

**EXHIBIT F TO THE
RELAX THE BACK CORPORATION
OFFERING CIRCULAR**

AREA DEVELOPMENT AGREEMENT

**RELAX THE BACK CORPORATION
AREA DEVELOPMENT AGREEMENT**

THIS AREA DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into this _____ day of _____, 20____, (the "Effective Date") by and between Relax The Back Corporation ("Franchisor", "we" or "us") and _____, ("Area Developer", or "you"), with reference to the following facts:

A. We have developed methods of operating retail "brick and mortar" stores which offer a wide variety of back related and other products and services authorized by us. We refer to these businesses as "Relax The Back® Stores" or "Traditional Relax The Back Stores." We award franchises for qualified persons to own and operate Relax The Back® Stores using the Relax The Back® system and the Relax The Back® brand name and trademarks.

B. You desire to have the right and obligation to open a specified number of Relax The Back Stores® in a designated territory on or before certain dates. We desire to grant to you such right and obligation, subject to the terms and upon the conditions contained in this Agreement.

You and we agree to the following provisions.

1.1 Area Territory and Development

A. We will not award a Relax The Back® Franchise for the operation of a Relax The Back® Store to anyone other than you, or open a Relax The Back® Store owned by us, in the area designated on the attached Exhibit 1.1 (the "Area Territory") for the term of this Agreement, subject to all of the conditions and provisions of this Agreement.

B. You commit to sign the then current version of the Relax The Back Corporation Franchise Agreement (and all related documents then customarily in use by us), and pay the full Initial Franchise Fees, and to open and operate the number of Relax The Back® Stores (the "Development Units") in the Area Territory, in each case by no later than the dates provided on Exhibit 1.2 (the "Development Schedule"). You understand that the then-current form of Relax The Back Corporation Franchise Agreement may differ in material respects from our present Franchise Agreement. Our current form of Relax The Back Corporation Franchise Agreement is attached as Exhibit 1.3 and has been fully reviewed and approved by you. Terms not defined in this Agreement have the same meanings as in Exhibit 1.3.

C. Only Relax The Back® Stores newly established by you in the Area Territory will count to satisfy the requirements of this Agreement and the Development Schedule. Any franchises acquired by transfer or to be located outside the Area Territory will not satisfy such requirements.

D. Your rights in the Area Territory are only as expressly stated in 1.1 A, above, and are subject to certain rights reserved by us. You understand and agree that Section 2.2 of Exhibit 1.3, captioned "Territory", expresses our respective rights in the Area Territory during the term of this Agreement. You expressly acknowledge reading and understanding Section 2.2 of Exhibit 1.3.

E. We are not awarding you with this Agreement the right to sell or to solicit offers to buy Relax The Back® franchises. You represent that all Relax The Back® Franchises to be obtained by you are for your sole ownership, use and operation. You will not have the right to "sublet" any area within the Area Territory or to subfranchise or assign any rights under this Agreement.

2.1 Term

Unless earlier terminated in accordance with its provisions, this Agreement shall commence on the Effective Date and automatically expire upon the earlier of : i) the latest Required Date for Opening of

a Store/Unit provided on Exhibit 2.1; or ii) the actual Opening Date for the last scheduled Relax The Back® Store/Unit.

3.1 Renewal

Area Developer shall have no right to a renewal or successor agreement.

4.1 Development Conditions and Procedures

A. You are solely responsible for locating, securing and developing the site for each Development Unit according to any then applicable Relax The Back® standards, guidelines and/or specifications.

B. You shall submit to us such information regarding a proposed site as we require, in the form and manner requested by us, together with the terms of any proposed lease. We may seek such additional information as we consider to be necessary, but our approval will not be unreasonably withheld. The terms of any such lease shall comply with the provisions of the Franchise Agreement applicable to such proposed site. Our consent to any site shall not be construed as a recommendation or warranty as to suitability or the success of the Development Unit to be located there. We make no such assurances of any kind.

C. Upon our written consent to an approved site, and subject to the conditions to the offer of a franchise provided in 4.1 D., below, you will pay to us the Initial Franchise Fee for each approved Development Unit and sign the then current form of Franchise Agreement along with any related documents then customarily used by us, including any appropriate receipts for disclosure documents. We may in connection with our evaluation of the proposed site require and consider financial statements or similar information satisfactory to us demonstrating financial capability and compliance with Section 6.1 C. of this Agreement.

