

Fill in this information to identify the case:

Debtor 1 Gold's Gym Licensing, LLC

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the: Northern District of Texas, Dallas Division

Case number 20-31323-hdh11

E-Filed on 09/02/2020
Claim # 280

Official Form 410

Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?		<u>MORPHEUS LABS, INC.</u> Name of the current creditor (the person or entity to be paid for this claim)	
		Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent?		Where should payments to the creditor be sent? (if different)
	<u>c/o Shawn B. Rediger</u> Name <u>Williams Kastner & Gibbs, PLLC 601 Union Stre</u> Number Street <u>Seattle</u> <u>WA</u> <u>98101</u> City State ZIP Code Contact phone <u>(206) 628-6600 x2788</u> Contact email <u>srediger@williamskastner.com</u> Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____		_____ Name _____ Number Street _____ City State ZIP Code Contact phone _____ Contact email _____
4. Does this claim amend one already filed?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? ☒ No
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ 414,030.00. Does this amount include interest or other charges?
☒ No
☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.

Breach of Contract

9. Is all or part of the claim secured? ☒ No
☐ Yes. The claim is secured by a lien on property.
- Nature of property:**
☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
☐ Motor vehicle
☐ Other. Describe: _____
- Basis for perfection:** _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
- Value of property:** \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)
- Amount necessary to cure any default as of the date of the petition:** \$ _____
- Annual Interest Rate** (when case was filed) _____ %
☐ Fixed
☐ Variable

10. Is this claim based on a lease? ☒ No
☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ 0.00

11. Is this claim subject to a right of setoff? ☒ No
☐ Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No

☐ Yes. Check one:

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

☐ Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

☐ Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

Amount entitled to priority

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☐ I am the creditor.

☒ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 09/02/2020
MM / DD / YYYY

/s/ Shawn B. Rediger, WA State Bar #26425

Signature

Print the name of the person who is completing and signing this claim:

Name Shawn B. Rediger
First name Middle name Last name

Title Attorney at Law

Company Williams Kastner & Gibbs, PLLC
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address
Number Street

City State ZIP Code

Contact phone Email

Attachment 1 - MORPHEUS - Attachments Proof of Claim.pdf

Description -



Morpheus Labs Inc.
14674 NE 95th St
Redmond, WA 98052

Morpheus Attachment - Page 1
Invoice

Date	Invoice #
2/13/2020	1016

Bill To

Gold's Gym
4001 Maple Ave, suite 200
Dallas, TX
75219

Due Date
3/1/2020

Description	Qty	Rate	Amount
February Platform development	1,440	90.00	129,600.00
- OFS dev instance design			
- Logging performance improvements			
- Automated testing setup			
- AWS optimization			
SDK			
- iOS documentation for OFS			
- Android documentation for OFS			
- Android SDK demo app			
- iOS SDK demo app			
- OFS API instance and database setup			
UI/UX			
- Live class design revisions			
- User profile screen			
- Notifications and alerts			
- Coach workflow design			
Element 79 band industrial design and firmware update		35,000.00	35,000.00
Total			\$164,600.00
Payments/Credits			-\$50,000.00
Balance Due			\$114,600.00



Morpheus Labs Inc.
14674 NE 95th St
Redmond, WA 98052

Morpheus Attachment - Page 2
Invoice

Date	Invoice #
3/12/2020	1018

Bill To

Gold's Gym
4001 Maple Ave, suite 200
Dallas, TX
75219

Due Date
3/31/2020

Description	Qty	Rate	Amount
March Platform Development - Automated testing development - AWS optimization for scaling SDK - Automating iOS SDK generation and deployment - Fix spelling in SDK - Research on authentication for 3rd party services GRID Development - Initial HUB data architecture design - iOS mobile app development - Live GRID tablet development UI/UX - User testing - User profile screen updates - Updated login screen	1,680	90.00	151,200.00
Total			\$151,200.00
Payments/Credits			\$0.00
Balance Due			\$151,200.00



Morpheus Labs Inc.
14674 NE 95th St
Redmond, WA 98052

Morpheus Attachment - Page 3
Invoice

Date	Invoice #
4/20/2020	1020

Bill To

Gold's Gym
4001 Maple Ave, suite 200
Dallas, TX
75219

Due Date
4/20/2020

Description	Qty	Rate	Amount
April Platform Development - Automated testing finalization - AWS API design and organization - Password security updates SDK - SDK testing and debugging - Firmware updates - 3rd party services authentication testing GRID Development - Login, user profile and post-workout report screen - Live GRID screens testing and UX changes - Employee permissions UI/UX - Changes to profile views based on user testing - User profile signup updates - Workout history screen changes	1,647	90.00	148,230.00
Total			\$148,230.00
Payments/Credits			\$0.00
Balance Due			\$148,230.00

MASTER SERVICES AND LICENSING AGREEMENT

This **Master Services and Licensing Agreement** (the "Agreement") is by and between **Morpheus Labs, Inc.**, a Washington State corporation with its principal office at 423 6th St S, Kirkland, WA 98033 ("**Morpheus**") and **Gold's Gym Licensing LLC**, a Delaware limited liability company with its principal office at 4001 Maple Ave, Ste 200, Dallas, TX 75219 ("**Gold's Gym**").

RECITALS

WHEREAS, Gold's Gym intends to develop and distribute a fitness software application platform branded as Element 79 to Element 79 location staff and customers with integrated Morpheus software and Morpheus wearable fitness trackers; and,

WHEREAS, Gold's Gym has or will engage Morpheus to supply the Morpheus wearable fitness trackers pursuant to the Master Reseller Agreement by and between the Parties with the effective date of March 2, 2020 (the "**MRA**").

WHEREAS, Morpheus develops and distributes software applications for the fitness industry which integrate with proprietary wearable fitness trackers to monitor user fitness, health, and lifestyle to deliver personalized fitness recommendations;

WHEREAS, Gold's Gym and Morpheus wish to establish a legal relationship under which Morpheus will provide software development services to integrate the Morpheus Materials (hereinafter defined) into the platform and maintain the platform and the servers required to operate the platform.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties enter into this Master Services and Licensing Agreement dated March 2, 2020 (the "**Effective Date**").

AGREEMENT

(1) SELECTED DEFINITIONS

- I. "**Day**" means business day, which is any day on which the New York Stock Exchange is normally open.
- II. "**Documentation**" means any documents which facilitate the use of the Platform that are provided by Morpheus under the terms of this Agreement.
- III. "**Contract Year**" means the period of twelve months starting on the Effective Date and each anniversary of the Effective Date thereafter throughout the Term.
- IV. "**End User**" means any person authorized to use the Platform subject to the terms of the End User License Agreement and any associated Documentation.
- V. "**End User License**" means the license granted by Gold's Gym to End Users to use the Platform subject to the terms of the End User License Agreement.
- VI. "**Gold's Gym Materials**" means any materials owned by or in possession of Gold's Gym whether through creation, license, or purchase, or arranged for or supplied by Gold's Gym to Morpheus for the purpose of this Agreement, including, without limitation, asset licenses, technology licenses, and software

applications and utilities.

- VII. **"Intellectual Property Rights"** means any and all now known or hereafter known patents, trademarks, service marks, trade name rights, rights associated with works of authorship including, without limitation, copyrights, moral rights and mask-works, trade secret rights, design rights, utility models, and any other intellectual or industrial property rights (whether registered or not and any applications to register or rights to apply for registration of any of the foregoing), whether arising by operation of law, contract, license or otherwise, including any software, ideas, concepts, know-how, development tools, techniques or any other proprietary material or information, wherever enforceable, including without limitation all rights in any jurisdiction required to copy, adapt, translate, broadcast, transmit, publish, perform, reproduce in any medium, or are otherwise necessary to exploit a work and all registrations, initial applications, renewals, extensions, continuations, divisions or reissues thereof now or hereafter made, existing, or in force (including any rights in any of the foregoing), including, without limitation, all current and future worldwide patents and other patent rights, copyrights, trademarks, service marks, trade names, mask work rights, trade secret rights, know-how, moral rights and the equivalents of the foregoing under the laws of any jurisdiction, and all other proprietary or intellectual property rights throughout the universe, including without limitation all applications and registrations (and all renewals and extensions) relating to any of the above.
- VIII. **"Morpheus Hardware"** means any proprietary wearable fitness trackers developed, manufactured, and sold by Morpheus, or approved by Morpheus in writing, to track End User fitness data and deliver such data in a format usable by the Platform to deliver personalized fitness recommendations to End Users.
- IX. **"Morpheus Materials"** means (a) computer source code and object code, software development tools, server networking systems, and all proprietary utilities, authoring tools, asset libraries and asset components, middleware and other development tools, and (b) know-how, designs, drawings, models, wire frames, storyboards, mock-ups, prototypes, methods, concepts, ideas, specifications, and processes that are used by Morpheus to perform the Services.
- X. **"One Fit Stop"** means One Fit Stop USA Corp., a Delaware corporation.
- XI. **"Parties"** means Morpheus and Gold's Gym and **"Party"** means any one of them.
- XII. **"Project(s)"** means the specific software development projects undertaken by Morpheus at Gold's Gym's request from time to time pursuant to a SOW.
- XIII. **"Services"** means the software development and maintenance services, the software modification and enhancement services, the server deployment, operation, and maintenance services, the technical support services, and any other services rendered by Morpheus to Gold's Gym by Morpheus pursuant to this Agreement.
- XIV. **"Statement of Work"** or **"SOW"** means any work order made between the Parties which references and incorporates the terms of this Agreement and sets forth the details of a particular Project.
- XV. **"Term"** means the combined Initial Term and any Extension Term(s).
- XVI. **"Third Party Materials"** means software, services, or materials required for development or operation of the Platform which are supplied by a third-party through license or sale.

