of retail businesses offering Nutrition Products and related Goods. These retail businesses operate under the “Nutrishop” name and other Marks (“Nutrishop Stores”) and have distinctive business formats, methods, procedures, signage designs, layouts, standards, and specifications, and the Marks, all of which FRANCHISOR may improve, further develop, or otherwise modify at any time and from time to time (collectively, the “System”).

WHEREAS, FRANCHISOR has exclusive agreements and associations with certain manufacturers of Nutrition Products for sale in retail stores bearing the Marks.

WHEREAS, FRANCHISOR would like to grant YOU and YOU would like to accept from FRANCHISOR a franchise to own and operate a Nutrishop Store upon the terms and conditions below.

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, and the acts of the parties herein called for to be performed, the parties hereby agree as follows:

Section 1. Grant of Franchise.

Section 1.1. Granting Clause.

FRANCHISOR grants to YOU, and YOU accept from FRANCHISOR, a franchise to operate a Nutrishop Store (the “STORE”) at the Approved Location, and to use the Trade Name, Marks, and System in accordance with the terms of this Agreement, for the term of this Agreement. YOU may use the Approved Location only for the STORE. YOU agree at all times faithfully, honestly, and diligently to perform YOUR obligations under this Agreement and to use YOUR best efforts to promote the STORE.

Section 1.2. Territorial Rights.

With the exceptions described in Sections 1.2.2, 1.2.3, 1.2.4 and 1.2.5 below, FRANCHISOR agrees not to authorize any other franchisee to locate a Nutrishop Store within the Territory, or locate any company-owned Nutrishop Store that uses the Trade Name or System within the Territory. The Territory, as defined by FRANCHISOR, shall be the lesser of: (i) a ten (10) mile radius from the center of the Approved Location or (ii) an area immediately surrounding the Approved Location that encompasses an estimated population of



Nutrishop Store Franchise Agreement

four hundred thousand (400,000) residents. Notwithstanding the foregoing, FRANCHISOR may, from time to time during the term of this Agreement, at FRANCHISOR's sole option and upon providing notice to YOU, reduce or otherwise modify the size and/or boundaries of the Territory to encompass a geographic area immediately surrounding the Approved Location consisting of four hundred thousand (400,000) residents. If at any time during the term of this Agreement the population in the Territory becomes less than four hundred thousand (400,000) residents, FRANCHISOR has no obligation to expand or modify the size and/or boundaries of the Territory to include a greater population. YOU and FRANCHISOR agree that upon any modification to the size and/or boundaries of the Territory pursuant to this Section, FRANCHISOR is authorized to amend this Agreement to reflect such modification. YOU and FRANCHISOR hereby agree that upon the amendment of this Agreement by FRANCHISOR in accordance with this Section, the particular geographic area identified thereon shall be deemed the Territory under this Agreement.

YOU understand and agree that YOUR Territory may, from time to time, overlap with the territories of other franchised or company-owned Nutrishop Stores located outside of YOUR Territory, or located within YOUR Territory pursuant to the terms of Sections 1.2.2, 1.2.4 and 1.2.5. In the event of such overlap(s), the distance between YOUR Approved Location and another Nutrishop Store having an overlapping territory shall be split in half based on the actual distance in miles, and neither YOUR Territorial nor YOUR Advertising Rights shall extend beyond such boundary. In the event that any location YOU wish to target for advertising or sales, such as a commercial gym, is geographically located equally between YOUR Approved Location and the other Nutrishop Store, YOU and the other Nutrishop Store both may advertise at such location, subject to obtaining the consent of the location's owner, which YOU acknowledge and agree is beyond FRANCHISOR's control.

Section 1.2.1. Pro-Shop Territorial Rights.

Notwithstanding the Territorial Rights described above, YOU understand and agree that if the STORE is designated as a Pro-Shop on **Schedule 1**, YOUR Territorial Rights shall be subject to the following terms: YOUR Territory shall consist of the commercial facility in which the Pro-Shop is located and a one (1) mile radius from the center of the commercial facility in which the STORE is located, regardless of population. All other terms of this Agreement concerning Territorial Rights and Advertising Rights shall apply to the STORE.

Section 1.2.2. Franchisor's Reservation of Rights.

Notwithstanding YOUR exclusive Territorial Rights, FRANCHISOR and its Affiliates retain all rights not expressly granted to YOU in this Agreement, including the right to advertise and promote Goods bearing the Marks within the Territory, to offer franchises to others for any Approved Location or Locations outside the Territory, and any other activities not granted to YOU that FRANCHISOR deems appropriate, on such terms and conditions as FRANCHISOR deems appropriate. Specifically, but without limitation, FRANCHISOR reserves the following rights:

1. the right to locate any Nutrishop Store within the borders of YOUR Territory, but only if such store would be at least eleven (11) Driving Miles from YOUR STORE at the Approved Location.
2. if at any time YOU operate a Nutrishop Store or Pro-Shop within a gym located in YOUR Territory under a separate franchise agreement with FRANCHISOR (or its Affiliate) and that franchise agreement is terminated or expires, then FRANCHISOR has the right to operate, or authorize any



Nutrishop Store Franchise Agreement

other franchisee to operate, a Nutrishop Store or Pro-Shop in that gym location within YOUR Territory. YOU understand and agree that, if FRANCHISOR operates or authorizes another franchisee to operate a Nutrishop Store or Pro-Shop in that gym location, then the Nutrishop Store's or Pro-Shop's territory will overlap with YOUR Territory, and YOUR Territorial Rights and Advertising Rights will be restricted as set forth in Section 1.2 hereof.

3. the right to participate in, and to promote the Marks, Trade Name, System, and distribute and sell the Goods, at Major Promotional Events within YOUR Territory.
4. the right to advertise and promote, and the exclusive right to sell Goods bearing the Marks, and the Goods of Approved Suppliers, or any services connected therewith, over the Internet, radio, television, or via Social Media or e-commerce, which sales shall be subject to FRANCHISOR's then current e-commerce policies as set forth in the Operations Manual.
5. the right to acquire the assets or ownership interests of one or more businesses providing products and services the same as or similar to those provided at Nutrishop Stores, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired.
6. the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services the same as or similar to those provided at Nutrishop Stores, or by another business.

Section 1.2.3. Restrictions on Territorial Rights.

YOUR Territorial Rights are expressly limited and restricted as follows:

1. Except as permitted in the Operations Manual, YOU will not sell Goods through any channel of distribution other than sale to retail customers at the STORE (such prohibited sales include, but are not limited to, sales at wholesale; sales to distributors, liquidators or other retail stores; sales through outlets; and sales via catalogs or electronic means such as the internet or via Social Media or e-commerce).
2. YOU will not sublicense, sub-franchise, partition, impair, limit, or divide any of YOUR rights related to the Territory or YOUR right to operate the STORE at the Approved Location.

Section 1.2.4. Delivery Services and Other Sales Away from Store.

YOU may deliver Goods from YOUR STORE to consumers that are located in YOUR Territory and to consumers that are located outside of YOUR Territory, provided that the consumer must not be located within the territory of any other Nutrishop Store franchisee or licensee. If YOU wish to use a third-party to offer delivery services to consumers, YOU must make accommodations for those delivery services in compliance with FRANCHISOR'S standards and procedures in the Operations Manual or otherwise provided in writing by FRANCHISOR.

In addition to delivery services, FRANCHISOR may institute certain policies in the Operations Manual or otherwise allowing YOU to sell Goods away from YOUR STORE.



Nutrishop Store Franchise Agreement

Section 1.2.5. Relocation Conditions.

YOU may Relocate the STORE within the Territory only with FRANCHISOR's prior written consent, which will be granted only if the following conditions are fulfilled:

1. YOU and YOUR Related Parties are in Good Standing under this Agreement, any other Agreement between FRANCHISOR or FRANCHISOR's Related Party and YOU, and the Operations Manual;
2. YOU agree to equip and furnish YOUR new Nutrishop Store so that the premises meets any mandatory or suggested specifications, layouts, and the standards of appearance and function applicable to the premises of new Nutrishop Stores at the time of Relocation;
3. YOU and any Related Parties that are parties to this Agreement sign a general release, in a form satisfactory to FRANCHISOR, of any and all claims against FRANCHISOR and FRANCHISOR's Related Parties; and
4. FRANCHISOR has given its prior written approval to the new site.

Section 1.2.5.1. Limitations on Relocation.

If the above conditions are met to FRANCHISOR's satisfaction, then FRANCHISOR will permit the STORE's Relocation as long as the proposed new site for the STORE is located either (i) outside of the protected territory of all other Nutrishop Store franchisees or (ii) within three-quarters (.75) of a mile from the current Approved Location, whether or not such new site is located within the protected territory of another Nutrishop Store franchisee.

Once YOU have received FRANCHISOR's written consent to Relocate, YOU shall have thirty (30) days of receiving such consent to sign a new lease for the new location and must complete the Relocation and commence operating the STORE at the new Approved Location within ninety (90) days of receiving FRANCHISOR's consent to Relocate.

YOUR new location shall become the new Approved Location for purposes of determining YOUR Territory unless FRANCHISOR determines, in its sole discretion, that such change to the boundaries of YOUR Territory would infringe on the territory of another Nutrishop Store franchisee, and, in such case, YOUR Territory shall remain the same as it was before the Relocation.

Section 1.3. Term & Renewal.

Section 1.3.1. Initial Term.

The initial term of this Agreement will begin on the Opening Date of the STORE, and will expire on the fifth (5th) anniversary of the Opening Date, unless this Agreement is sooner terminated as provided herein.

Section 1.3.2. Renewal.

YOU will have the right, but not the obligation, to enter into three (3) successor Nutrishop Store franchise agreements for additional consecutive terms of five (5) years each on the same terms and conditions as



Nutrishop Store Franchise Agreement

those on which FRANCHISOR is customarily granting new franchises at the time of renewal if at the time of renewal, the following conditions are fulfilled:

1. YOUR and YOUR Related Parties are in Good Standing under this Agreement, any other Agreement between FRANCHISOR or FRANCHISOR's Related Party and YOU, and the Operations Manual;
2. Not less than thirty (30) days prior to the expiration of this Agreement or thirty (30) days after YOU receive a copy of the new Nutrishop Store franchise agreement from FRANCHISOR, whichever is later; YOU and any Related Parties that sign this Agreement sign the form of franchise agreement FRANCHISOR then uses to grant franchises for Nutrishop Stores (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement except that it will have the same Territory as in this Agreement; and
3. YOU and any Related Parties that are parties to this Agreement sign a general release, in a form satisfactory to FRANCHISOR, of any and all claims against FRANCHISOR and FRANCHISOR's Related Parties.

Section 2. FRANCHISOR'S Services.

FRANCHISOR may offer and perform the following services for YOU if, at the time when service is to be rendered, YOU are in in Good Standing under this Agreement and any other agreement(s) with FRANCHISOR or FRANCHISOR Related Party(ies):

Section 2.1. Site Inspection & Selection.

YOU must, on YOUR own initiative and at YOUR own expense, locate, obtain, and occupy the site for the STORE. The site YOU proposed for the STORE must conform to the general guidelines for suitable Nutrishop Store sites as set out in the Operations Manual. FRANCHISOR may, and at no additional charge, inspect any reasonably proposed site for the STORE. FRANCHISOR's prior approval of the proposed site must be obtained in writing in order for such site to be designated as the Approved Location. FRANCHISOR may not withhold its approval unreasonably. FRANCHISOR may, at no additional charge, refer YOU to a real estate broker or agent to work on YOUR behalf in locating and acquiring a site, which YOU may choose to use at YOUR sole discretion.

YOU acknowledge and agree that, if FRANCHISOR suggests, approves, or gives YOU information regarding a site for the Approved Location, FRANCHISOR's action is not a representation or warranty of any kind, express or implied, of the site's suitability for a Nutrishop Store or any other purpose. FRANCHISOR's action indicates only that FRANCHISOR believes that the site meets its then acceptable criteria. Applying criteria that has appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from FRANCHISOR's criteria could change, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond FRANCHISOR's control, and FRANCHISOR is not responsible if a site and premises FRANCHISOR suggests or approves for the location of a Nutrishop Store fails to meet YOUR expectations. Accordingly, YOU acknowledge and agree that YOUR acceptance of the Franchise pursuant to this Agreement is based on YOUR own independent investigation of the site's



Nutrishop Store Franchise Agreement

suitability for the Approved Location.

Section 2.2. Layout and Décor.

The Operations Manual will give YOU sample plans and specifications to guide YOU in constructing tenant improvements to, furnishing, and equipping the STORE. YOU will, at YOUR own expense, tailor the plans and specifications provided by FRANCHISOR for YOUR individual use and will then submit the customized plans and specifications to FRANCHISOR for written approval, which may not be unreasonably withheld.

Section 2.3. Training.

FRANCHISOR will offer and provide training to YOU and certain members of YOUR management team and staff, as outlined below:

Section 2.3.1. Orientation Training.

If the STORE is YOUR first Nutrishop Store, then before the opening of the STORE, FRANCHISOR will conduct a two (2) week long Orientation Training for the operation of the STORE under the Nutrishop System for up to two (2) attendees, one of whom must be YOUR Designated Manager. This training will be at no cost to YOU, except that travel, meals, and lodging and other incidental expenses incurred by YOU or YOUR personnel shall be at YOUR expense. If YOU or YOUR Managing Owner complete FRANCHISOR's Orientation Training, then YOU or YOUR Managing Owner, as applicable, may provide similar orientation training to any successor Designated Managers YOU appoint instead of the successor Designated Managers attending FRANCHISOR's Orientation Program. All successor or replacement Designated Managers must either attend and successfully complete FRANCHISOR's Orientation Training or receive similar orientation training from YOU or YOUR Managing Owner. YOU must employ at all times a Designated Manager who can train the STORE's other personnel.

Section 2.3.2. Continuing Education.

FRANCHISOR may offer optional continuing education programs and require continuing education programs on matters related to the operation or promotion of the STORE, as set forth in the Operations Manual. Besides attending these programs, YOU agree to attend an annual meeting of Nutrishop Store franchisees at a location FRANCHISOR designates, if FRANCHISOR organizes and plans (at FRANCHISOR's option) such a meeting. FRANCHISOR will not require in-person attendance for more than two (2) days during any calendar year. YOU agree to pay all costs to attend these meetings and continuing education programs.

Section 2.4. Consultation.

FRANCHISOR, for no additional charge, will use reasonable efforts to make its personnel available to YOU (by phone, video conference or in-person at FRANCHISOR's sole discretion) for consultation throughout the term of the franchise in a timely manner for no additional charge.



Nutrishop Store Franchise Agreement

Section 2.5. Nutrishop Store Operations Manual.

FRANCHISOR will provide YOU access to one copy of an Operations Manual containing best practices, as well as instructions for use of the Marks, specifications for Goods that will be used in or sold by the STORE, information on marketing, management, and administration methods developed by FRANCHISOR for use in the STORE, names of Approved Suppliers, and other information that FRANCHISOR believes may be necessary or helpful to YOU in YOUR operation of the STORE. FRANCHISOR may revise the Operations Manual periodically to conform to the changing needs of the System. The Operations Manual, and all updates, will be provided to YOU electronically or in such other format as FRANCHISOR deems appropriate.

Section 2.6. Advertising Services.

FRANCHISOR, for no additional charge, will use reasonable efforts to assist YOU in designing and developing certain Advertisements for YOUR Territory. All printing, reproduction, publication, broadcasting and distribution of YOUR Advertisements for YOUR Territory shall be at YOUR own expense. FRANCHISOR may, from time to time, provide templates for Advertisements at no additional charge. All Advertisements must be pre-approved by FRANCHISOR in accordance with Section 4.1.1.2 below.

Section 2.6.1. Store Websites.

Subject to the terms and conditions of this Agreement, FRANCHISOR will allow YOU to establish and maintain a Website to promote the STORE via the Internet (the "Franchisee Website"). YOU shall not establish or maintain a Website other than in strict compliance with this Section. YOU shall obtain FRANCHISOR's prior written approval of any domain names relating to the Franchisee Website. YOU are responsible for adapting and modifying FRANCHISOR's standard Website template for use to promote the STORE. Before establishing the Franchisee Website, YOU shall submit to FRANCHISOR for its prior written approval a sample of the proposed website format, visible content (such as proposed screen shots) and non-visible content (such as meta tags) in the form and manner that FRANCHISOR requires. YOU may not launch, maintain or authorize the Franchisee Website or any content on the Franchisee Website that FRANCHISOR has not approved. YOU shall make no material modifications to an approved Franchisee Website without FRANCHISOR's prior written consent. YOU shall comply with all standards that FRANCHISOR periodically promulgates with respect to Franchisee Websites, including, among other things: (a) specify the structure, layout and design of the Franchisee Website; (b) include style guides to ensure consistent and uniform presentation of the Marks, the authorized Goods and approved services, and the image, look and feel of Nutrishop Stores and Websites; (c) specify the visible content (including, but not limited to, all graphics and text) and non-visible content (including, but not limited to, metatags); (d) establish standards for performance, uptime and reliability; (e) require hyperlinks between the Franchisee Website and FRANCHISOR's or its Affiliate's Website; (f) prohibit all hyperlinks not accepted in writing by FRANCHISOR; and (g) require YOU to obtain and use designated or accepted software or other technologies (which may require YOU to obtain licenses from third party suppliers). YOU shall obtain all necessary rights and licenses to use all artwork, photographs, text and other intellectual property used on or in conjunction with the Franchisee Website. YOU acknowledge that FRANCHISOR has final approval rights over all information on the Franchisee Website.



Nutrishop Store Franchise Agreement

YOU must pay to FRANCHISOR (or a third party designated by FRANCHISOR) a Franchisee Website development fee and an annual Franchisee Website hosting fee in the amounts required by FRANCHISOR in the Operations Manual or otherwise in writing. FRANCHISOR will have final approval of all aspects of the Franchisee Website, including its structure, layout, content, design and functionality.

YOU acknowledge and agree that the contents of the Franchisee Website remain the sole and exclusive property of FRANCHISOR or its Affiliate. By entering into this Agreement, YOU hereby grant (and agree to take any further necessary action to grant) FRANCHISOR a global, perpetual, irrevocable, and exclusive royalty-free license to incorporate any versions of, or modifications, additions or improvements to, the Franchisee Website content created by YOU or YOUR owners, or any of YOUR respective employees, agents or contractors ("**Website Improvements**") in the System for use on the Websites operated by FRANCHISOR, its Affiliates and FRANCHISOR'S other franchisees and licensees.

Section 2.7. Suppliers & Goods.

Section 2.7.1. Approved Suppliers.

FRANCHISOR will give YOU, in the Operations Manual or otherwise in writing, a list of names and contact information of Approved Suppliers of Goods and services YOU may offer and sell in the STORE that currently meet FRANCHISOR's standards and specifications. FRANCHISOR may limit or expand the number of Approved Suppliers with whom YOU may deal and/or designate sources that YOU must use for a particular item or service. YOU will be required to enter into a Product Distribution Agreement with FRANCHISOR's Approved Supplier(s) and distributor(s) of Goods.

In advising YOU of Approved Suppliers which meet its standards and specifications, FRANCHISOR EXPRESSLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS AS TO THE CONDITION OF THE GOODS OR SERVICES SOLD BY SUCH SUPPLIERS, INCLUDING, WITHOUT LIMITATION, EXPRESSED OR IMPLIED WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR ANY INTENDED PURPOSE. YOU AGREE TO LOOK SOLELY TO THE MANUFACTURER OF GOODS OR THE SUPPLIER OF SERVICES FOR THE REMEDY FOR ANY DEFECT IN THE GOODS OR SERVICES.

Section 2.7.2. Nutrishop Promotional Items.

If you elect to sell Promotional Items at the STORE, YOU must sell only those Promotional Items YOU purchase from FRANCHISOR's designated supplier(s). If you elect to give away Promotional Items at the STORE, YOU must give away only those Promotional Items YOU purchase from FRANCHISOR's approved supplier(s). Except in limited circumstances as may be set forth in the Operations Manual from time to time, YOU must not manufacture, give away or sell, or cause to be manufactured or produced any Promotional Items, unless approved FRANCHISOR, which approval FRANCHISOR may withhold in its sole discretion.

Section 3. Payments by YOU.

Section 3.1. Initial Fee.

In consideration of FRANCHISOR's entering into this Agreement, upon executing this Agreement YOU



Nutrishop Store Franchise Agreement

will pay FRANCHISOR in a form of payment acceptable to FRANCHISOR, such as cashier's check or wire transfer, a one-time initial fee of TWENTY THOUSAND DOLLARS (\$20,000.00), unless (i) the STORE is designated as a Pro-Shop, in which case the initial fee shall be equal to TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00) or (ii)(a) YOU are an existing Nutrishop Store franchisee in good standing under YOUR Nutrishop Store franchise agreement with FRANCHISOR and YOUR product distribution agreement(s) with FRANCHISOR's Approved Supplier(s) and distributor(s) of Goods and (b) this Agreement governs the operation of a Nutrishop Store at an Approved Location YOU are converting from an existing nutrition store that is not a Nutrishop Store, in which case the initial fee shall be waived. If YOUR Designated Manager does not complete the initial training course to FRANCHISOR's satisfaction prior to the Opening Date, FRANCHISOR may elect to cancel this Agreement and refund YOUR initial fee less costs incurred by FRANCHISOR prior to cancellation. Otherwise, the initial fee is nonrefundable and fully earned by FRANCHISOR when YOU sign this Agreement.

Section 4. YOUR Obligations.

Section 4.1. Use of Trade Name & Marks.

YOU must use the Trade Name and Marks only in YOUR operation of the STORE under the terms of this Agreement, and subject to the terms of the Operations Manual. Subject to YOUR Advertising Rights, YOU must use commercially reasonable efforts to promote a positive image of the STORE and the Goods it sells.

Section 4.1.1. Advertising & Marketing.

YOU agree to comply with FRANCHISOR's written policies and procedures on Advertising as set forth in the Operations Manual. FRANCHISOR reserves the right to update, modify, and amend such policies and procedures as necessary to reflect changes in systems, law, or best practices. Such policies and procedures, and all subsequent updates, modifications and amendments, shall be made reasonably available to YOU. YOU may advertise and promote the STORE, and Goods bearing the Marks throughout YOUR Territory and outside of YOUR Territory, or on the Internet and in Social Media, provided that no such Advertisements may be made or appear, or target Customers residing, in another Nutrishop franchisee's territory, such as by publishing, posting, or circulating Advertisements in another Nutrishop franchisee's territory. YOU understand and agree that the nature of certain forms of Advertising can and may result in the Advertisements of other franchisees reaching YOUR Territory from time to time, including, without limitation and subject to any restrictions herein or in the Operations Manual, the Internet, Social Media, t-shirts and vehicle wrap Advertisements and Promotional Items (such as apparel) of other franchisees.

Section 4.1.1.1. Radio & Television Advertising

Under no circumstances may YOU exercise the Advertising Rights via radio or television without the prior written approval of FRANCHISOR. FRANCHISOR will not unreasonably deny such approval, except that it will not approve any radio or television Advertising that, in FRANCHISOR's opinion, negatively impacts or infringes on the rights of another franchisee, unless the impacted franchisee(s) approve(s) in writing.

Section 4.1.1.2. Major Promotional Events and Promotional Events.

YOU may sponsor or exhibit at a Major Promotional Event within YOUR Territory so long as the Major Promotional Event is not also within the territory of another Nutrishop Store franchisee or licensee, in which



Nutrishop Store Franchise Agreement

case you must first obtain FRANCHISOR's approval, which approval FRANCHISOR may withhold in its sole discretion.

YOU may participate in Promotional Events in YOUR Territory as a sponsor or exhibitor. FRANCHISOR may prohibit YOU from participating in any Promotional Event which FRANCHISOR determines, in its sole discretion, (i) does not comply with FRANCHISOR's mission and values as a business, or (ii) might injure the goodwill of the Marks and System.

Section 4.1.1.3. Submission & Approval of Advertisements.

YOU agree to submit to FRANCHISOR copies of all Advertisements that YOU propose to use, or to submit any request for an Advertisement from FRANCHISOR, with at least seven (7) days' notice. FRANCHISOR will review the Advertisements within a reasonable time and will promptly notify YOU whether it approves or rejects them. If YOU do not receive written approval within seven (7) calendar days after YOU submit the proposed Advertising to FRANCHISOR for approval, YOU should follow up with FRANCHISOR because they are deemed to be disapproved until YOU receive FRANCHISOR's written approval. For purposes of this paragraph, Advertisements that differ from previously approved materials only in date will be considered previously approved. Even if FRANCHISOR has approved specified materials, it may later withdraw its approval if it reasonably believes it necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising, including any misrepresentation in the Advertisement.

Section 4.1.1.4. Use of Third-Parties.

YOU agree to obtain FRANCHISOR's prior written consent, and to comply with all mandatory policies in the Operations Manual, before entering any third-party agreement relating to advertising. This includes, without limitation, modeling contracts, and contracts with certain third-party vendors including photographer, videographers, and designers. YOU further agree to comply with any FRANCHISOR policies relating to YOUR use of employees or Customers in Advertisements.

Section 4.1.1.5. Required Promotions & Sales.

YOU will not be required to participate in any sales promotion proposed by FRANCHISOR. However, if YOU participate in any particular sales promotion, YOU agree to abide by the terms of the promotion, which terms FRANCHISOR may revise from time to time during the term of this Agreement.

Section 4.2. Unauthorized Representations.

Except for any representations or warranties provided by FRANCHISOR or any of FRANCHISOR's Related Parties with respect to the Goods, YOU will not in any communications, oral, written, or otherwise, or in any Advertisements, to any person or other Entity warrant, advertise, state, represent, suggest, or imply that FRANCHISOR or any of FRANCHISOR'S Related Parties has tested, inspected, analyzed, investigated, researched, compared, surveyed, warranted, guaranteed, endorsed, or approved any Goods, in any respect or for any purpose, including but not limited to, quality, safety, efficacy, labeling, packaging, efficiency, strength, purity, economy, consumer preference, or advertising.



Nutrishop Store Franchise Agreement

Section 4.3. Quality Control.

YOU agree to use best practices in YOUR operation of the STORE and to at all times use lawful and professional methods to promote the STORE and its Goods, and to ensure that YOUR employees and Related Parties do the same.

Section 4.3.1. Opening.

YOU may not open the STORE to the public until YOU have completed all pre-opening conditions outlined in the Operations Manual to FRANCHISOR's satisfaction and YOU have received FRANCHISOR's prior written approval to open. If, for any reason, YOU fail to complete all pre-opening conditions within one-hundred and eighty (180) days of the agreed-on Opening Date, YOU will be in material breach of this Agreement. By providing its prior written approval for YOU to open the STORE to the public, FRANCHISOR does not warrant that the STORE will be successful. Success is dependent on a number of factors, including YOUR skill and hard work, general economic conditions and market competition, none of which are within FRANCHISOR's control.

Section 4.3.2. Compliance with Operations Manual.

YOU must operate the STORE in full compliance with the mandatory standards and specifications set out in the Operations Manual. FRANCHISOR may make changes in these standards and specifications as it deems appropriate from time to time.

Section 4.3.3. Adequate Staffing; Regular Business Hours.

YOU must maintain at all times a staff of trained employees sufficient to operate the STORE. YOU must keep the STORE open for business to the public during Regular Business Hours on all Nutrishop Business Days, and ensure that it is adequately staffed. YOU may close YOUR Store during Regular Business Hours in the event of an emergency threatening bodily injury, or property damage, for up to five (5) days without notifying FRANCHISOR. All other closures will require the prior written consent of FRANCHISOR.

Section 4.3.4. Health & Safety.

YOU must, at all times, keep the STORE in a clean, safe, and healthy condition, in compliance with the Operations Manual and all applicable health and safety laws.

Section 4.3.5. Goods & Services Offered.

YOU agree that the STORE will offer for sale all of the required Goods and other products and services that FRANCHISOR specifies from time to time during the term of this Agreement. YOU may purchase Goods that are to be sold or used in the STORE from any Approved Supplier. YOU agree that YOU will not offer for sale or sell at the STORE or any other location any unauthorized Goods or other products or services FRANCHISOR specifies from time to time during the term of this Agreement. If YOU would like to use or sell any goods or products not previously authorized by FRANCHISOR or which is sold by a supplier not previously approved by FRANCHISOR, YOU must provide written notice to FRANCHISOR in the form FRANCHISOR requires and, upon FRANCHISOR's request, give FRANCHISOR product specifications, sample products, and/or information about the supplier. FRANCHISOR will communicate



Nutrishop Store Franchise Agreement

to YOU either its approval or its reasons for withholding approval. Silence by FRANCHISOR may not be construed as consent. As a condition of approving a supplier of any product that will bear the Marks, FRANCHISOR may require that the supplier sign a license agreement in a form acceptable to FRANCHISOR. FRANCHISOR may withdraw its approval of a supplier or product if either or both no longer meet FRANCHISOR's standards or specifications, in which case YOU must immediately cease to (i) purchase the product(s) from that supplier and/or (ii) offer and sell such product from the STORE.

Section 4.3.5.1. Unapproved Goods & Services.

YOU acknowledge and agree that YOU and YOUR Related Parties will not advertise, promote, sell, distribute, or cause to be sold, any goods or products that are prohibited by FRANCHISOR from time to time during the term of this Agreement, or goods that violate State or federal law including, without limitation: (a) pro-steroids, (b) pro-hormones, (c) SARMS, (d) ephedrine products (ma huang, ephedra, ephedra derivatives), or (e) DMAA, Methylhexanamine, 1, 3-dimethylamylamine, Picamilon, Dendrobium, Methylsynephrine, Higenamine or Vinpocetine. YOU acknowledge and agree that FRANCHISOR has the right to add to or delete from the list of goods and products that it prohibits YOU and YOUR Related Parties to advertise, promote, sell, distribute, or cause to be sold from time to time.

Section 4.3.5.2. Resale Prices.

FRANCHISOR reserves the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the prices YOU may charge for Goods obtained from FRANCHISOR and its Affiliates. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which YOU may charge customers for the Goods obtained from FRANCHISOR or any of its Affiliates; recommending retail prices; advertising specific retail prices for some or all of the Goods obtained from FRANCHISOR or any of its Affiliates; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which the STORE may charge the public for the Goods obtained from FRANCHISOR or any of its Affiliates. FRANCHISOR may engage in any such activity either periodically or throughout the term of this Agreement. Further, FRANCHISOR may engage in such activity only in certain geographic areas (cities, states, regions) and not others, or with regard to certain subsets of franchisees and not others. This Section 4.3.5.2 is not an agreement or understanding with YOU with respect to the minimum prices YOU charge for any of the Goods obtained from FRANCHISOR or any of its Affiliates.

Section 4.3.6. Nutrition Products.

FRANCHISOR does not manufacture, produce, or distribute Nutrition Products of any kind. Any Nutrition Products bearing FRANCHISOR's or FRANCHISOR's Affiliates' trademarks, service marks, or commercial symbols are unique and their formulas and manufacturing processes constitute trade secrets integral to the success of the System.

Section 4.3.7. Notification of Legal Actions & Investigations.

YOU must notify FRANCHISOR promptly if YOU are served with a complaint in any legal proceeding that is in any way related to the STORE, the Marks, the System, or any Goods bearing the Marks, or if YOU become aware that YOU are, or the STORE is the subject of any complaint to or investigation by a governmental authority or consumer protection agency. YOU agree not to take any formal action on such



Nutrishop Store Franchise Agreement

matters without first providing FRANCHISOR such notice unless doing so would be unlawful.

Section 4.3.8. Social Media.

If YOU choose to use any Social Media page(s) to advertise or promote the STORE, YOU must comply with FRANCHISOR's mandatory terms and conditions as set forth in FRANCHISOR's advertising policies in the Operations Manual. In addition, YOU must ensure that the Social Media page used to promote the STORE is readily distinguishable as a business page, separate and distinct from a private or personal Social Media page.

Section 4.4. Signs.

YOU agree to place or display at the premises of the STORE (interior and exterior) and on any vehicles YOU use to promote the STORE (if applicable) only the signs, emblems, lettering, logos, and display materials that FRANCHISOR approves in writing at any time and from time to time.

Section 4.4.1. Criticism & Negative Statements.

YOU and YOUR owners agree that neither YOU nor YOUR owners will disparage or defame FRANCHISOR or its affiliates, officers, employees or franchisees in any respect or make any disparaging comments concerning YOUR business relationship with FRANCHISOR, the System, any Approved Supplier, or any other franchised Nutrishop Store or Nutrishop Store owner.

Section 4.5. Reports & Audits.

FRANCHISOR may, either in-person or virtually, inspect the STORE and YOUR books and records concerning the STORE to confirm YOUR compliance with the terms of this Agreement, to the extent that it is required to do so by law, or pursuant to any third-party discovery request, regulatory examination, or subpoena.

Section 4.6. Insurance.

YOU must purchase and maintain in force at YOUR sole expense the designated categories of insurance coverage, all containing the designated minimum liability coverage, that FRANCHISOR prescribes at any time and from time to time in the Operations Manual (unless otherwise indicated below). The categories of insurance coverage may include:

1. Professional liability insurance;
2. Broad form comprehensive public liability, general liability, product liability, and contractual liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the STORE's operation;
3. All risk or special form coverage on YOUR premises, including machinery coverage extending to all improvements and alterations, trade fixture, and business personal property having adequate limits to replace all that is damaged as caused by, or occurring in connection with, the STORE's operation;



Nutrishop Store Franchise Agreement

4. Business interruption insurance to cover the rent of the STORE, previous profit margins, maintenance of competent personnel and other fixed expenses for the duration of the interruption to the STORE's operation;
5. If any vehicle is used in connection with the operation of the STORE, motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the STORE's operation;
6. Worker's compensation and employer's liability insurance (in amounts authorized by statute), unemployment insurance and state disability insurance (as required by governing law) for YOUR employees;
7. In connection with any construction, refurbishment, and/or remodeling of the STORE, builder's and/or contractors insurance (as applicable), lien insurance, and performance and completion bonds in forms and amounts acceptable to FRANCHISOR; and
8. Insurance coverage of such type, nature and scope sufficient to satisfy YOUR indemnification obligations under Section 6.4 below.

Such policy or policies shall be written by an insurance company rated A-minus or better, in Class 10 or higher, by Best Insurance Ratings Service and satisfactory to FRANCHISOR in accordance with the standards and specifications set forth in this Agreement or otherwise in writing. FRANCHISOR may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance employment practices liability insurance, and cyber insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Required coverage shall include insurers' waiver of subrogation against FRANCHISOR and YOU shall waive rights of recovery against FRANCHISOR.

These insurance policies must name FRANCHISOR, any affiliates FRANCHISOR designates, and the Indemnified Parties as additional named insureds for claims arising from the STORE's operation and provide for ten (10) days' prior written notice to FRANCHISOR of a policy's material modification, cancellation or expiration. These insurance policies must be primary to and without right of contribution from any other insurance policy purchased by FRANCHISOR or any other Indemnified Party; must not limit or reduce coverage for YOU if there is a claim by FRANCHISOR or any one or more of the other Indemnified Parties; must extend to and provide indemnity for all of YOUR indemnification obligations to FRANCHISOR and the other Indemnified Parties under this Agreement, must contain endorsements by the insurance companies waiving all rights of subrogation, and must stipulate that FRANCHISOR receive copies of all notices of material alteration, termination, cancellation, non-renewal or coverage reduction or elimination. YOU agree not to reduce the policy limits, restrict coverage, cancel or otherwise alter or amend YOUR insurance policies without FRANCHISOR's prior written consent. If there is a claim by FRANCHISOR or any one or more of the other Indemnified Parties against YOU, YOU must, upon FRANCHISOR's request, assign to FRANCHISOR all rights which YOU then have or thereafter may have with respect to the claim against the insurer(s) providing the coverages described above.