D. Regardless of any other provision of this Agreement, you understand that we have the right to deny you a franchise and/or not permit you to open a Development Unit if any of the following conditions are not met:

i) you are not in compliance with any Performance Standards under any Franchise Agreement and/or are in default under this Agreement, any Franchise Agreement, the Manuals, or any other agreement with us and/or any Franchisor Related Person/Entity;

ii) you have not delivered all completed and signed documents as then required by us;

iii) you have not appointed a manager for the Development Unit who meets our then current training and other standards.

E. You and we acknowledge and agree that the deadlines set forth in the Development Schedule (Exhibit 1.2) are of the essence of this Agreement. No modification or amendment to the Development Schedule or any consent to or waiver of any deadline or other obligation of this Agreement will either (i) create any obligation to grant additional modifications, amendments, consents or waivers or (ii) be effective unless made by mutual written agreement. Any modification or amendment to the Development Schedule or otherwise will be in our Business Judgment, as that term is defined in Exhibit 1.3, and may be subject to conditions, including (but not limited to) a General Release.

5.1 Fees

A. In consideration of our signing of this Agreement, you agree to pay to us on signing this Agreement, (a) the full ~~Twenty Five~~ **Thirty** Thousand Dollar (~~\$25,000~~ **\$30,000**) Initial Franchise Fee for the

first Development Unit and (b) a "Development Fee" of _____ Thousand Dollars (\$XX,000), calculated as ~~Five-Seven Thousand Five Hundred Dollars (\$5,000\$7,500)~~ multiplied by the number of Development Units. The Initial Franchise Fee for the first Development Unit, and the Development Fee, are each entirely non-refundable and are fully earned by us upon our signing of this Agreement.

B. The Initial Franchise Fee for the second and each subsequent Relax The Back® Development Unit will be ~~Fifteen-Twenty Thousand Dollars (\$15,000\$20,000)~~. With each additional Franchise Agreement that you and we enter into pursuant to this Agreement, ~~Five-Seven Thousand Five Hundred Dollars (\$5,000\$7,500)~~ will be applied as a credit against the ~~Fifteen-Twenty Thousand Dollar (\$15,000\$20,000)~~ Initial Franchise Fee. The Initial Franchise Fee is payable to us when you sign the Franchise Agreement and any related documents for each such Development Unit. You understand that any award of a Franchise Agreement by us will depend upon your compliance with the terms of this Agreement. We will keep the Development Fee if you do not meet such requirements and are not offered a subsequent Franchise Agreement, or if this Agreement is terminated. As a condition to the award of any franchise, you will be required to sign our then current form of General Release (as that term is described in Exhibit 1.3). The current form of Releasing Language is attached to Exhibit 1.3 as Appendix 1.2 A.

6.1 Operations

A. We may require the Chief Executive Officer or another officer/owner for or of the Area Developer to attend and successfully complete such initial and/or on-going training as we designate and/or to meet with us from time-to-time to review Area Developer operations.

B. We may require you to employ a manager for each Development Unit who will meet such standards (including training requirements) as are set forth in the then-current Franchise Agreement and/or Manuals issued by us, to supervise and coordinate the operation of each Unit.

C. We may require you to maintain positive working capital and a minimum net worth of \$250,000 multiplied by the number of Development Units.

7.1 Defaults and Termination

A. This Agreement may be terminated by us upon your receipt of written notice and without opportunity to cure, except as may be required by law, if:

1) You attempt to sell, assign, Transfer or encumber in whole or in part any or all rights and obligations under this Agreement in conflict with Article 8.1, below;

2) You fail to meet on a timely basis any of the provisions of the Development Schedule, including without limitation, any Development Unit Opening Date or Fee Payment;

3) You commit to a lease unapproved by us, or begin the development and/or operation of a Development Unit, without having complied with the terms of this Agreement, including without limitation Article 4.1, above;

4) You or any of your owners is judged bankrupt, becomes insolvent, makes an assignment for the benefit of creditors, is unable to pay his or her debts as they become due, or a petition under any bankruptcy law is filed against you or any of your owners or a receiver or other custodian is appointed for a substantial part of your assets;

5) You or any of your owners is convicted of, or pleads no contest to, a felony, or to any crime or offense that may adversely affect the goodwill associated with the Marks;

6) You commit any other breach of this Agreement.

B. Any default by you under this Agreement may be regarded by us as a default by you under the Franchise Agreement. Any default under any Franchise or other agreement with us or with any Franchisor Related Person/Entity may be considered by us to be a default under this Agreement. In all instances we shall be entitled to all rights and remedies available to us under the respective agreements, at law and in equity. If you default under any Franchise or other agreement, we may require you to stop all development activities/store openings under this Agreement unless and until you are permitted by us in writing to continue.