(2) SERVICES

(A) Software Development Services

Gold's Gym engages Morpheus to provide Services for multiple Projects to design, plan, develop, manage, maintain, and update software applications which integrate Morpheus Materials with Third-Party Materials and such additional features and in such language(s) as are required to meet the specifications in applicable Statements of Work (the **"Platform"**) at a quality consistent with commonly accepted industry standards for the design, development, and programming of premium fitness software applications. Each Project shall be defined by a Statement

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of Work signed by the Parties, numbered sequentially, and attached to this Agreement as Schedules.

- I. Statement of Work No. 1, attached as Schedule A, regarding the development and delivery of a mobile software application, related SDK and API, and Morpheus Hardware.

(B) Change Requests

- I. Any Party may initiate a change to any SOW by delivering a written change request to the other Party which describes the requested changes ("**Change Request**").
- II. If the Change Request is initiated by Gold's Gym, Morpheus shall respond to the Change Request and add specific proposed changes to the SOW, any associated changes to the fees or estimated fees associated with that SOW, any changes to the dates set out in the SOW, and any other applicable terms and conditions which would need to be changed to satisfy the Change Request ("**Proposed Changes**"). Gold's Gym acknowledges that the time required to respond to Change Requests may cause delays in delivering the Services.
- III. If the Change Request is initiated by Morpheus, the Change Request delivered to Gold's Gym must include the Proposed Changes listed above.
- IV. Once a Change Request is signed by the Parties, it becomes a "**Change Order**". The terms and conditions set out in a Change Order shall constitute amendments and modifications to this Agreement and any applicable SOW. The Parties shall continue to be bound by the terms and conditions of this Agreement and any SOW made under this Agreement without regard to the provisions of any Change Request until such time as the Change Order is executed by the Parties.
- V. If any Change Request is not signed by the Parties within ten (10) days of its submission, it shall be deemed withdrawn except if the Change Request is made by Morpheus in order to remedy an error on the part of Gold's Gym and the Change Request is rejected by Gold's Gym, then Morpheus may, in its sole discretion, either:
 - a. Immediately terminate the applicable SOW; or,
 - b. Complete the delivery of the SOW and Gold's Gym shall be deemed to have waived all rights and warranties and support otherwise applicable to any part of the Services directly impacted by the error.

(C) Software Modification and Enhancement Services

Gold's Gym may request modifications and enhancements to the Platform from time to time. If the Parties mutually agree to undertake such a Project shall be defined by a Statement of Work which must be properly numbered and signed by the Parties and attached to this Agreement as a Schedule.

(D) Platform Server Deployment and Maintenance Services**(I) Server Deployment and Maintenance**

Morpheus will design, deploy, operate, and maintain the Platform server(s) (the "**Platform Server(s)**") and all related technology and software worldwide throughout the Term including all backend services required to run the Platform, including but not limited to:

- a) The design and implementation of online client and server software, network functions, blocking functions, reporting functions, statistics and statistical database functions, and monetization and interface functions with merchant services.

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- b) Online environments for internal testing and use by engineers, developers, and Gold's Gym, which will include an environment for staging limited public beta tests of the Platform and the Platform Servers.

Upon the commercial launch of Element 79 and the commercial release of the Platform, Morpheus shall be solely responsible for the operation and maintenance of the Platform Servers worldwide and shall ensure their accuracy, quality, data security, integrity, accessibility, firewall protection, legality, and reliability in accord with industry standards, applicable laws, and the Privacy Policy. The obligation to operate and maintain the Platform Servers includes the obligation to back up the Platform Servers on a frequency consistent with commonly accepted industry standards.

(II) Server Reliability

Morpheus will use commercial reasonable efforts to achieve an End User uptime of 99.9% measured on a monthly basis for the Term of this Agreement (the "**Server Benchmark**"). Any scheduled server maintenance shall occur during non-peak hours, as determined in Morpheus' sole but reasonable discretion. In the event of downtime during peak hours, Morpheus shall use its best efforts to resolve such issues as soon as possible. During the first thirty (30) days after commercial release of the Platform, the actual uptime of the servers may be less than the Server Benchmark, provided that such uptime is not less than ten percent (10%) of the Server Benchmark.

(III) Service Credits

In the event Morpheus fails to achieve the Server Benchmark in any monthly period, Gold's Gym shall receive a credit against such monthly license fee as follows:

<u>Server Benchmark:</u>	<u>Credit:</u>
99.5% to 99.89%	10%
95.0% to 99.49%	25%
90.0% to 94.99%	50%
< 90.0%	100%

Morpheus will apply any service credit against future Location License payments due from Gold's Gym. Service credits shall not entitle Gold's Gym to a refund or other payment from Morpheus, unless a credit balance is due at the expiration or early termination of the Term.

(IV) Credit Requests

To receive a service credit, Gold's Gym must submit a written request to Morpheus before the end of the second month after which Morpheus failed to achieve the Server Benchmark. The request must include:

- The dates, time, and impacted regions in which the required uptime was not achieved;
- Request logs documenting the errors and any other records to corroborate the claimed outage.

If Morpheus, acting reasonably, confirms the claimed outage and the outage caused the uptime to fall below the

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Server Benchmark, then Morpheus will issue the server credit for the subsequent month after the request was approved. Any failure on the part of Gold's Gym to request the credit in a timely fashion or to provide the other required information will disqualify Gold's Gym from receiving a service credit for the claimed outage. Service credits shall be Gold's Gym's sole and exclusive remedy, and Morpheus' sole and exclusive obligation for any unavailability, non-performance, or other failure by Morpheus to meet the Server Benchmark.

(V) Exclusions

The Service Benchmark does not apply to any unavailability, suspension, termination, or other server downtime or performance issues which are the result of: (i) scheduled server maintenance previously agreed upon by the Parties and which occurs during an agreed upon maintenance window; (ii) factors outside Morpheus' reasonable control, including force majeure, or Internet access or related network connectivity issues; or, (iii) End User or other third-party equipment, software, or other technology (other than third party equipment within Morpheus' direct control).

(E) Technical Support Services

Gold's Gym shall provide first level technical support to End Users, which involves the resolution of direct questions to End Users. Morpheus shall provide second level technical support directly to the Gold's Gym Technical Support Project Manager, which consists of resolving direct questions from such person. Morpheus will provide second level technical support only during Morpheus' business hours.

(F) Estimates

Unless otherwise expressly stated in a particular Statement of Work or otherwise agreed in writing, where an amount of money, time, or Services required for a particular Project or component of a Project is described in a Statement of Work, such amount is an estimate only. Morpheus will use reasonable efforts to adhere to such estimates. In the event the funds required to complete a Project exceed the estimate by more than 15% (fifteen percent), Morpheus shall notify Gold's Gym and provide a revised estimate. Gold's Gym shall, within 7 (seven) days, either (i) approve the revised estimate in writing and the Project shall continue; or, (ii) propose an alternate revised estimate which Morpheus may accept or reject. If Morpheus rejects the alternate revised estimate, the Parties shall use the voluntary dispute resolution procedure outlined in Section I below to agree to a revised estimate to complete the Project. If the Parties are unable to agree on a revised estimate, Morpheus shall deliver all deliverables to Gold's Gym in their then-current state without regard to the state of completion or degree of functionality of the deliverables. Gold's Gym agrees that all such deliverables will be delivered "as-is" and "with all faults" and Morpheus expressly disclaims all warranties of merchantability or fitness for a particular purpose.

(G) Project Management

Each Party shall assign a project manager for each Project who shall be responsible for their Party's deliverables and adherence to the SOW and communication with the other Party regarding that SOW. Each Party shall ensure that their project manager has the authority to resolve disputes and make decisions on their behalf.

(H) Cooperation

The Parties acknowledge and agree that Morpheus' ability to timely meet Project dates may, in whole or in part, depend on Gold's Gym's timely cooperation with Morpheus.

(I) Resolving Disputes over Budget Estimates, Services, and Management

All disputes which may arise with respect to any increase in Project budget estimates, Services, or SOWs shall, to the extent possible, be resolved by and between the project managers as soon as practicable and in any event within ten (10) days of when it arises. If the project managers fail to resolve the dispute within this period, then their respective supervisors or other senior executives designated by the Parties shall work to resolve the dispute within ten (10) days of when it is referred to them.

(3) INTELLECTUAL PROPERTY RIGHTS(A) No Transfer of Ownership

Except as set forth in Section 3(D) below, there is no transfer of ownership and no assignment of any Intellectual Property Rights between the Parties under this Agreement. There are no licenses to Intellectual Property Rights granted from one Party to the other under this Agreement other than the licenses expressly granted in this Agreement. No right or license shall or may be implied or inferred from any provision of this Agreement or any Party's conduct.

(B) Morpheus Materials

Morpheus retains all rights, title, and interest in and to the Morpheus Materials and all associated Intellectual Property Rights, subject to any licenses in this Agreement.

(C) Gold's Gym Materials

Gold's Gym retains all rights, title, and interest in and to the Gold's Gym Materials and all associated Intellectual Property Rights, subject to any licenses in this Agreement.