Nutrishop Store Franchise Agreement

YOU must provide FRANCHISOR with copies of YOUR Certificates of Insurance or other evidence FRANCHISOR requires evidencing the required coverages no later than ten (10) days before YOU commence operations at the STORE, and thereafter at least thirty (30) days prior to the expiration of any such policy or policies, and of continued coverage during the term of this Agreement. YOU must furnish FRANCHISOR, on an annual basis, copies of YOUR Certificates of Insurance or other evidence FRANCHISOR requires of YOUR maintaining this insurance coverage and paying premiums. YOU must furnish FRANCHISOR the original policies evidencing all such insurance coverages within five (5) days of FRANCHISOR's written request. YOU agree to renew all policies and documents, and to furnish FRANCHISOR copies of renewal Certificates of Insurance or other evidence FRANCHISOR requires of YOUR maintaining this insurance coverage and paying premiums prior to the expiration date of the policy.

Section 4.7. Financial & Legal Responsibility.

Section 4.7.1. Compliance with Law.

YOU must comply with all federal, state, and local laws and regulations pertaining, directly or indirectly, to the STORE, including without limitation California's *Safe Drinking Water and Toxic Enforcement Act of 1986* (commonly known as "Prop. 65"), if applicable. YOU acknowledge that FRANCHISOR may impose standards and specifications concerning these laws with which YOU must comply. YOU are responsible to keep current and maintain all licenses, permits, records, bonds, and deposits made to or required by any government agency in connection with the operation of the STORE. Notwithstanding anything to the contrary in this Agreement, YOU acknowledge that as an independent business, YOU are responsible for the control and management of the STORE and the business YOU conduct under this Agreement.

Section 4.7.2. Payment of Indebtedness.

YOU must pay promptly when due all taxes and debts that YOU incur in the conduct of the business YOU conduct under this Agreement.

Section 4.8. Protection of Customer Data.

YOU must ensure that YOUR STORE adheres to retail industry standards or any additional standards required by FRANCHISOR applicable to information security, cyber security and electronic payments, including information security and PCI (Payment Card Industry) standards and/or any equivalent thereof. YOU must immediately (in any event within twenty-four (24) hours) notify FRANCHISOR if YOU suspect or have been notified by any third party of a possible security breach related to the cashless system (or related cashless data) used in YOUR STORE.

Section 5. MARKS.

Section 5.1. Ownership and Goodwill of Marks.

FRANCHISOR owns the Marks. Therefore, YOU agree and acknowledge that the Marks are FRANCHISOR's exclusive property, and that FRANCHISOR is granting YOU a license to use the Marks in connection with the STORE's development and operation. YOUR right to use the Marks is derived only from this Agreement and is limited to YOUR operating the STORE according to this Agreement and all



Nutrishop Store Franchise Agreement

standards FRANCHISOR prescribes for the System. YOUR unauthorized use of the Marks is a breach of this Agreement and infringes FRANCHISOR's rights in the Marks. YOU acknowledge and agree that YOUR use of the Marks and any goodwill established by that use are exclusively for FRANCHISOR's benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon YOU (other than the right to operate the STORE under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks FRANCHISOR authorizes YOU to use. YOU may not at any time during or after the term of this Agreement contest, or assist any other person in contesting, the validity, or FRANCHISOR's ownership, of the Marks.

Section 5.2. Limitations on YOUR Use of Marks.

YOU agree to use the Trade Name as the STORE's sole identification, except that YOU agree to identify yourself as its independent owner in the manner FRANCHISOR prescribes. YOU may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos FRANCHISOR has licensed to YOU), (3) in selling any unauthorized services or products, (4) as part of any domain name, homepage, electronic address, or otherwise in connection with a Website, or (5) in any other manner that FRANCHISOR has not expressly authorized in writing.

YOU may not use any Mark in advertising the transfer, sale, or other disposition of the STORE or an ownership interest in YOU without FRANCHISOR's prior written consent, which FRANCHISOR will not unreasonably withhold. YOU agree to display the Marks prominently as FRANCHISOR prescribes at the STORE and on forms, advertising, supplies, and other materials FRANCHISOR designates. YOU agree to use the notices of trade and service mark registrations that FRANCHISOR specifies and to obtain any fictitious or assumed name registrations required under applicable law.

Section 5.3. Notification of Infringements and Claims.

YOU agree to notify FRANCHISOR immediately of any apparent infringement or challenge to YOUR use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than FRANCHISOR, FRANCHISOR's attorneys, and YOUR attorneys, regarding any infringement, challenge, or claim. FRANCHISOR may take the action FRANCHISOR deems appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office ("USPTO") proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. YOU agree to sign any documents and take any other reasonable action that, in the opinion of FRANCHISOR's attorneys, are necessary or advisable to protect and maintain FRANCHISOR's interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain FRANCHISOR's interests in the Marks.

Section 5.4. Discontinuance of Use of Marks.

If, in FRANCHISOR's sole judgment, it becomes advisable at any time for FRANCHISOR and/or YOU to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, YOU agree to comply with FRANCHISOR's directions within a reasonable time after receiving notice. If FRANCHISOR requires YOU to change the STORE's signage, FRANCHISOR shall reimburse YOU for YOUR direct expenses of doing so; however, FRANCHISOR need not reimburse YOU for any



Nutrishop Store Franchise Agreement

loss of revenue due to any modified or discontinued Mark, or for YOUR expenses of promoting a modified or substitute trademark or service mark.

FRANCHISOR's rights in this Section 5.4 apply to any and all of the Marks (and any portion of any Mark) that FRANCHISOR authorizes YOU to use in this Agreement. FRANCHISOR may exercise these rights at any time and for any reason that FRANCHISOR thinks best. YOU acknowledge both FRANCHISOR's right to take this action and YOUR obligation to comply with FRANCHISOR's directions.

Section 5.5. Indemnification for Use of Marks.

FRANCHISOR agrees to reimburse YOU for all damages and reasonable expenses that YOU incur in any trademark infringement proceeding disputing YOUR authorized use of any Mark under this Agreement if YOU have timely notified FRANCHISOR of, and comply with FRANCHISOR's directions in responding to, the proceeding. At FRANCHISOR's option, FRANCHISOR may defend and control the defense of any proceeding arising from YOUR use of any Mark under this Agreement.

Section 6. Relationship of Other Parties.

Section 6.1. Independent Status.

YOU and FRANCHISOR understand and agree that this Agreement does not create a fiduciary relationship between YOU and FRANCHISOR, that YOU and FRANCHISOR are and will be independent contractors, and that nothing in this Agreement is intended to make either YOU or FRANCHISOR a general or special agent, joint venturer, partner, or employee of the other for any purpose. YOU agree to identify yourself conspicuously in all dealings with Customers, suppliers, public officials, STORE personnel, and others as the STORE's owner under a franchise FRANCHISOR has granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials FRANCHISOR requires at any time and from time to time.

None of YOUR employees or other personnel will be considered to be FRANCHISOR's employees or personnel. Neither YOU nor any of YOUR employees or personnel whose compensation YOU pay may in any way, directly or indirectly, expressly or by implication, be construed to be FRANCHISOR's employee or personnel for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, provincial, or federal governmental agency. FRANCHISOR will not have the power to hire or fire YOUR employees or personnel. YOU expressly agree, and will never contend otherwise, that FRANCHISOR's authority under this Agreement to certify certain of YOUR employees or personnel for qualification to perform certain functions for the STORE does not directly or indirectly vest in FRANCHISOR the power to hire, fire or control any such employee. YOU acknowledge and agree, and will never contend otherwise, that YOU alone will exercise day-to-day control over all operations, activities and elements of the STORE and that under no circumstance shall FRANCHISOR do so or be deemed to do so. YOU further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which YOU are required to comply with under this Agreement, whether set forth in the Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that FRANCHISOR controls any aspect or element of the day-to-day operations of the STORE, which YOU alone control, but only constitute standards YOU must adhere to when exercising YOUR control of the day-to-day operations of the STORE.



Nutrishop Store Franchise Agreement

Section 6.2. No Liability for Acts of Other Party.

FRANCHISOR and YOU may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that FRANCHISOR's respective relationship is other than franchisor and franchisee. FRANCHISOR will not be obligated for any damages to any person or property directly or indirectly arising out of the STORE's operation or the business YOU conduct under this Agreement.

Section 6.3. Confidentiality & Nondisclosure.

FRANCHISOR possesses (and will continue to develop and acquire) Confidential Information relating to developing and operating Nutrishop Stores. YOU acknowledge and agree that YOU will not acquire any interest in Confidential Information, other than the right to use it as FRANCHISOR specifies in operating the STORE during the term of this Agreement, and that Confidential Information is proprietary, includes FRANCHISOR's trade secrets, and is disclosed to YOU only on the condition that YOU agree, and YOU in fact do agree, that YOU:

1. will not use Confidential Information in any other business or capacity;
2. will keep each item deemed to be part of Confidential Information absolutely confidential, during the term of this Agreement and then thereafter for as long as the item is not generally known in the nutrition or retail industry;
3. will not sell, trade or otherwise profit in any way from the Confidential Information (including by selling or assigning any Customer names, addresses, phone numbers, e-mail contact information, or related data), except using methods that FRANCHISOR may have authorized or approved in FRANCHISOR's sole judgment;
4. will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form;
5. will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to STORE personnel and others and using non-disclosure and non-competition agreements with those having access to Confidential Information. FRANCHISOR has the right to regulate the form of agreements that YOU use and to be a third party beneficiary of those agreements with independent enforcement rights. The current forms of Nondisclosure and Non-Competition Agreement and Nondisclosure Agreement are attached as **Schedules 2A and 2B**, respectively; and
6. will notify FRANCHISOR within twenty-four (24) hours of any unauthorized use or disclosure of Confidential Information (whether by YOU or any STORE employees or personnel).

All ideas, concepts, techniques, or materials relating to a Nutrishop Store, whether or not protectable intellectual property and whether created by or for YOU or YOUR owners or employees, must be promptly disclosed to FRANCHISOR. By entering into this Agreement, YOU hereby grant (and will take any further necessary action to grant) FRANCHISOR a global, perpetual, irrevocable, and exclusive royalty-free



Nutrishop Store Franchise Agreement

license to incorporate those ideas, concepts, techniques and materials in the System for use in all Nutrishop Stores operated by FRANCHISOR, its Affiliates and its franchisees and licensees. YOU may not use any such idea, concept, technique or material in connection with the STORE without FRANCHISOR's prior approval.

Section 6.4. Indemnification.

YOU agree to indemnify, defend, and hold harmless FRANCHISOR, FRANCHISOR's Affiliates, and its and their respective Related Parties (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the STORE's operation, employment matters in connection with the STORE, the business YOU conduct under this Agreement, or YOUR breach of this Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by FRANCHISOR's gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. YOU agree to give FRANCHISOR and the Indemnified Parties written notice of any action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any of the Indemnified Parties within three (3) days of YOUR actual or constructive knowledge of it. The Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any claim; and (ii) control the response thereto and the defense thereof, including the right to enter into settlements or take any other remedial, corrective, or other actions. YOU agree to give YOUR full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such claim, including court costs and reasonable attorneys' fees, within ten (10) days of the date of each invoice delivered by the Indemnified Parties to YOU enumerating such costs, expenses and attorneys' fees.

For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its or their losses and expenses, in order to maintain and recover from third parties fully a claim against YOU under this subparagraph. YOU agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from YOU under this subparagraph. YOUR or any of the other Indemnified Parties' undertaking of defense and/or settlement will in no way diminish YOUR obligation to indemnify FRANCHISOR and the other Indemnified Parties and to hold FRANCHISOR and any of the Indemnified Parties harmless.

Section 6.5. Covenant Not to Compete.

YOU acknowledge that FRANCHISOR has granted YOU the Nutrishop Store franchise under this Agreement in consideration of and reliance upon YOUR agreement to deal exclusively with



Nutrishop Store Franchise Agreement

FRANCHISOR. YOU therefore agree that, during the term of this Agreement, neither YOU, any of YOUR owners, nor any of YOUR or YOUR owners' spouses will:

1. have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating;
2. perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;
3. divert or attempt to divert any actual or potential business or Customer of the STORE to a Competitive Business;
4. manufacture, produce, or cause to be manufactured or produced, Nutrition Products;
5. directly or indirectly loan any money or other thing of value to, or guarantee any other person's loan to, any Competitive Business or any owner, director, officer, manager, employee or agent of any Competitive Business, wherever located or operating; or
6. engage in any other activity which, in FRANCHISOR's reasonable opinion, might injure the goodwill of the Marks and System.

YOU agree to have all of the following persons sign, and YOU will submit to FRANCHISOR executed copies of, FRANCHISOR's then current form of Nondisclosure and Non-Competition Agreement from all of the following persons: (i) YOUR Designated Manager, prior to his/her employment; and (ii) if YOU are an Entity, all YOUR officers, directors, shareholders, partners, members and owners, and those of any Entity directly or indirectly controlling YOU, concurrent with the execution of this Agreement, or at such time as they assume such status. YOU also agree to have any supervisory or other employees who have received or will receive training from FRANCHISOR, prior to their employment, sign, and YOU will submit to FRANCHISOR executed copies of, FRANCHISOR's then current form of Nondisclosure Agreement. You agree to provide FRANCHISOR copies of all executed Nondisclosure and Non-Competition Agreements and Nondisclosure Agreements no later than ten (10) days following their execution.

Section 6.6. Non-Solicitation.

YOU understand and acknowledge that because of YOUR experience and relationship with FRANCHISOR, YOU have had access to and learned about much or all of the System and FRANCHISOR's trade secrets and other such Confidential Information. Accordingly, YOU covenant and agree that, during the term of this Agreement and for a period of three (3) years after its expiration or termination for any reason, whichever is applicable, YOU shall not, without the prior written consent of FRANCHISOR, directly or indirectly solicit any other Nutrishop Store franchisee for the purpose of soliciting, marketing, promoting or servicing any product or service to such Nutrishop Store franchisee.



Nutrishop Store Franchise Agreement

Section 7. Transfer of Franchise.

Section 7.1. Purpose of Conditions for Approval of Transfer.

YOU understand and acknowledge that the rights and duties this Agreement creates are personal to YOU (or, if YOU are an Entity, to YOUR owners) and that FRANCHISOR has granted YOU the Nutrishop Store franchise under this Agreement in reliance upon FRANCHISOR's perceptions of YOUR (or YOUR owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, YOU (or, if YOU are an Entity, YOUR owners) must not transfer any of the following without FRANCHISOR's prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the STORE (or any right to receive all or a majority of the STORE's profits or losses or capital appreciation related to the STORE); (iii) all or substantially all of the assets of the STORE; (iv) a controlling ownership interest in YOU; or (v) a controlling ownership interest in any of YOUR owners (if such owners are legal entities). A transfer of the STORE's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Except as described in Section 7.2 below, any transfer without FRANCHISOR's approval is a breach of this Agreement and has no effect.

Section 7.2. Conditions for Consent to Transfer.

If YOU (and YOUR owners) are fully complying with this Agreement, then, subject to the other provisions of this Section 7, FRANCHISOR will approve a transfer that meets all of the requirements in this Section 7.2.

If YOU are an Entity, YOUR owners may, without FRANCHISOR's prior approval, transfer a non-controlling ownership interest in YOU or YOUR owners (determined as of the date on which the proposed transfer will occur) if the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and otherwise meet FRANCHISOR's then applicable standards for Nutrishop Store franchisees (including no ownership interest in or performance of services for a Competitive Business).

For any other proposed transfer (including a transfer of this Agreement, a transfer of a controlling ownership interest in YOU or one of YOUR owners, or a transfer that is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate constitutes a transfer this Agreement or a controlling ownership interest in YOU or one of YOUR owners), all of the following conditions must be met before or concurrently with the effective date of the transfer:

1. the transferee has sufficient business experience, aptitude, and financial resources to operate the STORE;
2. YOU have paid all amounts owed to FRANCHISOR, FRANCHISOR's Affiliates, and third party vendors and have submitted all required reports and statements;
3. neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;
4. the transferee (or its managing owner) satisfactorily completes FRANCHISOR's training program;



Nutrishop Store Franchise Agreement

5. YOUR lessor consents in writing to the transfer of the Lease or sublease of the premises of the STORE to the transferee;
6. the transferee shall (if the transfer is of this Agreement), or YOU shall (if the transfer is of a controlling ownership interest in YOU or one of YOUR owners), sign the form of franchise agreement and related documents FRANCHISOR then uses to grant franchises for Nutrishop Stores (including, without limitation, FRANCHISOR's then current forms of Nondisclosure and Non-Competition Agreement and Nondisclosure Agreement and FRANCHISOR's then current form of Guaranty and Assumption of Obligations, if applicable), any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, provided, however, that the execution of the new franchise agreement will terminate this Agreement (except for YOUR guarantees, the post-termination obligations under this Agreement, and all other rights and obligations that survive termination or expiration of this Agreement), and the term of the new franchise agreement signed will expire on the expiration of this Agreement, unless FRANCHISOR and the transferee otherwise agree in writing;
7. YOU or the transferee's payment to FRANCHISOR of a transfer fee equal to TEN THOUSAND DOLLARS (\$10,000.00), unless (i) the STORE is designated as a Pro-Shop, in which case the transfer fee shall be equal to TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00) or (ii) the transferee is an existing Nutrishop Store franchisee or licensee in good standing under its Nutrishop Store franchise agreement or license agreement, as applicable, with FRANCHISOR and its product distribution agreement(s) with FRANCHISOR's Approved Supplier(s) and distributor(s) of Goods, in which case there shall be no transfer fee due;
8. YOU (and YOUR transferring owners) sign a general release, in a form satisfactory to FRANCHISOR, of any and all claims against FRANCHISOR and FRANCHISOR's shareholders, officers, directors, members, employees, and agents;
9. YOU have corrected any existing deficiencies of the STORE of which FRANCHISOR has notified YOU on a punchlist or in other communications, and/or the transferee agrees (if the transfer is of this Agreement) to upgrade, remodel, expand and/or refurbish the STORE in accordance with FRANCHISOR's then current requirements and specifications for Nutrishop Stores within the time period FRANCHISOR specifies following the effective date of the transfer (FRANCHISOR will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken);
10. YOU and YOUR transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Nutrishop Stores YOU own and operate) use any Mark, any colorable imitation of a Mark, or other indicia of a Nutrishop Store in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with FRANCHISOR.

FRANCHISOR may review all information regarding the STORE that YOU give the transferee, correct any information that FRANCHISOR believes is inaccurate, and give the transferee copies of any reports that YOU have given FRANCHISOR or FRANCHISOR has made regarding the STORE.



Nutrishop Store Franchise Agreement

Section 7.3. Transfer to a Wholly-Owned Entity.

Despite Section 7.2 above, if YOU are fully complying with this Agreement, YOU may transfer this Agreement to an Entity which only operates the STORE and, if applicable, other Nutrishop Stores, in which YOU maintain management control, and of which YOU own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of the STORE's assets are owned, and the STORE's business is conducted, only by that single Entity. Subject to Section 9.2 below, the Entity must expressly assume all of YOUR obligations under this Agreement and YOU agree to remain personally liable under this Agreement. Transfers of ownership interests in the Entity are subject to the conditions of Section 7.2.2, 7.2.5 and 7.2.8 above.

Section 7.4. Transfer Upon Death or Disability.

Upon YOUR or YOUR Managing Owner's death or disability, YOUR or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must transfer YOUR interest in this Agreement, or the Managing Owner's ownership interest in YOU, to a third party (which may be YOUR or the Managing Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed one hundred twenty (120) days from the date of death or disability, and is subject to all of the terms and conditions in this Section 7. A failure to transfer YOUR interest in this Agreement or the Managing Owner's ownership interest in YOU within this time period is a breach of this Agreement.

The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent YOU or YOUR Managing Owner from supervising the STORE's management and operation.

In addition, upon YOUR or YOUR Managing Owner's death or disability, YOUR or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed sixty (60) days from the date of death or disability, appoint a Designated Manager. The Designated Manager must complete FRANCHISOR's Orientation Training at YOUR expense within such sixty (60) day period.

Section 7.5. Effect of Consent to Transfer

FRANCHISOR's consent to a transfer of this Agreement and the STORE, or any interest in YOU or YOUR owners, is not a representation of the fairness of the terms of any contract between YOU and the transferee, a guarantee of the STORE's or transferee's prospects of success, or a waiver of any claims FRANCHISOR has against YOU (or YOUR owners) or of FRANCHISOR's right to demand the transferee's full compliance with this Agreement.

Section 7.6. Assignment by Franchisor.

YOU acknowledge that FRANCHISOR maintains a staff to manage and operate the System and that staff members can change as employees come and go. YOU represent that YOU have not signed this Agreement in reliance on any particular shareholder, director, officer, member or employee remaining with FRANCHISOR in that capacity. FRANCHISOR may change its ownership or form and/or assign this Agreement or any interest therein and any other agreement to a third party without restriction or notice to



Nutrishop Store Franchise Agreement

YOU. After FRANCHISOR's assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, FRANCHISOR no longer will have any performance or other obligations under this Agreement.

Section 8. Termination of Franchise.

Section 8.1. Termination by Franchisee.

YOU shall have the right, without incurring any liability to FRANCHISOR, to terminate this Agreement effective thirty (30) days after YOU deliver to FRANCHISOR written notice of termination, if FRANCHISOR is in material breach of this Agreement and fails to cure the material breach within sixty (60) days after YOU deliver to FRANCHISOR written notice of the material breach. YOUR termination of this Agreement does not relieve or release YOU from complying with YOUR post-termination obligations under Section 8.4 below.

Section 8.2. Termination by Franchisor.

Section 8.2.1. Acts of Default.

FRANCHISOR may terminate this Agreement, effective upon delivery of written notice of termination to YOU, if:

1. YOU make an assignment for the benefit of creditors or admit in writing YOUR insolvency or inability to pay YOUR debts generally as they become due; YOU consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of YOUR property; the STORE is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of YOU or the STORE is not vacated within thirty (30) days following the order's entry;
2. YOU abandon or fail actively to operate the STORE for ten (10) or more consecutive Nutrishop Business Days or fifteen (15) Nutrishop Business Days in any calendar month, unless such abandonment or failure is for a purpose FRANCHISOR approves or because of casualty, government order or the landlord's construction at the premises that is not within YOUR control;
3. YOU fail to obtain FRANCHISOR's written approval prior to a Relocation of the STORE;
4. YOU fail to comply with Section 4.3.5.1;
5. YOU (or any of YOUR owners) are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony, crime or other offense involving moral turpitude, or any other crime or offense which FRANCHISOR reasonably believes adversely affects the System's reputation or the goodwill associated with the Marks;
6. YOU (or any of YOUR owners) engage in any dishonest or unethical conduct which, in FRANCHISOR's reasonable judgment, adversely affects the STORE's reputation or the goodwill associated with the Marks;



Nutrishop Store Franchise Agreement

7. YOU, any of your Owners, representatives, or employees make any illicit statements, including in an email to FRANCHISOR's employees, officers, or directors, or in any social media posts, or any other unlawful, threatening, abusive, libelous, defamatory, obscene, vulgar, pornographic, gambling-related, drug-related, alcohol-related, profane, racist, sexually explicit or indecent comments that in FRANCHISOR's opinion negatively affects FRANCHISOR, its employees, its operations or otherwise affects the STORE's reputation or the goodwill associated with the Marks;
8. YOU (or any of YOUR owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not YOU correct the failures after FRANCHISOR's delivery of notice to YOU; or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not FRANCHISOR notifies YOU of the failures, and, if FRANCHISOR does notify YOU of the failures, whether or not YOU correct the failures after FRANCHISOR's delivery of notice to YOU;
9. YOU advertise or offer for sale any Goods in violation of the pricing provision in Section 4.3.5.2 hereof and/or in the Operations Manual, and fail to cure the default within twenty-four (24) hours;
10. FRANCHISOR or any of FRANCHISOR's Affiliates terminates any Product Distribution Agreement between YOU (or any of YOUR owners and Affiliates) and FRANCHISOR or FRANCHISOR's Affiliate due to YOUR (or any of YOUR owners' or Affiliates') committing an incurable breach, or failure to cure a curable breach, of such Product Distribution Agreement; or
11. YOU (or any of YOUR owners) fail to comply with any other provision of this Agreement or any requirement or standard with respect to the System and do not correct the failure within ten (10) days after FRANCHISOR delivers written notice of the failure to YOU.

YOUR failure to cure timely any breach by YOU of this Agreement about which FRANCHISOR has provided YOU notice (and opportunity to cure, if applicable) pursuant to this Section, may be irrevocably deemed a unilateral rejection and termination by YOU of this Agreement and all related agreements between YOU and FRANCHISOR or FRANCHISOR's Affiliates, even if FRANCHISOR ultimately issues a formal notice of such termination.

Section 8.2.2. FRANCHISOR's Alternate Remedies Upon YOUR Default.

In addition to, and without limiting, FRANCHISOR's other rights and remedies under this Agreement, any other agreement or applicable law, upon the occurrence of any event giving rise to FRANCHISOR's right to terminate this Agreement under the preceding Section 8.2.1, FRANCHISOR may instead elect, at FRANCHISOR's sole option and upon delivering providing YOU written notice, to take any or all of the following actions without terminating this Agreement:

1. temporarily or permanently reduce the size of the Territory to no more than a two (2) mile radius from the center of the Approved Location, unless the STORE is designated as a Pro-Shop on **Schedule 1**, in which case the size of the Territory shall be reduced to the commercial facility in which the Pro-Shop is located, and the restrictions on FRANCHISOR or FRANCHISOR's Affiliates hereunder above will not apply in any geographic area removed from the preceding



Nutrishop Store Franchise Agreement

territorial boundaries; or

2. require YOU to pay FRANCHISOR Five Hundred Dollars (\$500) for each day the condition giving rise to FRANCHISOR's right to terminate continues to exist to help offset FRANCHISOR's increased administrative expenses associated with YOUR failure to comply with the terms of this Agreement.

Section 8.3. Cross Default.

Any default or breach by YOU (or any of YOUR owners), or YOUR Affiliate (or any of YOUR owner's Affiliates) of any other agreement with FRANCHISOR or FRANCHISOR's Affiliate will be considered an event of default under this Agreement, and any default or breach by YOU (or any of YOUR owners) of this Agreement will be considered an event of default or breach by YOU under any and all agreements between FRANCHISOR or FRANCHISOR's Affiliate and YOU (or any of YOUR owners), or YOUR Affiliate (or any of YOUR owner's Affiliates). If the nature of the default under any other agreement would have been considered an event of default under this Agreement, then FRANCHISOR and FRANCHISOR's Affiliates will have the right to terminate all other agreements between FRANCHISOR or FRANCHISOR's Affiliate and YOU (or any of YOUR owners), or YOUR Affiliate (or any of YOUR owner's Affiliates) in accordance with the termination provisions of this Agreement.

Section 8.4. Rights & Obligations After Termination.

Upon the expiration or termination of this Agreement for any reason, FRANCHISOR and YOU will have the following rights and obligations:

1. FRANCHISOR will have no further obligations under this Agreement.
2. YOU must give FRANCHISOR a final accounting and final inventory of all Goods for the STORE.
3. YOU may not directly or indirectly at any time or in any manner (except with other Nutrishop Stores YOU own and operate) use any Mark, any colorable imitation of a Mark, or other indicia of a Nutrishop Store in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with FRANCHISOR.
4. YOU agree to discontinue the use, and to cancel all registrations, of any Franchisee Website and Social Media used in connection with the STORE or otherwise referring to the Marks or Nutrishop Stores.
5. YOU agree, at YOUR expense, to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to YOUR use of any Mark;
6. YOU agree, at YOUR expense, to deliver to FRANCHISOR or destroy within thirty (30) days all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to a Nutrishop Store that FRANCHISOR requests;
7. YOU agree promptly and at YOUR own expense to make the alterations FRANCHISOR specifies



Nutrishop Store Franchise Agreement

in the Operations Manual (or otherwise) to distinguish the Nutrishop Store clearly from its former appearance and from other Nutrishop Stores in order to prevent public confusion;

8. YOU agree to notify within ten (10) days all online listings (e.g., Google and Yelp) of the termination or expiration of YOUR right to use any email addresses associated with any Mark. If YOU fail to do so, FRANCHISOR may take whatever action and sign whatever documents FRANCHISOR deems appropriate on YOUR behalf to affect these events.
9. YOU agree to give FRANCHISOR, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to FRANCHISOR of YOUR compliance with these obligations.
10. YOU agree that, when this Agreement expires or is terminated, YOU will immediately cease using any of FRANCHISOR's Confidential Information in any business or otherwise and will return such Confidential Information as we require.
11. YOU must maintain all records for the STORE for the duration as required by applicable law.

If this Agreement is terminated by FRANCHISOR pursuant to Section 8.2.1 or 8.3 above, the rights of FRANCHISOR described above may not necessarily be FRANCHISOR's exclusive remedies, but will instead supplement any other equitable or legal remedies available to FRANCHISOR.

All of FRANCHISOR's and YOUR (and YOUR owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

Section 9. Entity Franchisee.

Section 9.1. Founding Document Restrictions.

If YOU are at any time an Entity, then YOU agree and represent that:

1. YOU will have the authority to execute, deliver, and perform YOUR obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of YOUR incorporation or formation;
2. **Schedule 1** to this Agreement completely and accurately describes all of YOUR owners and their interests in YOU as of the Effective Date;
3. If there is more than one person with any ownership in YOU, then YOU will appoint a shareholder, member, or partner, as applicable, to be YOUR "Managing Owner," who will be responsible for overseeing and supervising the operation of the STORE and have the authority to make, and bind YOU and all of YOUR owners to all operational decisions regarding the STORE. The Managing Owner as of the Effective Date is identified in **Schedule 1**. YOU must notify FRANCHISOR in writing prior to any change to the Managing Owner identified in **Schedule 1**.
4. The STORE operated hereunder and other Nutrishop Stores, if applicable, will be the only



Nutrishop Store Franchise Agreement

businesses YOU operate through the Entity (although YOUR owners may have other, non-competitive business interests) because you may not operate another business under the Entity that operates the STORE.

Section 9.2. Joinder.

In consideration of, and as a condition to, FRANCHISOR's grant to YOU of the franchise rights set forth in this Agreement, then the undersigned owner(s) hereby each join and agree to be jointly and severally personally bound by, and liable for the breach of, the provisions of this Agreement applicable to YOU as if such provisions were applicable to and made by the undersigned owner in his or her personal capacity.

Section 10. Miscellaneous Provisions.

Section 10.1. Construction of Contract.

The preambles and schedules are a part of this Agreement which, together with any addenda or riders signed at the same time as this Agreement, constitutes FRANCHISOR's and YOUR entire agreement, and supersedes all prior and contemporaneous oral or written agreements and understandings between FRANCHISOR and YOU relating to the subject matter of this Agreement. There are no other oral or written understandings or agreements between FRANCHISOR and YOU, or oral or written representations by FRANCHISOR, relating to the subject matter of this Agreement, the franchise relationship, or the STORE (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Notwithstanding the foregoing, nothing shall disclaim or require YOU to waive YOUR reliance on any representation made in the Franchise Disclosure Document, or its exhibits or amendments.

Any policies that FRANCHISOR adopts and implements at any time and from time to time to guide FRANCHISOR in FRANCHISOR's decision-making are subject to change provided the change does not conflict with YOUR expressed rights under this Agreement, are not a part of this Agreement, and are not binding on FRANCHISOR.

Except as provided in Sections 6.4 and 10.6, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to "FRANCHISOR" and "FRANCHISOR's," with respect to all of FRANCHISOR's rights and all of YOUR obligations to FRANCHISOR under this Agreement, include any of FRANCHISOR's Affiliates with whom YOU deal. The words "include" and "including" are meant to be illustrative and not exhaustive and are deemed to be read in all cases as "including, without limitation" and/or "including but not limited to."

If two or more persons are at any time the owners of the Nutrishop Store franchise granted to you under this Agreement and the STORE, whether as partners or joint venturers, their obligations and liabilities to FRANCHISOR will be joint and several.



Nutrishop Store Franchise Agreement

References to “transfer” include a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition. An assignment, sale, gift, or other disposition includes the following events: (a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest; (b) merger or consolidation or issuance of additional securities or other forms of ownership interest; (c) any sale of a security convertible to an ownership interest; (d) transfer of an interest in YOU, this Agreement, the STORE or all or substantially all of its assets, or YOUR owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law; (e) if YOU, one of YOUR owners, or an owner of one of YOUR owners dies, a transfer of an interest in YOU, this Agreement, the STORE or all or substantially all of its assets, or YOUR owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or (f) pledge of this Agreement (to someone other than FRANCHISOR) or of an ownership interest in YOU or YOUR owners as security, foreclosure upon the STORE, or YOUR transfer, surrender, or loss of the STORE’s possession, control, or management.

Unless otherwise specified, all references to a number of days shall mean calendar days and not Business Days.

The term “employee” includes all of the STORE’s personnel, including all managers, administrators and other personnel, whether such person is classified as an employee of yours or an independent contractor.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

Section 10.2. Governing Law.

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE NUTRISHOP STORE FRANCHISE GRANTED TO YOU UNDER THIS AGREEMENT, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN FRANCHISOR AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEVADA, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY NEVADA LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION 10.2.

Section 10.3. Notices.

All written notices permitted or required to be delivered by this Agreement or the Operations Manual will be deemed to be delivered: (a) at the time delivered by hand; (b) at the time delivered via computer transmission; (c) one (1) Business Day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission; (d) one (1) Business Day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or (e) five (5) Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.



Nutrishop Store Franchise Agreement

Any notice to FRANCHISOR or YOU must be sent to the address specified on the Signature Page of this Agreement. FRANCHISOR and YOU may change the address for notice by giving the other party notice of the new address.

Section 10.4. Waiver of Obligations.

FRANCHISOR and YOU may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights FRANCHISOR or YOU have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

FRANCHISOR and YOU will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, FRANCHISOR's right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; FRANCHISOR's or YOUR failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any standard, requirement or procedure of the System; FRANCHISOR's waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Nutrishop Stores; the existence of franchise agreements for other Nutrishop Stores which contain provisions different from those contained in this Agreement; or FRANCHISOR's acceptance of any payments due from YOU after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to FRANCHISOR will be a waiver, compromise, settlement, or accord and satisfaction. FRANCHISOR is authorized to remove any legend or endorsement, which then will have no effect.

Neither FRANCHISOR nor YOU will be liable for loss or damage or be in breach of this Agreement if FRANCHISOR's or YOUR failure to perform FRANCHISOR's or YOUR obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence.

Section 10.5. Rights of Parties are Cumulative.

FRANCHISOR's and YOUR rights under this Agreement are cumulative, and FRANCHISOR's or YOUR exercise or enforcement of any right or remedy under this Agreement will not preclude FRANCHISOR's or YOUR exercise or enforcement of any other right or remedy which FRANCHISOR or YOU are entitled by law to enforce.



Nutrishop Store Franchise Agreement

Section 10.6. Arbitration.

