

~~or membership certificate shall provide that any assignment or transfer of ownership interests is subject to the restrictions imposed by this Agreement.~~

10.4. Business Entity Information to be Provided to Us.

- ~~(a) If you are a corporation, upon the execution of this Agreement, you will provide us with the names, addresses, and telephone numbers of all shareholders, officers, and directors of the corporation, and will advise us of any change in this information within thirty (30) days after such change occurs; or,~~
- ~~(b) If you are a limited liability company, upon the execution of this Agreement, you will provide us with the names, addresses, and telephone numbers of all members, managers, member-managers, officers, and directors of the company, and will advise us of any change in this information within thirty (30) days after such change occurs. You will also provide us with a copy of your operating agreement; or,~~
- ~~(c) If you are a partnership, upon the execution of this Agreement, you will provide us with the names, addresses, and telephone numbers of all partners, and will advise us of any change in this information within thirty (30) days after such change occurs; and,~~
- ~~(d) Regardless of the type of business entity under which you operate your Stroller Strides Business, you must provide to us, within thirty (30) days after execution of this Agreement, the name, address, and telephone number of the general manager of your Stroller Strides Business, as well as identify any fictitious business name under which you are operating your Stroller Strides Business, if any.~~

11. TRANSFERABILITY OF INTEREST

11.1 Transfer by Us. You expressly recognize that we, without your consent, may sell our assets, the Marks or the System, in whole or in part, to a third party; or merge, acquire other corporations or entities, or be acquired by another corporation or other entity; and/or, undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring. We have the absolute, unrestricted right, exercisable at any time, to transfer and assign all or any part of our rights and obligations under this Agreement to any person or legal entity without your consent, so long as the transferee or assignee expressly assumes and agrees to perform our obligations under this Agreement. If we transfer this Agreement, or any and/or all of our rights and/or obligations under it, all our past, current and future obligations to you will cease and be forever extinguished. We also have the right, from time to time, to delegate the performance of any portion or all of our obligations and duties under this Agreement to designees, whether affiliates, agents or independent contractors with whom we have contracted to provide this service. With regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages regarding the loss of association with or identification of us as the franchisor under this Agreement.

11.2 Transfer by You.

- (a) You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you and that we have entered into this Agreement in reliance on your integrity, business skill, financial capacity, personal character, and experience. Accordingly, neither you nor any immediate or remote successor to any part of your interest in this Agreement, nor any individual, partnership, corporation or other legal entity which directly or indirectly controls you shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in you, this Agreement, or any other assets pertaining to your operations under this Agreement (collectively, "Transfer") without our prior written consent. Except as otherwise provided in this Agreement, any purported Transfer, by operation of law or otherwise, not having our prior written consent shall be null and void and shall constitute a material breach of this Agreement, for which we may terminate this Agreement without providing you an opportunity to cure the breach;
- (b) You shall advise us in writing of any proposed Transfer within five (5) days after receiving or making any such offer. You must also submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, and submit a copy of all contracts and all other agreements or proposals, and all other information requested by us, relating to the proposed Transfer;
- (c) We may either consent to the Transfer or tell you our reason(s) for refusing to consent. Silence may not be construed as consent. If we do not consent to the proposed Transfer, your obligations under this Agreement will continue until the expiration or termination of this Agreement. If we consent to the Transfer, then you may Transfer the interest described in the notice only to the named transferee and only on the terms and conditions stated in the notice. Consent by us to a particular Transfer will not constitute consent to any other or subsequent Transfer. Our consent to any Transfer shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee;
- (d) The approval of a proposed Transfer shall not be unreasonably withheld so long as the proposed transferee qualifies, so long as the proposed transferee is not a competitor of ours, and the transferee executes our then-current form of franchise agreement, which agreement may differ substantially than yours, including changes to the financial aspects of the contract. Our decision as to whether a proposed transferee qualifies will depend on numerous factors deemed relevant by us. These factors may include, but will not be limited to, the following:
- (1) The Transferee shall have demonstrated to Franchisor's satisfaction that it meets Franchisor's managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the Franchised Business licensed herein; and has adequate financial resources and capital to operate the Franchised Business.
- (e) All of your accrued monetary obligations to us (whether arising under this Agreement or otherwise) and all other outstanding obligations related to your Stroller Strides Business (including, but not limited to, bills from Vendors, taxes, judgments and any required governmental reports, returns, affidavits or bonds) have been satisfied or, in our reasonable judgment, adequately provided for. We reserve the right to require that a reasonable sum of money be placed in escrow to ensure that all of these obligations are satisfied; and,

- (f) You are in Good Standing under the terms and conditions of this Agreement, and are not in default beyond the applicable cure period with any Vendor or creditor to your Stroller Strides Business.
- (g) Our decision with respect to a proposed Transfer shall not create any liability on our part to the transferee, if we approve the Transfer and the transferee experiences financial difficulties, or to the transferor or the proposed transferee, if we disapprove the Transfer pursuant to this Section 11 or for other legitimate business reasons. We have the right, in the exercise of our reasonable business judgment and without any liability to the transferor or the proposed transferee, to communicate and counsel with the transferor and the proposed transferee regarding any aspect of the proposed Transfer;
- (h) If we approve a proposed Transfer, prior to the Transfer becoming effective:
- (1) You shall pay us the non-refundable Transfer Fee as described in Section 6.8 of this Agreement;
 - (2) You and the proposed transferee shall execute, as directed by us, either an assignment agreement and any amendments to this Agreement deemed necessary or desirable by us to reflect the Transfer, or our then-current standard form of franchise agreement for a term ending on the expiration of the Initial Term under this Agreement;
 - (3) You shall remain liable for all obligations to us incurred before the date of the Transfer and shall execute any and all instruments reasonably requested by us to evidence that liability; and,
 - (4) You will sign a general release in favor of us, unless prohibited by applicable state law.