(D) Software Developed Pursuant to this Agreement

Gold's Gym will be the sole and exclusive owner of all right, title, and interest in and to all Work Product (as hereinafter defined), including all Intellectual Property Rights therein. The work product ("**Work Product**") developed and delivered pursuant to a Statement of Work will be the sole and exclusive property of Gold's Gym and are "works made for hire" within the meaning of the United States Copyright Act of 1976, 17 U.S.C. §101 et seq. To the extent any such Work Product does not constitute a "work made for hire" under the United States Copyright Act, Morpheus hereby irrevocably assigns and transfers such Work Product to Gold's Gym, and shall cause each of its employees and independent contractors, if applicable, to assign to Gold's Gym, all right, title and interest (whether now in existence or hereafter arising) in and to any such Work Product and any Intellectual Property Rights related thereto. For greater certainty, the Work Product shall not include any components of the Morpheus Materials.

(E) End User Data

The Parties acknowledge and agree that any and all data, customer information, and all other information and work resulting from End User use of the Platform ("**End User Data**") is and will be Gold's Gym's sole and exclusive property, subject to the limited license in Section 3(F) below. To the extent any such End User Data is not by virtue of the foregoing provision Gold's Gym's sole and exclusive property, Morpheus hereby irrevocably assigns and transfers such End User Data to Gold's Gym, and shall cause each of its employees and independent contractors, if applicable, to assign to Gold's Gym, all right, title and interest (whether now in existence or hereafter arising) in

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and to any such End User Data and any Intellectual Property Rights related thereto. Morpheus shall protect End User Data in accordance with the data security addendum attached hereto as Exhibit A and which is incorporated herein by reference. The End User Data shall live on a separate cloud-based server and Gold's Gym shall have exclusive access to the server. The End User Data and database shall be owned exclusively by Gold's Gym, subject to a limited license to Morpheus of the non-personally identifiable end User Data pursuant to subsection 3(E) immediately below.

(F) Use of End User Data by Morpheus for Research and Development

Subject to its Privacy Policy, the EULA, and all applicable laws and any third-party confidentiality obligations, Gold's Gym shall provide Morpheus with non-personally identifiable sales, distribution, and use data collected through the Platform for use by Morpheus in research and development and to that end Gold's Gym grants Morpheus a non-exclusive, royalty-free, limited, non-transferrable, right and license during the Term for such use. Such data shall be treated as Confidential Information under this Agreement and Morpheus shall comply with all applicable local, state, national, and international laws and regulations and its own privacy policy in connection with the storage, distribution, and use all End User data supplied by Gold's Gym to Morpheus under this Agreement.

(4) NON-EXCLUSIVE LICENSE FOR THE MORPHEUS MATERIALS**(A) Non-Exclusive License Terms and Restrictions**

Morpheus grants to Gold's Gym a non-exclusive, worldwide, limited, non-transferrable, sublicensable right and license during the Term to use, access, make copies of, distribute, market, advertise, promote, publicly perform, license, sublicense, and display the Morpheus Materials as integrated by Morpheus into the Platform pursuant to a Statement of Work, subject to the following restrictions:

- I. Gold's Gym shall not modify, adapt, alter, translate, copy, or otherwise use the Morpheus Materials except as expressly permitted in this Agreement;
- II. Gold's Gym shall not attempt to reverse engineer, decompile, disassemble or otherwise render the Platform into human readable form in order to gain access to the source code in any way or produce any work derived from the Morpheus Materials;
- III. Gold's Gym shall only distribute the Platform subject to the terms and conditions of an End User License and a EULA as specified in this Agreement.
- IV. Gold's Gym shall only use the Platform and issue sublicenses for the Morpheus Hardware in connection with the business and operation of Element 79.
- V. Gold's Gym shall only use Morpheus Hardware with the Platform, and the Platform shall be designed to only integrate with Morpheus Hardware.
- VI. Gold's Gym shall not transfer the rights granted to it under this Agreement except as expressly permitted in this Agreement;
- VII. Gold's Gym shall only represent the performance of the Platform as stated in the most current written Documentation provided by Morpheus;
- VIII. Gold's Gym is responsible for ensuring that persons under its direction and control abide by the terms and conditions of this Agreement; and,
- IX. Gold's Gym is responsible for ensuring that the EULA and the Privacy Policy are implemented, maintained, and enforced.

(B) End User License Agreement

Each End User shall be required to create a Platform account and shall enter into an agreement regarding the use of the Platform (an “**End User License Agreement**” or “**EULA**”) which shall include provisions that are, at a minimum, as protective to Morpheus as the following:

- I. Each End User License shall be valid for a single End User;
- II. End Users may only use the Morpheus Materials as an integrated component of the Platform and strictly for their personal or business use in relation to their membership with or employment by Element 79;
- III. End Users may not sell, rent, lease, license, time share, or otherwise transfer or provide access to Morpheus Materials to any third party;
- IV. End Users shall acknowledge that the Platform and Morpheus Hardware are for entertainment and amusement purposes only and are not medical devices or intended for medical use.
- V. End Users may not reproduce, modify, adapt, alter, translate, reverse engineer, decompile, disassemble, or otherwise render the Morpheus Materials into human readable form in order to gain access to the source code in any way or produce any work derived from the Morpheus Materials;
- VI. End Users shall not modify or remove any copyright, trademark, service mark, or other proprietary notices in or on the Platform or associated Documentation; and,
- VII. Morpheus shall have no liability to any End User for any express or implied warranty or any indirect, incidental, special, or consequential damages.

(C) Privacy Policy

Gold’s Gym shall implement, maintain, and comply with a privacy policy which adheres to all applicable local, state, national, and international laws and regulations regarding the collection, storage, distribution, and use of all End User data collected through the Platform (the “**Privacy Policy**”).

(5) PLATFORM BRANDING

Gold’s Gym may market the Platform using its own and/or the Element 79 trademarks, logos, symbols, designs, and other designations or brands.

(6) COMPETING MOBILE APPLICATIONS

During the Term, Morpheus, on behalf of itself and its affiliates, agrees to not design, develop, produce, sell, or distribute a mobile application with OneFitStop which integrates, billing, studio management, fitness tracking, and personalized class scheduling into a single mobile application solution which has substantially similar functionality as the Platform (an “**Equivalent Application**”) and which directly competes with Element 79 in the fitness industry business activity of group exercise, personal training or physical therapy. For the purpose of illustration, Morpheus may not develop or distribute an Equivalent Application with OneFitStop for fitness studios whose primary services include group exercise, personal training or physical therapy because such services directly compete with Element 79. However, Morpheus may develop and distribute an Equivalent Application with OneFitStop for martial arts, sports instruction, dance, or other similar fitness or non-fitness related studios which do not directly compete with Element 79.

(7) COMPENSATION**(A) Compensation for Services**

Unless otherwise specified in an applicable SOW, Gold's Gym shall pay Morpheus \$90.00 (ninety US Dollars) per staff hour for all Services rendered by Morpheus pursuant to this Agreement.

(B) Compensation for Licensing and the Minimum Commitment

Gold's Gym shall pay Morpheus a monthly per-location license fee (the "**Location License**") as set forth below. The Location License shall include the licenses for all End Users associated with that location.

- | | |
|--|---------------------------|
| • Effective Date through December 31, 2020 | No License Payments |
| • January 1 – December 31, 2021 | \$13,750/month |
| • January 1 – December 31, 2022 | \$21,250/month |
| • January 1, 2023 and thereafter | \$250 per location/month* |

* the monthly per location fee includes franchise locations.

(C) Server Costs and Expenses

Gold's Gym shall pay for all reasonable costs and expenses related to Platform Server design, deployment, operation, and maintenance and shall reimburse Morpheus for any pre-approved actual costs and expenses Morpheus incurs on behalf of Gold's Gym for such Services, except for costs arising from Morpheus' negligence or willful misconduct or breach of this Agreement.

(D) Reimbursement of Travel Expenses

Morpheus is entitled to reimbursement of pre-approved and reasonable travel expenses incurred at Gold's Gym's direction in connection with the performance of Morpheus' obligations under this Agreement. Any airfare shall be coach class for flights with a duration of less than four hours and business class for flights with a greater duration, and flights shall be booked to minimize the number of layovers required for any itinerary, and any hotel accommodations shall be at Omni-branded hotels or at similarly priced accommodations if an Omni-branded hotel is unavailable, unless such travel expense is otherwise approved in writing by Gold's Gym.

(E) Invoices

Morpheus shall invoice Gold's Gym on a monthly basis for all amounts due under this Agreement. Morpheus shall separate and clearly designate which amounts are due for Services related to or arising out of a Statement of Work ("**SOW Compensation**") from those amounts which are due for any other Services, the Location License, or for any other reason under this Agreement ("**Other Compensation**").

(F) Payment Terms

Gold's Gym agrees to pay amounts invoiced by Morpheus for SOW Compensation within ten (10) days of receipt and to pay amounts invoiced by Morpheus for Other Compensation within thirty (30) days of receipt. Gold's Gym agrees to pay all costs and expenses, including without limitation reasonable attorneys' fees, actually incurred by Morpheus to collect such overdue undisputed amounts, together with interest on such unpaid amounts at 10% per annum. If a dispute over an invoice is not settled within thirty (30) days of receipt of the invoice by Gold's

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Gym, Morpheus may suspend all Services, licensing rights, and server design, deployment, operation, and maintenance under this Agreement until such dispute is resolved to the mutual satisfaction of the Parties, provided that Morpheus has provided Gold's Gym with thirty (30) days advance written notice of a dispute and its intent to suspend Services.