FRANCHISOR and YOU agree that all controversies, disputes, or claims between FRANCHISOR and FRANCHISOR's Affiliates, and its and their respective Related Parties, and YOU (and/or YOUR Related Parties) arising out of or related to:

1. this Agreement or any other agreement between YOU and FRANCHISOR or YOUR or FRANCHISOR's respective Affiliates;
2. FRANCHISOR's relationship with YOU;
3. the scope and validity of this Agreement or any other agreement between YOU and FRANCHISOR or any provision of such agreements (including the validity and scope of the arbitration obligations under this Section, which the parties acknowledge is to be determined by an arbitrator and not a court); or
4. any standard, requirement or procedure of the System;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then current commercial arbitration rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in the city in which FRANCHISOR's then current principal business address is located (currently, Henderson, Nevada). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except as expressly provided otherwise in the remainder of this Section 10, judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Section 10.8 below, award any punitive or exemplary damages against either party (FRANCHISOR and YOU hereby waiving to the fullest extent permitted by law, except as expressly provided in Section 10.8 below, any right to or claim for any punitive or exemplary damages against the other). All aspects of the arbitration, including statements made and documents produced within the arbitration, will be confidential in nature and will not be admissible in any subsequent legal proceeding.

Except as expressly limited by Section 10.9 below, FRANCHISOR and YOU agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. FRANCHISOR and YOU further agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either YOU or FRANCHISOR. FRANCHISOR reserves the right, but has no obligation, to advance YOUR share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing



Nutrishop Store Franchise Agreement

so will not be deemed to have waived or relinquished FRANCHISOR's right to seek the recovery of those costs in accordance with Section 10.10.

FRANCHISOR and YOU agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between FRANCHISOR and FRANCHISOR's Affiliates, and its and their respective Related Parties, and YOU (and/or YOUR owners, guarantors, Affiliates, and/or Related Parties) may not be consolidated with any other arbitration proceeding between FRANCHISOR and any other person. Notwithstanding the foregoing or anything to the contrary in this Section or Section 10.11, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with this Section 10 (excluding this Section 10.6).

Except as expressly provided otherwise in the remainder of this Section 10, despite FRANCHISOR's and YOUR agreement to arbitrate, FRANCHISOR and YOU each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that FRANCHISOR and YOU must contemporaneously submit FRANCHISOR's dispute for arbitration on the merits as provided in this Section.

The provisions of this Section are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

Section 10.7. Consent to Jurisdiction.

SUBJECT TO SECTION 10.6 ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND FRANCHISOR MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED CLOSEST TO FRANCHISOR'S THEN CURRENT PRINCIPAL BUSINESS ADDRESS (CURRENTLY, HENDERSON, NEVADA), AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION YOU (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT FRANCHISOR MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE STORE IS LOCATED.

Section 10.8. Waiver of Punitive Damages and Jury Trial.

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY FRANCHISOR UNDER SECTION 6.4 YOUR FAILURE TO COMPLY WITH YOUR CONFIDENTIALITY AND NON-COMPETITION OBLIGATIONS UNDER SECTION 6.3 AND SECTION 6.5, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, FRANCHISOR AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE



Nutrishop Store Franchise Agreement

BETWEEN FRANCHISOR AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. FRANCHISOR AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF FRANCHISOR.

Section 10.9. Limitation of Actions.

EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE FRANCHISOR, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR FRANCHISOR'S RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED WITHIN EIGHTEEN (18) MONTHS FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

Section 10.10. Attorney's Fees & Costs.

If legal action, including any action on appeal, or arbitration is necessary to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to recover reasonable compensation for preparation, investigation, and court or arbitral costs or both and reasonable attorneys' fees, as fixed by a court of competent jurisdiction or by the arbitrator.

Section 10.11. Severability.

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, YOU and FRANCHISOR agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of FRANCHISOR's election not to renew the term of this Agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any standard, requirement or procedure of the System is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and FRANCHISOR may modify the invalid or unenforceable provision or standard, requirement or procedure of the System to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. YOU agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this



Nutrishop Store Franchise Agreement

Agreement.

Section 10.12. Equitable Remedies.

YOU acknowledge and agree that (a) a breach or threatened breach of any of YOUR obligations under Section 1.2, Section 2.6, Section 2.7, Section 4, Section 5, Section 6, Section 7, Section 8.4 or Section 9 would give rise to irreparable harm to FRANCHISOR for which monetary damages would not be an adequate remedy and (b) in the event of a breach or a threatened breach by YOU of any of these obligations, FRANCHISOR shall, in addition to any and all other rights and remedies that may be available to FRANCHISOR at law, at equity or otherwise in respect of this breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction, without any requirement to post a bond or other security, and without any requirement to prove actual damages or that monetary damages do not afford an adequate remedy. YOU agree that YOU will not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this Section.

Section 10.13. Limited Liability for Franchisor's Related Parties.

YOU agree that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, owner, Entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of FRANCHISOR's will have any liability for (i) any of FRANCHISOR's obligations or liabilities relating to or arising from this Agreement; (ii) any claim against FRANCHISOR based on, in respect of, or by reason of, the relationship between YOU and FRANCHISOR, or (iii) any claim against FRANCHISOR based on any alleged unlawful act or omission of FRANCHISOR's.

Section 10.14. Covenant of Good Faith.

If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties hereto agree that the covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law will imply the covenant, YOU agree that: (i) this Agreement (and the relationship of the parties hereto that is inherent in this Agreement) grants FRANCHISOR the judgment to make decisions, take actions and/or refrain from taking actions not inconsistent with FRANCHISOR's explicit rights and obligations under this Agreement that may favorably or adversely affect YOUR interests; (ii) any judgment FRANCHISOR exercises will be based on FRANCHISOR's assessment of FRANCHISOR's own interests and balancing those interests against the interests of FRANCHISOR's franchisees generally, and specifically without considering YOUR individual interests or the individual interests of any other particular franchisee; (iii) FRANCHISOR will have no liability to YOU for the exercise of FRANCHISOR's judgment in this manner, so long as the judgment is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation will substitute its judgment for FRANCHISOR's judgment so exercised.

Section 10.15. Multiple Forms of Agreement.

YOU acknowledge and agree that there may be more than one form of franchise agreement in effect between FRANCHISOR and its various Nutrishop franchisees; those other agreements may contain



Nutrishop Store Franchise Agreement

provisions that may be materially different from the provisions contained in this Agreement; and YOU are not entitled to rely on any provision of any other agreement with other Nutrishop franchisees whether to establish course of dealing, waiver, or estoppel, or for any other purpose.

Section 10.16. Binding Effect and Acceptance by Franchisor.

This Agreement is binding upon FRANCHISOR and YOU and FRANCHISOR's and YOUR respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to FRANCHISOR's right to modify the Operations Manual and standards, requirements and procedures of the System, this Agreement may not be modified except by a written agreement signed by both FRANCHISOR's and YOUR duly-authorized officers. This Agreement will not be binding on FRANCHISOR unless and until it has been signed by an authorized officer of FRANCHISOR.

Section 10.17. Electronic Signatures.

The counterparts of this Agreement and all ancillary documents executed or delivered in connection with this Agreement may be executed and signed by electronic signature by any of the parties to this Agreement, and delivered by electronic or digital communications to any other party to this Agreement, and the receiving party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Agreement, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

Section 10.18. Acknowledgments.

YOU acknowledge and agree:

1. That in all of their dealings with YOU, FRANCHISOR's officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between YOU and them as a result of this Agreement are deemed to be only between YOU and FRANCHISOR.
2. That YOU have represented to FRANCHISOR, to induce FRANCHISOR's entry into this Agreement, that all statements YOU have made and all materials YOU have given FRANCHISOR are accurate and complete and that YOU have made no misrepresentations or material omissions in obtaining the franchise.
3. That YOU have been afforded an opportunity to ask any questions YOU have and to review any materials of interest to YOU concerning the Nutrishop Store franchise opportunity.
4. That YOU have been afforded an opportunity, and have been encouraged by FRANCHISOR, to have this Agreement and all other agreements and materials FRANCHISOR have given or made available to YOU reviewed by an attorney and have either done so or waived YOUR right to do so.



Nutrishop Store Franchise Agreement

5. That YOU have not received from FRANCHISOR, and are not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Nutrishop Store.
6. That YOU and each of YOUR owners must complete the Franchisee Disclosure Questionnaire attached to this Agreement as Schedule 3 contemporaneously with signing this Agreement.
7. That YOU and YOUR owners have received as one document at one time a copy of the form of this Agreement, the exhibits hereto, and the applicable complete Franchise Disclosure Document not less than fourteen (14) days prior to the earlier of: (i) the date on which this Agreement or any other agreement relating thereto was executed, and (ii) the payment of any consideration by or on behalf of YOU relating to this Agreement, and the franchise associated therewith (except, where applicable, any deposit permitted under applicable law).
8. That FRANCHISOR has not made any representation, warranty, or other claim regarding the Nutrishop Store franchise opportunity, other than those made in this Agreement and FRANCHISOR's Franchise Disclosure Document, and that YOU have independently evaluated this opportunity, including by using YOUR business professionals and advisors, and have relied solely upon those evaluations in deciding to enter into this Agreement.
9. That YOU have independently investigated the Nutrishop Store franchise opportunity under this Agreement and recognize that, like any other business, the nature of the business a Nutrishop Store conducts may, and probably will, evolve and change over time.
10. That an investment in a Nutrishop Store involves business risks that could result in the loss of a significant portion or all of YOUR investment.
11. That YOUR business abilities and efforts are vital to YOUR success.
12. That attracting customers for the STORE will require YOU to make consistent marketing efforts in YOUR community through various methods, including media advertising, social media advertising, search engine marketing, search engine optimization, direct mail advertising, and display and use of in-store promotional materials.
13. That retaining customers for the STORE will require YOU to have a high level of customer service and adhere strictly to the System and FRANCHISOR's standards and that YOU are committed to maintaining FRANCHISOR's standards.

Section 11. Definitions.

For purposes of this Agreement and the Operations Manual, when any of the following words and phrases begins with a capital letter, its meaning is defined in this Section:

1. "Advertising" or "Advertisement" shall mean advertisements, advertising materials, marketing materials, commercial representations, endorsements, testimonials, banners, flyers, posters, visual graphics, promotions, Promotional Items, sales, campaigns, contests, vehicle wraps, whether in print, radio, television, online, or via Social Media, or as otherwise defined by the Federal Trade Commission Act, or relevant State laws.



Nutrishop Store Franchise Agreement

2. “Advertising Rights” means those rights described in Section 4.1.1.
3. “Affiliate” means any person or Entity directly or indirectly owned or controlled by, under common control with, or owning or controlling YOU or FRANCHISOR.
4. “Agreement” means this Nutrishop Store Franchise Agreement.
5. “Approved Location” means a location that FRANCHISOR has approved in writing, in accordance with Section 2.1, as a site at which YOU may own and operate a Nutrishop Store. Addresses or location referenced in the schedules (or any amendment thereto) may or may not reflect an Approved Location.
6. “Approved Supplier” means and includes NS Distribution and any other supplier of Goods and/or services described in Section 2.7.1 that meets FRANCHISOR’s standards and specifications. FRANCHISOR sets forth these standards and specifications in the Operations Manual.
7. “Business Day” means a weekday, excluding Saturday, Sunday, or a federally observed holiday.
8. “Competitive Business” means any business that: (i) manufacturers, distributes or sells Nutrition Products and/or sells products similar to the Goods or (ii) grants franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a Nutrishop Store operated under a franchise agreement with FRANCHISOR).
9. “Confidential Information” means the confidential information and Information, some of which constitutes trade secrets under applicable law relating to developing and operating Nutrishop Stores, including (without limitation):
 - a. site selection criteria and layouts, designs and other plans and specifications for Nutrishop Stores;
 - b. training and operations materials and manuals;
 - c. methods, formats, specifications, standards, systems, procedures, food preparation techniques, sales and marketing techniques, knowledge, and experience used in developing and operating Nutrishop Stores;
 - d. marketing, promotional and advertising research and programs for Nutrishop Stores;
 - e. knowledge of specifications for and suppliers of Goods, Nutrition Products, and other products and supplies, including supplier pricing and related terms;
 - f. any computer software or similar technology which is proprietary to FRANCHISOR or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;



Nutrishop Store Franchise Agreement

- g. knowledge of the operating results and financial performance of Nutrishop Stores other than the STORE;
- h. graphic designs and related intellectual property;
- i. Customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs;
- j. all data and other information generated by, or used in, the operation of the STORE, including Customer names, addresses, phone numbers, pricing and other information supplied by any Customer (such as credit card information or personal information), and any other information that visitors to the STORE (including YOU and YOUR personnel) provide to the Website for the network of Nutrishop Stores;
- k. future business plans relating to Nutrishop Stores and the Nutrishop Store franchise opportunity, including expansion and development plans; and
- l. any other information that FRANCHISOR reasonably designates as confidential or proprietary.

Confidential Information does not include information, knowledge, or know-how which YOU can demonstrate lawfully came to YOUR attention before FRANCHISOR provided it to YOU directly or indirectly; which, at the time FRANCHISOR disclosed it to YOU, already had lawfully become generally known in the nutrition or retail industry through publication or communication by others (without violating an obligation to FRANCHISOR); or which, after FRANCHISOR discloses it to YOU, lawfully becomes generally known in the nutrition or retail industry through publication or communication by others (without violating an obligation to FRANCHISOR). However, if FRANCHISOR includes any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

- 10. “Control” means the power to direct or cause the direction of management and policies.
- 11. “Controlling ownership interest” in YOU, one of YOUR owners (if an Entity) or one of YOUR Affiliates means the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners.
- 12. “Customer” means an individual or Entity who/that purchases Goods from YOU subject to the terms and conditions of this Agreement, and any distribution agreements between YOU and an Approved Supplier.
- 13. “Designated Manager” means YOU in YOUR role as general manager of the STORE or a person whom YOU have appointed as general manager of the STORE and who has either attended and successfully completed FRANCHISOR’s Orientation Training or who has received similar orientation training from YOU or YOUR Managing Owner, as required under this Agreement.



Nutrishop Store Franchise Agreement

14. “Driving Miles” means the shortest distance in miles between two (2) locations that can be travelled by an automobile on paved roads, based on the Global Positioning System (GPS).
15. “Entity” means any form of business organization except for a sole proprietorship and includes all kinds of corporations, limited liability companies, limited partnerships and general partnerships and any other form of business organization involving either multiple equity owners or which attempts to provide limited liability.
16. “FRANCHISOR” means Nutrishop, Inc. or any person or Entity which FRANCHISOR allocates all or part of its rights and obligations under this Agreement.
17. “Goods” means and includes the Nutrition Products, and other products, goods, and Promotional Items, such as apparel, clothing, shaker cups, and sports items, of any Approved Supplier.
18. “Good Standing” means timely compliance by YOU and YOUR Related Parties with all provisions of this Agreement and the Operations Manual, specifically including provisions for timely payment of amounts owed by YOU to FRANCHISOR or its Related Party.
19. “Indemnified Parties” has the meaning set forth in Section 6.4.
20. “Information” means facts, opinions, statements, representations, data and communications whether in electronic or other recorded format, in writing, orally or by inspection of tangible objects, including administrative, financial, personal, unique, and/or identifying data about any individual (including natural persons) or Entity. Information can appear in many forms, including documents, writings, designs, blueprints, books, papers, letters, words, pictures, sounds, symbols, maps, photographs, manuals, operations manuals, policies, procedures, training materials, Advertisements, microfiche, microfilm, records, algorithms, business plans, Customer data, Customer lists, Customer names, designs documents, drawings, engineering information, financial analysis, forecasts, formulas, hardware configuration information, know-how, ideas, inventions, market information, marketing plans, processes, products, product plans, research, specifications, software, source code, sales data, pricing data, trade secrets, concepts, inventions, copyrightable materials, patents, patent applications, data tags and their contents, benchmarking reports and its contents, summary data, aggregate data or any other information, or any combination thereof, whether electronically-processed via email or facsimile, or processed via any other means of recording upon any tangible thing, and regardless of the manner in which it has been stored. This definition includes originals, copies, and duplicates, however generated.
21. “Major Promotional Event” means a Promotional Event with an anticipated attendance of approximately 25,000 or more.
22. “Marks” has the meaning set forth in the Recitals.
23. “NS Distribution” means NS Nutrition Distribution, LLC, a Nevada limited liability company, and Affiliate of FRANCHISOR.
24. “Nutrishop Business Day” means any day on which YOU are required to keep the STORE open for business to the public during Regular Business Hours, as prescribed by the Operations Manual.



Nutrishop Store Franchise Agreement

25. “Nutrishop Stores” has the meaning set forth in the Recitals. Unless otherwise specified, this term shall include any Nutrishop Store, whether operating as a retail store or a Pro-Shop.
26. “Nutrition Product” means and includes sports nutrition, dietary supplements, vitamins, weight loss products, and related food items.
27. “Opening Date” means the earlier of the agreed-on deadline for opening the STORE as reflected in the schedules (or any amendment thereto) and the date when the STORE opens for business.
28. “Operations Manual” means the operations manual that FRANCHISOR has developed which relate to the procedures, methods, standards, requirements and specifications for the establishment and operation of a Nutrishop Store.
29. “Orientation Training” has the meaning set forth in Section 2.3.1 and as further described in the Operations Manual.
30. “owner” means any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in YOU (or a transferee of this Agreement and the STORE or an ownership interest in YOU), including, without limitation, any person who has a direct or indirect interest in YOU (or a transferee), this Agreement, the Nutrishop Store franchise granted to YOU under this Agreement, or the STORE and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.
31. “Person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.
32. “Product Distribution Agreement” means the written agreement between YOU and NS Distribution, to supply and distribute Goods.
33. “Promotional Event” means a promotional event, trade show, convention, exhibition, major sports event, marathon, educational event, or other special or public event relating to nutrition, sports nutrition, Nutrition Products, dietary supplements, personal training, athletics, bodybuilding, health, physical fitness, weight loss, or a related topic.
34. “Promotional Items” means Goods bearing the Marks that are intended to be distributed for Advertising purposes. Promotional Items include, but is not limited to, clothing and apparel, key chains, shaker cups, gym towels, water bottles, pill boxes, mugs, powder funnels, and other related items.
35. “Pro-Shop” means a Nutrishop Store which operates within a commercial facility owned by a third-party, such as a gym, health club, or similar establishment.
36. “Regular Business Hours” means the business hours during which the STORE must be opened for business to the public, as prescribed by the Operations Manual.



Nutrishop Store Franchise Agreement

37. “Related Party” or “Related Parties” means people and companies affiliated with FRANCHISOR or YOU, as the context indicates, including, but not limited to, owners, general partners, limited partners owning a substantial interest in FRANCHISOR or in YOU, shareholders owning a substantial interest in FRANCHISOR or in YOU, corporations in which FRANCHISOR or YOU have a substantial interest, corporations in which any person or Entity owning a substantial interest in YOU also has a substantial interest, or officers, directors, members, employees, or agents of FRANCHISOR or of YOU. As used in this paragraph, the phrase “substantial interest” means the right to 10 percent (10%) or more of the capital or earnings of a partnership or, alternatively, ownership of 10 percent (10%) or more of the voting stock of a corporation.
38. “Relocate” or “Relocation” means the relocation of the STORE to a new location acceptable to FRANCHISOR that is located within the Territory.
39. “Social Media” means Internet-based social networking through which users create online communities to share information, ideas, messages, videos, pictures, and other content, including, without limitation, Facebook, Twitter, Instagram, Pinterest, and LinkedIn.
40. “STORE” has the meaning set forth in Section 1.1. The term “STORE” includes all of the assets of the Nutrishop Store YOU operate under this Agreement, including its revenue and the Lease.
41. “System” has the meaning set forth in the Recitals.
42. “Territory” means an area surrounding an Approved Location as described in Section 1.2.
43. “Territorial Rights” means those rights described in Section 1.2.
44. “Trade Name” means the commercial name “Nutrishop.”
45. “YOU” means the person or Entity that is named as “YOU” in the first paragraph of this Agreement. “YOU” means, in addition, all people or Entities that succeed to YOUR interest by Transfer or operation of law.
46. “Website” means an interactive electronic document contained in a network of computers linked by communications software (including, without limitation, the internet and World Wide Web home pages) as well as any computer software application developed specifically for use on wireless computing devices, such as smartphones and tablets.

[Signatures on Following Page]



Nutrishop Store Franchise Agreement

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

On behalf of the Franchisor

NUTRISHOP, INC., a Nevada corporation

By: _____
President

FRANCHISOR’S ADDRESS FOR NOTICE:

On behalf of the Franchisee

[NAME OF FRANCHISEE]

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

OWNER(S) (Signing pursuant to Section 9.2):

_____, an individual

_____, an individual

FRANCHISEE’S ADDRESS FOR NOTICE:



Nutrishop Store Franchise Agreement

SCHEDULE 1 TO FRANCHISE AGREEMENT

LISTING OF OWNERSHIP INTERESTS AND GENERAL TERMS

Effective Date: This Schedule 1 is current and complete as of the Effective Date

1. STORE Designated as a Pro-Shop (Yes or No): _____

2. **Form of Owner.** (Choose (a) or (b))

(a) **Individual Proprietorship.** List individual(s):

(b) **Corporation, Limited Liability Company, or Partnership.** (CIRCLE ONE)
You were incorporated or formed on _____, under the laws of the State of _____.
You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____.

3. **Owners.** The following list includes the full name of each person who is one of your owners (as defined in the Nutrishop Store Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner’s interest (attach additional pages if necessary).

	<u>Owner’s Name</u>	<u>Percentage/Description of Interest</u>
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

4. **Identification of Managing Owner.** If YOU have more than one owner, YOUR Managing Owner as of the Effective Date is _____ (must be one of the individuals listed in paragraph 3 above). YOU must notify FRANCHISOR in writing prior to any change to the Managing Owner.

[Signatures on Following Page]



Nutrishop Store Franchise Agreement

Signature Page to Schedule 1 of Franchise Agreement

On behalf of the Franchisor

NUTRISHOP, INC., a Nevada corporation

By: _____
President

On behalf of the Franchisee

[NAME OF FRANCHISEE]

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

OWNER(S):

_____, an individual

_____, an individual



Nutrishop Store Franchise Agreement

SCHEDULE 2A TO FRANCHISE AGREEMENT

NONDISCLOSURE AND NON-COMPETITION AGREEMENT

THIS NONDISCLOSURE AND NON-COMPETITION AGREEMENT (this “Agreement”) is made as of the ____ day of _____, 20__, is executed by _____ (“Individual,” “me,” or “I”) for the benefit of **NUTRISHOP, INC.**, a Nevada corporation (“Company”), and for _____, a/an _____ (“Franchisee”).

Franchisee is a franchisee of Company pursuant to a franchise agreement entered into by those parties concerning a retail business operating, or to be operated, under the “Nutrishop” name at _____ (the “Franchise Agreement”). The franchised business Company authorizes Franchisee to operate under the Franchise Agreement is known as the “STORE,” which STORE is one among all retail businesses that Company owns, operates, or franchises under the “Nutrishop” name. I agree that, unless otherwise specified, all capitalized terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity, Company’s or any of Company’s Affiliates’ (hereinafter referred to individually or, as the context requires, together, as the “Protected Parties”) proprietary and confidential information relating to the development and operation of Nutrishop Stores, including but not limited to the following concerning Nutrishop Stores: (1) site selection criteria and layouts, designs and other plans and specifications for Nutrishop Stores; (2) training and operations materials and manuals; (3) methods, formats, specifications, standards, systems, procedures, food preparation techniques, sales and marketing techniques, knowledge, and experience used in developing and operating Nutrishop Stores; (4) marketing, promotional and advertising research and programs for Nutrishop Stores; (5) knowledge of specifications for and suppliers of Goods, Nutrition Products, and other products and supplies, including supplier pricing and related terms; (6) any computer software or similar technology which is proprietary to the Protected Parties or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (7) knowledge of the operating results and financial performance of Nutrishop Stores other than the STORE; (8) graphic designs and related intellectual property; (9) customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs; (10) all data and other information generated by, or used in, the operation of the STORE, including customer names, addresses, phone numbers, pricing and other information supplied by any customer (such as credit card information or personal information), and any other information that visitors to the STORE provide to the Website for the network of Nutrishop Stores; (11) future business plans relating to Nutrishop Stores and the Nutrishop Store franchise opportunity, including expansion and development plans; and (12) any and all other information the Protected Parties provides to me, Franchisee, Franchisee’s owners or Affiliates that is designated orally or in writing as proprietary or confidential, or by its nature would reasonably be understood to be proprietary or confidential, regardless of whether such information is specifically designated as proprietary or confidential (collectively, all information referenced above, including examples (1) through (12), is known as the “Confidential Information”).



Nutrishop Store Franchise Agreement

Furthermore, any and all information, knowledge, know-how, techniques and information which the entities mentioned above (or their officers) designate as confidential is considered, and hereby acknowledged by me, to be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication violates a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, all the above items, concepts, and/or examples contained in the preceding paragraph constitute Confidential Information of the Protected Parties, and I will not divert any business to competitors of Franchisee and/or the Protected Parties. I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or database, nor otherwise make the them available to any unauthorized person.

I further agree that, during the term of my employment/service/association or ownership participation, I will not, directly or indirectly, engage or participate in any Competitive Business (defined below in this paragraph), any of which such prohibited behavior I understand and hereby explicitly acknowledge would or could be injurious to, or (in Company's sole judgment) have an adverse effect upon, Company's and Company's Affiliates' protectable interests in the Confidential Information, the "Nutrishop" trademark or related Marks, or the goodwill and/or reputation of Nutrishop Stores generally. I agree that I am prohibited from engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant. For purposes of this Agreement, a "Competitive Business" means any business that: (i) manufacturers, distributes or sells Nutrition Products and/or sells products similar to the Goods or (ii) grants franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a Nutrishop Store operated under a franchise agreement with Company).

Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return immediately to Company, Company's Affiliates or Franchisee, as the case may be, all Confidential Information, and any material(s) containing a subset thereof, in my possession that was utilized, or to which I had access, during my employment, association, service or ownership participation.

I acknowledge and understand that the provisions of this Agreement, including my representations, covenants, and warranties (as applicable) given hereunder, are necessary and integral to this Agreement and to Company's and Franchisee's interests under the Franchise Agreement, and are intended to:

- (i) preclude not only direct competition, but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor;
- (ii) bind any person or entity having any legal or beneficial interest in me, or traceable to, down or through me, including (without limitation) any of member of my Immediate Family, any direct or indirect beneficiary, any partner (general or limited) or proprietor of mine, and any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me; and



Nutrishop Store Franchise Agreement

- (iii) identify for me, toward the goal of preserving through this Agreement, Company's protectable legal interests in the System, customers of Nutrishop Stores, the Confidential Information, and the goodwill associated with the Marks.

I also expressly acknowledge my possession of skills and abilities of a general nature, and the opportunity for exploiting such skills in other ways than the operation or involvement in the activities of a Nutrishop Store or a Competitive Business, so that enforcement of my covenants made in this Agreement will not deprive me of my personal goodwill or ability to earn a living after the effective date of expiration or termination of my relationship with Franchisee, the STORE, or Nutrishop Stores generally.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to the Protected Parties and Franchisee, for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by the Protected Parties or Franchisee (or both), in any appropriate jurisdiction and venue (notwithstanding other references to resolution of actions exclusively in Protected Parties' home prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of Confidential Information under this Agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of the Protected Parties' Confidential Information. Further, I expressly agree that any claims I may have against Company will not constitute a defense to the Protected Parties' enforcement of the covenants not to compete under this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by the Protected Parties in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all, or any portion of, this covenant not to use Confidential Information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or the Protected Parties is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or the Protected Parties on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Nevada without recourse to Nevada (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of the State of Nevada, and if the STORE is located outside of the State of Nevada and the provision would be enforceable under the laws of the state in which the STORE is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Nevada or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement, any breach of this Agreement, and any and all relations and/or disputes between myself on the one hand, and Franchisee or the Protected Parties on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in the U.S. District Court sitting nearest to Company's corporate headquarters (currently,



Nutrishop Store Franchise Agreement

Henderson, Nevada). I agree that any dispute as to the aforementioned venue will be submitted to and resolved exclusively by such aforementioned court. Nonetheless, I agree that Franchisee and the Protected Parties may enforce this Agreement and any awards in the courts of the state or states in which I am domiciled or the STORE is located.

I IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ME, FRANCHISEE OR COMPANY. I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

IN WITNESS WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, as of the day and year first written above.

ATTESTED TO BY FRANCHISEE:

INDIVIDUAL:

a/an _____

(Print Name)

By: _____
(Name of Franchisee’s Officer)

(Signature)

Signed: _____
(Signature of Franchisee’s Officer)

(Date)

(Date)

WITNESS TO INDIVIDUAL’S SIGNATURE:

(Print Witness Name)

(Signature of Witness)

(Date)



Nutrishop Store Franchise Agreement

SCHEDULE 2B TO FRANCHISE AGREEMENT

NONDISCLOSURE AGREEMENT

THIS NONDISCLOSURE AGREEMENT (this “Agreement”) is made as of the ____ day of _____, 20__, is executed by _____ (“Individual,” “me,” or “I”) for the benefit of **NUTRISHOP, INC.**, a Nevada corporation (“Company”), and for _____, a/an _____ (“Franchisee”).

Franchisee is a franchisee of Company pursuant to a franchise agreement entered into by those parties concerning a retail business operating, or to be operated, under the “Nutrishop” name at _____ (the “Franchise Agreement”). The franchised business Company authorizes Franchisee to operate under the Franchise Agreement is known as the “STORE,” which STORE is one among all retail businesses that Company owns, operates, or franchises under the “Nutrishop” name. I agree that, unless otherwise specified, all capitalized terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity, Company’s or any of Company’s Affiliates’ (hereinafter referred to individually or, as the context requires, together, as the “Protected Parties”) proprietary and confidential information relating to the development and operation of Nutrishop Stores, including but not limited to the following concerning Nutrishop Stores: (1) site selection criteria and layouts, designs and other plans and specifications for Nutrishop Stores; (2) training and operations materials and manuals; (3) methods, formats, specifications, standards, systems, procedures, food preparation techniques, sales and marketing techniques, knowledge, and experience used in developing and operating Nutrishop Stores; (4) marketing, promotional and advertising research and programs for Nutrishop Stores; (5) knowledge of specifications for, and suppliers of, Goods, Nutrition Products, and other products and supplies, including supplier pricing and related terms; (6) any computer software or similar technology which is proprietary to the Protected Parties or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (7) knowledge of the operating results and financial performance of Nutrishop Stores other than the STORE; (8) graphic designs and related intellectual property; (9) customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs; (10) all data and other information generated by, or used in, the operation of the STORE, including customer names, addresses, phone numbers, pricing and other information supplied by any customer (such as credit card information or personal information), and any other information that visitors to the STORE provide to the Website for the network of Nutrishop Stores; (11) future business plans relating to Nutrishop Stores and the Nutrishop Store franchise opportunity, including expansion and development plans; and (12) any and all other information the Protected Parties provide to me, Franchisee, Franchisee’s owners or Affiliates that is designated orally or in writing as proprietary or confidential, or by its nature would reasonably be understood to be proprietary or confidential, regardless of whether such information is specifically designated as proprietary or confidential (collectively, all information referenced above, including examples (1) through (12), is known as the “Confidential Information”).



Nutrishop Store Franchise Agreement

Furthermore, any and all information, knowledge, know-how, techniques and information which the entities mentioned above (or their officers) designate as confidential is considered, and hereby acknowledged by me, to be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication violates a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, all the above items, concepts, and/or examples contained in the preceding paragraph constitute Confidential Information of the Protected Parties, and I will not divert any business to competitors of Franchisee and/or the Protected Parties. I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or database, nor otherwise make the them available to any unauthorized person.

I acknowledge that violation of the covenant contained in this Agreement would result in immediate and irreparable injury to the Protected Parties and Franchisee, for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by the Protected Parties or Franchisee (or both), in any appropriate jurisdiction and venue (notwithstanding other references to resolution of actions exclusively in the Protected Parties' home prohibiting any conduct by me in violation of the terms of the restrictions on the use of Confidential Information under this Agreement). I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of the covenant was accomplished by and through my unlawful utilization of the Protected Parties' Confidential Information. Further, I expressly agree that any claims I may have against the Protected Parties will not constitute a defense to the Protected Parties' enforcement of the covenant under this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by the Protected Parties in connection with the enforcement of the covenant set forth in this Agreement.

If all, or any portion of, this covenant not to use Confidential Information is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or the Protected Parties is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or the Protected Parties on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Nevada without recourse to Nevada (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of the State of Nevada, and if the STORE is located outside of the State of Nevada and the provision would be enforceable under the laws of the state in which the STORE is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Nevada or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement, any breach of this Agreement, and any and all relations and/or disputes between myself on the one hand, and Franchisee or



Nutrishop Store Franchise Agreement

the Protected Parties on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in the U.S. District Court sitting nearest to Company’s corporate headquarters (currently, Henderson, Nevada). I agree that any dispute as to the aforementioned venue will be submitted to and resolved exclusively by such aforementioned court. Nonetheless, I agree that Franchisee and the Protected Parties may enforce this Agreement and any awards in the courts of the state or states in which I am domiciled or the STORE is located.

I IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ME, FRANCHISEE OR COMPANY. I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

IN WITNESS WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, as of the day and year first written above.

ATTESTED TO BY FRANCHISEE:

INDIVIDUAL:

a/an _____

(Print Name)

By: _____
(Name of Franchisee’s Officer)

(Signature)

Signed: _____
(Signature of Franchisee’s Officer)

(Date)

(Date)

WITNESS TO INDIVIDUAL’S SIGNATURE:

(Print Witness Name)

(Signature of Witness)

(Date)



Nutrishop Store Franchise Agreement

SCHEDULE 3 TO FRANCHISE AGREEMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, **NUTRISHOP, INC.**, a Nevada corporation (“we” or “us”), and you are preparing to enter into a Nutrishop Store Franchise Agreement (the “Franchise Agreement”) for the operation of a Nutrishop Store franchised business. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized, or that may be untrue, inaccurate or misleading, in order to be certain that you have been properly represented in this transaction and that you understand the limitations on claims you may make arising from the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the receipt for the Franchise Disclosure Document; instead, you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, then please explain your answer on the back of this sheet.

- Yes__ No__ 1. Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it?
- Yes__ No__ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?
- Yes__ No__ 3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
- Yes__ No__ 4. Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
- Yes__ No__ 5. Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor?
- Yes__ No__ 6. Have you discussed the benefits and risks of developing and operating a Nutrishop Store franchised business with an existing Nutrishop Store franchisee?
- Yes__ No__ 7. Do you understand the risks of developing and operating a Nutrishop Store franchised business and that an investment in a Nutrishop Store involves business risks that could result in the loss of a significant portion or all of your investment?
- Yes__ No__ 8. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors?



Nutrishop Store Franchise Agreement

- Yes__ No__ 9. Do you understand that your business abilities and efforts are vital to the success of your franchise, and attracting customers for your Nutrishop Store franchised business will require you to make consistent advertising efforts in the community surrounding your Nutrishop Store franchised business through various methods, including media advertising, direct mail advertising, and display and use of in-store promotional items?
- Yes__ No__ 10. Do you understand that retaining customers for your Nutrishop Store franchised business will require you to have a high level of customer service?
- Yes__ No__ 11. Have you independently investigated the Nutrishop Store franchise opportunity and recognize that, like any other business, the nature of the business a Nutrishop Store conducts may, and probably will, evolve and change over time?
- Yes__ No__ 12. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Nevada?
- Yes__ No__ 13. Do you understand that you must satisfactorily complete Orientation Training before we will allow your franchised business to open, or otherwise before we will consent to a transfer of your franchised business?
- Yes__ No__ 14. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Nutrishop Store franchised business that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
- Yes__ No__ 15. Do you agree that no employee or other person speaking on our behalf made any statement or promise to you, or any agreement with you, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
- Yes__ No__ 16. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Nutrishop Store franchised business will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?