11.3 Death or Permanent Disability On your death or permanent disability or, if you are a corporation, limited liability company or partnership, on the death or permanent disability of the owner of a controlling interest in you, the executor, administrator, conservator, guardian or other personal representative of such person may Transfer his or her interest in this Agreement and the Stroller Strides Business, or such interest in you, to a third party, subject to our written approval, and subject to all of the provisions of this Section 11. Such disposition of this Agreement and the Stroller Strides Business, or such interest in you (including, without limitation, Transfer by bequest or inheritance), will be completed within a reasonable time, not to exceed six (6) months from the date of death or permanent disability and will be subject to all the terms and conditions applicable to Transfers contained in this Section 11. Failure to so Transfer the interest in this Agreement and/or the Stroller Strides Business, or such interest in you, within said period of time will constitute a breach of this Agreement. A person shall be deemed to have a "permanent disability" if his or her personal, active participation in management of the Stroller Strides Business is for any reason curtailed for a continuous period of six (6) months;

11.4 Changes of Ownership Not Considered to be "Transfers." As used in this Agreement, the term "Transfer," for purposes of determining if a Transfer Fee is required, does not mean an assignment to:

- (a) Any Trustee, Guardian, or Conservator for the account and benefit of a spouse, ancestor, or descendent; or,
- (b) Any business entity if the beneficial ownership of the business entity immediately following the assignment is the same and in the same proportions as the beneficial ownership immediately prior to the assignment. However, no such assignment will relieve the original party of any of its

obligations under this Agreement. Information on the identity of the shareholders, officers, and directors of the corporation (or members, member-managers, officers, and directors if a limited liability company), the percentage of ownership, and the address where corporate records are maintained must be submitted to us within ten (10) days after such assignment. You must also submit to us, within ten (10) days after the assignment, a written affidavit acknowledging and declaring that the beneficial ownership of the business entity immediately following the assignment is the same and in the same proportions as the beneficial ownership immediately prior to the assignment.

~~11. TRANSFERABILITY OF INTEREST~~

~~11.1. Transfer by Us.~~ You expressly recognize that we, without your consent, may:

- ~~(a) sell our assets, the Marks or the System, in whole or in part, outright to a third party; or,~~
- ~~(b) merge, acquire other corporations or entities, or be acquired by another corporation or other entity; and/or, undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring.~~

~~We have the absolute, unrestricted right, exercisable at any time, to transfer and assign all or any part of our rights and obligations under this Agreement to any person or legal entity without your consent, so long as the transferee or assignee expressly assumes and agrees to perform our obligations under this Agreement. If we transfer this Agreement, or any and/or all of our rights and/or obligations under it, all our past, current and future obligations to you will cease and be forever extinguished. We also have the right, from time to time, to delegate the performance of any portion or all of our obligations and duties under this Agreement to designees, whether affiliates, agents or independent contractors with whom we have contracted to provide this service. With regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages regarding the loss of association with or identification of us as the franchisor under this Agreement.~~

~~11.2. Transfer by You; Our Right of First Refusal.~~

- ~~(a) You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you and that we have entered into this Agreement in reliance on your integrity, business skill, financial capacity, personal character, and experience. Accordingly, neither you nor any immediate or remote successor to any part of your interest in this Agreement, nor any individual, partnership, corporation or other legal entity which directly or indirectly controls you shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber~~

~~any interest in you, this Agreement, or any other assets pertaining to your operations under this Agreement (collectively, "Transfer") without our prior written consent. Except as otherwise provided in this Agreement, any purported Transfer, by operation of law or otherwise, not having our prior written consent shall be null and void and shall constitute a material breach of this Agreement, for which we may terminate this Agreement without providing you an opportunity to cure the breach;~~

~~(b) You shall advise us in writing of any proposed Transfer within five (5) days after receiving or making any such offer. You must also submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, and submit a copy of all contracts and all other agreements or proposals, and all other information requested by us, relating to the proposed Transfer;~~

~~(c) For a period of thirty forty five (45) (30) days after you provide us with written notice of the proposed Transfer, together with any and all documents relating to such proposed Transfer or such documents as we may request, we shall have a right of first refusal giving us the right to purchase any interest in you, your Stroller Strides Business, and/or this Agreement before it is offered to any third party;~~

~~(d) We may either consent to the Transfer, tell you our reason(s) for refusing to consent, or purchase the interest in you, your Stroller Strides Business, and/or this Agreement on the same terms and conditions as those offered by or to the third party. Silence may not be construed as consent. If we consent to the Transfer, then you may Transfer the interest described in the notice only to the named transferee and only on the terms and conditions stated in the notice. Consent by us to a particular Transfer will not constitute consent to any other or subsequent Transfer. Our consent to any Transfer shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee;~~

~~(e) If we do not consent to the proposed Transfer, your obligations under this Agreement will continue until the expiration or termination of this Agreement;~~

~~(f) Our failure to exercise the right of first refusal shall not constitute approval of the proposed Transfer nor a waiver of any other provision of this Section 11 with respect to a proposed Transfer;~~

~~(g) If we do not purchase you, your Stroller Strides Business, and/or your rights under this Agreement based on our right of first refusal, you may not thereafter Transfer the interest at a lower price or on more favorable terms than those that have been offered to us. We shall again be given a right of first refusal if a transaction does not close within six (6) months after we elected not to exercise our initial right of first refusal. In no event shall you offer the interest for sale or transfer at public auction, nor at any time shall an offer be made to the public to sell, transfer or assign, through any advertisement, either in the newspapers or otherwise, without first having obtained our written approval to the auction or advertisement;~~