(G) Currency and Method of Payment

Any and all payments under this Agreement shall be made in United States Dollars. Unless otherwise agreed by the Parties in writing, Gold's Gym will pay monies due to Morpheus by wire transfer or other bill payment service without charge to Morpheus.

(H) Taxes

Gold's Gym shall be responsible for any applicable sales or use taxes, or any value added, import, export, or similar taxes or tariffs with respect to the Platform, other than taxes levied or imposed on Morpheus' income. In the event that Morpheus pays any such taxes on behalf of Gold's Gym, Morpheus shall invoice Gold's Gym for such taxes and Gold's Gym agrees to pay such taxes pursuant to this Agreement.

(8) RECORDKEEPING AND AUDIT RIGHTS**(A) Records**

Gold's Gym shall maintain written records ("**Records**") of all copies made by Gold's Gym of the Platform or any portions thereof and of all licenses granted by Gold's Gym for the Platform. Gold's Gym shall provide a copy of the Records to Morpheus for inspection upon written notice by Morpheus.

(B) Audits

Morpheus shall have the right to direct its certified public accountant to audit Gold's Gym's compliance with the terms of this Agreement from time to time but no more frequently than once in any twelve (12) month period. The audit shall occur during normal business hours and at Morpheus' sole expense. However, if the audit reveals that Gold's Gym is not in material compliance with this Agreement then Gold's Gym shall pay all expenses associated with the audit in addition to paying Morpheus any outstanding fees plus interest at ten percent (10%) per annum on the unpaid amount and otherwise coming into full compliance with the terms of this Agreement. If the audit reveals that Gold's Gym underpaid Morpheus by five percent (5%) or more, Morpheus shall have the right to conduct an additional audit during the same twelve (12) month period.

(9) TERM AND TERMINATION**(A) Term of the Agreement****(I) Initial Term**

The initial term of this Agreement is for five (5) years from the Effective Date (the "**Initial Term**").

(II) Extension Term(s)

This Agreement shall automatically renew for up to three (3) successive periods of one (1) year each ("**Extension Term(s)**"), unless Gold's Gym gives written notice to Morpheus of its intention to not renew a minimum of thirty

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(30) days prior to the expiration of the Initial Term or the then current Renewal Term. Notwithstanding the foregoing, Gold's Gym may terminate this Agreement at any time without cause during the Extension Term only by providing Morpheus with at least 90 days advance written notice of termination, provided that Gold's Gym must also concurrently terminate the MRA.

(III) Expiration

If this Agreement is not extended, then the Agreement shall expire at the end of the current Term.

(B) Term of End User Licenses

Each End User License shall terminate upon the earlier of (i) the term set forth in the EULA or (ii) the termination of this Agreement.

(C) Termination**(I) Termination for Breach and Financial Reasons**

The Parties shall have the right to terminate this Agreement at any time by giving written notice to the other Party if the other Party: (a) commits a non-curable material default or violation of this Agreement; (b) commits a curable material default or violation of this Agreement which is not remedied within thirty (30) days after written notice of the violation has been served on the defaulting Party; (c) has a receiver or administrative receiver appointed for it or over its undertakings or assets, and such appointment is not dismissed within ninety (90) days, or (d) files a petition in bankruptcy or has filed against it a petition in bankruptcy which is not discharged within ninety (90) days.

Any time after December 31, 2021 Gold's Gym shall have the right, upon 90 days advance written notice to Morpheus, to terminate this Agreement if, in Gold's Gym's sole discretion, the Platform is not financially viable provided that Gold's Gym must also concurrently terminate the MRA. In the event of such an early termination, Gold's Gym shall pay Morpheus the monthly license fee through the effective date of termination.

(II) Delayed Expiration/Termination

Notwithstanding anything to the contrary herein, Gold's Gym shall have the one-time right to extend the expiration date or early termination date of this Agreement by up to 180 days (on the same terms, including payment of applicable fees) by providing advance written notice to Morpheus prior to the applicable expiration date or early termination date.

(III) Duties Upon Termination or Expiration

Upon the termination or expiration of this Agreement:

- I. Any and all future payments shall be void and Gold's Gym shall immediately pay all amounts due and payable to Morpheus which were triggered before the effective date of termination;
- II. Each Party shall cease using the other's trademarks, service marks, and other proprietary words and symbols.
- III. Each Party shall discontinue all representations that it is associated with the other Party.
- IV. Each Party shall return to the other Party the other's materials related to the Services, Platform, associated Documentation, and Confidential Information in its possession.

- V. Gold's Gym shall immediately cease using the Morpheus Materials, including in any offering to End Users.
- VI. Morpheus shall immediately cease using the Gold's Gym Materials, Work Product and End User Data and delete any copies thereof.
- VII. All license grants under this Agreement shall terminate except as otherwise provided in this Agreement.
- VIII. Morpheus shall deliver all Work Product and End User Data to Gold's Gym in a format as reasonably requested by Gold's Gym and take all commercially reasonable steps to ensure that Gold's Gym has access to the dedicated server(s) hosting the Platform and Gold's Gym Data.

(D) Survival of Certain Provisions

Any provision of this Agreement which by its terms ought to survive the termination or expiration of this Agreement shall survive.

(10) CONFIDENTIALITY

(A) Definition – Confidential Information

"Confidential Information" shall include any information disclosed by one Party (the "Disclosing Party") to another Party (the "Receiving Party") directly or indirectly in writing, orally, or by inspection of tangible objects, including, without limitation, documents, prototypes, samples, plant and equipment, research, product plans, products, services, customer lists, software, code, developments, inventions, processes, designs, drawings, engineering, hardware configuration, marketing materials, or finances. Orally communicated information is Confidential Information only if the Disclosing Party confirms within a reasonable time after the initial disclosure that the information is Confidential Information.

Confidential Information does not include (i) any information that is publicly available through a permissible disclosure; or, (ii) any information that was communicated to the Receiving Party by a non-confidential source before its disclosure by the other Party, but only if (a) the source of information was not bound by a confidentiality agreement or otherwise prohibited from communicating the information to the Receiving Party and (b) the Receiving Party provides the other Party with written notice of their prior possession of the information either (1) before the effective date of this Agreement or (2) promptly after the Receiving Party becomes aware that the information is Confidential Information; or, (iii) any information that was developed by any Party completely independently.

(B) Limitation on Use and Reasonable Care

The Parties, each as a Receiving Party, agree to:

- I. Hold in the strictest confidence and not disclose any Confidential Information or any information derived from Confidential Information to any third party other than employees, attorneys, accountants, and other advisors who need to know such Confidential Information for the purposes of this Agreement ("**Agents**");
- II. Inform Agents of the confidential nature of Confidential Information and ensure they abide by this Agreement;
- III. Not use Confidential Information except as needed to perform their obligations to the Disclosing Party;
- IV. Not copy or reproduce any Confidential Information;
- V. Take reasonable measures to protect the secrecy of Confidential Information and to prevent its inadvertent disclosure or unauthorized use which at least equal those measures you take to protect your own confidential information;
- VI. Not reverse engineer, disassemble, de-encrypt, decompile, or otherwise derive the design, logic, or

structure of any prototypes, software, or other tangible or intangible objects which embody the Confidential Information;

VII. Promptly notify the Disclosing Party of any misuse or misappropriation.

(C) Return of Confidential Information

All documents and other tangible objects containing or representing Confidential Information and all copies are and shall remain the property of the Disclosing Party and must be promptly returned to the Disclosing Party upon written request or the termination of this Agreement. If any Confidential Information is in a form incapable of return or has been copied or transcribed into another document it must be destroyed or erased. If any Party is unable to return or destroy any Confidential Information, such information must be kept confidential and that Party must make no use of it.

(D) Duration and Survival

The nondisclosure and confidentiality provisions of this Agreement shall survive the termination of this Agreement and the duty to hold such information in confidence shall remain in effect for three (3) years or until the Confidential Information no longer qualifies as a trade secret, whichever is longer, or until the Disclosing Party sends written notice releasing the Receiving Party from this Agreement.

(11) MUTUAL REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to the other that as of the Effective Date:

- I. It is duly organized, validly existing, and in good standing under the laws of the state and country in which it is incorporated;
- II. It has the right and authority to enter into this Agreement;
- III. The execution, delivery, and performance of the obligations in this Agreement and the consummation of the transactions contemplated in this Agreement are within their corporate powers;
- IV. It has the necessary rights and authority to grant the other the rights and licenses purported to be granted in this Agreement;
- V. The Party's obligations under this Agreement will not place the Party in breach of any other contract or obligation; and,
- VI. It will comply with all applicable laws and regulations in the court of performing the obligations contemplated under this Agreement, including, without limitation, import and export laws, and all applicable local, state, provincial, and national laws and regulation for each jurisdiction in which the Party is or will operate.