Nutrishop Store Franchise Agreement

Yes__ No__ 17. Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the Nutrishop Store, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding? When considering this question, please note that nothing in the Franchise Agreement or the attachments to the Franchise Agreement will disclaim or require you (the franchisee) to waive reliance on any representation that we made in our most recent franchise disclosure document (including its exhibits and amendments) delivered to you or your representative.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated

Dated

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated

Dated

EXPLANATION OF ANY NEGATIVE RESPONSES [REFER TO QUESTION NUMBER]:

EXHIBIT D TO FDD

STATE ADDENDA TO FRANCHISE AGREEMENT

**RIDER TO THE NUTRISHOP, INC.
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

This Rider (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between Nutrishop, Inc., a Nevada corporation with its principal business address at 751 W. Warm Springs Rd. #100, Henderson, NV 89011 (“**we,**” “**us**” “**our,**” or “**Franchisor**”), and _____ (“**you,**” “**your,**” or “**Franchisee**”).

1. **Background.** We and you are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the “**Franchise Agreement**”). This Rider is part of the Franchise Agreement. This Rider is being signed because (a) the offer to sell or buy the franchise for the STORE was made in the State of Illinois, and/or (b) the offer to sell or buy the franchise for the STORE was made outside of the State of Illinois and accepted in the State of Illinois, and/or (c) you are domiciled in the State of Illinois, and/or (iv) the franchised STORE will be located in the State of Illinois.

2. **Governing Law.** Illinois law governs the Franchise Agreement.

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

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

5. **Termination and Non-Renewal.** A franchisee’s rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

6. **Territory.** DURING THE TERM OF THE FRANCHISE AGREEMENT, THE FRANCHISOR RESERVES THE RIGHT TO REDUCE THE SIZE AND/OR BOUNDARIES OF YOUR TERRITORY. ADDITIONALLY, YOUR TERRITORY MAY OVERLAP WITH THE TERRITORIES OF OTHER FRANCHISES AND COMPANY-OWNED NUTRISHOP STORES.

7. **Limitations of Claims.** The following language is added as a new Section 10.16 of the Franchise Agreement:

However, nothing in this Section shall shorten any period within which Franchisee may bring a claim under Section 705/27 of the Illinois Franchise Disclosure Act or constitute a condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 or any other Illinois law (as long as the jurisdictional requirements of that Illinois law are met).

8. **Waivers Void.** The following language is added as a new Section 10.19 of the Franchise Agreement:

Nothing in this Agreement shall constitute a condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 or any other Illinois law (as long as the jurisdictional requirements of that Illinois law are met).

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Effective Date stated in the Franchise Agreement.

FRANCHISEE:

FRANCHISOR:

[INSERT FRANCHISEE ENTITY], a Nutrishop, Inc., a Nevada corporation
[INSERT TYPE OF ENTITY]

By: _____

By: _____

Name: _____

Name: _____

Authorized Signatory

Title: _____

Executed on: _____

Executed on: _____

**RIDER TO THE NUTRISHOP, INC.
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

This Rider (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between Nutrishop, Inc., a Nevada corporation with its principal business address at 751 W. Warm Springs Rd. #100, Henderson, NV 89011 (“**we,**” “**us**” “**our,**” or “**Franchisor**”), and _____ (“**you,**” “**your,**” or “**Franchisee**”).

1. **Background.** We and you are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the STORE that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **Releases.** The following language is added to the end of Subsection 1.2.5(3) (entitled "Relocation Conditions"), Subsection 1.3.2(3) (entitled "Renewal") and Subsection 7.2(8) (entitled “Conditions for Consent to Transfer”) of the Franchise Agreement:

; however, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **Infringement.** The following language is added to the end of Section 5.3 of the Franchise Agreement:

To the extent required by Minnesota Stat. Sec. 80C.12, Subd. 1(g), we will protect your right to use the Marks and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

4. **Termination.** The following is added to the end of Subsection 8.1.1 of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

5. **Governing Law/Consent to Jurisdiction.** The following is added to the end of Sections 10.2 and 10.7 of the Franchise Agreement:

However, nothing in this Section shall abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

However, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us, except in certain specified cases, from requiring litigation to be conducted outside Minnesota. Nothing in this Section shall abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

6. **Waiver of Punitive Damages and Jury Trial**. If required by the Minnesota Franchises Law, Section 10.8 of the Franchise Agreement is deleted.

7. **Limitations of Claims**. The following language is added as a new Section 10.16 of the Franchise Agreement:

Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Effective Date stated in the Franchise Agreement.

FRANCHISEE:

FRANCHISOR:

[INSERT FRANCHISEE ENTITY], a Nutrishop, Inc., a Nevada corporation
[INSERT TYPE OF ENTITY]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Authorized Signatory

Executed on: _____

Executed on: _____

**RIDER TO THE NUTRISHOP, INC.
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA**

This Rider (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between Nutrishop, Inc., a Nevada corporation with its principal business address at 751 W. Warm Springs Rd. #100, Henderson, NV 89011 (“**we,**” “**us**” “**our,**” or “**Franchisor**”), and _____ (“**you,**” “**your,**” or “**Franchisee**”).

1. **Background.** We and you are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of North Dakota and the STORE will be located in North Dakota, and/or (b) the offer or sale of the franchise for the STORE that you will operate under the Franchise Agreement was made in the State of North Dakota.

2. **Releases.** The following language is added to the end of Subsection 1.2.5(3) (entitled "Relocation Conditions"), Subsection 1.3.2(3) (entitled "Renewal") and Subsection 7.2(8) (entitled “Conditions for Consent to Transfer”) of the Franchise Agreement:

Any general release shall not apply to the extent prohibited by law with respect to claims arising under the North Dakota Franchise Investment Law.

3. **Governing Law.** The following language is added to the end of Section 10.2 of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to this Agreement.

4. **Consent to Jurisdiction.** The following language is added to the end of Section 10.7 of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by applicable law, you may bring an action in North Dakota.

5. **Waiver of Punitive Damages and Jury Trial.** To the extent required by the North Dakota Franchise Investment Law, Section 10.8 of the Franchise Agreement is deleted.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Effective Date stated in the Franchise Agreement.

FRANCHISEE:

FRANCHISOR:

[INSERT FRANCHISEE ENTITY], a Nutrishop, Inc., a Nevada corporation
[INSERT TYPE OF ENTITY]

By: _____

By: _____

Name: _____

Name: _____

Authorized Signatory

Title: _____

Executed on: _____

Executed on: _____

**RIDER TO THE NUTRISHOP, INC.
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

This Rider (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between Nutrishop, Inc., a Nevada corporation with its principal business address at 751 W. Warm Springs Rd. #100, Henderson, NV 89011 (“**we,**” “**us**” “**our,**” or “**Franchisor**”), and _____ (“**you,**” “**your,**” or “**Franchisee**”).

1. **Background.** We and you are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of Rhode Island and the STORE that you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **Governing Law.** The following language is added to the end of Section 10.2 of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

3. **Consent to Jurisdiction.** The following language is added to the end of Section 10.7 of the Franchise Agreement:

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

To the extent required by applicable law, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Effective Date stated in the Franchise Agreement.

FRANCHISEE:

FRANCHISOR:

[INSERT FRANCHISEE ENTITY], a Nutrishop, Inc., a Nevada corporation
[INSERT TYPE OF ENTITY]

By: _____

By: _____

Name: _____

Name: _____

Authorized Signatory

Title: _____

Executed on: _____

Executed on: _____

**WASHINGTON RIDER TO THE NUTRISHOP, INC.
FRANCHISE AGREEMENT, FRANCHISEE DISCLOSURE QUESTIONNAIRE, AND
RELATED AGREEMENTS**

This Rider (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between Nutrishop, Inc., a Nevada corporation with its principal business address at 751 W. Warm Springs Rd. #100, Henderson, NV 89011 (“**we,**” “**us**” “**our,**” or “**Franchisor**”), and _____ (“**you,**” “**your,**” or “**Franchisee**”).

1. **Background.** We and you are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the STORE that you will operate under the Franchise Agreement will be located in Washington; and/or (b) you are a resident of Washington; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.

2. **Initial Fees.** The following is added to the end of Section 3.1 of the Franchise Agreement:

Despite the payment provisions above, we will defer your payment of the Initial Fee and other initial fees until all obligations owed to you under the franchise agreement or other documents have been fulfilled by us and you are open for business.

3. **Addition of Paragraphs.** The following is added to the end of the Franchise Agreement:

In recognition of the requirements by the Washington Franchise Investment Protection Act and the Rules and Regulations promulgated thereunder (the “**Act**”), the Franchise Agreement shall be modified as follows:

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

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

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, a franchisee

may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

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

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

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Effective Date stated in the Franchise Agreement.

FRANCHISEE:

FRANCHISOR:

[INSERT FRANCHISEE ENTITY], a Nutrishop, Inc., a Nevada corporation
[INSERT TYPE OF ENTITY]

By: _____

By: _____

Name: _____

Name: _____

Authorized Signatory

Title: _____

Executed on: _____

Executed on: _____

EXHIBIT E TO FDD
PRODUCT DISTRIBUTION AGREEMENT



NS NUTRITION DISTRIBUTION Product Distribution Agreement



Table of Contents

SECTION 1.	GRANT OF DISTRIBUTORSHIP.....	1
Section 1.1	Seller’s Reservation of Rights	1
Section 1.2	No Right to Appoint a Subdistributor.....	2
Section 1.3	Trademarks	2
Section 1.4	No Advertising Rights.....	2
Section 1.5	No Right to Ship Goods	3
SECTION 2.	TERMS OF AGREEMENT PREVAIL OVER DISTRIBUTOR’S PURCHASE ORDER	3
Section 2.1	Seller’s Written Quality Control Procedures.....	3
SECTION 3.	DISTRIBUTOR PERFORMANCE OBLIGATIONS.....	3
SECTION 4.	AGREEMENT TO PURCHASE AND SELL THE GOODS	4
Section 4.1	Terms of the Sale.....	4
Section 4.2	Availability	5
SECTION 5.	ORDERS PROCEDURE	5
Section 5.1	Purchase Order	5
Section 5.2	Purchase Order Transaction Terms	5
Section 5.3	Seller’s Right to Accept or Reject Purchase Orders.....	6
Section 5.4	Cancellation of Purchase Orders	6
Section 5.5	Administration Fees.....	6
Section 5.6	Incentive Programs.....	6
SECTION 6.	SHIPMENT AND DELIVERY	7
Section 6.1	Shipment, Shipping Charges and Insurance	7
Section 6.2	Delivery	7
Section 6.3	Late Delivery	7
Section 6.4	Inspection	7
Section 6.5	Limited Right of Return	8
Section 6.6	Title and Risk of Loss.....	8
SECTION 7.	SELLER’S RETURN POLICY	8
Section 7.1	Returns of Nutrition Products Without Cause	8
Section 7.2	Refunds to Customers.....	8
SECTION 8.	PRICE; TAXES	8
Section 8.1	Payment Terms.....	9
Section 8.2	Invoice Disputes	9
Section 8.3	No Setoff	9
SECTION 9.	RESALE OF GOODS	9
Section 9.1	Credit Risk on Resale to Customers	9
Section 9.2	Resale Prices.....	9
SECTION 10.	LEGAL COMPLIANCE	10



Table of Contents

SECTION 11. TERM; TERMINATION	10
Section 11.1 Term	10
Section 11.2 Seller’s Right to Terminate	10
Section 11.3 Cross-Default.....	11
Section 11.4 Effect of Expiration or Termination	12
Section 11.5 Seller’s Buy-back Right	12
SECTION 12. CONFIDENTIALITY	13
SECTION 13. REPRESENTATIONS AND WARRANTIES.....	14
Section 13.1 Distributor’s Representations and Warranties	14
Section 13.2 Warranties Disclaimer	14
SECTION 14. INDEMNIFICATION	15
Section 14.1 Distributor General Indemnification	15
Section 14.2 Seller General Indemnification.....	16
SECTION 15. LIMITATION OF LIABILITY	17
Section 15.1 No Liability for Consequential or Indirect Damages	17
Section 15.2 Maximum Liability for Damages	17
SECTION 16. DISTRIBUTOR INSURANCE OBLIGATIONS	17
SECTION 17. ENTITY DISTRIBUTOR.....	17
Section 17.1 Authority.....	17
Section 17.2 Joinder	18
SECTION 18. MISCELLANEOUS	18
Section 18.1 Further Assurances	18
Section 18.2 No Franchise or Business Opportunity Agreement.....	18
Section 18.3 Entire Agreement.....	18
Section 18.4 Survival; Limitation of Actions.....	18
Section 18.5 Notices.....	19
Section 18.6 Waiver of Obligation.....	19
Section 18.7 Cumulative Remedies.....	20
Section 18.8 Equitable Remedies	20
Section 18.9 Assignment	20
Section 18.10 Governing Law.....	21
Section 18.11 Arbitration	21
Section 18.12 Waiver of Punitive Damages and Jury Trial	22
Section 18.13 Limitation of Actions	23
Section 18.14 Attorney’s Fees and Costs	23
Section 18.15 Severability.....	23
Section 18.16 Binding Effect and Acceptance by Seller.....	24
Section 18.17 Counterparts	24
Section 18.18 Force Majeure.....	24
Section 18.19 No Public Announcements	24



Table of Contents

SECTION 19. DEFINITIONS.....	24
EXHIBIT A PRODUCT ORDERING AND SHIPPING PROCEDURES	
EXHIBIT B PRICES	
EXHIBIT C PRICING POLICIES	



Product Distribution Agreement

This **Product Distribution Agreement** for the Nutrishop Retail Store (this “**Agreement**”) is entered into as of _____, 20__ between NS Nutrition Distribution, LLC, a Nevada limited liability company having a principal place of business at 751 West Warm Springs Rd., Suite 100, Henderson, Nevada 89011 (“**Seller**”) and _____ a _____ (“**Distributor**”).

RECITALS

WHEREAS, Distributor is the owner and operator of a “**Nutrishop Retail Store**” located at _____ (the “**Store**”) pursuant to an agreement between Distributor and Nutrishop;

WHEREAS, Seller is an authorized seller or distributor of the Goods, including Nutrition Products, of several Affiliated Companies;

WHEREAS, Distributor wishes to purchase the Goods from Seller and to resell these Goods to Customers via its Store, subject to the terms of this Agreement; and

WHEREAS, Seller wishes to sell the Goods to Distributor and to appoint Distributor as a non-exclusive distributor under the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, and the acts of the parties herein called for to be performed, the parties hereby agree as follows:

Section 1. Grant of Distributorship.

Seller hereby appoints Distributor, and Distributor accepts the appointment, to act as a non-exclusive distributor of the Goods to Customers of the Store during the Term solely in accordance with the terms and conditions of this Agreement. Distributor shall only sell the Goods from the premises of the Store and, with respect to the sale of Goods outside of the Store, in accordance with Nutrishop’s policies set forth in the Nutrishop Retail Store Operations Manual or otherwise in writing. By accepting this appointment, Distributor agrees to conform to all quality control procedures and standards established from time to time by Seller for its distributors.

Section 1.1 Seller’s Reservation of Rights.

Seller and its Affiliates retain all rights not expressly granted to Distributor in this Agreement, including the right to advertise and promote Goods within the Territory, to sell the Goods to any Person outside the Territory, and any other activities not granted to Distributor that Seller deems appropriate, on such terms and conditions as Seller deems appropriate. Specifically, but without limitation, Seller reserves the following rights: (i) the right to sell its Goods to any other Nutrishop Retail Store wherever such Nutrishop Retail Store is located; and (ii) the right to participate in, and promote, distribute and sell the Goods at Major Promotional Events within the Territory. Seller further reserves the sole and exclusive right to sell its Goods over the Internet, via social media or e-commerce to any Person, including to Customers within the Territory. Seller will offer Distributor incentives and revenue sharing programs in connection with Seller’s sales of the Goods via social media or e-commerce as may be communicated to Distributor from time to time. Distributor may not distribute, sell or resell any of the Goods, either directly or indirectly, to any Person or Customer by Internet or via social media or e-commerce. This



Product Distribution Agreement

Agreement does not preclude Seller from entering into an agreement with any other Person related to the sale or distribution of other goods, including those that are similar to or competitive with the Goods.

Section 1.2 No Right to Appoint a Subdistributor.

Subject to Section 18.9 Distributor shall not (a) appoint any subdistributor or other Person or entity to distribute the Goods at the wholesale level; or (b) sell, distribute, assign, transfer, give or otherwise convey the Goods to any Person or entity who Distributor knows or has reason to believe is purchasing the Goods for resale.

Section 1.3 Trademarks.

- (a) Distributor acknowledges Seller's rights and title to and interest in the Trademarks, that Seller may have at any time created, adopted, and used in connection with the Goods. Distributor shall not do, or cause or permit to be done, any acts or things contesting or in any way impairing or tending to impair any portion of Seller's rights and title to and interest in the Trademarks.
- (b) Distributor shall not use any trademark, brand name, logo, or other production designation or symbol in connection with Goods other than Trademarks. Distributor acknowledges that it has no right or interest in Trademarks (except as expressly permitted under this Agreement) and that Distributor's use of Trademarks inures solely to Seller's benefit. Distributor may use the Trademarks only in strict accordance with Seller's policies and instructions, which Seller may modify from time to time as it deems best.
- (c) Any proposed use by Distributor of Trademarks (to the extent such use either has not been previously approved by Seller or differs materially from a use previously approved by Seller) shall be subject to Seller's prior written consent, which Seller may grant or withhold as it deems best.
- (d) Distributor shall not at any time alter Trademarks or the packaging of Goods, use Trademarks for any purpose other than in connection with the rights granted under this Agreement, or challenge the validity or do or refrain from doing any act potentially impairing the value of the Trademarks.
- (e) In all advertising, promotions, and other activities relating to the Goods, Distributor shall clearly indicate Seller's ownership of the Trademarks. Distributor shall comply with any Trademark usage guidelines Seller provides in writing or other tangible form.
- (f) Upon the expiration or termination of this Agreement, Distributor shall cease and desist from any further use of the Trademarks or any confusingly similar name, mark, logo, or symbol.

Section 1.4 No Advertising Rights.

The parties acknowledge that Seller has granted NutriShop a license to advertise, market and promote the Goods and Seller's Trademarks. Seller has granted NutriShop the sole and exclusive authority to sublicense these Advertising Rights to Distributor, and similar distributors, and to establish written policies and procedures connected to such rights ("**NutriShop's Advertising Policies**"). Distributor agrees to comply with NutriShop's Advertising Policies during the Term.



Product Distribution Agreement

Section 1.5 No Right to Ship Goods.

Distributor is not authorized to ship, reship, mail, transport, or deliver (“**Transport**”) any Goods after the Goods are received from Seller, unless it is for a purpose consistent the express rights and obligations of Section 1.5, Section 5, Section 6, Section 7, or as follows: Distributor may Transport Goods to any Customer’s private residence, so long as such private residence is not located in another NutriShop Retail Store’s territory, and the Customer pays for the Goods and provides all Transport information via telephone, or in person at the Store.

Section 2. Terms of Agreement Prevail Over Distributor’s Purchase Order.

This Agreement is expressly limited to the terms of this Agreement, the Purchase Order Transaction Terms contained in the applicable Purchase Order, and Seller’s product ordering and shipping procedures, which may include without limitation, opening orders, monthly minimum purchase orders, shipping credit terms, administration fees, incentive programs, shipping and delivery, and product returns requirements, all of which Seller may modify from time to time (collectively, the “**Product Ordering and Shipping Procedures**”). Seller’s current form of Product Ordering and Shipping Procedures is attached hereto as **Exhibit A**. The terms of this Agreement prevail over any terms or conditions contained in the Product Ordering and Shipping Procedures or any other documentation related to the subject matter of this Agreement and expressly include any of Seller’s general terms and conditions contained in any Purchase Order or other document issued by Seller.

Section 2.1 Seller’s Written Quality Control Procedures.

Distributor acknowledges and agrees that Nutrition Products are strictly regulated by State and Federal Law, including FDA regulations, and other consumer safety regulations. Distributor agrees to comply with all written policies and procedures set forth, from time to time, by Seller concerning (a) the safe and compliant distribution, handling, storage, shipping, returning or recalling of any Nutrition Products, (b) complaints Distributor receives from any Person relating to any Nutrition Products, whether oral or written, or (c) the proper documentation, investigation and reporting of any of the preceding items. Distributor will be required to use any forms or documents issued by Seller which relate to these quality control procedures. Seller reserves the right to update these written procedures at any time based on changes in Law, or based on efficiency or best industry practice. In the event of a conflict, the terms of these quality control procedures prevail over any terms or conditions in this Agreement.

Section 3. Distributor Performance Obligations.

Distributor shall in good faith and at its own expense, during the Term:

- (a) Unless Distributor is an existing NutriShop licensee that is converting its licensed NutriShop business to a NutriShop Retail Store franchise, within sixty (60) days from the effective date of this Agreement, purchase the quantity of Goods consistent with the Minimum Opening Inventory Requirements set forth in the Product Ordering and Shipping Procedures;
- (b) On a monthly basis purchase the quantity of Goods consistent with the Minimum Monthly Purchase Order Requirements set forth in the Product Ordering and Shipping Procedures;



Product Distribution Agreement

- (c) Comply with Seller's written quality control procedures, including such procedures described in Section 2.1;
- (d) Comply with NutriShop's Advertising Policies concerning the advertising, marketing and promotion of the Goods, Seller's Trademarks, or the Trademarks of Affiliated Companies, and, under no circumstance, disparage, defame, or cast in any negative or unfavorable light, the good name, goodwill, reputation, Trademarks or Goods of Seller or any Affiliated Companies;
- (e) Not make any false or misleading representations or warranties to any Person regarding the Goods, Seller, any Affiliated Company, or Seller's Trademarks;
- (f) Not engage in any unfair, competitive, misleading, deceptive, or unlawful practices regarding Seller, any Affiliated Company, Seller's Trademarks, or the Goods;
- (g) Only purchase the Goods from Seller or from Seller's then current list of authorized distributors, and not purchase any Goods from any other Person;
- (h) Offer for resale at the Store all of the Goods that Distributor currently has in inventory;
- (i) Promptly notify Seller of any complaint or adverse claim, whether oral or written, by any Person about any Good, its use, or its effects, of which Distributor becomes aware;
- (j) Upon Seller's request if Seller has reason to believe Distributor is failing to comply with the provisions of this Agreement (e.g., Transporting Goods into another NutriShop Retail Store's territory or selling Goods to Persons who are not End Users), Distributor shall submit to Seller accurate and complete reports of inventory and sales of Goods, and, if available, the name and address of the Customers to whom Goods were sold, in a computer-readable format acceptable to Seller;
- (k) Obtain and maintain required certifications, credentials, licenses and permits necessary to conduct business in accordance with this Agreement;
- (l) Not advertise, market, promote, sell, resell or distribute any of the Goods other than in the form and packaging as delivered by Seller to Distributor under this Agreement;
- (m) Not alter, remove or obstruct any labels placed on any of the Goods; and
- (n) Not Transport, sell or offer to sell any of the Goods outside the Territory, or in the Territory in any manner inconsistent with the requirements set forth under Section 1.5.

Section 4. Agreement to Purchase and Sell the Goods.

Section 4.1 Terms of the Sale.

Seller shall sell the Goods to Distributor at the Prices and on the terms and conditions set forth in this Agreement. Seller shall not sell to Distributor any snack items (including, without limitation, bars and cookies) that have an expiration date of less than eight (8) weeks from the shipping date of such snack items from Seller to Distributor. Further, Seller shall not sell to Distributor any other kinds of Nutrition



Product Distribution Agreement

Products that have an expiration date of less than six (6) months from the shipping date of the Nutrition Products from Seller to Distributor. Distributor shall comply with all Minimum Opening Inventory Requirements and Minimum Monthly Purchase Order Requirements set forth in the Product Ordering and Shipping Procedures.

Section 4.2 Availability.

Seller may, in its sole discretion:

- (a) Discontinue any Goods upon thirty (30) days' Notice to Distributor; and
- (b) Modify Goods upon fifteen (15) days' Notice to Distributor.

In each case, without obligation to modify or change any Good previously delivered or to supply new Goods meeting earlier specifications. For the avoidance of doubt, this provision does not expand the rights of Seller to cancel shipment under a Purchase Order. To the extent Seller introduces any new Goods, Distributor must purchase at least one (1) case of the new Goods within thirty (30) days of release.

Section 5. Orders Procedure.

Section 5.1 Purchase Order.

Distributor shall issue all Purchase Orders to Seller in written form via phone order, e-mail or online ordering, and cause all Purchase Orders to contain the Purchase Order Transaction Terms and to comply with the Product Ordering and Shipping Procedures. By placing a Purchase Order, Distributor makes an offer to purchase the Goods under the terms and conditions of this Agreement, including the Purchase Order Transaction Terms and the Product Ordering and Shipping Procedures, and on no other terms. Except regarding the Purchase Order Transaction Terms, any variations made to the terms and conditions of this Agreement by Distributor in any Purchase Order are void and have no effect. Each issuance of a Purchase Order to Seller constitutes Distributor's representation and warranty that Distributor can pay for the Goods identified in the Purchase Order in accordance with the terms of this Agreement.

Section 5.2 Purchase Order Transaction Terms.

Distributor shall specify the following information (collectively, the "Purchase Order Transaction Terms") in each Purchase Order:

- (a) A list of Goods to be purchased, including a SKU for each;
- (b) Quantities ordered; and
- (c) Delivery Point.

On a monthly basis, Distributor must purchase the quantity of Goods consistent with the Minimum Monthly Purchase Order Requirements set forth in the Product Ordering and Shipping Procedures. Furthermore, Seller will not be required to fulfill Purchase Orders requiring Seller to ship Goods in less than its standard case quantities and as required by the Product Ordering and Shipping Procedures.



Product Distribution Agreement

Section 5.3 Seller's Right to Accept or Reject Purchase Orders.

Seller may, in its sole discretion, accept or reject any Purchase Order. Seller may accept any Purchase Order by confirming the order (whether by written confirmation, invoice or otherwise) or by delivering the Goods, whichever occurs first. If Seller does not accept the Purchase Order under the terms of this Section 5.3 within ten (10) Business Days of Seller's receipt of the Purchase Order, the Purchase Order will lapse. No Purchase Order is binding on Seller unless accepted by Seller as provided in this Agreement.

Section 5.4 Cancellation of Purchase Orders.

Seller may, in its sole discretion, without liability or penalty, cancel any Purchase Order placed by Distributor and accepted by Seller, in whole or in part:

- (a) If Seller discontinues its sale of Goods or reduces or allocates its inventory; or
- (b) If Seller determines that Distributor is in violation of its payment obligations under or has breached or is in breach of this Agreement.

With the exception of Distributor's right under Section 6.3 to cancel a Purchase Order, Distributor has no right to cancel or amend any Purchase Order submitted by it.

Section 5.5 Administration Fees.

Distributor shall pay to Seller a monthly Administration Fee in the amount set forth in the in the Product Ordering and Shipping Procedures attached hereto as **Exhibit A**. Payment shall be made by cash, check, automatically charged to a valid credit card, or by Automated Clearing House on or before the tenth (10th) day of each calendar month during the term of this Agreement, based on your total purchases of Nutrition Products during the preceding calendar month. A fifteen percent (15%) late fee will be imposed on all payments not post marked by the tenth (10th) day of the calendar month. All Administration Fees are nonrefundable and fully earned by Seller upon receipt. Distributor agrees that any returned checks shall result in a returned check fee of Twenty-Five Dollars (\$25.00) for the first returned check, and Fifty Dollars (\$50.00) for the second or greater returned checks.

Section 5.6 Incentive Programs.

Seller and its Affiliates may offer incentive programs from time to time during the term of this Agreement. Distributor must comply with the conditions to the incentive programs in order to be eligible to participate in such incentive programs. Seller's current incentives are set forth in the Product Ordering and Shipping Procedures attached hereto as **Exhibit A**. Seller may modify or discontinue any and all of the incentive programs as Seller deems fit in its business judgment. Distributor must comply with Seller's instructions in connection with any modifications or discontinuation of the incentive programs.



Product Distribution Agreement

Section 6. Shipment and Delivery.

Section 6.1 Shipment, Shipping Charges and Insurance.

Unless expressly agreed to by the parties in writing, Seller shall select the method of shipment of and the carrier for the Goods. Seller may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Distributor. Each shipment constitutes a separate sale, and Distributor shall pay for the units shipped, whether the shipment is in whole or partial fulfillment of a Purchase Order. Distributor shall pay for shipping charges and insurance costs associated with the shipment of Goods under this Section 6.

Section 6.2 Delivery.

Unless expressly agreed to by the parties, Seller shall deliver the Goods to the Delivery Point, using Seller's or the manufacturer's standard methods for packaging and shipping the products. All Prices are FOB Seller's warehouse in Henderson, Nevada. Seller may suspend the delivery of any Goods if Distributor fails to pay any amounts when due under this Agreement.

Section 6.3 Late Delivery.

Any time quoted for delivery is an estimate only; provided, however, that Seller shall use commercially reasonable efforts to deliver all Nutrition Products on or before the requested delivery date. Subject to Section 18.18, Seller is not liable for or in respect of any loss or damage arising from any delay in filling any order, failure to deliver or delay in delivery. However, if Seller delays shipment of all or any Nutrition Products for more than fifteen (15) days after the estimated delivery date (the "**Delayed Shipment Date**"), then Distributor may, as its sole remedy therefore, cancel the related Purchase Order regarding the delayed Nutrition Products by giving Seller a Notice within ten (10) Business Days of the Delayed Shipment Date. Subject to Distributor's rights under this Section 6.3, no delay in the shipment or delivery of any Nutrition Product relieves Distributor of its obligations under this Agreement, including accepting delivery of any remaining installment or other orders of Nutrition Products.

Section 6.4 Inspection.

Distributor shall inspect the bill of lading for each shipment of Nutrition Products against the box count of Nutrition Products received promptly at time of delivery before accepting delivery of the Nutrition Products. In the event Distributor identifies Excess Goods or missing Goods, Distributor must immediately notify Seller in writing or Distributor will be deemed to have accepted the shipment of Nutrition Products. Distributor shall further inspect each shipment of Nutrition Goods received under this Agreement within twenty-four (24) hours of receipt (the "**Inspection Period**") of the Goods and either accept or, if any Goods are Nonconforming Goods, reject these Goods. Distributor will be deemed to have accepted the Goods unless it Notifies Seller in writing of any Nonconforming Goods during the Inspection Period and furnishes written evidence or other documentation as required by Seller. If Distributor timely Notifies Seller of any Nonconforming Goods, Excess Goods or missing Goods, Seller shall determine, in its sole discretion, whether the Goods are Nonconforming Goods, Excess Goods or missing Goods. If Seller determines that the Goods are Nonconforming Goods (which determination Seller shall make after Distributor, at Seller's election, first returns the Goods to Seller or Distributor sends Seller evidence, in the form required by Seller, that the Goods are Nonconforming Goods), Excess Goods or missing Goods, it shall either, in its sole discretion:



Product Distribution Agreement

- (a) If the Goods are Nonconforming Goods, (i) replace the Nonconforming Goods with conforming Nutrition Goods, or (ii) refund the Price for the Nonconforming Goods, together with all shipping expenses incurred by Distributor in connection therewith; or
- (b) If the Goods are Excess Goods, refund the Price for the Excess Goods, together with all related shipping and handling expenses incurred by Distributor in connection therewith; or
- (c) If there are missing Goods, (i) ship the Missing Goods, or (ii) refund the Price for the missing Goods, together with all shipping expenses incurred by Distributor in connection therewith.

Seller shall arrange, at Seller's expense, to have all Nonconforming Goods that Seller requires Distributor to return and all Excess Goods shipped to Seller's Nevada Warehouse. If Seller exercises its option to replace Nonconforming Goods, Seller shall, after receiving Distributor's shipment of Nonconforming Goods, ship to Distributor, at Seller's expense, the replaced Goods to the Delivery Point. Distributor acknowledges and agrees that the remedies set out in Section 6.4 are Distributor's exclusive remedy for the delivery of Nonconforming Goods, Excess Goods or missing Goods under this Agreement.

Section 6.5 Limited Right of Return.

Except as provided under Section 6.4 and Section 7, all sales of the Goods to Distributor under this Agreement are made on a one-way basis and Distributor has no right to return the Goods purchased under this Agreement to Seller.

Section 6.6 Title and Risk of Loss.

Title and risk of loss to the Goods shipped under any Purchase Order passes to Distributor on Seller's delivery of such Goods to Distributor. Seller will not bear the risk of loss after the Goods reach Distributor.

Section 7. Seller's Return Policy.

Section 7.1 Returns of Nutrition Products Without Cause.

Without limiting any other rights or obligations under this Agreement, Distributor shall adhere to Seller's return policy attached hereto as **Exhibit A**, which Seller may amend from to time. Seller will notify Distributor prior to implementation of any changes to the return policy.

Section 7.2 Refunds to Customers.

Seller will not be responsible for any refund or replacement to Distributor's Customers. Distributor is solely responsible for all refunds and replacements to its Customers, including for all Nutrition Products that Distributor returns to Seller under Section 7.1.

Section 8. Price; Taxes.

Distributor shall purchase the Goods from Seller at the prices set out in Seller's distributor price list ("**Prices**") attached hereto as **Exhibit B**, which Seller may amend from to time. Seller will notify Distributor prior to implementation of any change to the price list. All Prices are exclusive of all sales, use



Product Distribution Agreement

and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any Governmental Authority on any amounts payable by Distributor under this Agreement. Distributor is responsible for all charges, costs and taxes.

Section 8.1 Payment Terms.

Seller shall issue an invoice to Distributor for every Purchase Order. Distributor shall pay all invoiced amounts due to Seller (a) prior to Seller's shipment of the Goods to Distributor (b) C.O.D. or credit card payment, or (c) by any other method of payment as specified by Seller in its sole discretion. To the extent any payment by Distributor is returned due to insufficient funds or is otherwise declined, or in the event Section 17.2 below does not apply to Distributor in accordance with its terms, Seller may require Distributor to pay all invoiced amounts for Goods in full prior to Seller's shipment of the Goods to Distributor.

Section 8.2 Invoice Disputes.

Distributor shall notify Seller in writing of any dispute with any invoice (along with substantiating documentation and a reasonably detailed dispute description) within seven (7) Business Days from the date of the invoice. Distributor will be deemed to have accepted all invoices for which Seller does not receive timely Notice of disputes, and shall pay all undisputed amounts due under these invoices within the period set out in Section 8.1. The parties shall seek to resolve all disputes expeditiously and in good faith in accordance with the arbitration provisions set out in Section 18.11. Notwithstanding anything to the contrary, Distributor shall continue performing its obligations under this Agreement during any dispute, including, without limitation, Distributor's obligation to pay all due and undisputed invoice amounts in accordance with the terms and conditions of this Agreement.

Section 8.3 No Setoff.