~~(h)~~

~~(g) If we do not purchase you, your Stroller Strides Business, and/or your rights under this Agreement based on our right of first refusal, the approval of a proposed Transfer shall not be unreasonably withheld so long as the proposed transferee qualifies, and so long as the proposed transferee is not a competitor of ours. Our decision as to whether a proposed transferee qualifies will depend on numerous factors deemed relevant by us. These factors may include, but will not be limited to, the following:~~

~~(1) The proposed transferee (and if the proposed transferee is other than an individual, such owners of an interest in the proposed transferee as we may request) must demonstrate that he and/or she: (i) meets the managerial, operational, experience, quality, character and business standards required by us to operate a Stroller Strides Business; (ii) possesses a good character, business reputation and credit rating; and, (iii) has adequate financial resources and working capital to meet the obligations under this Agreement;~~

~~(2) The sales price shall not be so high, in our reasonable judgment, as to jeopardize the ability of the transferee to develop, maintain, operate and promote the Stroller Strides Business and meet financial obligations to us, Vendors, and creditors;~~

~~(3) All of your accrued monetary obligations to us (whether arising under this Agreement or otherwise) and all other outstanding obligations related to your Stroller Strides Business (including, but not limited to, bills from Vendors, taxes, judgments and any required governmental reports, returns, affidavits or bonds) have been satisfied or, in our reasonable judgment, adequately provided for. We reserve the right to require that a reasonable sum of money be placed in escrow to ensure that all of these obligations are satisfied; and,~~

- ~~(4) You are in Good Standing under the terms and conditions of this Agreement, and are not in default beyond the applicable cure period with any Vendor or creditor to your Stroller Strides Business.~~
- ~~(i) Our decision with respect to a proposed Transfer shall not create any liability on our part to the transferee, if we approve the Transfer and the transferee experiences financial difficulties, or to the transferor or the proposed transferee, if we disapprove the Transfer pursuant to this Section 11 or for other legitimate business reasons. We have the right, in the exercise of our reasonable business judgment and without any liability to the transferor or the proposed transferee, to communicate and counsel with the transferor and the proposed transferee regarding any aspect of the proposed Transfer;~~
- ~~(j) If we approve a proposed Transfer, prior to the Transfer becoming effective:~~
- ~~(1) You shall pay us the non-refundable Transfer Fee as described in Section 6.9 of this Agreement;~~
 - ~~(2) You and the proposed transferee shall execute, as directed by us, either an assignment agreement and any amendments to this Agreement deemed necessary or desirable by us to reflect the Transfer, or our then-current standard form of franchise agreement for a term ending on the expiration of the Initial Term under this Agreement;~~
 - ~~(3) You shall remain liable for all obligations to us incurred before the date of the Transfer and shall execute any and all instruments reasonably requested by us to evidence that liability; and,~~
 - ~~(4) You will sign a general release in favor of us.~~
- ~~(k) On your death or permanent disability or, if you are a corporation, limited liability company or partnership, on the death or permanent disability of the owner of a controlling interest in you, the executor, administrator, conservator, guardian or other personal representative of such person may Transfer his or her interest in this Agreement and the Stroller Strides Business, or such interest in you, to a third party, subject to our right of first refusal and/or our written approval, and subject to all of the provisions of this Section 11. Such disposition of this Agreement and the Stroller Strides Business, or such interest in you (including, without limitation, Transfer by bequest or inheritance), will be completed within a reasonable time, not to exceed six (6) months from the date of death or permanent disability and will be subject to all the terms and conditions applicable to Transfers~~

~~contained in this Section 11. Failure to so Transfer the interest in this Agreement and/or the Stroller Strides Business, or such interest in you, within said period of time will constitute a breach of this Agreement. A person shall be deemed to have a "permanent disability" if his or her personal, active participation in management of the Stroller Strides Business is for any reason curtailed for a continuous period of six (6) months;~~

~~(4) Securities or partnership interests in you may be sold, by private or public offering, only with our prior written consent (whether or not our consent is required under any other provision of this Section), which consent shall not be unreasonably withheld. Prior to the time that any public offering or private placement of securities or partnership interests in you are made available to potential investors, you, at your expense, shall deliver to us a copy of the offering documents. The indemnification provisions of this Agreement shall also include any losses or expenses incurred by us in connection with any statements made by or on behalf of you in any public offering or private placement of your securities;~~

12. TERMINATION

12.1. Grounds for Termination. In addition to the grounds for termination that may be stated elsewhere in this Agreement, we may, in our sole discretion, terminate this Agreement, and the rights granted by this Agreement, immediately upon written notice to you without an opportunity to cure upon the occurrence of any of the following events:

- (a) Except as otherwise required by the United States Bankruptcy Code, you become insolvent, are adjudicated a bankrupt, or file or have filed against you a petition in bankruptcy, reorganization, or similar proceeding;
- (b) There is a material breach by you of any obligation under Sections 8 and 9 of this Agreement, including without limitation the unauthorized disclosure of confidential or proprietary information, improper use of the Marks, use and/or sale of Products not approved by us, and/or use of advertising materials not approved by us;
- (c) There is a breach of any Non-disclosure Non competition Agreement(s) by you and/or any manager(s), instructor(s), and/or employee(s);
- (d) You fail to provide us a Non-disclosure Agreement executed by all managers, instructors, and/or employees, within ten (10) days after their date of hire;
- (e) Any Transfer that occurs without you having obtained our prior written consent;

- (f) We discover that you made a material misrepresentation or omitted a material fact in the information that was furnished to us in connection with our decision to enter into this Agreement;
- (g) You knowingly falsify any report required to be furnished to us or make any material misrepresentation in your dealings with us;
- (h) You are convicted of, or plead no contest to, a felony charge, a crime involving moral turpitude and/or which is, in our reasonable business judgment, relevant to the Stroller Strides Business, and/or or any other crime or offense that is reasonably likely, in our reasonable business judgment, to adversely affect us, the System and/or the Franchise;
- (i) You remain in default beyond the applicable cure period under any other agreement with us; and/or,
- (j) You fail or refuse to comply with any other provision of this Agreement and do not correct the failure or refusal, if curable, within thirty (30) days (10 days for monetary defaults) after receiving written notice of default and an opportunity to cure; You will be in default under this Section 12 for any failure to materially comply with any of the requirements imposed by this Agreement, or to carry out the terms of this Agreement in good faith. If you have received two (2) or more notices of default pursuant to this Section 12.1 within the previous twelve (12) months, we shall be entitled to send you a notice of termination upon your next default under Section 12.1 in that 12-month period without providing you an opportunity to remedy that default.