(12) ADDITIONAL MORPHEUS REPRESENTATIONS AND WARRANTIES

In addition to the above mutual representations and warranties, Morpheus represents and warrants to Gold's Gym that:

- I. All Work Product and deliverables which form a part of the Platform produced under this Agreement and all related software developed by Morpheus shall: (a) be Morpheus' original work and that Morpheus is the owner of the entire right, title, and interest in and to the original work or licensed from third parties under written, valid license agreements with terms at least the length of the Initial Term and options for renewal or extension and shall not infringe upon the Intellectual Property Rights of any person; (b) not contain computer code designed to disrupt, disable, harm, or otherwise impede in any manner the

operation of a computer program or computer system, or that damages or destroys any data files residing on any computer system, or that adversely affects any system or test equipment, or that modifies or changes any End User software, file, or system, without the End User's express written permission; (c) not contain any hidden content or any other content that is not agreed in writing in a SOW, including, without limitation, backdoor functionality, Easter eggs, artwork, features, UI/UX Element, or other hidden or undisclosed content, regardless of whether such content is programmed by Morpheus to be accessible or inaccessible to an End User; and, (d) not include any functionality or code that tracks, monitors, logs, analyzes, or otherwise collects End User information or activity, whether personally identifiable or not, that is not included in a SOW and expressly authorized by the End User in the End User License Agreement; and, (e) will not incorporate or allow to be incorporated any third-party software, materials, or assets into the Platform or any associated Work Product or deliverables without the prior written authorization of Gold's Gym, including, without limitation, any open source software.

- II. Morpheus will perform all Services in a professional and workmanlike manner in accordance with generally recognized industry standards and practices for similar services, using personnel with the requisite skill, experience, and qualifications, and shall devote adequate resources to meet its obligations under this Agreement.
- III. Gold's Gym will receive good and valid title to all Work Product, free and clear of all encumbrances and liens of any kind.

(13) INDEMNIFICATION; INSURANCE

(A) Indemnification by Morpheus

Morpheus agrees, at its own expense, to indemnify, defend, and hold harmless Gold's Gym and its officers, employees, directors, agents and representatives from any and all claims, damages, losses, and liabilities (including reasonable attorneys' fees and settlements) in connection with any claim, suit, action, or other proceeding made or threatened by a third party that arises from (i) Morpheus' breach or alleged breach of any of its representations or warranties, covenants or other obligations under this Agreement or applicable laws, or its failure or alleged failure to perform its obligations under this Agreement, or (ii) Morpheus' knowing or willful misconduct. Gold's Gym agrees to provide Morpheus with prompt written notice of such claim and reasonable cooperation, information, and assistance in connection with such claim and Morpheus shall have sole control and authority with respect to the defense, settlement, or compromise of such claim.

Morpheus shall not indemnify Gold's Gym, and shall not otherwise be liable under this Agreement, for (1) any use of the Platform other than for the uses expressly permitted in this Agreement, a relevant SOW, and associated Documentation; (2) any images or other content provided by or supplied by or on behalf of End Users by a person other than Morpheus; or (3) any materials provided by any person other than Morpheus that are misleading, do not comply with applicable governmental regulations, or violate any law.

(B) Indemnification by Gold's Gym

Gold's Gym agrees, at its own expense, to indemnify, defend and hold harmless Morpheus and its officers, employees, directors, agents and representatives from any and all claims, damages, losses, and liabilities (including reasonable attorneys' fees and settlements) in connection with any claim, suit, action or other proceeding made or threatened by a third party that arises from (i) Gold's Gym's breach or alleged breach of any representation, warranty, covenant or other obligation in this Agreement or (ii) Gold's Gym's knowing or willful misconduct. Morpheus agrees to provide Gold's Gym with prompt written notice of such claim and reasonable cooperation, information, and assistance in connection with such claim and Gold's Gym shall have sole control and authority with respect to the defense, settlement, or compromise of such claim.

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Gold's Gym shall not indemnify Morpheus, and shall not otherwise be liable under this Agreement, for (1) any images or any other content provided or supplied by Morpheus; or (2) for any materials provided by Morpheus that are misleading, do not comply with applicable governmental regulations, or violate any law.

In the event that the indemnified party's breach of any representation, warranty, covenant or other obligation in this Agreement, or that party's negligence or willful misconduct contributed to cause the claim for which indemnification is sought, the damages and expenses will be allocated or reallocated, as the case may be, between the indemnified party and the indemnifying party in such proportion as appropriately reflects the relative fault of the two parties.

(C) Insurance.

During the Term, Morpheus will carry "Commercial General Liability" insurance with limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the general aggregate. Morpheus' "Commercial General Liability" policy will: (a) be issued by companies with a rating of A- or better in the current Best's Insurance Reports published by A.M. Best Company, Inc.; (b) name Gold's Gym as an additional insured with the standard separation of insureds provision or an endorsement for cross-liability coverage; (c) provide coverage on an occurrence basis; and (d) provide primary coverage, without any right of contribution from any other insurance that Company may have.

(14) WAIVER OF CONSEQUENTIAL DAMAGES

EXCEPT FOR LIABILITY ARISING UNDER THE CONFIDENTIALITY AND INDEMNIFICATION PROVISIONS OF THIS AGREEMENT, IN NO EVENT SHALL ANY PARTY BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, EVEN IF SUCH PARTY SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF THE SAME.

(15) DISPUTE RESOLUTION**(A) Mandatory Arbitration**

Any dispute or controversy arising out of or in relation to this Agreement, whether in contract, tort, statutory, or otherwise, shall be subject to and settled via mandatory arbitration by the American Arbitration Association ("AAA") in Dallas County governed by Texas state law or US federal law, as applicable, in accord with the rules of the AAA in effect when the demand for arbitration is filed, which rules are incorporated into this Agreement by reference. The arbitrator may grant injunctions as well as monetary and other relief. The decision of the arbitrator will be final, conclusive, and binding on the parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction. Each Party's promise to resolve claims by arbitration in accord with this Agreement rather than through the courts is consideration for the like promise of each other Party. This arbitration provision shall survive the termination of this Agreement in full force and effect.

(B) Governing Law

This Agreement has been entered in the State of Texas and shall be construed and enforced under and is subject to applicable US federal law and the law of the State of Texas without regard to said state's conflict of laws provisions.

(C) Choice of Forum and Consent to Personal Jurisdiction

Any disputes arising out of or relating to this Agreement which must be tried in court shall be resolved in the state

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and federal courts located in Dallas, Texas. The Parties waive any objections against and expressly consent to the personal jurisdiction and venue of the state and federal courts located in Dallas, Texas.

(D) Costs, Fees, and Expenses

Unless otherwise specified in this Agreement, in any action or proceeding between or among the Parties to interpret or enforce any of the provisions hereof, the prevailing Party shall, in addition to any other award of damages or other remedy, be entitled to recover reasonable costs, fees, and expenses including attorneys' fees and costs incurred in connection with such dispute including any appeal.

(E) Equitable Relief

Nothing in this Agreement shall prevent any Party from bringing an action for equitable or injunctive relief in a court of competent jurisdiction to compel another Party to comply with its obligations under this Agreement.

(F) Waiver of Jury Trial

The Parties waive the right to a jury trial in any action arising out of or related to this Agreement.

(16) GENERAL PROVISIONS**(A) Additional Documents**

The Parties agree to execute any additional documents which may be required to fully effect the purpose and intent of this Agreement or to carry out their mutual obligations.

(B) Amendment and Modification

This Agreement may not be modified, altered, or amended except by written agreement signed by an authorized representative of each Party.

(C) Assignment

No Party may assign or otherwise transfer rights or obligations under this Agreement whether in whole or in part, except with the prior written consent of the other Party. Notwithstanding the foregoing, a Party may assign this Agreement in its entirety in the event of a merger, change of control, corporate reorganization, or a sale of all or substantially all of the assets of such Party and shall notify the other Party of such pending transfer no less than thirty (30) days prior to its completion. Subject to the foregoing, this Agreement shall be binding on the Parties and their respective successors and permitted assigns, and such permitted assigns shall expressly agree to be bound by all the terms and conditions herein. No partial assignment of the rights or obligations granted hereunder shall be permitted.

(D) Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original, but all of which when taken together shall constitute one instrument. This Agreement shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party.

(E) Entire Agreement

This Agreement (including the schedules) constitutes the entire understanding between the Parties regarding the subject matter of this Agreement and this Agreement supersedes all prior oral or written agreements.

(F) Force Majeure

No Party shall be liable for any delays or failures to perform resulting from circumstances or causes beyond its reasonable control and not reasonably foreseeable to it as of the Effective Date, including, without limitation, fire or other casualty, act of god, strike or labor dispute, war or other violence, any changes in law, or the order, act, or requirements of any governmental agency or authority.

(G) Independent Contractor Relationship of the Parties

Morpheus and Gold's Gym are independent contractors and no Party is the legal representative, agent, joint venture, partner, or employee of the other. No Party has any right or authority to assume or create any obligations of any kind or to make any representation or warranty on behalf of the other Party, whether express or implied, or to bind the other Party.

(H) Notices

All notices under this Agreement shall be in writing and shall be served by personal delivery or certified mail, return receipt requested, or by email with a copy sent by U.S. Mail, to the address set forth under each Party's signature. A Party may change its address or email address at any time by written notice to the other Party. Notices served by mail shall be deemed served upon deposit in the U.S. Mail, and in the case of electronic transmission, on the day of transmission.

(I) No Waiver

No waiver by any Party of a breach or default by another Party shall be deemed to be a waiver of any preceding, continuing, or succeeding breach of the same or any other provision of this Agreement.

(J) Section Headings

The headings in this Agreement are only for convenience.

(K) Severability

In case any provision contained in this Agreement should be found invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction the remaining provisions of this Agreement shall not in any way be affected or impaired.

(L) Successors and Assigns

This Agreement shall in no event be construed as a third-party beneficiary contract and is not intended for the benefit of any person or company other than the Parties. However, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, successors and permitted assigns.

(17) SIGNATURE AND EXECUTION

The Parties hereby execute this Agreement as of the Effective Date and agree to be bound by its terms and conditions.

GOLD'S GYM:

Gold's Gym Licensing LLC

By: 
 8640DA1AEBE54D9...