Distributor shall perform its obligations under this Agreement without setoff, deduction, recoupment or withholding of any kind for amounts owed or payable by Seller, whether relating to Seller's or an Affiliated Companies' breach, bankruptcy or otherwise and whether under this Agreement, any Purchase Order, any other agreement between (a) Distributor or any of its Affiliates and (b) Seller or any of its Affiliates, or otherwise.

Section 9. Resale of Goods.

Section 9.1 Credit Risk on Resale to Customers.

Distributor is responsible for all credit risks regarding, and for collecting payment for, all Goods sold to Customers, whether or not Distributor has made full payment to Seller for the Goods. The inability of Distributor to collect the purchase price for any Good does not affect Distributor's obligation to pay Seller for any Good.

Section 9.2 Resale Prices.

Seller reserves the right, to the fullest extent allowed by applicable law, to, with respect to Goods Distributor sells to Customers, establish maximum, minimum, or other pricing requirements. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which



Product Distribution Agreement

Distributor may charge Customers for the Goods; recommending retail prices; advertising specific retail prices for some or all Goods; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which Distributor may charge the public for the Goods it offers. Seller may engage in any such activity either periodically or throughout the term of this Agreement. Distributor acknowledges that the prices Seller prescribes or suggests may or may not optimize the revenues or profitability of the Goods and Distributor irrevocably waives any and all claims arising from the establishment or suggestion of the Goods' retail prices. This Section 9.2 is not an agreement or understanding with Distributor with respect to the minimum prices Distributor charges for any of the Goods. Seller's current pricing policies with respect to the Goods are set forth in **Exhibit C** attached hereto. Seller may modify or discontinue any and all of the pricing policies as Seller deems fit in its business judgment.

Section 10. Legal Compliance.

Distributor represents and warrants to Seller that it is in compliance with all Laws, and Distributor Contracts, applicable to this Agreement, the Goods and the operation of its business. Distributor further covenants that it shall remain in compliance during the Term of the Agreement. Without limiting the generality of the foregoing, each party shall, at all times, at its own expense, obtain and maintain all certifications, credentials, authorizations, licenses and permits materially necessary to conduct its business relating to the exercise of its rights and the performance of its obligations under this Agreement.

Section 11. Term; Termination.

Section 11.1 Term.

The term of this Agreement commences on the Effective Date and continues unless and until the Franchise Agreement expires or terminates in accordance with the terms thereof (the "**Term**").

Section 11.2 Seller's Right to Terminate.

Seller may terminate this Agreement, effective upon delivery of written notice of termination to Distributor, if:

- (a) If Distributor fails to meet or fulfill the Minimum Opening Inventory Requirements;
- (b) If Distributor fails to meet or fulfill the Minimum Monthly Purchase Order Requirement for any one (1) calendar month (a "**Minimum Order Deficiency**") and such Minimum Order Deficiency is not cured within ninety (90) days after receiving written notice from Seller; provided, however, that Distributor must satisfy the Minimum Monthly Purchase Order Requirement in each calendar month following such Minimum Order Deficiency;
- (c) If Distributor fails to pay any amount when due under this Agreement ("**Payment Failure**") and the failure continues for fifteen (15) days after Distributor's receipt of Notice of nonpayment;
- (d) If Distributor breaches any provision of this Agreement, and either the breach cannot be cured or, if the breach can be cured, it is not cured by Distributor within ten (10) Business Days after Distributor's receipt of Notice of such breach;

Product Distribution Agreement

- (e) If Distributor makes an assignment for the benefit of creditors or admits in writing its insolvency or inability to pay its debts generally as they become due; Distributor consents to the appointment of a receiver, trustee, or liquidator of all or the substantial part of its property; the business is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of Distributor or its business is not vacated within thirty (30) days following the order's entry;
- (f) Distributor (or any of Distributor's owners) are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony, crime or other offense involving moral turpitude, or any other crime or offense which Seller reasonably believes adversely affects Seller's reputation or the goodwill associated with the Trademarks;
- (g) Distributor (or any of Distributor's owners) engage in any dishonest or unethical conduct which, in Seller's reasonable judgment, adversely affects the Store's reputation or the goodwill associated with the Trademarks;
- (h) Distributor (or any of Distributor's owners) (i) fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not Distributor corrects the failures after Seller delivers Notice to Distributor; or (ii) fails on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not Seller notifies Distributor of the failures, and, if Seller does notify Distributor of the failures, whether or not Distributor correct the failures after Seller's delivery of Notice to Distributor;
- (i) Seller or any of Seller's Affiliates terminates any Franchise Agreement between Distributor (or any of Distributor's owners and Affiliates) and Seller or Seller's Affiliate due to Distributor's (or any of Distributor's owners' or Affiliates') failure to comply with the terms of such Franchise Agreement; or
- (j) Distributor (or any of Distributor's owners) fails to comply with any other provision of this Agreement or any requirement or standard with respect to the System and does not correct the failure within ten (10) days after Seller delivers written Notice of the failure to Distributor.

Distributor's failure to cure timely any breach by Distributor of this Agreement about which Seller has provided Distributor Notice (and opportunity to cure, if applicable) pursuant to this Section 11.2, may be irrevocably deemed a unilateral rejection and termination by Distributor of this Agreement and all related agreements between Distributor and Seller or Seller's Affiliates, even if Seller ultimately issues a formal Notice of such termination.

Section 11.3 Cross-Default.

Any default or breach by Distributor (or any of Distributor's owners), or Distributor's Affiliate (or any of Distributor's owner's Affiliates) of any other agreement with Seller or Seller's Affiliate will be considered an event of default under this Agreement, and any default or breach by Distributor (or any of Distributor's owners) of this Agreement will be considered an event of default or breach by Distributor under any and all agreements between Seller or Seller's Affiliate and Distributor (or any of Distributor's owners), or Distributor's Affiliate (or any of Distributor's owner's Affiliates). If the nature of the default under any



Product Distribution Agreement

other agreement would have been considered an event of default under this Agreement, then Seller and Seller's Affiliates will have the right to terminate all other agreements between Seller or Seller's Affiliate and Distributor (or any of Distributor's owners), or Distributor's Affiliate (or any of Distributor's owner's Affiliates) in accordance with the termination provisions of this Agreement.

Section 11.4 Effect of Expiration or Termination.

- (a) The Term's expiration or earlier termination does not affect any rights or obligations that: (i) are to survive the expiration or earlier termination of this Agreement under Section 18.4; and (ii) were incurred by the parties before the expiration or earlier termination; provided that all indebtedness of Distributor to Seller of any kind is immediately due and payable on the effective date of the Term's expiration or earlier termination, without further Notice to Distributor.
- (b) Any Notice of termination under this Agreement automatically operates as a cancellation of any deliveries of Goods to Distributor that are scheduled to be made after the effective date of termination, whether or not any orders for the Goods had been accepted by Seller. Regarding any Goods that are still in transit on termination of this Agreement, Seller may require, in its sole and absolute discretion, that all sales and deliveries of the Goods be made on either a cash-only or certified check basis.
- (c) On the expiration or earlier termination of this Agreement, Distributor shall: (i) immediately cease to represent itself as Seller's authorized distributor regarding the Goods, and shall otherwise desist from all conduct or representations that might lead the public to believe that Distributor is authorized by Seller to sell the Goods; (ii) immediately cease all sales of the Goods; (iii) promptly return to Seller all documents and tangible materials (and any copies) containing, reflecting, incorporating or based on Seller's Confidential Information; (iv) promptly permanently erase all of Seller's Confidential Information from its computer systems; and (v) promptly certify in writing to Seller that it has complied with the requirements of this Section 11.4(c).
- (d) Subject to Section 11.4, the party terminating this Agreement, or in the case of the expiration of this Agreement, each party, shall not be liable to the other party for any damage of any kind (whether direct or indirect) incurred by the other party by reason of the expiration or earlier termination of this Agreement.

Section 11.5 Seller's Buy-back Right.

Within five (5) Business Days following the Term's expiration or earlier termination, Distributor shall notify Seller in writing of the SKU, expiration dates and quantity of all Goods in Distributor's remaining inventory. On or before the tenth (10th) Business Day after Seller receives the Notice, Seller may, in its sole discretion, offer to purchase all or a portion of any remaining inventory free of all liens, claims or encumbrances, at a price equal to the lesser of Distributor's cost therefor and Seller's then-prevailing distributor price, and in either case minus a ten percent (10%) restocking fee (the "**Repurchase Price**"). Distributor must accept Seller's offer and promptly deliver, at Distributor's expense and risk of loss, the ordered Goods to Seller's designated carrier for delivery to Seller. Repurchased Goods must be returned in their original packaging, unopened, undamaged, and unused. Seller shall pay the Repurchase Price to Distributor either by:

- (a) The issuance of a credit against any indebtedness of Distributor to Seller; or



Product Distribution Agreement

- (b) If the Repurchase Price exceeds the indebtedness of Distributor to Seller, by payment of the excess to Distributor within ten (10) Business Days after delivery of the Goods to Seller.

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, SELLER SHALL HAVE NO OBLIGATION TO REPURCHASE OR BUY BACK ANY GOODS UNDER THIS AGREEMENT.

Section 12. Confidentiality.

Seller possesses (and will continue to develop and acquire) the Confidential Information relating to developing and operating NutriShop Retail Stores. Distributor acknowledges and agrees that Distributor will not acquire any interest in the Confidential Information, other than the right to use it as Seller specifies in operating the Store during the Term of this Agreement, and that the Confidential Information is proprietary, includes Seller's trade secrets, and is disclosed to Distributor only on the condition that Distributor agrees, and Distributor in fact does agree that Distributor:

- (a) will not use the Confidential Information in any other business or capacity;
- (b) will keep each item deemed to be part of the Confidential Information absolutely confidential, during the Term of this Agreement and then thereafter for as long as the item is not generally known in the nutrition or retail industry;
- (c) will not sell, trade or otherwise profit in any way from the Confidential Information (including by selling or assigning any Customer names, addresses, phone numbers, e-mail contact information, or related data), except using methods that Seller may have authorized or approved in Seller's sole judgment;
- (d) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form;
- (e) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Store personnel and others and using non-disclosure and non-competition agreements with those having access to Confidential Information. Seller has the right to regulate the form of agreements that Distributor uses and to be a third party beneficiary of those agreements with independent enforcement rights; and
- (f) will notify Seller within twenty-four (24) hours of any unauthorized use or disclosure of Confidential Information (whether by Distributor or any Store employees or personnel).

All ideas, concepts, techniques, or materials relating to a NutriShop Retail Store, whether or not protectable intellectual property and whether created by or for Distributor or Distributor's owners or employees, must be promptly disclosed to Seller. By entering into this Agreement, Distributor hereby grants (and will take any further necessary action to grant) Seller a global, perpetual, irrevocable, and exclusive royalty-free license to incorporate those ideas, concepts, techniques and materials in the System for use in all NutriShop Retail Stores operated by Seller, its Affiliates and its or their franchisees and licensees.



Product Distribution Agreement

Section 13. Representations and Warranties.

Section 13.1 Distributor's Representations and Warranties.

Distributor represents and warrants to Seller that:

- (a) As a business entity (whether it is a corporation, limited liability company, partnership, or sole proprietorship) it is duly organized, validly existing and in good standing in the jurisdiction of its incorporation, organization, or formation;
- (b) It is duly qualified to do business and is in good standing in every jurisdiction in which such qualification is required for purposes of this Agreement;
- (c) It has the full right, power and authority to enter into this Agreement, to grant the rights and licenses granted under this Agreement and to perform its obligations under this Agreement;
- (d) The execution of this Agreement by its Representative whose signature is set out at the end hereof has been duly authorized by all necessary action of Distributor;
- (e) When executed and delivered by each of Seller and Distributor, this Agreement will constitute the legal, valid and binding obligation of Distributor, enforceable against Distributor in accordance with its terms, except as may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws and equitable principles related to or affecting creditors' rights generally or the effect of general principles of equity; and
- (f) It is at the time of this Agreement, and shall remain throughout the Term, eligible to own and operate the Store, and is, and shall remain throughout the Term, not in material breach of its Franchise Agreement.

Section 13.2 Warranties Disclaimer.

NO WARRANTY IS EXTENDED TO DISTRIBUTOR OR ITS CUSTOMER UNDER THIS AGREEMENT. DISTRIBUTOR SHALL NOT PROVIDE ANY WARRANTY REGARDING ANY OF THE GOODS.

NEITHER SELLER NOR ANY PERSON ON SELLER'S BEHALF HAS MADE OR MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER, INCLUDING ANY WARRANTIES OF: (A) MERCHANTABILITY, (B) FITNESS FOR A PARTICULAR PURPOSE, (C) TITLE, (D) NON-INFRINGEMENT, OR (E) PERFORMANCE OF GOODS TO STANDARDS SPECIFIC TO THE COUNTRY OF IMPORT, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED.

DISTRIBUTOR ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY REPRESENTATION OR WARRANTY MADE BY SELLER, OR ANY OTHER PERSON ON SELLER'S BEHALF.



Product Distribution Agreement

Section 14. Indemnification.

Section 14.1 Distributor General Indemnification.

Distributor agrees to indemnify, defend, and hold harmless Seller, Seller's Affiliates, and its and their respective Related Parties (the "**Seller Indemnified Parties**") against, and to reimburse any one or more of the Seller Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of:

- (a) A material breach or non-fulfillment of any material representation or warranty set out in this Agreement by Distributor;
- (b) Any false or misleading statements, claims, representations or warranties regarding the Goods made by any Distributor or its Personnel that are not authorized by Seller in writing;
- (c) Any use of the Goods purchased under this Agreement in any manner not otherwise authorized under this Agreement, or that does not conform with the then-current usage instructions, specifications or guidelines provided by Seller on any labels or packaging of the Goods, or otherwise in writing;
- (d) Any modifications to any labels or packaging of the Goods;
- (e) Any grossly negligent or more culpable act or omission of Distributor (including any recklessness or willful misconduct) in connection with the performance of its obligations under this Agreement;
- (f) Any bodily injury, death of any Person or damage to real or tangible personal property caused by Distributor or its Personnel;
- (g) Any failure by Distributor to materially comply with any applicable Laws; or
- (h) Distributor's breach of this Agreement.

Distributor agrees to give the Seller Indemnified Parties written Notice of any action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any of the Seller Indemnified Parties within three (3) days of Distributor's actual or constructive knowledge of it. The Seller Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any claim; and (ii) control the response thereto and the defense thereof, including the right to enter into settlements or take any other remedial, corrective, or other actions. Distributor agrees to give its full cooperation to the Seller Indemnified Parties in assisting the Seller Indemnified Parties with the defense of any such claim, and to reimburse the Seller Indemnified Parties for all of their costs and expenses in defending any such claim, including court costs and reasonable attorneys' fees, within ten (10) days of the date of each invoice delivered by the Seller Indemnified Parties to Distributor enumerating such costs, expenses and attorneys' fees.

For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Seller Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees,



Product Distribution Agreement

costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. A Seller Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its or their losses and expenses, in order to maintain and recover from third parties fully to make a claim against Distributor under this Section 14.1. Distributor agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that a Seller Indemnified Party may recover from Distributor under this subparagraph. Distributor's undertaking of defense and/or settlement will in no way diminish its obligation to indemnify the Seller Indemnified Parties and hold any of the Seller Indemnified Parties harmless.

Section 14.2 Seller General Indemnification.

Seller agrees to indemnify, defend, and hold harmless Distributor and its Related Parties (the "**Distributor Indemnified Parties**") against, and to reimburse any one or more of the Distributor Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of:

- (a) A material breach or non-fulfillment of any material representation or warranty set out in this Agreement by Seller;
- (b) Any grossly negligent or more culpable act or omission of Seller (including any recklessness or willful misconduct) in connection with the performance of its obligations under this Agreement;
- (c) Any bodily injury or death of any Person due to the Goods, but only if such Person conformed with the then-current usage, instructions, specifications and guidelines provided by Seller on any labels and/or packaging of the Goods and/or otherwise in writing; or
- (d) Any failure by Seller or its Personnel to materially comply with any applicable Laws.

Distributor agrees to give Seller written Notice of any action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any of the Distributor Indemnified Parties within three (3) days of Distributor's actual or constructive knowledge of it. Seller shall have the right, in its sole discretion to: (i) retain counsel of its own choosing to represent the Distributor Indemnified Parties with respect to any claim; and (ii) control the response thereto and the defense thereof, including the right to enter into settlements or take any other remedial, corrective, or other actions. Distributor Indemnified Parties agree to give their full cooperation to Seller in assisting the Seller with the defense of any such claim.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.



Product Distribution Agreement

Section 15. Limitation of Liability.

Section 15.1 No Liability for Consequential or Indirect Damages.

IN NO EVENT IS SELLER OR ITS REPRESENTATIVES LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF: (A) WHETHER THE DAMAGES WERE FORESEEABLE; (B) WHETHER OR NOT SELLER WAS ADVISED OF THE POSSIBILITY OF THE DAMAGES; AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) ON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

Section 15.2 Maximum Liability for Damages.

IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER UNDER THIS AGREEMENT IN THE THREE (3) MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM. THE FOREGOING LIMITATIONS APPLY EVEN IF THE NON-BREACHING PARTY'S REMEDIES UNDER THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.

Section 16. Distributor Insurance Obligations.

During the Term and for a period of twelve (12) months thereafter, Distributor shall, at its own expense, maintain and carry in full force and effect, subject to appropriate levels of self-insurance, professional liability services, product liability, comprehensive general liability in amounts no less than \$2,000,000 per occurrence, \$4,000,000 general aggregate, \$2,000,000 products and completed operations aggregate, and \$5,000 medical expense with financially sound and reputable insurers. On Seller's request, Distributor shall provide Seller with a certificate of insurance from Distributor's insurer evidencing the insurance coverage specified in this Section 16. The certificate of insurance shall name Seller as an additional insured. Distributor shall provide Seller with five (5) Business Days' advance Notice in the event of a cancellation or material change in its insurance policy. Except where prohibited by Law, Distributor shall require its insurer to waive all rights of subrogation against Seller and its insurers. Notwithstanding the foregoing, Distributor shall not be required to maintain the insurance coverage required hereunder following the Term if this Agreement is assigned to a third party with Seller's prior written consent.

Section 17. Entity Distributor.

Section 17.1 Authority.

If Distributor is at any time an Entity, then Distributor agrees and represents that Distributor will have the authority to execute, deliver, and perform its obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of its incorporation or formation.



Product Distribution Agreement

Section 17.2 Joinder.

In consideration of, and as a condition to, Seller's grant to Distributor of the distribution rights set forth in this Agreement, the undersigned owner(s) hereby each join and agree to be jointly and severally personally bound by, and liable for the breach of, the provisions of this Agreement applicable to Distributor as if such provisions were applicable to and made by the undersigned owner in his or her personal capacity.

Section 18. Miscellaneous.

Section 18.1 Further Assurances.

On Seller's request, Distributor shall, at its sole cost and expense, execute and deliver all such further documents and instruments, and take all such further acts, necessary to give full effect to this Agreement.

Section 18.2 No Franchise or Business Opportunity Agreement.

The parties to this Agreement are independent contractors and nothing in this Agreement shall be deemed or constructed as creating a joint venture, partnership, agency relationship, franchise or business opportunity between Seller and Distributor. Neither party, by virtue of this Agreement, will have any right, power or authority to act or create an obligation, express or implied, on behalf of the other party. Each party assumes responsibility for the actions of its personnel under this Agreement and will be solely responsible for their supervision, daily direction and control, wage rates, withholding income taxes, disability benefits, or the manner and means through which the work under this Agreement will be accomplished. The relationship created hereby between the parties is solely that of Seller and Distributor.

Section 18.3 Entire Agreement.

- (a) Subject to Section 2, this Agreement, including and together with any related exhibits, schedules, attachments and appendices, together with the Purchase Order Transaction Terms, constitutes the sole and entire agreement of the parties with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, regarding such subject matter.
- (b) Without limitation of anything contained in the preceding paragraph, Distributor acknowledges that except for the representations and warranties contained in Section 13.1, neither party nor any other Person has relied on any other express or implied representation or warranty, either written or oral, on behalf of Seller, including any representation or warranty arising from statute or otherwise in Law. Notwithstanding the foregoing, nothing shall disclaim or require Distributor to waive its reliance on any representation made in the Franchise Disclosure Document, or its exhibits or amendments.

Section 18.4 Survival; Limitation of Actions.

Subject to the limitations and other provisions of this Agreement: (a) the representations and warranties of the parties contained herein and related exceptions, limitations or qualifiers survive the expiration or earlier termination of this Agreement for a period of twelve (12) months after the expiration or termination; and (b) Section 2, Section 3, Section 6, Section 7, Section 8, Section 9, Section 10,



Product Distribution Agreement

Section 11, Section 12, Section 13 and Section 14 of this Agreement, as well as any other provision that, to give proper effect to its intent, should survive such expiration or termination, survive the expiration or earlier termination of this Agreement for the period specified therein, or if nothing is specified for a period of twelve (12) months after expiration or termination. Notwithstanding any right under any applicable statute of limitations to bring a claim, no lawsuit or other action based on or arising in any way out of this Agreement may be brought by either party after the applicable survival period's expiration; provided, however, that the foregoing limitation does not apply to the collection of any amounts due to Seller under the Agreement; and provided, further, that any claims asserted in good faith with reasonable specificity and in writing by Notice before the applicable survival period's expiration is not thereafter barred by the relevant period's expiration, and these claims survive until finally resolved.

Section 18.5 Notices.

All written Notices permitted or required to be delivered by this Agreement (each a "Notice") will be deemed to be delivered: (a) at the time delivered by hand; (b) at the time delivered via computer transmission; (c) one (1) Business Day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission; (d) one (1) Business Day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or (e) five (5) Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any Notice to Seller or Distributor must be sent to the address specified on the Signature Page of this Agreement. Seller and Distributor may change the address for Notice by giving the other party Notice of the new address.

Section 18.6 Waiver of Obligation.

Seller and Distributor may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written Notice to the other or another effective date stated in the Notice of waiver. Any waiver granted will be without prejudice to any other rights Seller or Distributor have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written Notice.

Seller and Distributor will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, Seller's right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; Seller's or Distributor's failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement; Seller's waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Distributor; the existence of distribution agreements for other NutriShop Retail Stores which contain provisions different from those contained in this Agreement; or Seller's acceptance of any payments due from Distributor after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to Seller will be a waiver, compromise, settlement, or accord and satisfaction. Seller is authorized to remove any legend or endorsement, which then will have no effect.



Product Distribution Agreement

Neither Seller nor Distributor will be liable for loss or damage or be in breach of this Agreement if Seller's or Distributor's failure to perform Seller's or Franchisor's obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence.

Section 18.7 Cumulative Remedies.

Seller's and Distributor's rights under this Agreement are cumulative, and Seller's and Distributor's exercise or enforcement of any right or remedy under this Agreement will not preclude Seller's or Distributor's exercise or enforcement of any other right or remedy which Seller or Distributor are entitled by law to enforce. Notwithstanding the previous sentence, the parties intend that Distributor's rights under Section 6.3, Section 6.4, and Section 14 are Distributor's exclusive remedies for the events specified therein.

Section 18.8 Equitable Remedies.

Distributor acknowledges and agrees that (a) a breach or threatened breach of any of its obligations under Section 2.1, Section 3, Section 7, Section 8, Section 9, Section 10, Section 12, Section 13 would give rise to irreparable harm to Seller for which monetary damages would not be an adequate remedy and (b) in the event of a breach or a threatened breach by Distributor of any of these obligations, Seller shall, in addition to any and all other rights and remedies that may be available to Seller at law, at equity or otherwise in respect of this breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction, without any requirement to post a bond or other security, and without any requirement to prove actual damages or that monetary damages do not afford an adequate remedy. Distributor agrees that it will not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this section.

Section 18.9 Assignment.

Seller may change its ownership or form and/or assign this Agreement or any interest therein to a third party without restriction or Notice to Distributor. After Seller's assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, Seller no longer will have any performance or other obligations under this Agreement. If Distributor is an Entity, Distributor's owners may, without Seller's prior approval, transfer a non-controlling ownership interest in Distributor or Distributor's owners (determined as of the date on which the proposed transfer will occur) if the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and otherwise meet Seller's then applicable standards for distributors of Goods. Distributor may not otherwise change its ownership or form and/or assign this Agreement or any interest therein to a third party without the express written consent of Seller, which consent may be conditioned, but not unreasonably withheld by Seller.



Product Distribution Agreement

Section 18.10 Governing Law.

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE DISTRIBUTION GRANTED TO YOU UNDER THIS AGREEMENT, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN SELLER AND DISTRIBUTOR WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEVADA, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY NEVADA LAW GOVERNING THE RELATIONSHIP OF A SELLER AND ITS DISTRIBUTOR WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION 18.10.

Section 18.11 Arbitration.

Seller and Distributor agree that all controversies, disputes, or claims between Seller and Seller's Affiliates, and its and their respective Related Parties, and Distributor (and/or Distributor's Related Parties) arising out of or related to:

- (a) this Agreement or any other agreement between Distributor and Seller or Distributor's or Seller's respective Affiliates;
- (b) Seller's relationship with Distributor;
- (c) the scope and validity of this Agreement or any other agreement between Distributor and Seller or any provision of such agreements (including the validity and scope of the arbitration obligations under this Section, which the parties acknowledge is to be determined by an arbitrator and not a court); or
- (d) any standard, requirement or procedure of the System;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then current commercial arbitration rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in the city in which Seller's then current principal business address is located (currently, Henderson, Nevada). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except as expressly provided otherwise in the remainder of this Section 18.11, judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Section 18.12 below, award any punitive or exemplary damages against either party (Seller and Distributor hereby waiving to the fullest extent permitted by law, except as expressly provided in Section 18.12 below, any right to or claim for any punitive or exemplary damages against the other). All aspects of the arbitration,



Product Distribution Agreement

including statements made and documents produced within the arbitration, will be confidential in nature and will not be admissible in any subsequent legal proceeding.

Except as expressly limited by Section 18.13 below, Seller and Distributor agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. Seller and Distributor further agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Distributor or Seller. Seller reserves the right, but has no obligation, to advance Distributor's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished Seller's right to seek the recovery of those costs in accordance with Section 18.14.

Seller and Distributor agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between Seller and Seller's Affiliates, and its and their respective Related Parties, and Distributor (and/or Distributor's owners, guarantors, Affiliates, and/or Related Parties) may not be consolidated with any other arbitration proceeding between Seller and any other person. Notwithstanding the foregoing or anything to the contrary in this Section or Section 18.15, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with this Section 18 (excluding this Section 18.11).

Except as expressly provided otherwise in the remainder of this Section 18.11, despite Seller's and Distributor's agreement to arbitrate, Seller and Distributor each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that Seller and Distributor must contemporaneously submit Seller's dispute for arbitration on the merits as provided in this Section.

The provisions of this Section are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

Section 18.12 Waiver of Punitive Damages and Jury Trial.

EXCEPT FOR SELLER'S AND DISTRIBUTOR'S RESPECTIVE OBLIGATIONS TO UNDER SECTION 14.1 AND 14.2 DISTRIBUTOR'S FAILURE TO COMPLY WITH ITS CONFIDENTIALITY OBLIGATIONS UNDER SECTION 12, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, SELLER AND DISTRIBUTOR (AND DISTRIBUTOR'S OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN SELLER AND DISTRIBUTOR, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQ NOTICEUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. SELLER AND DISTRIBUTOR IRREVOCABLY WAIVE



Product Distribution Agreement

TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF SELLER.

Section 18.13 Limitation of Actions.

EXCEPT FOR CLAIMS ARISING FROM DISTRIBUTOR'S NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS DISTRIBUTOR OWES SELLER, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR SELLER'S RELATIONSHIP WITH DISTRIBUTOR WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED WITHIN EIGHTEEN (18) MONTHS FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

Section 18.14 Attorney's Fees and Costs.

If legal action, including any action on appeal, or arbitration is necessary to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to recover reasonable compensation for preparation, investigation, and court or arbitral costs or both and reasonable attorney's fees, as fixed by a court of competent jurisdiction or by the arbitrator.

Section 18.15 Severability.

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, Distributor and Seller agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of Seller's election not to renew the term of this Agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any standard, requirement or procedure of the System is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and Seller may modify the invalid or unenforceable provision or standard, requirement or procedure of the System to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. Distributor agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.



Product Distribution Agreement

Section 18.16 Binding Effect and Acceptance by Seller.

This Agreement is binding upon Seller and Distributor and Seller's and Distributor's respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. This Agreement may not be modified except by a written agreement signed by both Seller's and Distributor's duly-authorized officers. This Agreement will not be binding on Seller unless and until it has been signed by an authorized officer of Seller.

Section 18.17 Counterparts.

The counterparts of this Agreement and all ancillary documents executed or delivered in connection with this Agreement may be executed and signed by electronic signature by any of the parties to this Agreement, and delivered by electronic or digital communications to any other party to this Agreement, and the receiving party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Agreement, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

Section 18.18 Force Majeure.

Neither Seller nor Distributor will be liable for loss or damage or be deemed to be in breach of this Agreement if the failure to perform Seller's or Distributor's obligations results from: (a) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any government or any department or agency thereof; (b) acts of God; (c) acts or omissions of a party to this Agreement which are dependent upon an act of the other party; (d) flood, fires, earthquakes, explosions, strikes, embargoes, blockades, war, or riot, (e) requirements of Law, (f) action by any Governmental Authority; or (g) national or regional emergency (a "**Force Majeure Event**"). Any delay resulting from a Force Majeure Event up to twelve (12) months will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, so long as the party claiming the occurrence of a Force Majeure Event has provided written notice of the occurrence of the Force Majeure Event to the other party, except that no Force Majeure Event will excuse (i) payments of amounts owed at the time of such occurrence or (ii) payment of any other amounts due to Seller or its Affiliates thereafter.

Section 18.19 No Public Announcements.

Unless expressly permitted under this Agreement, Distributor shall not make any statement (whether oral or in writing) in any press release, external advertising, marketing or promotion materials regarding Seller or its business unless: (a) it has received the express written consent of NutriShop, or (b) it must do so by Law.

Section 19. Definitions.

Capitalized terms have the meanings set out in this section, or in the section in which they first appear in this Agreement.



Product Distribution Agreement

- (a) “**Administration Fees**” means those payments described in Section 5.5.
- (b) “**Affiliate**” means any person or Entity directly or indirectly owned or controlled by, under common control with, or owning or controlling Distributor or Seller.
- (c) “**Affiliated Companies**” means Affiliates of Seller.
- (d) “**Agreement**” has the meaning set out in the preamble.
- (e) “**Business Day**” means a weekday, excluding Saturday, Sunday, or a federally observed holiday.
- (f) “**C.O.D.**” means cash on delivery or collect on delivery.
- (g) “**Confidential Information**” means the confidential information and Information, some of which constitutes trade secrets under applicable law relating to developing and operating Nutrishop Retail Stores, including (without limitation):
 - (i) site selection criteria and layouts, designs and other plans and specifications for Nutrishop Retail Stores;
 - (ii) training and operations materials and manuals;
 - (iii) methods, formats, specifications, standards, systems, procedures, food preparation techniques, sales and marketing techniques, knowledge, and experience used in developing and operating Nutrishop Retail Stores;
 - (iv) marketing, promotional and advertising research and programs for Nutrishop Retail Stores;
 - (v) knowledge of specifications for and suppliers of Goods, Nutrition Products, and other products and supplies, including supplier pricing and related terms;
 - (vi) any computer software or similar technology which is proprietary to Seller, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
 - (vii) knowledge of the operating results and financial performance of Nutrishop Retail Stores other than the Store;
 - (viii) graphic designs and related intellectual property;
 - (ix) Customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs;
 - (x) all data and other information generated by, or used in, the operation of the Store, including Customer names, addresses, phone numbers, pricing and other information supplied by any Customer (such as credit card information or personal information), and



Product Distribution Agreement

any other information that visitors to the Store (including Distributor and Distributor's personnel) provide to the Website for the network of Nutrishop Retail Stores;

- (xi) future business plans relating to Nutrishop Retail Stores and the Nutrishop Retail Store franchise opportunity, including expansion and development plans; and
- (xii) any other information that Seller reasonably designates as confidential or proprietary.

Confidential Information does not include information, knowledge, or know-how which Distributor can demonstrate lawfully came to Distributor's attention before Seller provided it to Distributor directly or indirectly; which, at the time Seller disclosed it to Distributor, already had lawfully become generally known in the nutrition or retail industry through publication or communication by others (without violating an obligation to Seller); or which, after Seller discloses it to Distributor, lawfully becomes generally known in the nutrition or retail industry through publication or communication by others (without violating an obligation to Seller). However, if Seller includes any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

- (h) **“Control”** means the power to direct or cause the direction of management and policies.
- (i) **“Customer”** means an individual or Entity who/that purchases Goods from Distributor.
- (j) **“Defective”** means Goods that are defective, dangerous, unsafe, mislabeled, noncompliant with Law, which for the avoidance of doubt, includes any Nonconforming Goods accepted by Distributor under Section 6.4.
- (k) **“Delayed Shipment Date”** has the meaning set out in Section 6.3.
- (l) **“Delivery Point”** means the street address specified in the applicable Purchase Order, which must be the Store owned and operated by Distributor where the purchased Goods are to be resold to Customers.
- (m) **“Distributor”** has the meaning set out in the preamble of this Agreement.
- (n) **“Distributor Contract”** means any contract or agreement to which Distributor is a party or to which any of its material assets are bound.
- (o) **“Distributor Indemnified Parties”** has the meaning set forth in Section 14.2.
- (p) **“Effective Date”** means the date first set out above.
- (q) **“End User”** means the final purchaser that (i) has acquired a Good from Distributor for its own personal or internal use, and not for resale, remarketing or distribution, or incorporation into its own goods, and (ii) is an individual or entity located in the Territory.
- (r) **“Entity”** means any form of business organization except for a sole proprietorship and includes all kinds of corporations, limited liability companies, limited partnerships and general

Product Distribution Agreement

partnerships and any other form of business organization involving either multiple equity owners or which attempts to provide limited liability.

- (s) **“Excess Goods”** means Goods that, when counted together with all other Goods having the same SKU and received by Distributor under the same Purchase Order, are in excess of the quantities of the Goods ordered under that Purchase Order.
- (t) **“Expiration Date”** means the date of expiration placed on any Nutrition Product, as determined and labeled by Seller.
- (u) **“Franchise Agreement”** means that certain Franchise Agreement for the Store entered into between Nutrishop and the Distributor as amended from time to time.
- (v) **“FDA”** means the Food and Drug Administration.
- (w) **“Force Majeure Event”** has the meaning set out in Section 18.18.
- (x) **“Good(s)”** means and includes the Nutrition Products, and other products, goods, and Promotional Items, such as apparel, clothing, shaker cups, and sports items that Seller offers to sell to Distributor under the terms of this Agreement. For the purposes of Section 6, Goods are deemed to include Nonconforming Goods.
- (y) **“Governmental Authority”** means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of the government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of this organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.
- (z) **“Governmental Order”** means any order, writ, judgment, injunction, decree, stipulation, award or determination entered by or with any Governmental Authority.
- (aa) **“Inspection Period”** has the meaning set out in Section 6.4.
- (bb) **“Law”** means any statute, law, ordinance, regulation, rule, code, constitution, treaty, common law, Governmental Order or other requirement or rule of law of any Governmental Authority.
- (cc) **“Major Promotional Event”** means a Promotional Event with an anticipated attendance of approximately 25,000 or more.
- (dd) **“Minimum Monthly Purchase Order Requirement”** means the minimum monthly purchase order requirement as set out in the Product Ordering and Shipping Procedures.
- (ee) **“Minimum Opening Inventory Requirement”** means the minimum opening inventory requirement as set out in the Product Ordering and Shipping Procedures.
- (ff) **“Minimum Order Deficiency”** has the meaning set out in Section 11.2(b).
- (gg) **“MSRP”** means manufacturer’s suggested retail price.