12.2. Grounds for Termination by You. ~~This Agreement cannot be terminated by you during its Term for any reason. This Agreement cannot be terminated by you during the Initial Term for any reason. After expiration of the Initial Term, you may terminate this Agreement by providing us no less than sixty (60) days written notice prior to your intended date of Termination.~~

12.3. Termination Following Inspection. We have the right to periodically conduct quality assessments of your Stroller Strides Business to evaluate your compliance with the System and this Agreement. If you fail our quality assessment, we shall notify you in writing. If you fail two (2) consecutive quality assessments (the second of which shall be conducted at least thirty (30) days after your receipt of written notice of your failure to pass the prior quality assessment), we may terminate this Agreement, without opportunity to cure, by providing you written notice of termination.

12.4. Statutory Limitations. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Section, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation and all notice periods described herein shall be inclusive of any state mandated minimum notice periods.

12.5. Extended Cure Period. Notwithstanding anything contained herein to the contrary, where we have the right to terminate this Agreement, we shall have the right, in the exercise of our reasonable business judgment, to grant to you an extended period of time to cure the breach which gave rise to our right to

terminate. You acknowledge that our election to grant such an extended cure period shall not operate as a waiver of any of our rights hereunder.

12.6. Our Right to Discontinue Products/Services to You After Issuance of Notice of Default. If we issue a notice of default, we shall have the right, in addition to our other rights and remedies, to discontinue selling and/or providing to you any Retail Products and/or information or training regarding new Classes developed by us, until you have cured all curable defaults.

13. OBLIGATIONS ON TERMINATION OR EXPIRATION

13.1 Your Obligations to Us on Termination or Expiration. Upon termination or expiration of this Agreement:

- (a) Since your ownership of the Franchise is controlled by the provisions of this Agreement, you will have no equity or other continuing interest in the Franchise, any goodwill associated with it or otherwise, or any right to compensation, return of amounts paid or otherwise;
- (b) You shall immediately shall pay us all sums due and owed us pursuant to this Agreement and/or pursuant to any other agreement between you and us, including any unpaid Monthly Franchise Fee(s);
- (c) You promptly shall return to us the ~~Operating~~ Manual(s), any copies of the ~~Operating~~ Manual(s), the instructor manual, and all other materials and information, including all training materials and computer software, furnished by us;
- (d) You and all persons subject to the provisions contained in Section 9 of this Agreement shall continue to abide by those provisions and shall not, directly or indirectly, take any action that violates those provisions;
- (e) You immediately shall discontinue all use of the Marks, any confusingly similar marks, and/or any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that you are operating a Stroller Strides Business, and shall discontinue offering to the public any and all Classes and/or Products that use or bear the Marks, and take such action(s) as may be necessary to cancel any filings or registrations for your Stroller Strides Business that contain any of the Marks;
- (f) In addition to your obligations under Section 9 and other provisions of this Agreement, you shall not, except with respect to a business franchised by us which is then open and operating pursuant to an effective franchise agreement: (1) operate or do business under any name or in any manner that might tend to give the public the impression that you are connected in any way with us or have any right to use the System or the Marks; (2) make use or avail yourself of any of the materials or information furnished or disclosed by us under this Agreement or disclose or reveal any such materials or information or any portion thereof to anyone else; and/or (3) assist anyone not franchised or licensed by us to use the Marks and/or the System, and/or to organize, establish, and/or operate a Stroller Strides Business; and,

(g) You shall remain bound by, and obligated to comply with, all provisions that extend beyond the termination or expiration of this Agreement.

14. DISPUTE RESOLUTION

14.1 Venue and Governing Law for Judicial Actions. Except where restricted or prohibited by law, you and we agree that any judicial actions that you file shall be filed only in state or federal court located in San Diego County, California, and that the laws of the State of California shall apply to any and all suits filed and the parties do hereby waive all questions or objections regarding personal jurisdiction or venue for the purpose of carrying out this provision and that California shall be the exclusive venue.

14.2 Prior Notice of Claims by You. Prior to you taking any legal or other action against us, whether for damages, injunctive, equitable or other relief (including but not limited to rescission) and whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense, offset or otherwise, you will first give us sixty (60) days' prior written notice and opportunity to cure such alleged act or omission (or, if the alleged act or omission cannot reasonably be cured within that 60-day period, and we are diligently continuing efforts to attempt to cure such alleged act or omission, such additional time as reasonably necessary), provided that any dispute regarding our withholding consent with respect to a proposed Transfer by you may be immediately submitted to litigation as provided in Section 14.1.