Name: Adam Zeitsiff

Its: CIO

MORPHEUS:

Morpheus Labs, Inc.

By: 
 2F6C5EEC7AAB468...

Name: Joel Jamieson

Its: CEO



EXHIBIT A

DATA SECURITY ADDENDUM

This Data Security Addendum (this “**Addendum**”) is a binding agreement between **Morpheus Labs, Inc.**, a Washington State corporation (“**Morpheus**”), and **Gold’s Gym Licensing LLC**, a Delaware limited liability company (“**Gold’s Gym**”). Capitalized terms used herein but undefined shall have the definitions ascribed to them in the Master Services and Licensing Agreement dated March 2, 2020 (the “**Agreement**”) between the Parties. Morpheus is responsible for ensuring compliance with the terms of this Addendum by Morpheus’ employees, agents and contractors.

1. Definitions. For purposes of this Addendum, the following terms have the following meanings:

“**Data Law**” means any applicable law, rule, regulation, directive, or decree issued or enacted by any local, state, provincial, national, or supra-national government, court, agency, or authority, relating to data security or privacy.

“**Gold’s Gym Data**” means all data or information, including Personal Data and End User Data, that is provided by or on behalf of Gold’s Gym or its affiliates to Morpheus under the Agreement, or is otherwise obtained, developed, produced or Processed by Morpheus or its agents or contractors under the Agreement, together with any derivatives of the foregoing, in any medium or format. Gold’s Gym Data excludes any data that is expressly defined as owned by Morpheus in the Agreement.

“**Personal Data**” means any data: (i) can be used, alone or in connection with other information, to identify an individual; or (ii) is otherwise subject to any applicable privacy or data laws regarding personal data. For the avoidance of doubt, Personal Data includes, but is not limited to, all “nonpublic personal information,” as defined under the Gramm-Leach-Bliley Act (15 U.S.C. § 6801 et seq.), “protected health information” as defined under HIPAA, and “personal data” as that term is defined in EU Directive 95/46/EC, the EU General Data Protection Regulation 2016/679 (the “**GDPR**”), and the EU-US Privacy Shield Framework. Personal Data hereunder may relate to any type of individual, including without limitation Gold’s Gym employees, contractors, and guests.

“**Process**” means to use, disclose, store, modify, or otherwise process.

“**Remediation Efforts**” means activities designed to respond to and remedy a Security Incident, including without limitation: (i) creation and delivery of notices to affected individuals and entities; (ii) establishment and operation of toll-free or dedicated telephone numbers for affected individuals to receive information and assistance; (iii) procurement of credit monitoring, credit or identity repair services, and identity theft insurance for affected individuals; (iv) cooperation with regulatory, government and/or law enforcement inquiries and other similar actions; (v) investigating such Security Incident; (vi) public relations and other crisis management strategies; and (vii) co-operation in any litigation regarding such Security Incident; and in each case of examples (i) through (vii), payment of legal costs, disbursements, fines, settlements and damages.

“**Security Incident**” means the loss of, or unauthorized Processing of, Gold’s Gym Data.

“**Security Measures**” means all appropriate technical and organizational measures to ensure the security of any Gold’s Gym Data, including as appropriate and without limitation: (a) the anonymization and encryption of Gold’s Gym Data; (b) the ability to ensure the ongoing confidentiality, integrity, availability and resilience of Processing

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systems and services; (c) ensuring the ability to restore the availability and access to Gold's Gym Data in a timely manner in the event of a physical or technical incident; and (d) implementing a process for regularly testing, assessing and evaluating the effectiveness of technical and organizational measures for ensuring the security of the Processing. For purposes of this definition, "appropriate" means commercially reasonable based on an assessment of the sensitivity of the Gold's Gym Data and the corresponding risk of any accidental, unauthorized, or unlawful destruction, loss, alteration, disclosure, or access thereto or thereof.

2. Ownership. As between Morpheus and Gold's Gym, Gold's Gym is the sole owner of all rights, title and interest in and to Gold's Gym Data. No right, title, license, or other interest of any kind in or to any Gold's Gym Data is granted to Morpheus except as expressly stated in the Agreement, and Morpheus will not Process any Gold's Gym Data except as expressly authorized therein. The parties agree that Gold's Gym is the "data controller" and Morpheus is the "data processor" for purposes of any Data Law. Morpheus will assist Gold's Gym, by appropriate technical and organizational measures, in fulfilling Gold's Gym's responsibilities as a data controller under Data Laws, including (i) Gold's Gym's obligation to respond to requests made by data subjects and (ii) those arising pursuant to Articles 32 to 36 of the GDPR (relating to data security, breach notification, and impact assessments).

3. Compliance and Personnel. Morpheus represents and warrants that: (i) it and its employees, agents, and contractors are and will remain at all times in compliance with all Data Laws; and (ii) it has not been involved in any violation of Data Laws in the three years prior to the Effective Date of the Agreement. Morpheus will ensure that any personnel authorized to Process the Gold's Gym Data are bound by appropriate obligations of confidentiality, and that such personnel do not Process any Gold's Gym Data except in accordance with Gold's Gym's documented instructions. Morpheus will: (a) not contract with any third parties for the Processing of any Gold's Gym Data without Gold's Gym's prior written authorization; (b) ensure that any authorized contract imposes on such third party the same data protection obligations set forth in this Addendum; and (c) be fully liable for the acts and omissions of such third party to the same extent as if they were Morpheus' own acts and omissions.

4. Security and Deletion of Data. Morpheus will ensure that the Security Measures are fully implemented. Morpheus will, at Gold's Gym's request, delete or return to Gold's Gym all Gold's Gym Data after the end of the Term of the Agreement, and delete existing copies unless applicable law requires storage of such Gold's Gym Data.

5. Security Reviews and Audits. Morpheus will make available to Gold's Gym all information reasonably necessary to demonstrate compliance with this Addendum. Morpheus will, upon request, provide Gold's Gym with reports of any audits performed on Morpheus' systems and records. Morpheus will respond within a reasonable time period to any inquiries from Gold's Gym relating to Morpheus' and Morpheus' agents' and contractors' systems and records. Morpheus will, upon Gold's Gym's request, provide Gold's Gym or Gold's Gym's representatives' access to Morpheus' and Morpheus' agents' and contractors' systems and records that involve or are related to any Processing of Gold's Gym Data so that an audit may be conducted. Gold's Gym will not exercise such audit right more frequently than once per 12 month period and Gold's Gym will bear the full cost and expense of any such audit, unless such audit discloses a Security Incident or a breach of this Addendum or the Agreement, in which case Morpheus will bear the full cost and expense of such audit and a further audit may be conducted by Gold's Gym or Gold's Gym's representatives within the current 12 month period.

6. Security Incidents. Morpheus will promptly notify Gold's Gym upon learning of a Security Incident and will consult in good faith with Gold's Gym regarding Remediation Efforts that may be necessary and reasonable. Morpheus will (i) at Gold's Gym's direction undertake Remediation Efforts at Morpheus' sole expense and reimburse Gold's Gym for Gold's Gym's reasonable costs and expenses in connection with any Remediation Efforts it elects to undertake, (ii) ensure that such Remediation Efforts provide for, without limitation, prevention of the

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recurrence of the same type of Security Incident, and (iii) reasonably cooperate with any Remediation Efforts undertaken by Gold's Gym.

Notice to Gold's Gym Customers and Employees. Morpheus will not contact Gold's Gym customers or employees regarding any Security Incident unless legally obligated to do so, in which case Morpheus will: (i) first notify Gold's Gym in writing; and (ii) limit the notices to the individuals, entities, and information required by the legal obligation or as pre-approved by Gold's Gym.

Morpheus Lab and Golds Holding Corp.

This Statement of Work No. 1 is entered into pursuant and forms part of the Master Services and Licensing Agreement between **Morpheus Labs, Inc.** and **Gold's Gym Licensing LLC** with the Effective Date March 2, 2020 (the "Agreement").

Capitalized terms used in this Statement of Work and not defined herein shall have the meanings assigned to them in the Agreement. In the event of a conflict or inconsistency between the terms of this Statement of Work and the Agreement, the terms of this Statement of Work shall prevail.

(1) Project Scope

(A) Background and Requirements

To deliver a unified and cohesive experience to its members, Element 79 requires a single mobile application solution capable of membership management, fitness tracking via wearable devices, personalized class recommendations and related functionality. To achieve and deliver this solution, Morpheus will develop the core architecture necessary to store, manage and track all fitness data, the APIs and SDKs needed to integrate with the OFS mobile application and platform, as well as algorithms and additional IP required to drive a personalized fitness solution for every member.

(B) Product Description with Technical Specifications / Configuration

Vision Statement:

Morpheus combines the best of wearable technology with cutting-edge data science to bring heart rate training into the 21st century and help people connect their lifestyle outside the gym to their training inside the gym. Each day, Morpheus tracks metrics such as sleep, activity, training, and HRV and crunches all the numbers to deliver a recovery score, personalized heart rate zones, and a more effective training experience.

TRT and Golds Gym International will take to market a boutique gym model (Element 79), that will use the Morpheus HRV recovery algorithms and data structure to create a unique and personalized heart rate training program for members in a group setting.

Business Goal:

Team Morpheus is scheduled to deliver in 2020 phase one of the Element 79 technology project which includes: Customized M5 hardware devices, Grid Live, Grid Mobile and a SDK for third party integrations.