Product Distribution Agreement

- (hh) “**Nevada Warehouse**” means the physical warehouse location, as designated by Seller from time to time, where Seller holds and stores its Goods, and from which it ships and delivers such Goods.
- (ii) “**Nonconforming Good**” means any Good received by Distributor from Seller under a Purchase Order that: (i) is not a Good; (ii) does not conform to the SKU listed in the applicable Purchase Order; or (iii) on visual inspection, Distributor reasonably determines are otherwise Defective.
- (jj) “**Notice**” has the meaning set out in Section 18.5.
- (kk) “**Nutrishop**” means Nutrishop, Inc., a Nevada corporation, and Affiliate of Seller.
- (ll) “**Nutrishop’s Advertising Policies**” has the meaning set out in Section 1.4.
- (mm) “**Nutrition Product**” means and includes sports nutrition, dietary supplements, vitamins, weight loss products, and related food items distributed by NS Nutrition Distribution, LLC or its affiliates.
- (nn) “**Payment Failure**” has the meaning set out in Section 11.2(c).
- (oo) “**Person**” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.
- (pp) “**Personnel**” means agents, employees or subcontractors engaged or appointed by Seller or Distributor.
- (qq) “**Prices**” has the meaning set out in Section 8.
- (rr) “**Promotional Items**” means Goods bearing the Marks that are intended to be given away or sold for Advertising purposes. Promotional Items include, but is not limited to, clothing and apparel, key chains, shaker cups, gym towels, water bottles, pill boxes, mugs, powder funnels, and other related items.
- (ss) “**Pro-Shop**” means a Nutrishop Retail Store which operates within a commercial facility owned by a third-party, such as a gym, health club, or similar establishment.
- (tt) “**Purchase Order**” means Distributor’s then-current standard form purchase order.
- (uu) “**Purchase Order Transaction Terms**” means any one or more of the terms specified by Distributor in a Purchase Order under Section 5.2. For the avoidance of doubt, the term Purchase Order Transaction Terms does not include any general terms or conditions of any Purchase Order.
- (vv) “**Related Party**” or “**Related Parties**” means people and companies affiliated with Seller or Distributor, as the context indicates, including, but not limited to, owners, general partners, limited partners owning a substantial interest in Seller or Distributor, shareholders owning a substantial interest in Seller or Distributor, corporations in which Seller or Distributor have a substantial interest, corporations in which any person or Entity owning a substantial interest in Distributor also has a substantial interest, or officers, directors, members, employees, or agents of



Product Distribution Agreement

Seller or of Distributor. As used in this paragraph, the phrase “substantial interest” means the right to ten percent (10%) or more of the capital or earnings of a partnership or, alternatively, ownership of ten percent (10%) or more of the voting stock of a corporation.

- (ww) “**Representatives**” means a party’s Affiliates, employees, officers, directors, partners, shareholders, agents, attorneys, third-party advisors, successors and permitted assigns.
- (xx) “**Seller**” has the meaning set out in the preamble of this Agreement.
- (yy) “**Seller Indemnified Parties**” has the meaning set forth in Section 14.1.
- (zz) “**Seller’s Trademarks**” means all Trademarks owned by or licensed to Seller.
- (aaa) “**SKU**” means stock keeping unit, or such universal identifier designated by Seller for each Good subject to this Agreement.
- (bbb) “**Store**” has the meaning set out in the Recitals.
- (ccc) “**Term**” has the meaning set out in Section 11.1.
- (ddd) “**Territory**” has the meaning set out in Distributor’s Franchise Agreement with NutriShop concerning the NutriShop Retail Store.
- (eee) “**Trademarks**” means all rights in and to US and foreign trademarks, service marks, trade dress, trade names, brand names, logos, trade dress, corporate names and domain names and other similar designations of source, sponsorship, association or origin, together with the goodwill symbolized by any of the foregoing, in each case whether registered or unregistered and including all registrations and applications for, and renewals or extensions of, these rights and all similar or equivalent rights or forms of protection in any part of the world.
- (fff) “**Transport**” has the meaning set out in Section 1.5.
- (ggg) “**US**” means the United States of America, including its territories, possessions and military bases.



Product Distribution Agreement

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

On behalf of the Seller

NS NUTRITION DISTRIBUTION, LLC, a Nevada limited liability company

By: _____
President

SELLER’S ADDRESS FOR NOTICE:

On behalf of the Distributor

[NAME OF DISTRIBUTOR]

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

OWNER(S):

_____, an individual

_____, an individual

DISTRIBUTOR’S ADDRESS FOR NOTICE:



Product Distribution Agreement

EXHIBIT A

PRODUCT ORDERING AND SHIPPING PROCEDURES

I. OPENING INVENTORY

A. Opening Orders. Opening orders must include Nutrition Products from all of the exclusive product lines distributed by NS Nutrition Distribution, LLC (“we,” “us,” or “our”) or our affiliates, as well as promotional materials (e.g., shaker cups, towels, hats, product brochures, boxes for kits, retail bags, and any other seasonal promotional items). Any capitalized terms used in these Product Ordering and Shipping Procedures but not otherwise defined herein shall have the meanings given in your Product Distribution Agreement with us.

Opening orders cannot be entered until all five (5) opening requirements outlined in the Nutrishop retail store opening requirements form titled “Insurance Requirements” (i.e.; insurance, sales permit, license agreement, full payment of license fees, and opening order) have been met. Furthermore, the warehouse requires three (3) Business Days to provision and ship an opening order.

All opening orders should be paid by cashier’s check, money order, wire or credit card only. Please make checks payable to: NS NUTRITION DISTRIBUTION, LLC. Please note, there is a ten (10) day holding period for opening orders on any personal and/or business checks written to allow for clearance.

Shipping charges are in addition to your opening order deposit. We will contact you once we know the exact charges (within a day of the ship date) to determine how this charge will be handled. As a Nutrishop retail store licensee, you will receive additional free product of our choosing to compensate you for the cost of shipping.

In the opening order, please provide a seven (7) day window for the arrival of the shipment at your location. Depending on your location in the United States, allow anywhere from 2 to 6 days transit time from the Nutrishop distribution facility in Nevada.

B. Opening Inventory Requirement. Your opening order must be for no less than Fifty Thousand Dollars (\$50,000.00) worth of products or, if the Store is designated as a Pro-Shop in the Franchise Agreement, a lesser amount we determine based on the square footage of the particular Store (the “**Minimum Opening Inventory Requirement**”). We will, in our sole discretion, determine the types and quantities of the products that will meet and fulfill your Minimum Opening Inventory Requirement. The Minimum Opening Inventory Requirement applies to each and every Nutrishop retail store you own and operate.

II. MAINTENANCE ORDERS

A. Monthly Purchase Order Requirement. For each calendar month after the month in which you place your opening order for the Minimum Opening Inventory Requirement, you shall submit Purchase Orders totaling a minimum of Four Thousand Dollars (\$4,000) worth of products, unless the Store is designated as a Pro-Shop in the Franchise Agreement, in which case you shall submit Purchase Orders totaling a minimum of Two Thousand Dollars (\$2,000) worth of products (the “**Minimum Monthly Purchase Order Requirement**”). You will determine the types and quantities of the products that will meet and fulfill your Minimum Monthly Purchase Order Requirement. The Minimum Monthly Purchase Order Requirement applies to each and every Nutrishop retail store you own and operate.

Exhibit A - 1



Product Distribution Agreement

B. Process for Placing Maintenance Orders. Orders other than opening orders will be shipped from the Henderson, NV distribution center within 48 hours of our receipt of each such order. There are no same day shipment guarantees. Orders may be paid by credit card or cash-on-delivery. Credit cards will be charged prior to shipping the order or the day after shipping the order. Please verify your credit card's daily limit prior to placing this order.

Things to remember regarding Maintenance Orders:

- Orders will be shipped in case quantities only.
- A fifteen percent (15%) volume discount is available when ordering thirty-six (36) or more units of all Nutrition Products that are in powdered form, except for specified large powders containing protein and the Performance Nutrition Research line. Please contact your brand representative for specifics.
- A fifteen percent (15%) volume discount is available when ordering twenty-four (24) or more units of all Nutrition Products that are in the form of capsules, tablets, or softgels. Please contact your brand representative for specifics.
- Promotional materials (e.g., shaker cups, towels, hats, product brochures, boxes for kits, retail bags, etc.) should also be placed with maintenance orders.

III. ADMINISTRATION FEES

You will pay us a monthly Administration Fee of \$600. If, however, you exceed the Minimum Monthly Purchase Order Requirement in any month, your Administration Fee will be reduced for that month as follows:

Amount of Total Nutrition Product Purchases During a Month	Administration Fee Amount
\$4,000.01 to \$7,000.00	\$300
>\$7,000.00	\$0

Notwithstanding the foregoing, if the Store is designated as a Pro-Shop in the Franchise Agreement, you will pay us a monthly Administration Fee of \$200, except if you exceeded the Minimum Monthly Purchase Order Requirement in the preceding calendar month, your Administration Fee for the then current month will be reduced to \$0.

All monthly Administration Fees shall be paid by the tenth (10th) day of each calendar month based on your total purchase of Nutrition Products for the preceding calendar month.

IV. INCENTIVES

We offer certain incentives on orders placed for Nutrition Products (each, an “**Incentive**”) to eligible distributors of our Nutrition Products.



Product Distribution Agreement

A. General Terms. All of the Incentives described in this Section IV are subject to the following terms and conditions:

- a. Incentive & Incentive Period. Except for certain instances under the Marketing Incentive, at the end of each calendar month, we will review your Nutrition Product orders for that month (the “**Calculation Period**”) and determine the amount of each Incentive available to you by the tenth (10th) day of the next calendar month (the “**Incentive Period**”). For example, if we determine that you are entitled to an Incentive based on Nutrition Product orders in January, then the Calculation Period is January and your Incentive will be available on the tenth (10th) day of February, with February being the Incentive Period.
- b. Good Standing. In order to be eligible to participate in the Incentives you must remain in full compliance with the terms of your Product Distribution Agreement with us and all other agreements between you and us or our affiliates. You will have no right to any of the Incentives upon the expiration or termination of your Product Distribution Agreement.
- c. Eligible Store. Each Incentive will be calculated for a single Nutrishop retail store based on the Delivery Point, and may only be used for the benefit of the same Nutrishop retail store as the Delivery Point.
- d. Requesting & Using Your Credit; No Rollover. You may request to redeem an Incentive as a separate Nutrition Product order during the Incentive Period, or apply your Incentive to any Nutrition Product order during the Incentive Period. Incentives do not rollover from month to month. The entire amount of an Incentive must be used by the last shipping day of the Incentive Period, after which any remaining amount of the Incentive for that Incentive Period will expire.

B. Marketing Incentive. We offer an Incentive in the form of a credit (the “**Marketing Incentive**”) as follows:

If you pay an Administration Fee during a Calculation Period, you will receive a Marketing Incentive for the next Incentive Period equal to half of the amount of such Administration Fee you paid during that Calculation Period. The Marketing Incentive must be used toward the purchase of certain Promotional Items identified by us from time to time (the “**Eligible Promotional Products**”). We may change the Eligible Promotional Products without notice to you.

If the total amount of your Nutrition Product purchases from us during a calendar quarter reaches certain thresholds you will receive a Marketing Incentive on the tenth (10th) day of the first month of the immediately following calendar quarter for you to use on your next purchase of Nutrition Product or Promotional Items from us during the calendar quarter. The Marketing Incentive must be used toward the purchase of Promotional Items or Nutrition Products from us. If you open a new Nutrishop retail store during the term of your Product Distribution Agreement, the new Nutrishop retail store will be included in calculating the amount of any Marketing Incentive after one full calendar quarter has passed. The quarterly Nutrition Product purchase thresholds and the amount of the quarterly Marketing Incentive assessed will be determined by



Product Distribution Agreement

multiplying the total amount of your Nutrition Product purchases during a calendar quarter by a percentage, to be calculated as follows:

If you own 1 Nutrishop Retail Store:

Amount of Quarterly Nutrition Product Purchases	Percentage of Quarterly Nutrition Product Purchases
<\$50,000.00	0%
\$50,000.01 to \$75,000	1%
\$75,000.01 to \$100,000	2%
>\$100,000	3%

For example, if you own one Nutrishop retail store and purchase \$82,000 of Nutrition Products during the first calendar quarter (i.e., January, February and March), your Marketing Incentive to be used on your next purchase during the second calendar quarter (i.e., April, May and June) will be equal to $\$82,000 * 2\% = \$1,640$.

If you own 2 Nutrishop Retail Stores:

If you operate 2 Nutrishop retail stores, the table above for a single Nutrishop retail store will apply for each store but the dollar amounts in the “Quarterly Nutrition Product Purchases” column will be reduced by fifteen percent (15%) per store. For example, if you own two Nutrishop retail stores and purchase a total of \$150,000 of Nutrition Products between the two stores during the first calendar quarter (i.e., January, February and March), your Marketing Incentive to be used on your next purchase during the second calendar quarter (i.e., April, May and June) will be equal to $\$150,000 * 2\% = \$3,000$ based on the following table:

Amount of Aggregate Quarterly Nutrition Product Purchases from Both Stores	Percentage of Quarterly Nutrition Product Purchases
<\$85,000.00	0%
\$85,000.01 to \$127,500	1%
\$127,500.01 to \$170,000	2%
>\$170,000	3%

If you own 3 or more Nutrishop Retail Stores:

If you operate 3 or more Nutrishop retail stores, the table above for a single Nutrishop retail store will apply for each store but the dollar amounts in the “Quarterly Nutrition Product Purchases” column will be reduced by thirty percent (30%) per store. For example, if you own four Nutrishop retail stores and purchase a total of \$340,000 of Nutrition Products between the four stores during the first calendar quarter (i.e., January, February and March), your Marketing Incentive to be used on your next purchase during the second calendar quarter (i.e., April, May and June) will be equal to $\$340,000 * 3\% = \$10,200$ based on the following table:



Product Distribution Agreement

(Based on Example) Amount of Aggregate Quarterly Nutrition Product Purchases from the Four Stores	Percentage of Quarterly Nutrition Product Purchases
<\$140,000.00	0%
\$140,000.01 to \$210,000	1%
\$210,000.01 to \$280,000	2%
>\$280,000	3%

- C. **Shipping Credit.** We offer an Incentive based on the purchase of bulk orders of Nutrition Products (the “**Shipping Credit**”). Bulk/pallet orders tend to generate lower overall shipping and delivery costs, and result in lower instances of damage during delivery. Your eligibility for the Shipping Credit will be determined by the total value of the Nutritional Products in any individual order you place. The credit will be based on the shipping and delivery costs of each eligible order, and provided in the form of certain Nutrition Products valued at their retail values and identified by us (in our sole discretion) from time to time (such free products, “**Select Products**”).

In addition to the other terms and conditions for the Incentives described in this Section IV, the following terms also apply to the Shipping Credit:

- a. **Non-Eligible Orders.** Any individual order you place containing less than \$250.00 in non-promotional Nutrition Products will not be eligible for the Shipping Credit. For clarity, the value of apparel and promotional items are excluded from the cost of an order for purposes of determining such order’s eligibility for a Shipping Credit.
- b. **Eligible Orders.** Any individual order you place valued at \$250.00 or more in product costs will be eligible for the Shipping Credit, as follows:
 - i. A 1:1 credit toward Select Products on all orders shipped via UPS. For example, if your UPS shipping costs amount to \$25, you will be eligible for \$25 in Select Products.
 - ii. A 2:1 credit toward Select Products on all orders shipped via freight. For example, if your freight shipping costs amount to \$25, you will be eligible for \$50 in Select Products.
- c. **Credit Accrual.** Eligibility of an order will be determined based on each individual order you place. It will not be based on aggregate shipping costs for multiple orders.
- d. **Unavailable & Backordered Products.** If a product you order is backordered or unavailable, and needs to be delivered at a later time as a separate order, you will be eligible for a 2:1 shipping cost credit toward Select Products. For example, if you place an order for thirty (30) products, and ten (10) are unavailable and delivered to you later than the rest of the order, you will be eligible for a Shipping Credit based on two (2) times the shipping cost of the ten (10) products that were unavailable at the time of your order.



Product Distribution Agreement

- e. Select Product Terms. We will provide you with the complete list of Select Products at the time of your purchase order. You must select 5 of the Select Products from such list (the “**Preferred Products**”), and inform us of such preferences. You will receive Preferred Products based on the total amount of your Shipping Credit, and based on product availability. We will have sole discretion to determine the qualities of each Preferred Product you will receive in fulfillment of your Shipping Credit. If one or more of your Preferred Products are unavailable at the time your order is placed, we shall have discretion to provide you with a substitute from the list of Select Products.
 - f. Written Confirmation. You are strongly advised to confirm your Product Preferences and shipping requests in writing or via email to us.
 - g. Credit Margin. We will attempt to provide you with your Preferred Products. However, we may not be able to honor the exact dollar amount of your Shipping Credit for a given Incentive Period. Therefore, the retail value of the Preferred Products we provide will be within \$10 of your Shipping Credit. For example, if you are eligible for a \$500 Shipping Credit, we will provide you with Select Products with an aggregate retail value of \$490 to \$510.
- D. New Store Incentive. We offer an Incentive for new Nutrishop retail stores you open and operate (the “**New Store Incentive**”). The New Store Incentive does not apply to existing Nutrishop retail stores that are transferred to you. For each new Nutrishop retail store you open, a New Store Incentive will be provided in the twelfth (12th) month after the opening of each such new Nutrishop retail store. In addition to the other terms and conditions for the Incentives described in this Section IV, in order to be eligible for the New Store Incentive you must not cease operating, transfer or close any of your Nutrishop retail stores:
- a. Store #2: will receive \$5,000.00 in Nutrition Product credit 12 months after opening
 - b. Store #3: will receive \$7,500.00 in Nutrition Product credit 12 months after opening
 - c. Store #4: will receive \$10,000.00 in Nutrition Product credit 12 months after opening
 - d. Store #5 or more: will receive \$15,000.00 in Nutrition Product credit 12 months after opening

For purposes of a New Store Incentive, the Incentive Period shall be the 13th month after the opening of the applicable Nutrishop retail store. A New Store Incentive may only be used for the purchase of Nutrition Products. If you fail to use all of your New Store Incentive during the 13th month, the remaining unused amount will expire on the last day of the 13th month.

V. RECEIVING ORDERS

A. Freight:

Shipments will arrive with colored (not black) iridescent shrink-wrap with 3 strips of tape over the top of the pallet. If it does not arrive in this manner please call your brand representative immediately and notate it on the bill of lading. Carefully inspect and notate (on the bill of lading), the following issues before signing the bill of lading and allowing the driver to leave:



Product Distribution Agreement

- External condition of the pallet(s), taking notice of any tears and damaged or crushed boxes.
- Compare the count (either boxes or number of pallets) to what is indicated on the bill of lading.
- Upon signing the bill of lading if there are any damaged, missing, or excess products (match the products to the invoice first) it is urgent to contact your brand rep immediately (no later than 24-hours) to receive credit for any missing or damaged items and/or to provide notice of the receipt of Excess Goods.

Unfortunately, we have had several denied claims with our carrier because damage was not noted on the Delivery Receipt (“DR”). If you contact us to have damaged products replaced, we will request that you send the copy of your DR with photo(s) of damage to assist us in replacing your product and filing our damage claim. Any damaged shipment claims that are not noted on the DR will be denied. Please note the shrink wrap will be colored (not black) with three strips of tape across the top reading “STOP if seal is broken, check contents before accepting” to ensure that there is no tampering of the shipment orders. If there has been any tampering of the tape please note this on the DR too.

Please remember that Section 6.4 of the Product Distribution Agreement requires you to note ANY damages when the shipment is delivered.

B. FedEx or UPS Shipments: The total number of pieces in the shipment will be included on the FedEx or UPS sticker. If there are eight boxes in the shipment, the labels will read “1 of 8”, “2 of 8”, “3 of 8”, etc. You may sign for a partial shipment, but you must alert the driver about any missing box(es), and must also notify us so that we can track the missing box(es) and confirm they are in transit. If any box is missing, please notify the driver before signing the release. Typically, the missing box(es) are either in the UPS hub or on a delivery truck in a separate location and will be delivered the next day. If you do not receive the missing box within 24-hours of receiving the initial shipment, contact your brand representative so the shipment can be tracked. We will not be held responsible for lost or missing products if you fail to notify us of the missing products within 5 Business Days of receiving the first shipment of boxes.

PLEASE ENSURE ALL MANAGERS ARE AWARE OF THESE ORDER RECEIPT PROCEDURES AS WELL.

VI. PRODUCT RETURN POLICY

GNG will accept customer returns under the following conditions:

- The product container(s) is/are at least 3/4 volume weight or contain half the quantity of capsules or tablets if such is the case. This condition excludes manufacturer defects which will be accepted in addition to customer returns.
- A Return Log (provided by us) is filled out with the complete description and reason for return. Please ensure a copy of the return log and customer returns forms (1 for each item returned) are included in the final box(es).
- Once you have a maximum of 7 returns (excluding manufacturer defects), please email the return log to your brand representative and a Call Tag will be issued via email. The Call Tag must be printed and secured to the outside of the box. Give the box of returns to the FedEx



Product Distribution Agreement

driver or call FedEx for pick-up. Once the box has been delivered to NutriShop Corporate and confirmed, a credit memo will be issued.

- Returns must be submitted by the end of the month and no later than 5 Business Days into the next month.



Product Distribution Agreement

EXHIBIT B

PRICES



Product Distribution Agreement

EXHIBIT C

PRICING POLICIES

The following policies apply to your pricing of Goods purchased from us and other affiliates of Nutrishop, Inc. (“Nutrishop”). These policies are not a contract or an offer to form a contract, agreement, or any other form of mutual understanding. Rather, these policies describe the terms under which we (or another affiliate of Nutrishop) may, in our sole discretion, choose to sell, or to continue to sell, the Goods to their resellers. You must not discuss the terms or application of these policies with your non-management employees, customers, or other franchisees, licensees, or sales representatives of ours (or any other applicable Nutrishop affiliate), as applicable. All franchisee and customer questions regarding any of the policies must be directed to the applicable policy administrator. It is also your responsibility to impose and charge any mandatory State or local taxes on the Goods you sell to customers. Keep in mind, State and Federal law strictly regulates the pricing and resale of goods and commodities to consumers. Antitrust laws and anti-competition laws prohibit anti-competitive pricing practices, such as price gouging, predatory pricing, price discrimination, or any other price that constitutes an illegal restraint on trade, which are all strictly prohibited among all resellers.

Goods Purchased from NS Nutrition Distribution. Except as set forth in the Nutrishop Retail Store Operations Manual, or with permission given by us in writing, no reseller is authorized to advertise any discounts on the Goods below the published Minimum Advertised Price (“MAP”) as set forth on the attached **Appendix I**. Advertising that in any way suggests or implies a price lower than MAP, including without limitation, the following, will be considered a violation of these pricing policies and the Product Distribution Agreement:

- Rebates, couponing, gift with purchase, promo codes, “call or email” for pricing, third-party cash back, package discounts, free product tie-ins, social media or internet solicitation;
- Conducting sales from a prior year during the current year;
- Multiple sales (whether store-wide or on particular Goods) conducted per calendar month; and
- Sales that provide for a discount in excess of twenty-five percent (25%).

Notwithstanding the above, prices lower than MAP will be permitted in the following cases:

- Nationwide Discounts: You are permitted to participate in nationwide sales and discounts, as described further in, and in compliance with, the Nutrishop Retail Store Operations Manual.
- Monthly Store Sales: You are permitted to advertise discounts of up to twenty-five percent (25%) on Goods for up to one time per calendar month. These sales may last for up to three (3) days during the calendar month. At least thirty (30) calendar days must elapse from the last day of the sale before you can advertise for another sale.
- Anniversary Sales: Once per year you may advertise discounts of up to thirty percent (30%) on Goods for up to two (2) consecutive days as part of an anniversary sale for your Nutrishop Retail Store.



Product Distribution Agreement

A violation of these pricing policies will be deemed to be a breach of both your Product Distribution Agreement and your NutriShop Retail Store Franchise Agreement, as provided in those agreements. NutriShop and we reserve the right to change or discontinue these pricing policies at any time, and neither you nor any reseller has the right to rely on a continued existence of these policies or our or NutriShop's enforcement thereof. All decision(s) or actions taken in contravention of these pricing policies are at our and NutriShop's sole discretion. No non-management employees, franchisees, licensees or sales representatives of ours or NutriShop or each of their respective affiliates have authority to discuss or modify the terms of these pricing policies or the MAP for any Good. Any unauthorized person who purports to modify these pricing policies or any MAP, or solicits or obtains the agreement of any person with respect to these pricing policies or any MAP is invalid. Questions about these policies should be directed to the compliance department, attention: Bryon McLendon, President, at bmclendon@nutrishopusa.com and (775) 831-1435.



Product Distribution Agreement

APPENDIX I

MINIMUM ADVERTISED PRICES

EXHIBIT F TO FDD

**24 HOUR FITNESS LOCATION ADDENDUM TO NUTRISHOP RETAIL STORE
FRANCHISE AGREEMENT AND PRODUCT DISTRIBUTION AGREEMENT**

**24 HOUR FITNESS LOCATION ADDENDUM
TO NUTRISHOP RETAIL STORE
FRANCHISE AGREEMENT AND PRODUCT DISTRIBUTION AGREEMENT**

THIS ADDENDUM TO FRANCHISE AGREEMENT AND PRODUCT DISTRIBUTION AGREEMENT (this "Addendum") is made and entered by and among **NUTRISHOP, INC.**, a Nevada corporation ("we," "us," or "our"), **NS DISTRIBUTION, LLC**, a Nevada limited liability company ("Supplier"), and [_____], a [_____] ("you" or "your").

1. **Background.** Simultaneously with signing this Addendum, we and you are signing a Nutrishop Retail Store Franchise Agreement (and together with any related addenda, agreements, and amendments, collectively the "Franchise Agreement") pursuant to which you will own and operate a STORE at an Approved Location within a 24 Hour Fitness gym (your "24 Hour Fitness Location"). Supplier and you are also simultaneously with signing this Addendum signing a Product Distribution Agreement (and together with any related addenda, agreements, and amendments, collectively the "Product Distribution Agreement") pursuant to which Supplier grants you the right to purchase and sell Supplier's goods in your 24 Hour Fitness Location. All initial capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Franchise Agreement or the Product Distribution Agreement, as is applicable. This Addendum is annexed to and forms part of the Franchise Agreement and Product Distribution Agreement. We and you are signing this Addendum because the STORE is designated as a 24 Hour Fitness Location. All references in this Addendum to "Sections," "Articles," and/or "Exhibits" shall mean the applicable Section, Article and/or Exhibit (as applicable) of and to the Franchise Agreement or the Product Distribution Agreement, as is applicable. If there is a conflict between the terms of the Franchise Agreement or the Product Distribution Agreement and the terms of this Addendum, the terms of this Addendum shall control.

2. **Territorial Rights.** Notwithstanding anything to the contrary in Section 1.2.1 of the Franchise Agreement, the Territory for your 24 Hour Fitness Location shall consist of the commercial facility in which your 24 Hour Fitness Location is located and the lesser of: (i) a five (5) mile radius from the center of the Approved Location or (ii) an area immediately surrounding the Approved Location that encompasses an estimated population of two hundred thousand (200,000) residents. Notwithstanding the foregoing, we may, from time to time during the term of the Franchise Agreement, at our sole option and upon providing notice to you, reduce or otherwise modify the size and/or boundaries of the Territory to encompass a geographic area immediately surrounding the Approved Location consisting of two hundred thousand (200,000) residents. If at any time during the term of the Franchise Agreement the population in the Territory becomes less than two hundred thousand (200,000) residents, we have no obligation to expand or modify the size and/or boundaries of the Territory to include a greater population. You and we agree that upon any modification to the size and/or boundaries of the Territory pursuant to this Section, we are authorized to amend the Franchise Agreement to reflect such modification. You and we hereby agree that upon the amendment of the Franchise Agreement by us in accordance with this Section, the particular geographic area identified thereon shall be deemed the Territory under the Franchise Agreement. All other terms of the Franchise Agreement concerning Territorial Rights and Advertising Rights shall apply to your 24 Hour Fitness Location.

3. **Relocation.** Notwithstanding anything to the contrary set forth in Section 1.2.5 of the Franchise Agreement, you may not relocate your STORE from the 24 Hour Fitness Location without our advance written approval, which we may withhold in our sole discretion for any or no reason.

4. **Initial Term and Renewal.** Notwithstanding anything to the contrary set forth in Section 1.3 of the Franchise Agreement, the initial term of the Franchise Agreement will begin on the Opening Date of your 24 Hour Fitness Location, and will expire on the third (3rd) anniversary of the Opening Date, unless the Franchise Agreement is sooner terminated as provided in the Franchise Agreement, and you will have the right, but not the obligation, to enter into one (1) successor Nutrishop Store franchise agreement for an additional consecutive term of three (3) years on the same terms and conditions as those on which we are customarily granting new franchises at the time of renewal if at the time of renewal you fulfill the conditions under Section 1.3.2 of the Franchise Agreement.

5. **License Addendum.** Section 2.1 of the Franchise Agreement is amended so as to require that any and all licenses that you enter into include our form of addendum to license agreement attached hereto as **Exhibit A** (the “License Addendum”) containing certain required terms and provisions applicable to the license for the Approved Location.

6. **Weekly Video Conference.** Section 2.4 of the Franchise Agreement shall be amended so as to require you to participate on a weekly video conference meeting via Zoom or another application we designate with one or more members of our personnel.

7. **Store Website.** Notwithstanding anything to the contrary set forth in Section 2.6.1 of the Franchise Agreement, you must establish and maintain a Franchisee Website to promote your 24 Hour Fitness Location in compliance with Section 2.6.1 of the Franchise Agreement.

8. **Approvals from Landlord.** You may not use the “24 Hour Fitness” trademark, service mark, and/or other commercial symbol without obtaining our and the landlord of the Approved Location’s prior written approval.

9. **Initial Fee.** Notwithstanding anything to the contrary in Section 3.1 of the Franchise Agreement, the initial fee for your 24 Hour Fitness Location due upon signing the Franchise Agreement is Fifteen Thousand Dollars (\$15,000), if the designated retail space at the Approved Location has a front door open to the public that is separate from the main door for the 24 Hour Fitness gym. If the designated retail space at the Approved Location does not have a front door open to the public that is separate from the main door for the 24 Hour Fitness gym, then the initial fee payable under Section 3.1 of the Franchise Agreement is Ten Thousand Dollars (\$10,000).

10. **Grand Opening Advertising.** You agree to spend a minimum of One Thousand Dollars (\$1,000) to advertise and promote your 24 Hour Fitness Location during a one-day grand opening event held between two (2) and three (3) months after the opening of your 24 Hour Fitness Location. You agree to comply with our guidelines for this grand opening event.

11. **Body Composition Machines and Nutrishop Meal Plan.** Without our prior written approval, you are prohibited from charging customers of your 24 Hour Fitness Location any fee in connection with their use of an Inbody machine, an Evolt machine and/or other similar approved device, or in connection with the customer's participation in the Nutrishop Meal Plan and/or any other approved meal plan.

12. **Stocking of Required Goods.** Notwithstanding anything to the contrary in the Franchise Agreement or in Section I of Exhibit A to the Product Distribution Agreement, you agree to the following:

(a) You shall maintain all shelves in your 24 Hour Fitness Location fully stocked with all of the required Goods and other products we specify from time to time during the term of the Franchise Agreement. You also shall ensure that none of the shelves in your 24 Hour Fitness Location are empty or give an appearance of not being fully stocked.

(b) You agree to use commercially reasonable efforts to at all times maintain an inventory of Goods in your 24 Hour Fitness Location at the same levels as those required for the Minimum Opening Inventory Requirement, but you shall at no time maintain an inventory of Goods less than eighty-five percent (85%) of the Goods required for the Minimum Opening Inventory Requirement.

(c) At no time may the products and goods you offer or sell from your 24 Hour Fitness Location consist of more than twenty percent (20%) of goods or products that you have obtained from a supplier other than us and/or one of our affiliates.

13. **Social Media.** Notwithstanding anything to the contrary set forth in Section 4.3.8 of the Franchise Agreement, you shall be required to establish and maintain Social Media Pages on the platforms we designate from time to time in compliance with our advertising policies and Section 4.3.8 of the Franchise Agreement.

14. **Acts of Default.** Notwithstanding Section 8.2.1 of the Franchise Agreement, we may terminate the Franchise Agreement, effective upon delivery of written notice of termination to you, if you or any of your owners, representatives, or employees engage in any behavior that is, or make any statements, whether orally, in an email, or in a social media post directed to us, the landlord of the Approved Location, or any third party, that are, illicit, unlawful, threatening, harassing, abusive, libelous, defamatory, obscene, vulgar, pornographic, gambling-related, drug-related, alcohol-related, profane, racist, sexually explicit or indecent, that in our opinion negatively affects us, the landlord of the Approved Location, either of our or their staff or employees, or otherwise affects your 24 Hour Fitness Location's reputation or the goodwill associated with the Marks.

15. **Right to Purchase Leasehold Rights.** Upon termination or expiration of the Franchise Agreement, we have the option, exercisable by giving you written notice within sixty (60) days from the date of the termination or expiration, to purchase the leasehold rights to the premises. You agree at our election to assign your leasehold interest in the premises to us or

to enter into a sublease for the remainder of the Lease term on the same terms (including renewal options) as the Lease.

16. **Minimum Monthly Purchase Order Requirement.** Notwithstanding anything to the contrary in Section II.A of Exhibit A to the Product Distribution Agreement, the Minimum Monthly Purchase Order Requirement amount for your 24 Hour Fitness Location is Four Thousand Dollars (\$4,000).

17. **Administration Fees.** Notwithstanding anything to the contrary in Section III of Exhibit A to the Product Distribution Agreement, if the designated retail space at the Approved Location has a front door open to the public that is separate from the main door for the 24 Hour Fitness gym, you will pay us a monthly Administration Fee as follows:

Amount of Total Nutrition Product Purchases During a Month	Administration Fee Amount
<\$3,000	\$600
\$3,000.00 to \$6,000.00	\$300
>\$6,000.00	\$0

If the designated retail space at the Approved Location does not have a front door open to the public that is separate from the main door for the 24 Hour Fitness gym, you will pay us a monthly Administration Fee as follows:

Amount of Total Nutrition Product Purchases During a Month	Administration Fee Amount
<\$2,500	\$600
\$2,500.00 to \$4,000.00	\$300
>\$4,000.00	\$0

18. **Default.** You acknowledge and agree that your failure to comply with any of the terms of this Addendum shall be a material breach of the Franchise Agreement or Product Distribution Agreement, as applicable, and this Addendum and that in such case we will be entitled to all rights and remedies under the Franchise Agreement or Product Distribution Agreement, as applicable.

19. **No Other Modifications.** Except as expressly set forth herein, all of the terms and conditions of the Franchise Agreement and Product Distribution Agreement shall remain in full force and effect.

20. **Due Authorization.** The person or persons executing this Addendum on behalf of us and you each, respectively, certify and warrant that they are duly authorized to execute this Addendum and that this Addendum is a valid, binding and enforceable agreement on such party.