~~Since we and you share a mutual interest in your possible success and each believe that it is important that any possible business problems be addressed as soon as possible, we and you agree that if you have any complaint regarding our failing to perform any obligation to you (including, but not limited to, training, marketing, operational support, representations by us or otherwise) you will promptly advise us in writing of such problem within twenty (20) thirty (30) days of the problem arising, so that we can have an opportunity to correct the problem. If you fail to so advise us, then, notwithstanding any provision in this Agreement or otherwise, you will be forever precluded from taking any legal or other action against us, whether for arbitration, damages, injunctive, equitable or other relief (including but not limited to rescission) and whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense, offset or otherwise, with regard to the problem.~~

14.3 Periods in which to Make Claims.

- (a) No action or suit (whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense, offset or otherwise) by either we or you may be filed against the other, whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other claim of any type, unless such party will have commenced such, action or suit before the expiration of the earlier of: 1) one (1) year after the date on which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or, 2) one (1) year after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered. Notwithstanding the foregoing limitations, where any federal, state or provincial law provides for a shorter limitations period than above described, whether on notice or otherwise, such shorter period will govern.
- (b) The foregoing limitations may, where brought into effect by our failure to commence an action within the time periods specified, operate to exclude our right to sue for damages but will in no

case, even on expiration or lapse of the periods specified or referenced above, operate to prevent us from: (1) terminating your rights and our obligations under this Agreement as provided herein and/or under applicable law nor prevent us from obtaining any appropriate court judgment, order or otherwise which enforces and/or is otherwise consistent with such termination; or (2) obtaining and/or enforcing a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief (whether by an arbitrator or a court) with respect to any operational non-compliance by you, irrespective of when such operational non-compliance occurred or came to our attention. In each case you agree that such relief is appropriate so that we can, among other things, protect the goodwill inherent in the Marks and the related investments by us and all other Stroller Strides franchisees.

- (c) The limitations set forth in this Section 14.3. will not apply to our claims arising from or related to: (1) indemnification by you; (2) your Non-disclosure Agreement or other exclusive relationship obligations; and/or (3) your unauthorized use of the Marks.

~~14.1. Arbitration.~~

~~(a) Except as provided in Section 14.2, any monetary claim arising out of or relating to this Agreement, or any breach of this Agreement, or any controversies, disputes or claims arising between us and you, including controversies, disputes or claims regarding: (1) any provision of this Agreement or any other agreement between the parties related to this Agreement; (2) the relationship of the parties; (3) the validity of this Agreement or any other agreement between the parties related to this Agreement; or (4) any specification, standard or operating procedure relating to the establishment or operation of your Stroller Strides Business must be submitted to final and binding arbitration before the American Arbitration Association ("AAA") as the sole and exclusive remedy.~~

~~(b) The arbitration will be governed by the AAA commercial arbitration rules in effect on the date the demand for arbitration is filed and shall be conducted before one (1) neutral arbitrator selected in accordance with the AAA commercial arbitration rules from the AAA's national or regional arbitrator lists. Except where restricted or prohibited by law, the arbitration shall be administered by the AAA office in San Diego County, California, and all hearings shall take place in San Diego County, California. Any demand for arbitration shall specify the amount of damages sought. Except as expressly provided in this Agreement, the arbitrator shall have no authority to amend or modify the provisions of this Agreement and any settlement offers made by either party may not be considered by the arbitrator. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary and/or permanent injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and~~

~~other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a claim, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a claim at any point. The award and decision of the arbitrator shall be conclusive and binding upon all parties thereto and judgment upon the award may be entered in any court of competent jurisdiction, and we and you waive any right to contest the validity or enforceability of the award.~~

- ~~(e) — We and you agree that each party will provide discovery to the other in the form of document production and depositions in accordance with the Federal Rules of Civil Procedure. We and you also will obtain the agreement of the arbitrator that: (1) the arbitrator shall provide a written ruling, stating in separate sections the findings of fact and conclusions of law on which his ruling is based; and (2) the ruling is due not later than sixty (60) days after the final hearing. This arbitration provision will be deemed to be self-executing and if you fail to appear at any properly noticed arbitration proceeding, award may be entered against you despite your failure to appear.~~

~~**14.2. Reservations; Venue for Judicial Actions.** Notwithstanding anything to the contrary contained in Section 14.1, we may file suit with respect to claims or issues relating primarily to: (a) the validity, or your use, of any of the Marks, the System, and/or our other intellectual property; (b) our rights to obtain possession of any real and/or personal property (including any action in unlawful detainer, ejectment or otherwise); and (c) our rights to obtain a writ of attachment and/or other pre-judgment remedies. In addition, either we or you may file suit for the entry of temporary or preliminary injunctive relief, restraining orders and orders of specific performance, including, without limitation, injunctive relief pertaining to your use of the Marks and/or the System. Except where restricted or prohibited by law, you and we agree that any judicial actions that either you or we may file shall be filed only in state or federal court located in San Diego County, California, and that the laws of the State of California shall apply to any and all suits filed.~~

~~**14.4. Periods in which to Make Claims:**~~

- ~~(a) — No arbitration, action or suit (whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense, offset or otherwise) by either we or you may be filed against the other, whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other claim of any type, unless such party will have commenced such~~

~~arbitration, action or suit before the expiration of the earlier of: 1) one (1) year after the date on which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or, 2) one (1) year after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered. Notwithstanding the foregoing limitations, where any federal, state or provincial law provides for a shorter limitations period than above described, whether on notice or otherwise, such shorter period will govern.~~

~~(b) The foregoing limitations may, where brought into effect by our failure to commence an action within the time periods specified, operate to exclude our right to sue for damages but will in no case, even on expiration or lapse of the periods specified or referenced above, operate to prevent us from: (1) terminating your rights and our obligations under this Agreement as provided herein and/or under applicable law nor prevent us from obtaining any appropriate court judgment, order or otherwise which enforces and/or is otherwise consistent with such termination; or (2) obtaining and/or enforcing a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief (whether by an arbitrator or a court) with respect to any operational non-compliance by you, irrespective of when such operational non-compliance occurred or came to our attention. In each case you agree that such relief is appropriate so that we can, among other things, protect the goodwill inherent in the Marks and the related investments by us and all other Stroller Strides franchisees.~~