C. Upon a termination/expiration of this Agreement you have no rights under this Agreement, including without limitation no right to the award of any further franchises or any refunds of any amounts paid. We shall be free to develop the Territory in any manner we choose, including establishing company owned and franchised units in the Territory, subject only to the terms of any applicable unit franchise agreements.

D. Notwithstanding the provisions of Section 7.1 A (2), above, if the opening of a Development Unit is physically prevented by circumstances beyond human control, such as fire, flood, earthquake, riot, war, or other similar circumstance, then you will be allowed such additional time as is reasonably necessary to open such Development Unit, but not longer than six months. Such an extension shall be available exclusively to the Unit subject to the interrupted development and shall not apply to any subsequent unit development deadlines or requirement dates.

8.1 Transfers

A. This Agreement is personal to you and based upon individual skills, resources, special qualities and characteristics and is not assignable, whether voluntarily or by operation of law, without our express written consent. **We will not unreasonably withhold, delay or condition our consent to any proposed transfer, provided that nothing herein shall be construed to diminish in any way our rights or your obligations in connection with a transfer and/or compliance with the provisions of this Section 8.1**~~Article 14. which we may grant, condition or withhold in our Business Judgment.~~ We may choose among other things to apply the provisions applicable to transfers as contained in the most current unit Franchise Agreement between us, including those regarding Rights of First Refusal, to any transfer of this Agreement. Any assignment by you must be accompanied by a concurrent assignment to the same assignee of all of your interests in each Development Unit and each related Franchise Agreement. Any consent to transfer by us will be conditioned upon our receipt of a nonrefundable transfer fee of **Seven Thousand Five Hundred Dollars**~~\$5,000~~ **\$7,500**, in addition to any such fees due under the applicable unit Franchise Agreements.

B. This Agreement is assignable by us, in whole or in part, without your consent and shall inure to the benefit of our successors and assigns. We have no liability to you upon such an assignment.

C. This Agreement shall not be deemed to diminish in any way any rights of first refusal and/or rights of repurchase held by us under any Relax The Back Corporation Franchise Agreement with you, whether effective now or in the future. If we purchase from you substantially all of the operating assets of the Development Units, or all of their franchises are terminated or repurchased, you will have no rights, and we will have no obligations, under this Area Development Agreement.

9.1 Relationship of the Parties

You and we are independent contractors. Nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. There is no fiduciary, trust or other special relationship between us. Expenses, obligations, taxes and other liabilities incurred by you in connection with your performance of the services contemplated by this

Agreement shall be your sole responsibility. Neither you nor we shall act as the agent of the other, nor guarantee or become in any way responsible for the obligations, debts or expenses of the other.

10.1 Personal Guarantees

Each of the owners signing this Agreement hereby personally guarantees, jointly and severally, the full payment and performance of each and all of the Area Developer's obligations under this Agreement.

11.1 Payments and Legal Compliance

A. You will promptly pay when due any and all taxes, accounts, liabilities and other indebtedness of every kind incurred by you as a result of your acts or omissions under or associated with this Agreement, any Franchise Agreement, the operation of any Relax The Back® Store or otherwise and will hold harmless and indemnify us and each of the Franchisor-Related Persons/Entities from such taxes, accounts, liabilities and other indebtedness.

B. You will comply with all federal, state and local laws and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the activities contemplated under this Agreement and/or any Franchise Agreement.

12.1 Incorporated Provisions of Franchise Agreement

As provided in Article 1.1 and Exhibit 1.2, you are, or shall become concurrent with the signing of this Agreement, a Relax The Back® Franchisee under the terms of a Relax The Back Corporation Unit Franchise Agreement substantially similar to Exhibit 1.3. The following provisions of such Exhibit 1.3 shall apply to this Agreement in the following manner:

A. Licensed Marks. The provisions of Article 6 of Exhibit 1.3 shall apply to the use of the Marks under this Agreement and are incorporated herein.

B. Relationship and Indemnification. You and we are independent contractors, as provided in Article 9.1, above. Therefore, the provisions of Sections 7.1 through 7.5 of Exhibit 1.3 shall apply in the same manner to you in your Area Development activities as they do to your Relax The Back® Store Franchise Business and are incorporated herein. References made in such Sections to your Relax The Back® Franchise and Franchise Business operations shall be deemed to include your operations under this Agreement, including without limitation the indemnification obligations of Section 7.4.