(C) Budget Estimate

The total estimated budget to complete this Statement of Work is \$964,000.00 (nine hundred and sixty four thousand United States Dollars).

Objective	Manufacture and deliver an Element 79 branded M5 device with customized branding
Due date	June 1 st 2020
Key outcomes	<ol style="list-style-type: none"> 1. Element 79 Branded M5 Device 2. Element 79 Branded M5 packaging 3. 5+ Colorful band options for M5 4. Customized color scheme for M5 heart rate zones 5. Abilities for the M5 to have firmware updates
Objective	Development a secure single SDK which will connect to wearable devices to track and train modules, include API's with Get/Put/Post/Delete features from Track Module, develop web services app, and Develop API Endpoints
Due date	10 Feb 2020
Key outcomes	<ol style="list-style-type: none"> 1. SDK will connect to wearable devices to Track module 2. API to GET/PUT/POST/DELETE Activity Data from Track Module 3. Develop Algorithm(s) 4. Develop Web Hook 5. Develop API Endpoints
Objective	Develop an Element 79 branded Instructor App which accesses Track and Train data on instructor specific lead programs from Android and IOS devices.
Due date	1 Jun 2020

Key Outcomes	<ol style="list-style-type: none"> 1. Android and IOS Mobile App's 2. Branded based on Element 79 standards 3. General Settings 4. Current Classes (Today's Class) 5. Historical Classes 6. Future Classes (Next 7 days) 7. Class/Group Grid 8. First and Last Name of Participants 9. Display Name 10. Photo 11. Total number of classes completed 12. Recovery Score 13. Weekly Wellness Score 14. Sleep 15. Steps 16. Heart Rate 17. Training 18. Time in each zone for the class 19. Class Duration 20. Class Type (Low Intensity, Moderate Intensity, High Intensity) 21. Member Notifications
Objective	Develop an IOS Tablet App which allows access to all data elements in the GRID MOBILE platform plus a live activity module.
Due date	1 Jun 2020

Key Outcomes	<ol style="list-style-type: none">1. IOS Tablet Design Specific2. Branded based on Element 79 standards3. General Settings4. Current Classes (Today's Class)5. Historical Classes6. Future Classes (Next 7 days)7. Class/Group Grid8. First and Last Name of Participants9. Display Name10. Photo11. Total number of classes completed12. Recovery Score13. Weekly Wellness Score14. Sleep15. Steps16. Heart Rate17. Training18. Time in each zone for the class19. Class Duration20. Class Type (Low Intensity, Moderate Intensity, High Intensity)21. Member Notifications22. Live Activity Mode23. Activate Class Button24. Class/Group Grid25. Class Results screen
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(2) Obligations of Morpheus

(A) Morpheus Deliverable

Morpheus shall deliver the Product in accordance with the Deliverable Schedule in this SOW.

Objective	Outcome	Sub Outcomes
Hardware	Element 79 Branded M5	
	Element 79 Branded M5 Packaging	
	Customized Colored Bands (5+) *Custom pantone colors require order minimum of 2000	
	Abilities for M5 to have firmware updates	
	Hub Receiver	
SDK/API	SDK will connect to wearable devices to Track module	Bluetooth device connectivity
		Firmware update module
		RR Interval Data Collection
		Integration with Fitbit API
		Integration with Garmin API
		Integration with Apple Health
		Integration with Google Fit
		Integration data authorization for Element 79
	SDK External Activity from Classes	Device Search Error Handling for accepted Devices
		Mode of band to ensure Test Mode for Sync
		Sync Initiated on Watch, data stored (locally for 60 days) to include Duration, Calories, Average HR, Max HR, Time in Zones, Live Feed Timestamp
		Post Workout Questionnaire

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		Updated Recovery Score and % Changed
SDK/API	API Get Function	ANT + ID data
		Tracking Settings (IOS/Android) (IE: Fitbit, Garmin, Health Kit, Google Fit, None)
		How Do you want to track your daily Activity
		How do you want to track how many calories you burn
		How do you want to track sleep
		Rate Overall Fitness Level
		Fitness Levels
		Account creation w. Username and Password reset features
		Activity: Sleep by dates and hours
		Activity: RR Intervals (HRV) by dates
		Activity: Steps, Miles, Calories by Date and totals
		Train: Follow by Date Session Type (Class Name, Manual Workout), Duration (Minutes), Calories Burned (count), HR Average, Workout
		Train Details: Following By Date Workout, Duration, Calories, Avg Heart Rate, Max Heart Rate, Time in Zone(s), Live feed Timestamp
		Weekly Wellness Score: By Date Score ID; Sleep Calculation, HRV Value, Change for the week, Days Active, Compliance to Workout Zones, Total Time in each zone

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		Settings (First Name, Last Name, Display Name, E-mail, Birth date, Gender, Max HR (BPM). Height, Weight, Units, Overall fitness level, Aerobic Threshold., Daily Activity (Steps), Calories Burn, Sleep, ANT ID, ExternalID (Third party ID), App Install ID, App Install (OFS/Morpheus), Device Install (Android/IOS), Opt Out of Live Mode
		Coach: ID, Username, Password, StaffID, First Name, Last Name, Display Name, Email, Phone, Facility; ExternalID (third party ID), App Install ID, App Install (OFS/Morpheus), Device Install (Android/IOS)
		Detection via hub API (Bluetooth)
		Detection via Hub API (ANT)
SDK/API	API POST (Create) Function	ANT + ID data
		Tracking Settings (IOS/Android) (IE: Fitbit, Garmin, Health Kit, Google Fit, None)
		How Do you want to track your daily Activity
		How do you want to track how many calories you burn
		How do you want to track sleep
		Rate Overall Fitness Level
		Fitness Levels
		Account creation w. Username and Password reset features
		Activity: Sleep by dates and hours
		Activity: RR Intervals (HRV) by dates
		Activity: Steps, Miles, Calories by Date and totals
		Train: Follow by Date Session Type (Class Name, Manual Workout), Duration (Minutes), Calories Burned (count), HR Average, Workout

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		Train Details: Following by Date Workout, Duration, Calories, Avg Heart Rate, Max Heart Rate, Time in Zone(s), Live feed Timestamp
		Weekly Wellness Score: By Date Score ID; Sleep Calculation, HRV Value, Change for the week, Days Active, Compliance to Workout Zones, Total Time in each zone
		Settings (First Name, Last Name, Display Name, E-mail, Birth date, Gender, Max HR (BPM). Height, Weight, Units, Overall fitness level, Aerobic Threshold., Daily Activity (Steps), Calories Burn, Sleep, ANT ID, ExternalID (Third party ID), App Install ID, App Install (OFS/Morpheus), Device Install (Android/IOS)
		Coach: ID, Username, Password, StaffID, First Name, Last Name, Display Name, Email, Phone, Facility; ExternalID (third party ID), App Install ID, App Install (OFS/Morpheus), Device Install (Android/IOS)
		Detection via Hub API (ANT)
SDK/API	API PATCH (Update) Function	ANT + ID data
		Tracking Settings (IOS/Android) (IE: Fitbit, Garmin, Health Kit, Google Fit, None)
		How Do you want to track your daily Activity
		How do you want to track how many calories you burn
		How do you want to track sleep
		Rate Overall Fitness Level
		Fitness Levels
		Account creation w. Username and Password reset features
		Activity: Sleep by dates and hours

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		Activity: RR Intervals (HRV) by dates
		Activity: Steps, Miles, Calories by Date and totals
		Train: Follow by Date Session Type (Class Name, Manual Workout), Duration (Minutes), Calories Burned (count), HR Average, Workout
		Train Details: Following by Date Workout, Duration, Calories, Avg Heart Rate, Max Heart Rate, Time in Zone(s), Live feed Timestamp
		Weekly Wellness Score: By Date Score ID; Sleep Calculation, HRV Value, Change for the week, Days Active, Compliance to Workout Zones, Total Time in each zone
		Settings (First Name, Last Name, Display Name, E-mail, Birth date, Gender, Max HR (BPM). Height, Weight, Units, Overall fitness level, Aerobic Threshold., Daily Activity (Steps), Calories Burn, Sleep, ANT ID, ExternalID (Third party ID), App Install ID, App Install (OFS/Morpheus), Device Install (Android/IOS)
		Coach: ID, Username, Password, StaffID, First Name, Last Name, Display Name, Email, Phone, Facility; ExternalID (third party ID), App Install ID, App Install (OFS/Morpheus), Device Install (Android/IOS)
		Detection via hub API (Bluetooth)
		Detection via Hub API (ANT)
SDK/API	API DELETE Function	ANT + ID data
		Tracking Settings (IOS/Android) (IE: Fitbit, Garmin, Health Kit, Google Fit, None)
		How Do you want to track your daily Activity

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		How do you want to track how many calories you burn
		How do you want to track sleep
		Rate Overall Fitness Level
		Fitness Levels
		Account creation w. Username and Password reset features
		Activity: Sleep by dates and hours
		Activity: RR Intervals (HRV) by dates
		Activity: Steps, Miles, Calories by Date and totals
		Train: Follow by Date Session Type (Class Name, Manual Workout), Duration (Minutes), Calories Burned (count), HR Average, Workout
		Train Details: Following by Date Workout, Duration, Calories, Avg Heart Rate, Max Heart Rate, Time in Zone(s), Live feed Timestamp
		Weekly Wellness Score: By Date Score ID; Sleep Calculation, HRV Value, Change for the week, Days Active, Compliance to Workout Zones, Total Time in each zone
		Settings (First Name, Last Name, Display Name, E-mail, Birth date, Gender, Max HR (BPM). Height, Weight, Units, Overall fitness level, Aerobic Threshold., Daily Activity (Steps), Calories Burn, Sleep, ANT ID, ExternalID (Third party ID), App Install ID, App Install (OFS/Morpheus), Device Install (Android/IOS)
		Coach: ID, Username, Password, StaffID, First Name, Last Name, Display Name, Email, Phone, Facility; ExternalID (third party ID), App Install ID, App Install (OFS/Morpheus), Device Install (Android/IOS)