~~(c) The limitations set forth in this Section 14.4. will not apply to our claims arising from or related to: (1) indemnification by you; (2) your Non-disclosure Agreement or other exclusive relationship obligations; and/or (3) your unauthorized use of the Marks.~~

15. GENERAL MATTERS

15.1 No Waiver. Our failure to exercise any power reserved to us, or our failure to insist upon compliance by you (or anyone else) with any obligation or condition in this Agreement, any other agreement, the Manual(s) or otherwise, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of our right to demand exact compliance with the terms of this Agreement, any other agreement, the Manual(s) or otherwise. Waiver by us of any of our rights in connection with any particular default by you (or anyone else) shall not affect or impair our rights with respect to any subsequent or other default of the same or a different nature, nor shall any delay, forbearance or omission by us to exercise any power or rights arising out of any breach or default by you (or anyone else) of any of the terms, provisions or covenants of this Agreement, any other agreement, the Manual(s) or otherwise, affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or the right to declare any subsequent breach or default. Acceptance by us of any payments due to us, and/or our failure to insist on compliance with any

required signing and/or payment date, shall not be deemed to be a waiver by us of that, or any preceding or other, breach by you of any terms, covenants or conditions of this Agreement or otherwise. Our failure to give notice of default or to pursue any remedy for a breach of this or any other agreement shall not affect our right to give notice of termination upon subsequent defaults or to pursue any remedy upon subsequent similar or other breaches, under this or any other agreement.

15.2 Consents. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us, and any approval or consent received, in order to be effective and binding upon us, must be obtained in writing and be signed by one of our authorized officers. We make no warranties or guarantees upon which you may rely by providing any waiver, approval, consent or suggestion to you in connection with this Agreement, and we assume no liability or obligation to you in that regard, or by reason of any neglect, delay, or denial of any request therefore. We shall not, by virtue of any approvals, advice or services provided to you, assume responsibility or liability to you or to any third parties to which we would not otherwise be subject.

15.3 Relationship of the Parties. The relationship between us is that of franchisor and franchisee only, the parties have dealt with each other at arm's length and as businesspersons with equivalent bargaining power and no other relationship is intended or created hereby. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them; that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. Franchisor shall not direct or control its employees with the means and manner of their daily work performance. As Franchisee, you retain sole responsibility for the employment aspects of your operation, including recruiting, hiring, scheduling, work assignment, compensation, supervision, performance evaluation, promotion, transfer, discipline and discharge. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name, and that Franchisor shall in no event assume liability for or be deemed liable hereunder as a result of any such action, or by reason of any act or omission of Franchisee in its conduct of the licensed business or any claim or judgment arising therefrom against Franchisor.

15.4 Taxes. We shall have no liability for any sales, VAT, GST, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied on you, your Stroller Strides Business or your property, or on us, in connection with the sales made and/or business conducted by you (except for any taxes we are required by law to collect from you with respect to purchases from us.) Payment of all taxes will be your sole responsibility.

15.5 Indemnification. You shall be the only one responsible for any damage, loss or other claims arising out of, or related in any way to, any of your acts, errors or omissions, whether related to you, your employees, agents or representatives, your operations or ownership of your Stroller Strides Business or otherwise. You shall indemnify and hold harmless us from all fines, suits, proceedings, claims, demands, actions, losses, damages, costs, fees (including attorneys' fees and related expenses) and/or any other expense, obligation and/or liability of any kind or nature (including, but not limited to, claims of negligence), however arising, growing out of or otherwise connected with and/or related to any act, error and/or omission of yours (including, but not limited to, your ownership and/or operation of your Stroller Strides Business, any act or omission of your instructors, managers and/or other authorized agents, and/or any Transfer of any interest in this Agreement, your Stroller Strides Business, you or otherwise.) We shall have the right to select the attorney and/or law firm, control all litigation, and defend and/or settle any claim, against and/or including us or affecting our interests, in such

manner as we deem appropriate in our reasonable discretion, in each case without affecting our rights under such indemnity.

15.6 Disclaimer of Warranties With respect to anything (Products, Designated Equipment, Classes, or otherwise) provided and/or approved by us, other than specific written warranties expressly provided by us in connection with such items, SUCH ITEMS ARE PROVIDED WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE BEING EXPRESSLY DISCLAIMED, NOR DO THERE EXIST ANY EXPRESS OR IMPLIED WARRANTIES ON THE PART OF US AS TO THE DESIGN, CONDITION, CAPACITY, PERFORMANCE OR ANY OTHER ASPECT OF SUCH ITEMS OR THEIR MATERIAL OR WORKMANSHIP.

15.7 Disclosure. We may, in the exercise of our reasonable business judgment, disclose, whether in offering circulars or otherwise, any information relating to your ownership and operation of your Stroller Strides Business, including (but not limited to) your name, any address and/or phone number, revenues, expenses, results of operations or other information but, wherever practicable and legal, we will make no public disclosures of revenues of your specific Stroller Strides Business such that a recipient will be able to match such territory-specific revenues with your ownership of your particular Stroller Strides Business.

15.8 Survival, Construction, and Severability.

- (a) Each provision of Section 13 will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of we) for any reason, will survive and will govern any claim for rescission or otherwise. Your non-disclosure, non-competition and non-solicitation obligations as set forth in Section 9 of this Agreement, and elsewhere also shall survive the expiration and/or termination of this Agreement according to their terms, and your indemnity obligation as set forth in this Agreement or elsewhere also shall forever survive the expiration and/or termination of this Agreement. To the maximum extent permitted by law, you waive the effect of any statute of limitations, which would, by lapse of time, limit your duties to observe such obligations and/or so defend and/or indemnify.
- (b) Each provision of this Agreement will be construed as independent of, and severable from, every other provision, and if any provision of this Agreement is deemed to be invalid or unenforceable for any reason and to any extent, the remainder of this Agreement shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law. In the event of any inconsistencies and/or conflicts between this Agreement and any other agreement and/or document, the agreement and/or document, which gives us the greatest rights and/or benefits, shall control.
- (c) The rights and obligations of this Agreement run directly between you and us, are not intended to create any third-party beneficiary or similar rights or obligations and we do not have any duty to take any legal or other actions against, or with respect to, any other Stroller Strides franchisees in connection with any alleged violation of their obligations.