C. Confidential Information; Exclusive Relationship. The provisions of Article 8 of Exhibit 1.3 shall apply in the same manner to you in your Area Development activities as they do to your Relax The Back® Store Franchise Business and are incorporated herein. References made in Article 8 to your Relax The Back® Store Franchise and Franchise Business operations shall be deemed to include your operations under this Agreement.

D. Records and Reports. The provisions of Section 12.2 of Exhibit 1.3 and the reporting and record requirements described therein shall apply in the same manner to your Area Development activities as they do to your Relax The Back® Store Franchise Business and are incorporated herein.

E. Dispute Avoidance and Resolution, Notice and Acknowledgments. The provisions of Articles 19, 20 and 21 of Exhibit 1.3 shall apply to this Agreement and are incorporated herein, including without limitation those providing for mediation and mandatory binding arbitration, waiver of jury trial, limitations on damages and venue. THE PARTIES (AND EACH OF THEIR OWNERS) WAIVE ALL

RIGHTS TO JURY TRIAL.

F. Rights on Termination, Expiration, Transfer, and/or Repurchase. The provisions of Article 17 of Exhibit 1.3 shall apply to this Agreement and are incorporated herein.

13.1 Miscellaneous Provisions

A. Whole Agreement; Amendment. This Agreement contains the final, complete and exclusive expression of the terms of your and our agreement with respect to the subject matter, and supersedes and replaces any and all prior and/or concurrent understandings, agreements, representations or otherwise (whether oral or written) between you and us; provided that this Agreement is not intended to amend or supersede any Relax The Back[®] Unit Franchise Agreement and/or related documents to which you are a party. This Agreement cannot be modified or changed except by written document signed by all parties.

B. Severability. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail; but in such event the provisions of this Agreement thus affected shall be limited only to the extent necessary to bring them within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

C. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor, and shall be binding upon and inure to the benefit of you and your respective heirs, executors, administrators, successors and assigns, subject to the prohibitions against assignment contained herein.

D. Joint and Several Liability. If "you" consist of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to us are joint and several.

E. No waiver. No waiver by any party of any breach or series of breaches or defaults in performance, shall be deemed to be a waiver of any other breach or default; and no failure, refusal or neglect of ours to exercise any right, power or option given to us under this Agreement shall be deemed to be a waiver of any right, power or option.

F. Acknowledgments. In addition to those acknowledgments contained in Exhibit 1.3 and incorporated by reference pursuant to Section 12.1 E, above, Area Developer and each of its owners expressly acknowledge that:

1) Neither the Area Developer, any of the owners nor anyone else have 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, or otherwise which stated or suggested any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or otherwise with respect to any Relax The Back[®] Store or Area Development rights. We cannot reliably predict, forecast or project future performance, revenues, profits or otherwise of any Relax The Back[®] Store or with respect to any Area Development rights. If any such information, promises, representations and/or warranties has been provided to Area Developer, any of the owners or anyone else, they haven't been authorized and may not be relied on; and

2) A complete ready-to-sign copy of this agreement as signed by Area Developer was received by Area Developer (and each of the owners, as applicable) at least five business days prior to the earlier of its execution, or the payment of any amounts; and

(3) A complete copy of Relax The Back Corporation's franchise offering circular, together with all exhibits, was received at least ten business days prior to the earlier of Area Developer (and each of the owners, as applicable) signing this agreement or the paying of any amounts.

Your Initials: _____

G. Notices. All written notices and reports permitted or required to be delivered by the provisions of this Agreement will be deemed so delivered at the time delivered by hand, immediately on transmission by facsimile transmission or other electronic system, including e-mail or any similar means, one (1) business day after being placed in the hands of a commercial courier service for overnight delivery, or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to us at Relax The Back Corporation, 17785 Center Court Drive, Suite 250, Cerritos, CA 90703, (or our then-current headquarters), to the attention of the President, and to you at the following address: _____

All parties have obtained the advice of counsel in connection with entering into this Agreement, understand the nature of this Agreement, and intend to be bound by its terms.

FRANCHISOR:

Relax The Back Corporation,
a Delaware corporation

By: _____
Title: President

Area Developer (Individual)

Signature Date

Printed Name

Signature Date

Printed Name

| Area Developer (Corp., LLC or Partnership)
Must be accompanied by appropriate personal guarantee(s)

Legal Name of Franchisee Entity

a _____
Jurisdiction of Formation Corporation, LLC or Partnership

By: _____
Name

Signature

Title: _____

Owners