21. **Counterparts.** This Addendum may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, notwithstanding that all parties are not signatory to the original or the same counterpart. The parties agree that an electronic transmission, including email and facsimile, of any duly executed copy of this Addendum constitutes an original and binding document.

22. **Entire Agreement.** This Addendum constitutes the entire understanding of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by us and you.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum on the dates noted below, to be effective as of the Effective Date.

FRANCHISOR:

NUTRISHOP, INC., a Nevada corporation

By: _____
Printed Name: _____
Its: _____

FRANCHISEE:

[_____] ,
a [_____]

By: _____
Printed Name: _____
Its: _____

SUPPLIER:

NS DISTRIBUTION, LLC, a Nevada limited liability company

By: _____
Printed Name: _____
Its: _____

EXHIBIT A
FRANCHISE ADDENDUM TO LICENSE AGREEMENT

THIS FRANCHISE ADDENDUM TO LICENSE AGREEMENT (this “Addendum”) is entered into this _____ day of _____, 201__, by and between _____, a(n) _____ (“Licensor”) and _____, a(n) _____ (“Licensee”) for the benefit of **NUTRISHOP, INC.**, a Nevada corporation (“Franchisor”).

WHEREAS, Licensee and Franchisor have executed a Nutrishop Retail Store Franchise Agreement (the “Franchise Agreement”), pursuant to which Franchisor has granted Licensee the right to establish and operate a “Nutrishop”-branded store at the following 24 Hour Fitness location: _____ (the “Premises”);

WHEREAS, Licensee and Licensor are entering into a license agreement (the “License”), pursuant to which Licensee will license the Premises from Licensor; and

WHEREAS, Franchisor has required Licensee to include certain terms in the License in order to protect Franchisor’s rights, and Licensor has agreed to such terms.

NOW, THEREFORE, for good and valuable consideration, the receipt of which the parties hereby acknowledge, Licensor and Licensee agree as follows:

1. Licensor agrees to: (a) furnish to Franchisor a copy of any default notice served on Licensee and/or another licensee under the License simultaneously with the service of the notice to Licensee and/or such other licensee; and (b) provide Franchisor with notice of any proposed renewals, extensions, modifications and amendments to the License. All notices to Franchisor shall be sent to the following address: Nutrishop, Inc., 15320 Fairfield Ranch Road #A, Chino Hills, California 91709, unless Licensor is notified otherwise in writing by Franchisor. No notice to Licensee shall be effective unless and until a copy thereof is served upon Franchisor.

2. Licensor agrees that the expiration of the Franchise Agreement (unless Licensee enters into a renewal Franchise Agreement with Franchisor) or a termination of the Franchise Agreement prior to expiration shall constitute a default under the License.

3. Licensor agrees that upon the termination or expiration of the License, Franchisor shall have the first right of refusal to license the Premises as the new licensee or sublicensee.

4. Licensor agrees that Franchisor shall have the right to enter the Premises to make any modifications or alterations necessary to protect its trademarks, trade names, trade dress and other intellectual property without being guilty of trespass or any other tort or crime.

5. Licensor agrees that upon the expiration or termination of the Franchise Agreement, Franchisor shall have the right to enter the Premises and remove any trade fixtures, interior or exterior signs or other items bearing its trademarks. Licensor agrees upon the expiration or termination of the Franchise Agreement to relinquish to Franchisor any and all liens or other ownership interests, whether by operation of law or otherwise, in and to any tangible property bearing Franchisor’s trademarks, service marks or trade dress.

6. Licensors agree that, if Franchisor exercises its first right of refusal to license the Premises upon the termination or expiration of the License pursuant to Section 3 above, Franchisor shall have the right to assign its license agreement with Licensor, or to sublicense the Premises, to either an entity owned or controlled by Franchisor, or to another franchisee of Franchisor upon obtaining Licensor's written consent, which consent will not be unreasonably withheld, conditioned or delayed by Licensor. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

7. Licensor and Licensee expressly agree that Franchisor is an intended third party beneficiary of the terms of this Addendum. Licensor and Licensee further agree that Franchisor has no liability or obligation under the License.

8. In the event of any inconsistency between the terms of this Addendum and the terms of the License, the terms of this Addendum control. All of the terms of this Addendum, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns. The provisions of this Addendum may be amended, supplemented, waived or changed only by a written document signed by all the parties to this Addendum that makes specific reference to this Addendum and which must be approved in writing by Franchisor. This Addendum may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.

[Signatures on following page]

LICENSOR:

_____,
a _____

By: _____
Print Name: _____
Title: _____

LICENSEE:

_____,
a _____

By: _____
Print Name: _____
Title: _____

EXHIBIT G TO FDD
FINANCIAL STATEMENTS



NUTRISHOP, INC.
DECEMBER 31, 2021 AND 2020

FINANCIAL STATEMENTS &
INDEPENDENT AUDITORS' REPORT

Focused
on YOU



NUTRISHOP, INC.

FINANCIAL STATEMENTS
& INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2021 AND 2020

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITORS' REPORT	1
Balance Sheets	3
Statements of Operations	5
Statements of Changes in Shareholders' Equity	6
Statements of Cash Flows	7
NOTES TO FINANCIAL STATEMENTS.....	8



INDEPENDENT AUDITORS' REPORT

To the Management
of Nutrishop, Inc.
Henderson, NV

Opinion

We have audited the accompanying financial statements of Nutrishop, Inc. (a Nevada Subchapter S-Corporation), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nutrishop, Inc. as of December 31, 2021 and 2020, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nutrishop, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Nutrishop, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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



To the Management
of Nutrishop, Inc.
Henderson, NV

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

Lance, Soll & Lingham, LLP

Santa Ana, California
March 7, 2022

NUTRISHOP, INC.

BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash	\$ 150,838	\$ 167,145
Accounts receivable	9,750	7,349
Accounts receivable from related parties	59,757	168,800
Prepaid expenses	<u>12,512</u>	<u>800</u>
Total Current Assets	<u>232,857</u>	<u>344,094</u>
Furniture, Fixtures and Improvements		
Furniture and fixtures	10,078	10,078
Leasehold improvements	<u>183,173</u>	<u>174,797</u>
Total Furniture, Fixtures and Improvements	193,251	184,875
Less: accumulated depreciation and amortization	<u>(78,862)</u>	<u>(76,947)</u>
Furniture, Fixtures and Improvements, Net	<u>114,389</u>	<u>107,928</u>
Total Assets	<u><u>\$ 347,246</u></u>	<u><u>\$ 452,022</u></u>

See Independent Auditors' Report and Notes to Financial Statements

NUTRISHOP, INC.

BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	\$ 9,014	\$ 49,146
Accrued pension liability	-	13,905
Accrued expenses	29,536	10,583
Customer deposits	30,000	-
Due to related parties	742	-
Paycheck Protection Program Loan	-	29,500
	<u>69,292</u>	<u>103,134</u>
Total Current Liabilities		
Shareholders' Equity		
Common stock, no par value; 75,000 shares authorized, 4,000 shares issued and outstanding	10,000	10,000
Additional paid-in capital	92,000	92,000
Retained earnings	<u>175,954</u>	<u>246,888</u>
Total Shareholders' Equity	<u>277,954</u>	<u>348,888</u>
Total Liabilities and Shareholders' Equity	<u><u>\$ 347,246</u></u>	<u><u>\$ 452,022</u></u>

See Independent Auditors' Report and Notes to Financial Statements

NUTRISHOP, INC.

**STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Revenues		
Franchise fees	\$ 60,000	\$ 70,000
Transfer fees	22,500	40,000
Exclusivity fees	630,000	630,000
Administration fees	69,175	45,399
Other revenues	2,885	2,385
	<u>784,560</u>	<u>787,784</u>
Operating Expenses		
Marketing and advertisement expenses	78,317	174,239
Other selling, general and administrative expenses	686,114	643,810
	<u>764,431</u>	<u>818,049</u>
	20,129	(30,265)
Income (Loss) from Operations		
	20,129	(30,265)
Other Income and (Expenses)		
Other expenses	(13,800)	-
Loss on asset disposal	(10,963)	-
Forgiveness of PPP loan	29,500	-
Penalties	(95,000)	(10,016)
	<u>(90,263)</u>	<u>(10,016)</u>
Total Other Income (Expenses)		
	(90,263)	(10,016)
Net Income (Loss) before Income Tax	(70,134)	(40,281)
	800	800
Provision for income taxes	800	800
	<u>800</u>	<u>800</u>
Net Income (Loss)	<u><u>\$ (70,934)</u></u>	<u><u>\$ (41,081)</u></u>

See Independent Auditors' Report and Notes to Financial Statements

NUTRISHOP, INC.

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>Common Stock</u>		<u>Additional</u>	<u>Retained</u>	<u>Totals</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u>	<u>Earnings</u>	
Balance, December 31, 2019	4,000	\$ 10,000	\$ 92,000	\$ 287,969	\$ 389,969
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,081)</u>	<u>(41,081)</u>
Balance, December 31, 2020	4,000	10,000	92,000	246,888	348,888
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,934)</u>	<u>(70,934)</u>
Balance, December 31, 2021	<u>4,000</u>	<u>\$ 10,000</u>	<u>\$ 92,000</u>	<u>\$ 175,954</u>	<u>\$ 277,954</u>

See Independent Auditors' Report and Notes to Financial Statements

NUTRISHOP, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Net loss	\$ (70,934)	\$ (41,081)
Adjustments to reconcile net loss to net cash used in operating activities:		
Forgiveness of PPP loan	(29,500)	-
Depreciation and amortization	10,140	11,652
Loss on asset disposal	10,963	-
Bad debt expenses	-	(4,800)
Changes in operating assets and liabilities		
Accounts receivable	(2,401)	11,800
Accounts receivable from related parties	109,043	(168,000)
Prepaid expenses	(11,712)	-
Accounts payable	(40,132)	37,083
Accrued pension liability	(13,905)	(4,330)
Accrued expenses	18,953	5,008
Customer deposits	30,000	(20,000)
Due to related parties	742	-
Net Cash Provided by(Used In) Operating Activities	<u>11,257</u>	<u>(172,668)</u>
Cash Flows From Investing Activities		
Purchase of Leasehold improvements	<u>(27,564)</u>	<u>-</u>
Net Cash (Used In) Financing Activities	<u>(27,564)</u>	<u>-</u>
Cash Flows From Financing Activities		
Proceeds from note payable	<u>-</u>	<u>29,500</u>
Net Cash Provided By Financing Activities	<u>-</u>	<u>29,500</u>
Net Decrease in Cash	(16,307)	(143,168)
Cash, Beginning of Year	<u>167,145</u>	<u>310,313</u>
Cash, End of Year	<u><u>\$ 150,838</u></u>	<u><u>\$ 167,145</u></u>
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for:		
Income tax	<u><u>\$ 800</u></u>	<u><u>\$ 800</u></u>

See Independent Auditors' Report and Notes to Financial Statements

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020**

Note 1: Nature of Business

Nutrishop, Inc. (the “Company”), is a Nevada Subchapter S-Corporation headquartered in Henderson, Nevada. The Company holds trademark rights to the Nutrishop logo. As a franchisor, the Company enters into agreements with franchisees in various states to provide marketing services to independently owned stores. The trademark is used in the franchising of Nutrishop retail locations and on miscellaneous Nutrishop apparel and promotional items. The Company is also an exclusive promoter of NS Nutrition Distribution, LLC’s products. The Company originally began offering licensing agreements prior to August 2018. Beginning in August 2018, the Company ceased offering new licenses for the operation of Nutrishop stores and converted a majority of stores to a franchise model under which it offers franchises for the operation of Nutrishop stores.

Note 2: Summary of Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company’s financial statement. The financial statement and notes are representations of the Company’s management who is responsible for their integrity and objectivity.

Basis of Accounting

The accompanying financial statement has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received, and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed.

Revenue Recognition

Franchise Fee

The Company offers franchisees the opportunity to operate franchised Nutrishop stores under the franchise agreements. Under the franchise model, the Company generally charges a new franchisee a \$20,000 initial fee, except that the initial fee will be (i) \$15,000 for a new franchisee that operates in a 24 Hour Fitness gym (if the designated retail space has a front door open to the public that is separate from the main door for the 24 Hour Fitness gym) and \$10,000 for a new franchisee that operates in a 24 Hour Fitness gym (if the designated retail space does not have a front door open to the public that is separate from the main door for the 24 Hour Fitness gym), (ii) \$2,500 for a new franchisee that operates a pro-shop that is not in a 24 Hour Fitness gym, and (iii) waived for an existing franchisee in good standing that operates at an approved location that the franchisee converts from an existing nutrition store that is not a Nutrishop store. The initial fee will be reduced to \$15,000 for franchisees that were previously licensees and that are signing a franchise agreement for a second or subsequent Nutrishop store franchise. The Company provides franchisees goods and services that include site selection; store layout; orientation training as well as continuing education and consulting; advertising services; and operational materials. Upon store opening, these performance obligations are substantially complete and franchise fees are recognized as revenue. The internal costs incurred to provide support services to franchisees and licensees are charged to general and administrative expenses as incurred.

Customer Deposit

Payments for franchise fees received before opening of stores are recognized as customer deposit.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020
Note 2: Summary of Significant Accounting Policies (Continued)

Number of stores at December 31, 2021 and 2020 is as follows:

	Under franchise agreement	Under license agreement	Total
As of December 31, 2020	96	4	100
Adjustment	3	(1)	2
Conversion	1	(1)	-
Add: New stores	8	-	8
Less: Stores closed	(10)	-	(10)
As of December 31, 2021	98	2	100
Franchised by an affiliate of the Company	(2)	-	(2)
	<u>96</u>	<u>2</u>	<u>98</u>

NS Retail Holdings, Inc, an affiliate of the Company, opened one new store during the year ended December 31, 2021. As of December 31, 2021 and 2020, the total number of stores owned and operated by NS Retail Holdings, Inc. were as follows:

	December 31,	
	2021	2020
Stores owned by an affiliate of the Company	<u>4</u>	<u>3</u>

Exclusivity Fees

The Company exclusively provides product training, online marketing, athlete sponsorships and product promotions to the related party distributors of Nutrishop products. The Company has an exclusivity promotion agreement with Global Nutrishop Group (“GNG”) during 2021 and NS Nutrition Distribution, LLC (“NSND”) during 2020, which are owned by the same shareholders of the Company. Pursuant to the agreement, the Company receives a monthly fixed fee which is recognized at the end of each month. Fees are reviewed and revised each year. For both 2021 and 2020, the monthly fee was \$52,500.

Administration Fees

The Company has an agreement for assignment of administration fees with NSND. Under the agreement, the Company’s related party distributor assigns its rights to the administration fees to the Company. Administration fees are assessed on all Nutrishop stores when the monthly purchase of Nutrishop products from the related party distributor doesn’t meet the minimum requirement, and range from \$200 to \$600 per month. Revenue is recognized monthly based on the purchase amounts for the applicable month.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

Note 2: Summary of Significant Accounting Policies (Continued)

Transfer Fees

When a store owner wishes to transfer its license agreement or the franchise agreement to another potential franchisee, a store owner must obtain the approval of the transfer from the Company. Upon the approval, the transferee must pay the Company a transfer fee in accordance with the agreement. Transfer fees are recognized as revenue upon the execution of the transfer agreement. The transfer fee is generally \$10,000 if the Nutrishop store is not a pro-shop and \$2,500 if the Nutrishop store is a pro-shop. The transfer fee is waived if the transfer is among existing Nutrishop store owners.

Accounts Receivable

Accounts receivable consists of trade accounts arising in the normal course of business. Uncollectible accounts are written-off after all attempts at collection have been pursued. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. The allowance for doubtful accounts is determined on the basis of loss experience, and financial stability of franchisees. Management has determined an allowance is not necessary as of December 31, 2021 and 2020.

Furniture, Fixtures and Improvements

Furniture, fixtures and improvements are stated at cost. Major improvements are capitalized. Maintenance and repairs are expensed as incurred. Depreciation of equipment is provided over the estimated useful lives of the respective assets using the straight-line method. Leasehold improvements are amortized on the straight-line basis over the terms of the respective leases. The estimated useful lives of the related assets are as follows:

Furniture and fixtures	5-7 years
Leasehold improvements	15 years

Depreciation expense for the years ended December 31, 2021 and 2020 was \$10,140 and \$11,652, respectively.

When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Long-lived assets of the Company are reviewed annually as to whether their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the future projected cash flows from related operations. Management also re-evaluates the periods of amortization to determine whether subsequent events and circumstances warrant revised estimates of useful lives. As of December 31, 2021, management expects these to be fully recoverable.

Advertisement Expenses

Advertising expenses are charged to operations when incurred. Advertising expense was \$10,213 and \$19,786, respectively, for the years ended December 31, 2021 and 2020 and is included in marketing and advertisement expenses in the accompanying statements of operations.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

Note 2: Summary of Significant Accounting Policies (Continued)

Income Taxes

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code, to be taxed as an "S" corporation. Under this election, the Company's shareholders, rather than the Company, are subject to federal income taxes on earnings. Therefore, no provision or liability for federal income taxes has been included in the financial statements. This election is also valid for Nevada. However, California law requires a minimum tax of the greater of \$800 or 1.5% on state taxable income for "S" corporations. For the state of Nevada, the Company's operations are not subject to state income tax.

The Company provides for income taxes under the asset/liability method. Deferred income taxes may be recognized for the tax consequences in future years of the differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income.

The Company did not have unrecognized tax benefits as of December 31, 2021 and 2020, respectively and does not expect this to change significantly over the next 12 months. As of December 31, 2021 and 2020, the Company has not accrued interest or penalties related to uncertain tax positions.

Use of Estimates

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

Date of Management's Review

Events occurring after December 31, 2021 have been evaluated for possible adjustment to the financial statements or disclosure as of March 7, 2022, which is the date the financial statements were available to be issued.

Note 3: Concentrations of Credit Risk

The Company may be subject to credit risk on its cash. At December 31, 2021, the Company maintains its cash balances at one institution. Accounts at this institution are insured by the FDIC, which covers up to \$250,000 for substantially all depository accounts. At various times throughout the year, the balance in the accounts may be in excess of federally insured limits. Management believes the Company is not exposed to any significant credit risk on its cash accounts.

Approximately 80% and 85% of total revenue is generated from contracts with related parties during the years ended December 31, 2021 and 2020, respectively.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

Note 4: Related Party Transactions

The Company has a month-to-month rental agreement for an office in Chino Hills, California, which is owned by trusts of the Company's shareholders. The Company paid \$3,650 rent per month during the years ended December 31, 2021 and 2020, respectively. Rent expenses of \$43,800 are included in other selling, general and administrative expenses in the accompanying statements of operations for the years ended December 31, 2021 and 2020, respectively.

The Company has an exclusivity promotion agreement with GNG during 2021 and with NSND during 2020 for services provided by the Company as a promoter of Nutrishop products. The fee was \$52,500 per month for both 2021 and 2020 and total exclusivity fees earned during the years ended December 31, 2021, and 2020 were \$630,000 for each year. Due from related party related to exclusivity fees was \$59,757 from GNG at December 31, 2021 and \$165,000 from NSND at December 31, 2020, these are included in accounts receivable from related parties in the accompanying balance sheets.

The Company has an Assignment of Administration Fee Agreement with a related party distributor. The Company received administration fees of \$69,175 and \$45,399 for the years ended December 31, 2021 and 2020, respectively.

The Company sometimes pays costs on behalf of Nutrishop Franchising, LLC, ("Franchising LLC") which is owned by the same shareholders of the Company, through the ordinary course of business. In addition, the Company collected an administration fee on behalf of Franchising LLC during the year ended December 31, 2021 and 2020 (two stores in 2021 and one store in 2020 in the state of New York). Net unsettled balance resulted in a payable due to the Franchising LLC of \$600 at December 31, 2021 (included in due to related parties in the accompanying balance sheet) and a receivable of \$3,800 (included in accounts receivable from related parties in the accompanying balance sheet) at December 31, 2020, respectively.

Note 5: Customer Deposits

Deposits received from franchise fees prior to store openings are presented as customer deposits in the accompanying balance sheets. The following schedules present the changes in this account for the years ended December 31, 2021 and 2020, respectively.

	Balance @1/1/2021	Recognition of customer deposits as stores open	Customer deposit refunds	Additional deposit received, net	Balance @12/31/2021
Customer Deposits	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000

	Balance @1/1/2020	Recognition of customer deposits as stores open	Customer deposit refunds	Additional deposit received, net	Balance @12/31/2020
Customer Deposits	\$ 20,000	\$ (20,000)	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

Note 6: Paycheck Protection Program Loans (“PPP loan”) Forgiveness

In June 2020, the Company received loan proceeds in the amount of \$29,500 under Paycheck Protection Program (“PPP”). The PPP established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities, and maintains its payroll levels. The Company applied and received forgiveness of \$29,500 during the current year which is included in other income on the Statement of Operations.

Note 7: Employee Benefits
401(k) and Profit-Sharing Plan

The Company participated in a 401(k) and profit-sharing retirement plan during the current year. The Plan covered all eligible employees who meet the age and length of service requirements of the Company and two other related companies. The Company made safe harbor contributions of \$3,518 and \$2,870 and discretionary profit-sharing contributions of \$0 and \$1,914 for the year ended December 31, 2021 and 2020, respectively that are included in accrued pension liability on the accompanying balance sheets.

Defined Benefit Plan

On June 30, 2021, the Company terminated the defined benefit plan which was sponsored by the related party. The Plan covered all eligible employees, who meet the age and length of service requirements, of the Company and two other related companies. Upon the termination of the plan, the accumulated funds were disbursed to the participants. There were no employer contributions during 2021.

Plan level information for the Plan as of December 31, 2021 and 2020 are as follows:

Valuation date	December 31, 2021
Total plan assets	\$ -
Projected benefit obligation	-
Contribution for current year	-
Benefits Paid	-
Valuation date	December 31, 2020
Total plan assets	\$ 3,764,825
Projected benefit obligation	3,764,825
Contribution for current year	133,274
Benefits Paid	-

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020**

Note 8: Contingencies

The Company is subject to legal claims time to time arising from the ordinary course of business. The Company settled a claim initiated during 2021 in January 2022 with plaintiff outside the court. The settlement fee of \$13,000 was accrued at December 31, 2021 and is included in other expenses in the accompanying statements of operations.

Note 9: Covid-19

On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states have declared a state of emergency. The Company's franchisees operate in 24 states. Most of franchisees were impacted by government regulations or other health guidelines concerning operations of stores, various disruptions or restrictions that adversely affected operations during 2020.

The extent to which COVID-19 impacts the Company's business and operations will depend on future developments, which are uncertain and cannot be predicted as of the date of this report. The Company is continuing to monitor and assess the effects of the COVID-19 pandemic on its business; however, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.



NUTRISHOP, INC.
DECEMBER 31, 2020 AND 2019

FINANCIAL STATEMENTS &
INDEPENDENT AUDITORS' REPORT

Focused
on YOU



NUTRISHOP, INC.

FINANCIAL STATEMENTS
& INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2020 AND 2019

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITORS' REPORT	1
Balance Sheets	2
Statements of Operations	4
Statements of Changes in Shareholders' Equity	5
Statements of Cash Flows	6
NOTES TO FINANCIAL STATEMENTS.....	7



INDEPENDENT AUDITORS' REPORT

To the Management
of Nutrishop, Inc.
Henderson, NV

We have audited the accompanying financial statements of Nutrishop, Inc. (a Nevada Subchapter S-Corporation), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nutrishop, Inc. as of December 31, 2020 and 2019, 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.

A handwritten signature in black ink that reads "Lance, Soll & Lunghard, LLP".

Santa Ana, California
March 31, 2021



NUTRISHOP, INC.

BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash	\$ 167,145	\$ 310,313
Accounts receivable, net of allowance for doubtful accounts of \$0 and \$4,800	7,349	14,349
Accounts receivable from related parties	168,800	800
Prepaid income tax	800	800
	<u>344,094</u>	<u>326,262</u>
Total Current Assets		
Furniture, Fixtures and Improvements		
Furniture and fixtures	10,078	10,078
Leasehold improvements	174,797	174,797
	<u>184,875</u>	<u>184,875</u>
Total Furniture, Fixtures and Improvements		
Less: accumulated depreciation and amortization	<u>(76,947)</u>	<u>(65,295)</u>
Furniture, Fixtures and Improvements, Net	<u>107,928</u>	<u>119,580</u>
Total Assets	<u><u>\$ 452,022</u></u>	<u><u>\$ 445,842</u></u>

See Independent Auditors' Report and Notes to Financial Statements

NUTRISHOP, INC.

BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	\$ 49,146	\$ 12,063
Accrued pension liability	13,905	18,235
Accrued expenses	10,583	5,575
Customer deposits	-	20,000
Paycheck Protection Program Loan	29,500	-
	<u>103,134</u>	<u>55,873</u>
Total Current Liabilities		
Shareholders' Equity		
Common stock, no par value; 75,000 shares authorized, 4,000 shares issued and outstanding	10,000	10,000
Additional paid-in capital	92,000	92,000
Retained earnings	246,888	287,969
	<u>348,888</u>	<u>389,969</u>
Total Shareholders' Equity		
	<u>\$ 452,022</u>	<u>\$ 445,842</u>
Total Liabilities and Shareholders' Equity		

See Independent Auditors' Report and Notes to Financial Statements

NUTRISHOP, INC.**STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Revenues		
Franchise fees	\$ 70,000	\$ 87,500
Transfer fees	40,000	60,000
Exclusivity fees	630,000	900,000
Administration fees	45,399	96,850
Other revenues	2,385	720
	<hr/>	<hr/>
Total Revenues	787,784	1,145,070
Operating Expenses		
Marketing and advertisement expenses	174,239	276,227
Other selling, general and administrative expenses	643,810	800,341
	<hr/>	<hr/>
Total Operating Expenses	818,049	1,076,568
	<hr/>	<hr/>
Income (Loss) from Operations	(30,265)	68,502
Other Income and (Expenses)		
Other income	-	21,750
Other expenses	(10,016)	(5,364)
	<hr/>	<hr/>
Total Other Income (Expenses)	(10,016)	16,386
	<hr/>	<hr/>
Net Income (Loss) before Income Tax	(40,281)	84,888
	<hr/>	<hr/>
Provision for income taxes	800	800
	<hr/>	<hr/>
Net Income (Loss)	<u><u>\$ (41,081)</u></u>	<u><u>\$ 84,088</u></u>

See Independent Auditors' Report and Notes to Financial Statements

NUTRISHOP, INC.

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Totals</u>
	<u>Shares</u>	<u>Amount</u>			
Balance, December 31, 2018	4000	\$ 10,000	\$ 92,000	\$ 203,881	\$ 305,881
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,088</u>	<u>84,088</u>
Balance, December 31, 2019	4,000	10,000	92,000	287,969	389,969
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,081)</u>	<u>(41,081)</u>
Balance, December 31, 2020	<u>4,000</u>	<u>\$ 10,000</u>	<u>\$ 92,000</u>	<u>\$ 246,888</u>	<u>\$ 348,888</u>

See Independent Auditors' Report and Notes to Financial Statements

NUTRISHOP, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Net income (loss)	\$ (41,081)	\$ 84,088
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	11,652	11,652
Bad debt expenses	(4,800)	
Changes in operating assets and liabilities		
Accounts receivable	11,800	12,700
Due from related party	(168,000)	(800)
Prepaid income tax	-	(800)
Accounts payable	37,083	(69,402)
Accrued pension liability	(4,330)	7,538
Accrued expenses	5,008	(17,993)
Customer deposits	(20,000)	(25,000)
Due to related party	-	(8,897)
Net Cash Used In Operating Activities	<u>(172,668)</u>	<u>(6,914)</u>
Cash Flows From Financing Activities		
Proceeds from note payable	<u>29,500</u>	<u>-</u>
Net Cash Provided By Financing Activities	<u>29,500</u>	<u>-</u>
Net Decrease in Cash	(143,168)	(6,914)
Cash, Beginning of Year	<u>310,313</u>	<u>317,227</u>
Cash, End of Year	<u><u>\$ 167,145</u></u>	<u><u>\$ 310,313</u></u>
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for:		
Income tax	<u><u>\$ 800</u></u>	<u><u>\$ 1,300</u></u>

See Independent Auditors' Report and Notes to Financial Statements

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

Note 1: Nature of Business

Nutrishop Inc. (the “Company”), is a Nevada Subchapter S-Corporation headquartered in Henderson, Nevada. The Company holds trademark rights to the Nutrishop logo. As a franchisor, the Company enters into agreements with franchisees in various states to provide marketing services to independently owned stores. The trademark is used in the franchising of Nutrishop retail locations and on miscellaneous Nutrishop apparel and promotional items. The Company is also an exclusive promoter of NS Nutrition Distribution, LLC’s products. The Company originally began offering licensing agreements prior to August 2018. Beginning in August 2018, the Company ceased offering new licenses for the operation of Nutrishop stores and converted majority of stores to a franchise model under which it offers franchises for the operation of Nutrishop stores.

Note 2: Summary of Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company’s financial statement. The financial statement and notes are representations of the Company’s management who is responsible for their integrity and objectivity.

Basis of Accounting

The accompanying financial statement has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received, and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed.

Revenue Recognition

Franchise Fee

The Company offers franchisees the opportunity to operate franchised Nutrishop stores under the franchise agreements. Under the franchise model, the Company generally charges a new franchisee a \$20,000 initial fee. Licensees of existing Nutrishop stores who convert to the franchise model will receive a reduced initial fee of \$15,000 for any subsequent Nutrishop stores they open under the franchise model. The initial nonrefundable franchise fee is due when a franchisee signs a franchise agreement for the operation of a Nutrishop store. The Company provides franchisees goods and services that include site selection; store layout; orientation training as well as continuing education and consulting; advertising services; and operational materials. Upon store opening, these performance obligations are substantially complete and franchise fees are recognized as revenue. The internal costs incurred to provide support services to franchisees and licensees are charged to general and administrative expenses as incurred.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 2: Summary of Significant Accounting Policies (Continued)

Number of stores at December 31, 2020 and 2019 is as follows:

	Under franchise agreement	Under license agreement	Total
As of December 31, 2019	105	14	119
Adjustment	(1)	-	(1)
Conversion	5	(5)	-
Franchised by an affiliate of the Company	-	(1)	(1)
Transferred to an affiliate of the Company	(1)	-	(1)
Add: New stores	5	-	5
Less: Stores closed	(17)	(4)	(21)
As of December 31, 2020	<u>96</u>	<u>4</u>	<u>100</u>

NS Retail Holdings, Inc, an affiliate of the Company, opened one new store, and reacquired one franchise store, during the year ended December 31, 2020. As of December 31, 2020 and 2019, the total number of stores owned and operated by NS Retail Holdings, Inc. were as follows:

	December 31,	
	<u>2020</u>	<u>2019</u>
Stores owned by an affiliate of the Company	<u>3</u>	<u>1</u>

Exclusivity Fees

The Company exclusively provides product training, online marketing, athlete sponsorships and product promotions to NS Nutrition Distribution, LLC ("NSND") which is owned by the same shareholders of the Company. The Company has an exclusivity promotion agreement with NSND. Pursuant to the agreement, the Company receives a monthly fixed fee which is recognized at the end of each month.

Administration Fees

The Company has an agreement for assignment of administration fees with NSND. Under the agreement, the Company's related party distributor assigns its rights to the administration fees to the Company. Administration fees are assessed on all Nutrishop stores when the monthly purchase of Nutrishop products from the related party distributor doesn't meet the minimum requirement, and range from \$300 to \$600 per month. Revenue is recognized monthly based on the purchase amounts for the applicable month.

Transfer Fees

When a store owner wishes to transfer its license agreement or the franchise agreement to another potential franchisee, a store owner must obtain the approval of the transfer from the Company. Upon the approval, the transferee must pay the Company a transfer fee in accordance with the agreement. Transfer fees are recognized as revenue upon the execution of the transfer agreement. The transfer fee is generally \$10,000 but it is waived if the transfer is among existing Nutrishop store owners.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 2: Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable consists of trade accounts arising in the normal course of business. Uncollectible accounts are written-off after all attempts at collection have been pursued. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. The allowance for doubtful accounts is determined on the basis of loss experience, and financial stability of franchisees.

Furniture, Fixtures and Improvements

Furniture, fixtures and improvements are stated at cost. Major improvements are capitalized. Maintenance and repairs are expensed as incurred. Depreciation of equipment is provided over the estimated useful lives of the respective assets using the straight-line method. Leasehold improvements are amortized on the straight-line basis over the terms of the respective leases. The estimated useful lives of the related assets are as follows:

Furniture and fixtures	5-7 years
Leasehold improvements	15 years

Depreciation expense for the years ended December 31, 2020 and 2019 was \$11,652 for each year.

When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Long-lived assets of the Company are reviewed annually as to whether their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the future projected cash flows from related operations. Management also re-evaluates the periods of amortization to determine whether subsequent events and circumstances warrant revised estimates of useful lives. As of December 31, 2020, management expects these to be fully recoverable.

Advertisement Expenses

Advertising expenses are charged to operations when incurred. Advertising expense was approximately \$19,786 and \$93,048, respectively for the years ended December 31, 2020 and 2019 and is included in marketing and advertisement expenses in the accompanying statements of operations.

Income Taxes

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code, to be taxed as an "S" corporation. Under this election, the Company's shareholders, rather than the Company, are subject to federal income taxes on earnings. Therefore, no provision or liability for federal income taxes has been included in the financial statements. This election is also valid for Nevada. However, California law requires a minimum tax of the greater of \$800 or 1.5% on state taxable income for "S" corporations. For the state of Nevada, the Company's operations are not subject to state income tax.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 2: Summary of Significant Accounting Policies (Continued)

The Company provides for income taxes under the asset/liability method. Deferred income taxes may be recognized for the tax consequences in future years of the differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income.

The Company did not have unrecognized tax benefits as of December 31, 2020 and 2019, respectively and does not expect this to change significantly over the next 12 months. As of December 31, 2020 and 2019, the Company has not accrued interest or penalties related to uncertain tax positions.

Use of Estimates

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

Date of Management's Review

Events occurring after December 31, 2020, have been evaluated for possible adjustment to the financial statements or disclosure as of March 31, 2021, which is the date the financial statements were available to be issued.

Note 3: Concentrations of Credit Risk

The Company may be subject to credit risk on its cash. At December 31, 2020, the Company maintains its cash balances at one institution. Account at this institution is insured by the FDIC, which covers up to \$250,000 for substantially all depository accounts. At various times throughout the year, the balances in the account may be in excess of federally insured limits. Management believes the Company is not exposed to any significant credit risk on its cash accounts.

Approximately 85% of total revenue is generated from contracts with related parties.

Note 4: Related Party Transactions

The Company has a month-to-month rental agreement for an office in Chino Hills, California, which is owned by Trusts of the Company's shareholders. The Company paid \$3,650 rent per month during the years ended December 31, 2020 and 2019, respectively. Rent expenses of \$43,800 are included in other selling, general and administrative expenses in the accompanying statements of operations for the years ended December 31, 2020 and 2019, respectively.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 4: Related Party Transactions (Continued)

The Company has an exclusivity promotion agreement with NSND for services provided by the Company as a promoter of Nutrishop products. The fees received were \$52,500 and \$60,000 per month for the years ended December 31, 2020 and 2019, respectively. Total exclusivity fees earned during the years ended December 31, 2020, and 2019 were \$630,000 and \$900,000, respectively. Due from NSND at December 31, 2020 related to exclusivity fees was \$165,000 December 31, 2020. The amount is included in accounts receivable from related party in the accompanying balance sheet.