15.9 Entire Agreement. This Agreement, the documents referred to herein, and the exhibits attached hereto, if any, constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and supersedes all prior agreements, no other representations having induced Franchisee to execute this Agreement. No representations, inducements, promise, or agreements, oral

~~or otherwise, not embodied herein or attached hereto (unless of subsequent date) were made by any party. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties in writing. You acknowledge that you are a sophisticated businessperson experienced in franchising, the fitness industry, and/or other businesses, have had the benefit of advice by your own independent legal counsel (which is strongly recommended by us), have conducted an independent investigation of the Stroller Strides Franchise, and recognize that the business venture contemplated by this Agreement involves speculative business risks and any results will be primarily dependent upon your ability as an independent businessperson. We expressly disclaim the making of, and you acknowledge that you have not received, any representation, promise, warranty or guarantee, express or implied, as to the potential volume, profits, success or otherwise of any business venture contemplated by this Agreement. THERE ARE NO REPRESENTATIONS, WARRANTIES, EARNINGS, REVENUE OR OTHER CLAIMS, AGREEMENTS, PROMISES, ARRANGEMENTS OR UNDERSTANDINGS, ORAL OR WRITTEN, BETWEEN OR AMONG THE PARTIES HERETO RELATING TO THE WITHIN SUBJECT MATTER WHICH ARE NOT FULLY EXPRESSED HEREIN OR WHICH HAVE BEEN RELIED UPON BY THE PARTIES.~~

15.10 Insolvency. No person or business entity other than you shall have or acquire any rights awarded to you hereunder by virtue of any bankruptcy, insolvency or assignment for the benefit of creditors or reorganization proceedings, or any receivership or other legal process, either under attachment, execution or otherwise, or in any manner whatsoever growing out of any proceeding or suit in law or in equity, without our prior written consent.

15.11 Remedies. All rights and remedies of each party will be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or otherwise.

15.12 Notices and Payments. All notices and reports permitted or required to be delivered by the provisions of this Agreement shall be in writing. All notices or reports to you may be addressed to your Authorized Agent at the notice address set forth in the Summary of Terms found on page 1 of this Agreement.

All notices or reports to us shall be addressed to us at Stroller Strides, LLC, 1531 Crescent Place, San Marcos, California, 92078 (or our then-current headquarters), to the attention of the President. Any party may designate a new address for notices by giving written notice of the new address pursuant to this Section. Notices shall be effective upon receipt (or first refusal) and may be: (a) delivered personally; (b) transmitted by facsimile or electronic mail with electronic confirmation of receipt; (c) mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or, (d) sent via commercial courier service. All payments required by this Agreement will be directed to us at our address as specified above. Any required payment or report not actually received by us during regular business hours on the date due will be deemed delinquent. Notice to the Authorized Agent shall be deemed effective as to you and/or all persons with an ownership interest in you.

~~**15.12 Agent for Service of Process.** A list of agents for service of process is attached hereto as Exhibit 7 and incorporated herein.~~

15.13 Construction of Contract. Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires. If there is any conflict between this Agreement and the Manual(s), whichever gives us the greatest rights and/or benefits shall control.

~~15.14 Governing Law. Except where restricted or prohibited by law, this Agreement and its provisions will be governed by and interpreted under the laws of California; however, the arbitration provisions are exclusively governed by and should be construed in accordance with the Federal Arbitration Act.~~

15.14 Amendments. This Agreement may be amended or modified only by a document signed by all of the parties to this Agreement or by their authorized agents.

15.15 Injunctive Remedy for Breach. You recognize that you are a member of a Franchise and that your acts and omissions may have a positive or negative effect on the success of other businesses operating under, and in association with, our Marks and/or System. Failure on the part of a single franchisee to comply with the terms of our franchise agreement is likely to cause irreparable damage to us and to some or all of our other franchisees. For this reason, if we can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of your breach or threatened breach of any of the terms of this Agreement, you hereby consent and stipulate to entry of a temporary restraining order, injunction, and/or other equitable relief that may be granted until a final determination is made by the court. You further agree no bond or security shall be required in obtaining such equitable relief. This provision shall in no way restrict or prevent us from seeking any other legal and/or equitable remedies which may be available.

15.16 Attorney Fees and Costs. If either party is required to enforce this Agreement, or collect upon any judgment, decree, or order entered, in a judicial, arbitration, and/or other proceeding, including any appeal, the prevailing party will be entitled to recover costs and expenses, including, but not limited to, reasonable attorneys' fees.

15.17 Approval and Guaranties. If you are a corporation, all officers and shareholders with a ~~ten percent (10%)~~ five percent (5%) or greater interest in you, or, if you are a partnership, all your general partners, must approve this Agreement, permit you to furnish the financial information required by us, and agree to the restrictions placed on them, including restrictions on the transferability of their interests in the Stroller Strides Business and limitations on their rights to compete. In addition all individuals will be jointly and severally liable for the performance of this Agreement.

~~15.19 Acceptance by Us. This Agreement will not be binding on us unless and until it has been signed by an authorized officer of ours.~~

~~15.20 Disclaimer of Representations. NO REPRESENTATIONS OR PROMISES OF ANY KIND HAVE BEEN MADE BY US TO INDUCE YOU TO SIGN THIS AGREEMENT EXCEPT THOSE SPECIFICALLY STATED IN THE FRANCHISE DISCLOSURE DOCUMENTS THAT HAVE BEEN DELIVERED TO YOU. YOU ACKNOWLEDGE THAT NEITHER WE NOR ANY OTHER PERSON HAS GUARANTEED THAT YOU WILL SUCCEED IN THE OPERATION OF THE STROLLER STRIDES BUSINESS, OR HAS PROVIDED ANY SALES OR INCOME PROJECTIONS OF ANY KIND TO YOU. YOU HAVE MADE AN INDEPENDENT INVESTIGATION OF ALL IMPORTANT ASPECTS OF THE STROLLER STRIDES FRANCHISE. YOU UNDERSTAND THAT WE ARE NOT A FIDUCIARY AND HAVE NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION.~~

~~15.21 Acknowledgements. You expressly acknowledge that:~~

- ~~(a) You have entered into this Agreement as a result of your own independent investigation, after consultation with an attorney or other advisor(s) of your choice, and not as a result of any representations of Stroller Strides, LLC, our agents, officers or employees or anyone else, except as expressly set forth herein;~~
- ~~(b) The possible success of your Stroller Strides Business is speculative and will be largely dependent upon your abilities and efforts, and neither Stroller Strides, LLC, nor anyone else has made any representation or guarantee to you or any guarantor that your Stroller Strides Business will be successful or profitable;~~
- ~~(c) You have not received or relied on (nor have we or anyone else provided) any oral or written sales, income or other projections of any kind or nature or any statements, representations, data, charts, tables, spreadsheets or mathematical calculations or otherwise which stated or suggested any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise with respect to, and neither we nor anyone else has made, nor have you relied on, any promises, representations or warranties as to any profits or otherwise you may realize in the operation of, a Stroller Strides Business, nor have you received or relied on any representations regarding any working capital or other funds necessary to reach any "break-even" or any other financial level. We cannot reliably predict, forecast or project future performance, revenues, profits or otherwise of any Stroller Strides Business, even including one owned and/or operated by us, due to the large number of factors outside our control, and we certainly cannot reliably predict what your results might be. We are unable, and do not attempt, to predict, forecast or project future performance, revenues, profits or otherwise of any Stroller Strides Business. If any such information, promises, representations and/or warranties has been provided to you, they have not been authorized, they should not be relied on, we will not be bound by them, and, if you do rely on such information, promises, representations and/or warranties, you do so at your own risk; and,~~
- ~~(d) A complete ready to sign copy of this Agreement as signed by you was received by you at least five (5) business days prior to the earlier of our execution by you or payment of any amounts, and a complete copy of Stroller Strides, LLC's franchise offering circular, together with all exhibits thereto, was received at least ten (10) business days prior to the earlier of you signing this agreement or paying any amounts to us.~~

16. ACKNOWLEDGEMENTS.

16.1 Independent Investigation. You acknowledge that you have conducted an independent investigation of all aspects relating to the Franchised Business. You acknowledge that you have received, read and understand this Agreement, the attachments hereto and agreements relating thereto, and that we have accorded you ample time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement.

16.2 Compliance with Applicable Laws. You acknowledge, by your signature hereto, that you received from us a Uniform Franchise Offering Circular for the State in which the Franchised Business will be located, or your place of residence, as appropriate, at least ten (10) business days (14 calendar days in Illinois) prior to the execution of this Agreement.

16.3 Receipt of Agreement. You acknowledge that you received from us this Agreement with all blanks filled in at least five (5) business days (7 calendar days in Illinois) prior to the execution of this Agreement. You represent that you have read this Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with an attorney or other professional advisor. You further represent that you understand the terms, conditions and obligations of this Agreement and agree to be bound thereby.

16.4 Effectiveness of Agreement The delivery of an unexecuted copy of this Agreement and any accompanying franchise offering circular to a potential franchisee shall not be deemed to be an offer to enter into a franchise agreement which potential franchisee may accept by the execution of such copy. No agreement is binding until we have delivered a fully executed copy of this Agreement to Franchisee and the initial franchise fee has been received by Stroller Strides.

16.5 No Material Changes in Information Provided. By signing this Agreement, you warrant and represent that there have been no material or adverse changes in the facts or representations made by you in the Franchise Application and/or in the Prospective Franchisee Territory Reservation Agreement.

16.65 Acknowledgment. You acknowledge and accept the following:

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

KNOWLEDGE OF ANY REPRESENTATION MADE BY US, OR OUR REPRESENTATIVES, OF ANY INFORMATION THAT IS CONTRARY TO THE TERMS CONTAINED HEREIN.

[Please initial to acknowledge that you have read and understand this Section [16]

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective the day and year first above written.

FRANCHISOR

FRANCHISEE

STROLLER STRIDES, LLC

[]

By: Lisa Druzman

: By:

Its: President

Its:

Individually

Individually

EXHIBIT 1 TO FRANCHISE AGREEMENT
FRANCHISEE'S EXCLUSIVE TERRITORY

The Franchisee's Exclusive Territory, as defined by the attached Franchise Agreement is generally described to contain all or part of the following zip codes, as they existed on the effective date of the Franchise Agreement:

In addition to this general description, a map has been attached to this Exhibit 1 to the Franchise Agreement, which shows the specific boundaries of the Exclusive Territory and which has been initialed by Franchisee and Franchisor. Any discrepancy between the map and the zip codes described above shall be resolved in favor of the map, which is the controlling description.

Franchisor Initials _____

Franchisee Initials _____

EXHIBIT 2 TO FRANCHISE AGREEMENT
AUTOMATIC PAYMENT FORM

(See Exhibit F attached to UFOC)

EXHIBIT 3 TO FRANCHISE AGREEMENT
CURRENT PRICING LIST