The Company has an Assignment of Administration Fee Agreement with a related party distributor. The Company received administration fees of \$45,399 and \$96,850 for the years ended December 31, 2020 and 2019, respectively.

The Company sometimes pays costs on behalf of Nutrishop Franchising, LLC, ("Franchising LLC") which is owned by the same shareholders as the Company, through the ordinary course of business. In addition, the Company collected an administration fee on behalf of Franchising LLC during the year ended December 31, 2020 for one store in the state of New York, which converted its franchise agreement from a licensing agreement during the year ended December 31, 2020. Net unsettled balance resulted in a receivable due from the Franchising LLC of \$3,800 and \$800 at December 31, 2020 and 2019, respectively. The balance is included in accounts receivable from related parties in the accompanying balance sheets at December 31, 2020 and 2019, respectively.

Note 5: Customer Deposits

Deposits received from franchise fees prior to store openings are presented as customer deposits in the accompanying balance sheets. The following schedules present the changes in this account for the years ended December 31, 2020 and 2019, respectively.

	Balance	Recognition	Customer	Additional	Balance
	@1/1/2020	of customer	deposit	deposit	@12/31/2020
		deposits as	refunds	received, net	
		stores open			
Customer Deposit	\$ 20,000	\$ (20,000)	\$ -	\$ -	\$ -

	Balance	Recognition	Customer	Additional	Balance
	@1/1/2019	of customer	deposit	deposit	@12/31/2019
		deposits as	refunds	received, net	
		stores open			
Customer Deposit	\$ 45,000	\$ (37,500)	\$ (7,500)	\$ 20,000	\$ 20,000

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 6: Paycheck Protection Program Loans (“PPP loan”)

The Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) of 2020 provided businesses with the PPP loan in response to economic disruptions resulting from the coronavirus pandemic.

In June 2020, the Company received loan proceeds in the amount of \$29,500 from the Small Business Administration (“SBA”) under PPP loan. The loan is unsecured. The PPP loan and accrued interest are forgivable after a covered period (24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits and utilities. The forgiveness amount could be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The Company has used the loan proceeds for purposes consistent with the PPP and will apply for forgiveness within the time limits allowed.

Note 7: Employee Benefits
401(k) and Profit-Sharing Plan

The Company participates in a 401(k) and profit-sharing retirement plan. The Plan covers all eligible employees who meet the age and length of service requirements of the Company and two other related companies. The Company makes safe harbor contributions and discretionary profit-sharing contributions. Safe harbor contributions and profit-sharing contributions were \$4,784 and \$11,375, respectively for the years ended December 31, 2020 and 2019 and are included in accrued pension liability on the accompanying balance sheets. The amounts were funded in the subsequent years.

Defined Benefit Plan

The Company also participates in a defined benefit plan which is sponsored by the related party. The Plan covers all eligible employees, who meet the age and length of service requirements, of the Company and two other related companies. The Company accrued \$9,121 and \$6,860 for employer contributions at December 31, 2020 and 2019, respectively, and it is included in the accrued pension liability on the accompanying balance sheets. In addition, the two other related companies contributed approximately \$124,000 to the plan in 2020.

Plan level information for the Plan as of December 31, 2020 and 2019 are as follows:

Valuation date	December 31, 2020
Total plan assets	\$ 3,764,825
Projected benefit obligation	3,764,825
Contribution for current year	133,274
Benefits Paid	-
Valuation date	December 31, 2019
Total plan assets	\$ 3,430,745
Projected benefit obligation	3,430,745
Contribution for current year	208,540
Benefits Paid	-

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

Note 8: Covid-19

On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states have declared a state of emergency. The Company's franchisees operate in 24 states. Most of franchisees were impacted by government regulations or other health guidelines concerning operations of stores, various disruptions or restrictions that adversely affected operations during 2020.

The extent to which COVID-19 impacts the Company's business and operations will depend on future developments, which are uncertain and cannot be predicted as of the date of this report. The Company is continuing to monitor and assess the effects of the COVID-19 pandemic on its business; however, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

EXHIBIT H TO FDD
OPERATIONS MANUAL TABLE OF CONTENTS



Table of Contents

Part I Introduction1 (2 pages)

Confidentiality Reminder	1
How to Use this Operations Manual.....	2
Updates to the Manual	2

Part II Franchisee Policies & Procedures.....3 (23 pages)

Section 1 Pre-Opening Procedures	3
Section 2 Training Program & Schedule.....	10
Section 2.1 Orientation Training	10
Section 2.1.1 Location & Schedule	10
Section 2.1.2 Topics Covered	10
Section 2.2 Continuing Education Programs.....	11
Section 2.3 Terms and Conditions for All Training Sessions	11
Section 2.3.1 Attendance and Cost of Orientation Training	11
Section 2.3.2 Code of Conduct	11
Section 2.3.3 General Travel & Lodging Information.....	12
Section 3 Advertising & Marketing	12
Section 3.1 Your Advertising Rights & Responsibilities.....	12
Section 3.2 Advertising Approval Process	12
Section 3.3 Special Requirements & Marketing Tips	13
Section 4 Store Websites & Social Media	14
Section 4.1 Social Media & Third Party Website Policy	15
Section 4.2 Internet & Social Media Advertising Policy.....	15
Section 4.3 Social Media Accounts	15
Section 4.4 Online Sales of Products & Services	15
Section 4.4.1 NS Nutrition Distribution Products & Nutrishop Promotional Items.....	16
Section 4.4.2 Third Party Products & Services	16
Section 5 Products & Supplies.....	16
Section 5.1 Key Terms	16
Section 5.2 Approved Suppliers	17
Section 5.3 New Supplier and Product Requests.....	17
Section 6 Sales, Prices & Delivery of Products	17
Section 6.1 Pricing of Products	18
Section 6.1.1 Visually Displaying Prices	18
Section 6.1.2 Authorized Sales & Discounts	18
Section 6.1.3 Unauthorized Sales & Discounts	18
Section 6.2 When, Where & How You May Sell	18
Section 6.2.1 Over the Internet.....	19
Section 6.2.2 Outside Your Store.....	20



Table of Contents

- Section 7 Mandatory Store Policies20
 - Section 7.1 Prop. 65 Warning for California Nutrishop Stores20
 - Section 7.2 Business Days & Regular Business Hours20
 - Section 8 Closures21
 - Section 8.1 Nutritional Advice Policy21
 - Section 8.1.1 Meal Plans21
 - Section 8.1.2 Product Labels21
 - Section 8.1.3 Privately Certified Trainers & Sports Nutritionists21
 - Section 8.1.4 State Authorized Dietitians & Nutritionists22
 - Section 8.2 Return Policies and Complaints22
 - Section 8.2.1 Supplier Quality Control Procedures22
 - Section 8.2.2 NS Nutrition Distribution’s Requirements & Restrictions22
 - Section 8.2.3 Recommended Returns Policy23
- Section 9 Transferring & Relocating Your Store23
 - Section 9.1 Transferring Your Store23
 - Section 9.2 Relocating Your Store24
- Section 10 Insurance24
 - Section 10.1 Insurance24
 - Section 10.1.1 Evidence of Coverage25
 - Section 10.1.2 No Limitations25

Part III Best Practices for Nutrishop Franchisees26 (16 pages)

- Section 1 Recommended Store Policies.26
 - Section 1.1 Customer Service Policy26
 - Section 1.2 Customer Complaints26
 - Section 1.3 Employee Appearance26
 - Section 1.4 Visitors27
 - Section 1.5 Employee Cell Phone Policy27
 - Section 1.6 Store Vehicle Policy28
 - Section 1.7 Additional Suggested Policies28
- Section 2 Employee Relations29
 - Section 2.1 Legal Compliance29
 - Section 2.2 Hiring Considerations29
 - Section 2.3 Staffing Needs30
 - Section 2.4 Job Descriptions30
- Section 3 Store Operations30
 - Section 3.1 General Housekeeping30
 - Section 3.2 Opening and Closing Procedures30
 - Section 3.3 General Administrative Duties31
 - Section 3.4 Alarms, Locks & Keys31
 - Section 3.5 Restrooms31
 - Section 3.6 Health, Safety & Emergency Planning31
- Section 5 Administration & Record-Keeping32
 - Section 5.1 Inventory, Record Keeping, Cost of Goods33



Table of Contents

Section 5.1.1	Control Expenses	33
Section 5.1.2	Payroll Requirements	33
Section 5.1.3	Profit Margins	34
Section 5.1.4	Cash Flow	34
Section 5.1.5	Measuring Performance	34
Section 5.2	Payroll & Taxes	34
Section 5.3	Insurance	35
Section 5.4	Business Equipment	35
Section 5.5	Accounting	35
Section 6	Risk Management	35
Section 6.1	Risk Management	36
Section 7	Corporate Structuring & Financing	37
Section 7.1	Setting Up & Naming Your Business Entity	37
Section 7.2	Legal Business Structures	37
Section 7.2.1	Types of Structures	38
Section 7.3	General Set-Up Tips	39
Section 7.4	Legal Status as a Franchisee	40
Section 7.5	Financing	41

Appendices42 (10 pages)

Appendix I - Non-Disclosure Agreement (Your Employees and Contractors).....	43
Appendix II - California Prop 65 Specifications.....	46
Appendix III - New Supplier and Product Request Forms.....	50

Total Pages = 54

EXHIBIT I TO FDD

SAMPLE FORM OF GENERAL RELEASE

NUTRISHOP, INC.
GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

NUTRISHOP, INC. (“we,” “us,” “our,” or “Franchisor”) and the undersigned franchisee, _____ (“you,” “your,” or “Franchisee”), currently are parties to a certain franchise agreement dated _____ (the “Franchise Agreement”). You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation] _____

_____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge us and our affiliates, our and their current and former officers, directors, shareholders, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the “Franchisor Parties”) from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Franchisor Parties (1) arising out of or related to the Franchisor Parties’ obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Franchisor Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity that is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your transferring owners likewise grant to us the release and covenant not to sue provided above.

[Signature Page Follows]

NUTRISHOP, INC.
a Nevada corporation

By: _____

Title: _____

FRANCHISEE,
a/an _____

By: _____

Title: _____

EXHIBIT J TO FDD

LISTS OF CURRENT AND FORMER FRANCHISEES

Licensed Stores as of Dec. 31, 2021							
Store Name:	Licensee:	Contact:	Address:	City:	State:	Zip:	Store Telephone:
NS Bismarck, ND	Pierson Enterprises Inc.	Steve Pierson	218 W. Front St.	Bismarck	ND	58504	(701) 751-7575
NS Logan, UT	Brian Bentley, Shane Christensen and Intermountain Nutrition Center, LLC	Brian Bentley	81 E. 1600 N	North Logan	UT	84341	(435) 213-9567

Franchised Stores as of Dec. 31, 2021							
Store Name:	Franchisee:	Contact:	Address:	City:	State:	Zip:	Store Telephone:
NS Bakersfield, CA	NAZ Nutrition Group	Kinnick	9000 Ming Ave.	Bakersfield	CA	93311	(661) 885-7444
NS Beaumont, CA	All In Nutrition LLC	Sophia Clark	1620 E. 2nd St.	Beaumont	CA	92223	(951) 381-1175
NS Chico, CA - Forest	Marc and Shuree Wesley	Shuree & Marc Wesley	2275 Springfield Dr.	Chico	CA	95928	(530) 898-1600
NS Concord, CA	Levy & Sharma	Jack Levy	1776 Arnold Industrial Way	Concord	CA	94520	(925) 363-7752
NS Corona, CA	Enriquez & Padilla Inc.	Mark Enriquez	2150 California Ave.	Corona	CA	92881	(951) 736-9929
NS Costa Mesa, CA	Newport Nutrition Shop	Sir Keevin Hardiman	435 E. 17th street Suit #1	Costa Mesa	CA	92627	(657) 329-0123
NS Downey, CA	Just Bueno Nutrition	Rebecca Buenrostro	7625 Firestone Blvd.	Downey	CA	90241	(562) 928-0310
NS Eastvale, CA	Enriquez & Padilla Inc.	Mark & Sabrina Enriquez	12303 Limonite Avenue	Eastvale	CA	91752	(951) 934-3664
NS Rancho San Diego, CA	JRE Investments	Jason Earnest	2650 Jamacha Rd.	El Cajon	CA	92019	(619) 713-0848
NS Fresno, CA (Campus Pointe)	Attoian Bros Inc.	Eric Attoian	3064 E. Campus Pointe Dr.	Fresno	CA	93710	(559) 900-4367
NS Fresno, CA (Palm/Nees)	Attoian Bros Inc.	Eric Attoian	7775 North Palm Ave.	Fresno	CA	93711	(559) 376-2121
NS No. Fontana, CA	Marv Inc.	Ancira Vasquez	16135 Sierra Lakes Pkwy.	Fontana	CA	92336	(909) 355-2808
NS Garden Grove, CA	Fangyi Zhou	Fangyi Zhou	6062 Chapman Ave	Garden Grove	CA	92845	(714) 379-9600
NS Glendora, CA	Sports Nutrition Concepts Inc.	Rick Rodriguez	750 West Route 66	Glendora	CA	91740	(626) 335-2604
NS Hemet, CA	Chavez Fitness Inc.	Rene Chavez	279 N. Sanderson Avenue	Hemet	CA	92545	(951) 765-6767
NS Highland, CA	Otto Lacayo & Rolando Villanueva	Ronnie Villanueva	C	Highland	CA	92346	(909) 654-9014
NS Hollywood, CA	NS Andreas Inc.	Dan Speiser	7073 Sunset Blvd.	Hollywood	CA	90028	(323) 462-7467
NS Surf City, CA	Newport Nutrition Shop	Sir Keevin Hardiman	10111 Adams Ave.	Huntington Beach	CA	92646	(714) 962-2900
NS Indio, CA	Nutrishop Indio, LLC	Michael Norcia	B106	Indio	CA	92203	(760) 625-0557
NS La Mirada, CA	Quantum Wellness Corp	Oscar Martinez	12815 Valley View Ave.	La Mirada	CA	90638	(562) 864-0411
NS Laguna Niguel- 24 Hour	N/A	Rick Rodriguez	27921 La Paz Rd.	Laguna Niguel	CA	92677	(949) 328-9067
NS Lake Elsinore, CA	Chavez Fitness LLC	Rene Chavez	29280 Central Avenue	Lake Elsinore	CA	92530	(951) 674-1550
NS Lake Forest, CA	South OC Nutrition LLC	Rick Rodriguez	23653 El Toro Rd. Suite #E	Lake Forest	CA	92630	(949) 916-7707
NS Lakewood, CA	Just Bueno Nutrition	Rebecca Buenrostro	5505 E Del Amo Blvd.	Lakewood	CA	90713	(562) 425-2000
NS Santa Monica/West LA, CA	Michael Cota	Mike Cota	11906 Wilshire Blvd.	Los Angeles	CA	90025	(310) 606-2434
NS Menifee, CA	JCK Estates LLC	Chris Alfter	30109 Haun Rd.	Menifee	CA	92584	(951) 639-2600
NS Monterey Park, CA	Perpetual Motion Investments LLC	Ronnie Villanueva	428-B South Atlantic Blvd.	Monterey Park	CA	91754	(626) 289-3576
NS Moreno Valley, CA	TRH Fitness and Nutrition	Jeff Harris	12950 Day St.	Moreno Valley	CA	92553	(951) 776-2211
NS Murrieta, CA	Richard Leigh	Rick Leigh	24635 Madison Ave.	Murrieta	CA	92562	(951) 677-1551
NS Norco, CA	AJN Nutrition	Alan Moeller	1411 Hamner Ave.	Norco	CA	92860	(951) 372-0621
NS North Hollywood, CA	NS Andreas Inc.	Dan Speiser	4844 Lankershim Blvd.	North Hollywood	CA	91601	(818) 358-4498
NS Northridge, CA	Nutrishop Northridge LLC	Shawn Morey	19240 Nordhoff St.	Northridge	CA	91324	(818) 960-2307
NS Orange, CA	Spyrus Oliver Inc.	Spyrus Mediodia	1447 West Chapman Ave	Orange	CA	92868	(714) 939-6100
NS Oxnard, CA	MZ Nutrition LLC	Mark Fishauf	2550 N. Vineyard Ave.	Oxnard	CA	93036	(805) 485-7111
NS Pasadena, CA	Sports Nutrition Concepts Inc.	Rick Rodriguez	2393 Colorado Blvd	Pasadena	CA	91107	(626) 796-1296
NS Redding, CA	Sean Rochford Enterprises	Sean Rochford	930 Hilltop Dr Ste C	Redding	CA	96003	(530) 221-5311
NS Riverside, CA	TRH Fitness and Nutrition	Jeff Harris	10276 Indiana Ave.	Riverside	CA	92503	(951) 354-2311
NS Roseville, CA	Jake Halvig	Jake Halvig	10341 Fairway Dr.	Roseville	CA	95678	(916) 772-7467
NS Sacramento, CA - 24 Hour	N/A	Jake Halvig	1020 7th St.	Sacramento	CA	95814	(916) 699-8066
NS Santa Barbara, CA	MZ Nutrition LLC	Mark Fishauf	3905 State Street	Santa Barbara	CA	93105	(805) 845-0005

NS Simi Valley, CA	MZ Nutrition LLC	Mark Fishauf	1197 E. Los Angeles Ave	Simi Valley	CA	93065	(805) 583-5100
NS Temecula, CA	Chavez Fitness LLC	Rene Chavez	44054 Margarita Rd.	Temecula	CA	92592	(951) 302-2776
NS Tustin, CA	Spysen Company	Spyrus Mediodia	107	Tustin	CA	92780	(714) 599-7870
NS Vacaville, CA	Kittfit LLC	Dale Kitt	196 Nut Tree Parkway	Vacaville	CA	95687	(707) 452-7467
NS Santa Clarita, CA	MZ Nutrition LLC	Mark Fishauf	28106 Newhall Ranch Rd.	Valencia	CA	91355	(661) 670-8020
NS Victorville, CA	RNL Group LLC	Mike Lau	A 102	Victorville	CA	92395	(760) 983-7861
NS Whittier, CA	Quantum Wellness Corp	Oscar Martinez	6518 Greenleaf Ave.	Whittier	CA	90604	(562) 464-5555
NS Boca Raton (EAST), FL	Village Plaza LLC	Evan Eaton	690-5 Yamato Road	Boca Raton	FL	33431	(561) 997-9009
NS Boca Raton (WEST), FL	Mission Bay LLC	Evan Eaton	20423 State Rd. 7	Boca Raton	FL	33498	(561) 558-9020
NS Brandon, FL	Vam22 Shop LLC	Vince Marinaccio	Bldv	Brandon	FL	33511	(813) 684-2380
NS Palm Beach Gardens, FL	GFNUTRI LLC	Petr Forlov	7100 Fairway Dr. Unit 56	Gardens	FL	33418	(305) 833-9475
NS Northdale, FL	Nutrishop Tampa LLC	Kyle Spicer	15722 N. Dale Mabry Hwy.	Tampa	FL	33618	(813) 264-6900
NS South Tampa, FL	Nutrishop South Tampa LLC	Vonda Durakovic	415 South Dale Mabry.	Tampa	FL	33609	(813) 875-6900
NS Boise, ID	Jolicoeur LLC	Tim Jolicouer	951 E. Park Ctr	Boise	ID	83706	(208) 991-7988
NS Coeur d'Alene, ID	Schindelbeck, Inc.	Toby Schindelbeck	3514 N. Government Way	Coeur d'Alene	ID	82815	(208) 292-4611
NS Meridian, ID	Jolicoeur LLC	Tim Jolicouer	2970 N. Eagle Road	Eagle	ID	83646	(208) 906-4849
Shop)	Jolicoeur LLC	Tim Jolicouer	625 Gunfighter Avenue	AFB	ID	83648	(208) 291-6621
NS Nampa, ID	Jolicoeur LLC	Tim Jolicouer	1455 Caldwell Blvd.	Nampa	ID	83651	(208) 291-1177
NS Lexington, KY	Raymer and Shelton LLC	Sky Shelton	148 W. Tiverton Way	Lexington	KY	40503	(859) 335-6442
NS London, KY	MSR Nutrition	Shylow Robinson	115 Childers Drive	London	KY	40741	(606) 330-0371
NS Covington (Northshore), LA	AJT NNS LLC	Alex Tanguis	69284 Hwy 21 Suite 500	Covington	LA	70433	(985) 234-9453
NS Fitchburg, MA	Rad Fit Nutrition Inc.	Scott Radford	18 John Fitch Highway	Fitchburg	MA	01420	(978) 516-2476
NS Maple Grove, MN	Caske Owen	Caske Owen	11635 Fountain Drive	Maple Grove	MN	55369	(763) 424-0470
NS Columbia, MO	Midmo Nutrition LLC	Goodwin	2601 Rangeline	Columbia	MO	65202	(573) 886-6884
NS St. Peters, MO	Sportsball Fitness LLC	Jessica Holman	12 plaza 94	St. Peters	MO	63304	(636) 206-3600
NS Oxford, MS	Nutri-Tec LLC	Thomas Cain	1801 W. Jackson Ave.	Oxford	MS	38655	(662) 380-5163
NS Southaven, MS	Nutri-Tec LLC	Thomas Cain	6582 Getwell Rd. Ste. B	Southaven	MS	38672	(662) 470-6599
NS Tupelo, MS	Nutrishop Tupelo LLC	Adam Richardson	H	Tupelo	MS	38801	(662) 260-5077
NS Sanford, NC	17and0	Lynn Davis	3264 NC HWY 87 South	Sanford	NC	27332	(919) 777-6553
NS Southern Pines, NC	Plan B Nutrition LLC	Bryce Bullman	10725 Highway 15-501	Southern Pines	NC	28387	(910) 246-5433
NS Wake Forest, NC	Schneider Sports Nutrition	Ray Schneider	1040 Forestville Rd.	Wake Forest	NC	27587	(919) 570-0502
NS Kearney, NE	Sup Up LLC	Jake Lind	2715 2nd Ave.	Kearney	NE	68847	(308) 224-3277
NS Omaha (Mid Town), NE	T&C LLC	Todd Smith	414 N. 76th Street	Omaha	NE	68114	(402) 210-9494
NS Voorhees, NJ	Siddhivinayak bh LLC	Bhavin Patel	120 Britton Place	Voorhees	NJ	08043	(856) 258-2363
NS Albuquerque, NM - San Mateo	Nutrishop NM LLC	Dave Sanchez	D1B	Albuquerque	NM	87110	(505) 881-0545
NS Cottonwood, NM	Nutrishop NM LLC	Dave Sanchez	10420 Coors Bypass NW	Albuquerque	NM	87114	(505) 890-4727
NS Bronx, NY	J&D Nutrition	Jose Rodriguez	1622 Bronxdale Avenue	Bronx	NY	10462	(347) 281-9989
NS New Hartford, NY	Hidden Meadow Nutrition, Inc.	Brandon Schrader	4664 Commercial Drive	New Hartford	NY	13413	(315) 736-2128
NS Owasso, OK	Ellison Management LLC	Terrell Ellison	413 E. Second Ave.	Owasso	OK	74055	(918) 895-3140
NS Pro Shop Ellsworth, SD	Nutrishop LLC	Erik Swanson	4020	Ellsworth AFB	SD	57706	(605) 923-9030
NS Rapid City, SD	Nutrishop LLC	Erik Swanson	1301 W Omaha st suite 113	Rapid City	SD	57701	(605) 791-0294
NS Clarksville, TN	Rike Fit LLC	Mike Rike	2141 Wilma Rudolph Blvd.	Clarksville	TN	37040	(931) 919-3777
NS Cookeville, TN	Kenneth Hargis	Kenneth Hargis	889-F South Jefferson Ave.	Cookeville	TN	38501	(931) 528-6888
NS Franklin, TN	Spicers Nutrishop LLC	Kyle Spicer	2000 Meridian Blvd.	Franklin	TN	37067	(615) 472-8150

NS Hendersonville, TN	Freedom Nutrition LLC	Kyle Spicer	474 West Main Street	Hendersonville	TN	37075	(615) 590-7437
NS Knoxville, TN	Spicers Nutrishop LLC	Kyle Spicer	107 Moss Grove Blvd.	Knoxville	TN	37922	(865) 247-4174
NS Mt. Juliet, TN	Nutrishop Mt. Juliet LLC	Jay Vicino	Suite 320	Mt. Juliet	TN	37122	(615) 758-7777
NS Murfreesboro, TN	Kenneth Hargis	Kenneth Hargis	143 W. Northfield Blvd.	Murfreesboro	TN	37129	(615) 900-3283
NS Bellevue, TN	Nutrishop Bellevue LLC	Kyle Spicer	7053 Hwy 70 South	Nashville	TN	37221	(615) 540-0456
NS Gulch, TN	Amano	Kyle Spicer	1008 Division St	Nashville	TN	37203	(615) 410-9779
NS Austin (North), TX	Nutrishop Cedar Park	John Salazar	1335 E. Whitestone Blvd	Cedar Park	TX	78613	(512) 663-3343
NS Colleyville, TX	JMC Nutrition LLC	Mike de Cardenas	D	Colleyville	TX	76034	(817) 656-4444
NS Fort Worth, TX	Fenixmade LLC	Mike de Cardenas	Suite 109	Fort Worth	TX	76177	(817) 741-1500
NS Houston, TX	Congruent Nutritional LLC	Gregory Wyrick	118	Houston	TX	77007	(713) 485-0959
NS McAllen, TX	Nutrishop McAllen 1	Miguel Olquin	6624 N. 10th	McAllen	TX	78504	(956) 821-3404
NS Orem, UT	Xell Nutrition LLC	Jordan Goodsell	1063 South 750 East	Orem	UT	84097	(801) 494-0971
NS Pro Shop Lacey, WA	ROM 12, LLC	Amy Jo Palmquest	8650 Martin Way	Lacey	WA	98516	(360) 545-7339
NS Pro Shop Spokane , WA	The COR Shop LLC	Joey Pieroni	501 S. Bernard St	Spokane	WA	99204	(509) 496-5461

Franchisee Transfers in 2021					
If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.					
Store Name:	Franchisee:	Contact:	City:	State:	Contact Number:
NS Chico (Forest), CA	Toby Schindelbeck	Darci Burton/Toby s.	Chico	CA	(530) 520-4779
NS Maple Grove, MN	Nutrition Excellence LLC	Evan Bosma	Maple Grove	MN	(612) 816-3172
NS Bellevue, TN	Stay Strong LLC	Ron Nichols	Nashville	TN	(615) 390-1134
NS Colleyville, TX	AA&G Unity Services LLC	Issac Gates	Colleyville	TX	(817) 653-5455
NS Pro Shop Spokane, WA	Brumbaugh Management Group Inc.	John Brumbaugh	Spokane	WA	(562) 221-9660

2021 Stores Converted to Franchise-Detail					
Store Name:	Franchisee:	Contact:	City:	State:	Store Telephone:
NS New Hartford, NY	Hidden Meadow Nutrition, Inc.	Brandon Schrader	New Hartford	NY	(315) 736-2128

Franchisees That Left the System in 2021

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

Store Name:	Franchisee:	Contact:	City:	State:	Contact Number:
NS Tempe, AZ	Dave Sanchez	Dave Sanchez	Tempe	AZ	(808) 392-4170
NS El Segundo, CA	NS Jensen-Golenbock	Dan Jensen	El Segundo	CA	(818) 613-2639
NS Mountain View, CA	Determined LLC	Shawn Hansen	Mountain View	CA	(650) 350-2287
NS Las Cruces, NM	NSNM LLC	Dave Sanchez	Las Cruces	NM	(808) 392-4170
NS Pro Shop Gardnerville, NV	George Fujii	George Fujii	Gardnerville	NV	(775) 450-9700
NS Reno, NV	B-Way Nutrition and Fitness	Jeremy Burritt	Reno	NV	(916) 873-3449
NS Maineville, OH	Trinity Nutrition LLC	Chad Proveaux	Maineville	OH	(865) 773-9328
NS Hillsboro, OR	Pumpstack Corporation	Erik Liu	Hillsboro	OR	(503) 577-5701
NS San Marcos, TX	LoneStar Health & Wellness LLC	Chad Proveaux	San Marcos	TX	(865) 773-9328
NS Corpus Christi, TX	Nutritex	Jonna Davidson	Corpus Christi	TX	(360) 438-8722

Franchisees That Left the System Since December 31, 2021					
Store Name:	Franchisee:	Contact:	City:	State:	Telephone:
NONE					
Licensees That Left the System Since December 31, 2021					
Store Name:	Franchisee:	Contact:	City:	State:	Telephone:
NONE					
Franchisee Stores Transferred Since December 31, 2021					
Store Name:	Franchisee:	Contact:	City:	State:	Telephone:
NS Sacramento, CA - 24 Hour	N/A	Jake Halvig	Sacramento	CA	(916) 699-8066
Licensee Stores Transferred Since December 31, 2021					
Store Name:	Franchisee:	Contact:	City:	State:	Telephone:
NONE					

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

EXHIBIT K TO FDD

STATE ADDENDA TO DISCLOSURE DOCUMENT

ADDITIONAL DISCLOSURES FOR THE MULTI-STATE FRANCHISE DISCLOSURE DOCUMENT OF NUTRISHOP, INC.

The following are additional disclosures for the Franchise Disclosure Document of Nutrishop, Inc. required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

MICHIGAN

The following language is added after the “State Effective Date” page and before the “Table of Contents” page of the Disclosure Document:

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MICHIGAN FRANCHISE INVESTMENT LAW

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.

- (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 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 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 reasonably opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising of 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 franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL. ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

State of Michigan
Office of the Attorney General
Consumer Protection Division
Attention: Franchise Section
670 Law Building
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

1. The following language is added to the end of Item 13:

To the extent required by Minnesota Stat. Sec. 80C.12, Subd. 1(g), we will protect your right to use the Marks and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

2. The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which 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 non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. Those provisions also provide that no condition, stipulations or provision in the Franchise Agreement shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable) the right to submit matters to the

jurisdiction of the courts of Minnesota and the right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by the Minnesota Franchises Law.

Minn. Rule Part 2860.4400J might prohibit a franchisee from waiving rights to a jury trial; waiving rights to any procedure, forum or remedies provided by the laws of the jurisdiction; or consenting to liquidated damages, termination penalties or judgment notes. However, we and you will enforce these provisions in our Franchise Agreement to the extent the law allows.

NORTH DAKOTA

1. The following is added at the end of Item 5 of the Disclosure Document:

Despite the payment provisions above, we will defer your payment of the Initial Fee and other initial fees until all obligations owed to you under the franchise agreement or other documents have been fulfilled by us and you have commenced doing business pursuant to the franchise agreement.

2. The “Summary” sections of Items 17(c), entitled **Requirements for franchisee to renew or extend**, and 17(m), entitled **Conditions for franchisor approval of transfer**, of the chart in the Disclosure Document are amended by adding the following:

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. The “Summary” sections of Item 17(r), entitled **Non-competition covenants during the term of the franchise**, of the Disclosure Document is amended by adding the following:

Covenants not to compete such as those mentioned above generally are considered unenforceable in North Dakota. However, we will seek to enforce them to the extent enforceable.

4. The “Summary” sections of Item 17(u), entitled **Dispute resolution by arbitration or mediation**, of the chart in the Disclosure Document is amended by adding the following:

However, to the extent required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

5. The “Summary” sections of Item 17(u), entitled **Dispute resolution by arbitration or mediation**, of the Disclosure Document is amended by adding the following:

However, to the extent required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

6. The “Summary” sections of Item 17(v), entitled **Choice of Forum**, of the chart in the Disclosure Document is amended by adding the following:

To the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

7. The “Summary” sections of Item 17(w), entitled **Choice of law**, of the chart in the Disclosure Document is amended by adding the following:

Except for Federal Arbitration Act and other federal law, North Dakota law governs.

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the “Summary” section of Item 17(h), entitled **“Cause” defined – non-curable defaults**, is amended by adding the following:

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

WASHINGTON

1. The following is added at the end of Item 5 of the Disclosure Document:

Despite the payment provisions above, we will defer your payment of the Initial Fee and other initial fees until all obligations owed to you under the franchise agreement or other documents have been fulfilled by us and you are open for business.

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

3. RCW 19.100.180 may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise.

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

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

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

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

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

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

State	Effective Date
California	Not Effective
Hawaii	
Illinois	
Indiana	
Maryland	Not Effective
Michigan	
Minnesota	
New York	Not Effective
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

Item 23

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

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

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

The franchisor is Nutrishop, Inc., located at 751 W. Warm Springs Rd. #100, Henderson, NV 89011. Its telephone number is (702) 558-8311.

The franchise seller(s) for this offering is or are:

- Bryon McLendon, 930 Tahoe Boulevard, #802-542, Incline Village, NV 89451, (702) 558-8311;
- Tania McLendon, 751 W. Warm Springs Rd. #100, Henderson, NV 89011, (702) 558-8311;
- Brian Barthelmess, 751 W. Warm Springs Rd. #100, Henderson, NV 89011, (702) 558-8311; and/or
- _____.

Issuance Date: March 21, 2022.

We authorize the respective state agencies identified on Exhibit B to receive service of process for us in the particular state.

I have received a Disclosure Document dated March 21, 2022 that included the following Exhibits:

Exhibit A	List of State Administrators	Exhibit G	Financial Statements
Exhibit B	List of State Agents for Service of Process	Exhibit H	Operations Manual Table of Contents
Exhibit C	Franchise Agreement	Exhibit I	Sample Form of General Release
Exhibit D	State Addenda to Franchise Agreement	Exhibit J	Lists of Current and Former Franchisees
Exhibit E	Product Distribution Agreement	Exhibit K	State Addenda to Disclosure Document
Exhibit F	24 Hour Fitness Location Addendum to Nutrishop Retail Store Franchise Agreement and Product Distribution Agreement		

Date

(Sign, Date and Return to us, the franchisor)

Prospective Franchisee

Authorized Signature

Item 23

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

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

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

The franchisor is Nutrishop, Inc., located at 751 W. Warm Springs Rd. #100, Henderson, NV 89011. Its telephone number is (702) 558-8311.

The franchise seller(s) for this offering is or are:

- Bryon McLendon, 930 Tahoe Boulevard, #802-542, Incline Village, NV 89451, (702) 558-8311;
- Tania McLendon, 751 W. Warm Springs Rd. #100, Henderson, NV 89011, (702) 558-8311;
- Brian Barthelmess, 751 W. Warm Springs Rd. #100, Henderson, NV 89011, (702) 558-8311; and/or
- _____.

Issuance Date: March 21, 2022.

We authorize the respective state agencies identified on Exhibit B to receive service of process for us in the particular state.

I have received a Disclosure Document dated March 21, 2022 that included the following Exhibits:

Exhibit A	List of State Administrators	Exhibit G	Financial Statements
Exhibit B	List of State Agents for Service of Process	Exhibit H	Operations Manual Table of Contents
Exhibit C	Franchise Agreement	Exhibit I	Sample Form of General Release
Exhibit D	State Addenda to Franchise Agreement	Exhibit J	Lists of Current and Former Franchisees
Exhibit E	Product Distribution Agreement	Exhibit K	State Addenda to Disclosure Document
Exhibit F	24 Hour Fitness Location Addendum to Nutrishop Retail Store Franchise Agreement and Product Distribution Agreement		

Date

(Sign, Date and Keep for Your Records)

Prospective Franchisee

Authorized Signature