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		Detection via hub API (Bluetooth)
		Detection via Hub API (ANT)
SDK/API	API - Algorithm(s)	HRV Calculation
		Recovery Score- Develop Updated Algorithm
		Weekly Wellness Score
		Train- Develop Updated Algorithm for HR Zones
		Train - Develop updated algorithm for post-workout recovery
SDK/API	Webhook	Grid Live starts/ends workout for all enrolled class participants
SDK/API	API End Points	Create Account
		Password Reset
		Recovery (HRV) Test R Intervals
		Recovery (HRV) Signal Quality
		General Settings
		Training Settings
		Workout Plan Settings
		Sleep Settings
		Workout Types
		Sync
		Track Sleep
		Track Activity Steps
		Track Activity Miles
		Track Activity Calories
		Track Train
		HRV Score
		Heart Rate
		Zones
		User Meta Data

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		Recovery Score
		Updated Recovery Score Post Workout
		Fitness Score
Consume External API	One Fit Stop	API Get Class Schedule Date range past 30 days through future 30 days (Start Date, End Date, Site ID, Staff ID, Date Time, Duration, Title, Activity Intensity Rating, Capacity, Reserved Seats, Waitlist Capacity, Waitlist Reserved, Session Status, Room ID,)
		API Get Site ID + Club Name + Address + Time Zone
		API Get Staff ID + Email + First Name + Last Name + Username + Password
		API Get Room ID + Room Name
		API Get Class Detail: Start Date End Date, Site ID, Session ID + OFS ID, Customer ID, First Class Alert, First Name, Last Name, Alerts *
		API Post: Push Notification
GRID Mobile IOS	Branding	Logo
		Base Color
		Zone Calculations
		Zone Colors
		Dashboard Screen Selection States (Active Verse Inactive)
		Menu bar background and text colors
		Dashboard Color
		Fitness Score Label
GRID Mobile Android	Branding	Logo
		Base Color
		Zone Calculations
		Zone Colors

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		Dashboard Screen Selection States (Active Verse Inactive)
		Menu bar background and text colors
		Dashboard Color
		Fitness Score Label
GRID IOS Tablet	Branding	Logo
		Base Color
		Zone Calculations
		Zone Colors
		Icon Colors for Sleep, HRV, Activity, Train
		Dashboard Screen Selection States (Active Verse Inactive)
		Menu bar background and text colors
		Dashboard Color
		Fitness Score Label
GRID	Branding	Custom Support Page Link to an Element 79 managed support portal
GRID Mobile IOS	Coach Creation / Management	Coach Login Screen with Username and Password Synced to OFS login
		Coach Information Management (First Name, Last Name, Display Name, Facility, Mobile Phone, Email)
GRID Mobile Android	Coach Creation / Management	Coach Login Screen with Username and Password Synced to OFS login
		Coach Information Management (First Name, Last Name, Display Name, Facility, Mobile Phone, Email)
GRID Tablet IOS	Coach Creation / Management	Coach Login Screen with Username and Password Synced to OFS login
		Coach Information Management (First Name, Last Name, Display Name, Facility, Mobile Phone, Email)
	Class Details	Class Landing Screen

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GRID Mobile IOS		Today's Class Details: Class Title, Description, Start Date, Start Time, End Time, Capacity, Enrollments, Waitlist Count, Class Duration; Class Status; Instructor
		Today's Class Completed User Details: First and Last Name of Participants, Display Name, Photo, # of Classes Completed, Weekly Wellness Score, Recovery % at End + Change, Sleep, Steps, Heart Rate, Training, Time in Each Zone for the Class, Phone Number, Email, Barcode
		Today's Class Not Completed User Details: First and Last Name of Participants, Display Name, Photo, # of Classes Completed, Weekly Wellness score, Recovery % current, Sleep, Steps, Heart Rate, Notifications, Phone Number, Email, Barcode
		Historical Class Details: Class Title, Description, Start Date, Start Time, End Time, Capacity, Enrollments, Waitlist Count, Class Duration; Class Status
		Historical Class User Details: First and Last Name of Participants, Display Name, Photo, # of Classes Completed, Recovery % at End + Change in recovery, Sleep, Steps, Heart Rate, Training, Time in Each Zone for the Class; Phone Number, Email, Barcode
		Future Class Detail: Class Title, Description, Start Date, Start Time, End Time, Capacity, Enrollments, Waitlist Count, Class Duration; Class Status
		Future Class User Details: First and Last Name of Participants, Display Name, Photo, # of Classes Completed, Notifications, Phone Number, Email, Barcode
	Class Details	Class Landing Screen

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GRID Mobile Android		Today's Class Details: Class Title, Description, Start Date, Start Time, End Time, Capacity, Enrollments, Waitlist Count, Class Duration; Class Status; Instructor
		Today's Class Completed User Details: First and Last Name of Participants, Display Name, Photo, # of Classes Completed, , Recovery % end + change in recovery score, Sleep, Steps, Heart Rate, Training, Time in Each Zone for the Class, Phone Number, Email, Barcode
		Today's Class Not Completed User Details: First and Last Name of Participants, Display Name, Photo, # of Classes Completed, Weekly Wellness Score, Recovery % current, Sleep, Steps, Heart Rate, Notifications, Phone Number, Email, Barcode
		Historical Class Details: Class Title, Description, Start Date, Start Time, End Time, Capacity, Enrollments, Waitlist Count, Class Duration; Class Status
		Historical Class User Details: First and Last Name of Participants, Display Name, Photo, # of Classes Completed, Recovery % at End + change in score, Sleep, Steps, Heart Rate, Training, Time in Each Zone for the Class; Phone Number, Email, Barcode
		Future Class Detail: Class Title, Description, Start Date, Start Time, End Time, Capacity, Enrollments, Waitlist Count, Class Duration; Class Status
		Future Class User Details: First and Last Name of Participants, Display Name, Photo, # of Classes Completed, Notifications, Phone Number, Email, Barcode
	Class Details	Class Landing Screen

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GRID Tablet IOS		Today's Class Details: Class Title, Description, Start Date, Start Time, End Time, Capacity, Enrollments, Waitlist Count, Class Duration; Class Status; Instructor
		Today's Class Completed User Details: First and Last Name of Participants, Display Name, Photo, # of Classes Completed, Recovery % at End + change in recovery, Sleep, Steps, Heart Rate, Training, Time in Each Zone for the Class, Phone Number, Email, Barcode
		Today's Class Not Completed User Details: First and Last Name of Participants, Display Name, Photo, # of Classes Completed, Weekly Wellness Score, Recovery % current, Sleep, Steps, Heart Rate, Notifications, Phone Number, Email, Barcode
		Historical Class Details: Class Title, Description, Start Date, Start Time, End Time, Capacity, Enrollments, Waitlist Count, Class Duration; Class Status
		Historical Class User Details: First and Last Name of Participants, Display Name, Photo, # of Classes Completed, Recovery % at End + Change in score, Sleep, Steps, Heart Rate, Training, Time in Each Zone for the Class; Phone Number, Email, Barcode
		Future Class Detail: Class Title, Description, Start Date, Start Time, End Time, Capacity, Enrollments, Waitlist Count, Class Duration; Class Status
		Future Class User Details: First and Last Name of Participants, Display Name, Photo, # of Classes Completed, Notifications, Phone Number, Email, Barcode
	Live Mode	Participant: Display Name, Zone data (not on screen), Heart Rate and Calories

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GRID Tablet IOS		Class Details: Class Timer, Total Class Calories, Instructor Name,
		Pre-Class All Participants Disabled until they walk into the room and device connects, 5 minutes after start anyone not in room disappears, anyone who walks in after will automatically load to screen
		Post Class Screen: Display Name, Time in each zone, Average Heart Rate, Total Calories,

*Please note that Team Morpheus is a SCRUM based development organization working in sprints and delivery dates will vary based on the iterative process of sprints. The Product Manager (Stacie Coates) has gathered high-level requirements to produce the scope document with the understanding that further detailing requirement will be refined throughout the project as the team's knowledge and Element 79 needs and project realities grow and change.

(B) Work Product and Intellectual Property Owned by Element 79

In accordance with the Agreement, Gold's Gym is the sole and exclusive owner of all right, title, and interest in and to the following, including all Intellectual Property Rights therein:

1. Data for all users and employees
2. The following algorithms created specifically for Element 79:
 - Element 79 specific Recovery Score
 - Element 79 specific Weekly Wellness Score
 - Element 79 specific Post- Workout Recovery Score Adjustment
3. Element 79 branding used throughout mobile and tablet designs

Anything not expressly included in the above list is the sole and exclusive property of Morpheus and Morpheus retains all rights, title, and interest in and to such property subject to any licenses in the Agreement.

(3) Deliverable Schedule

Milestone	Deadline	Note	Date Completed
M5 Branding Approval	11/15/2019	Gold Element 79 Logo	10/29/2019
M5 Sample Device Approval	04/01/2019		
1000 M5 Devices Delivered for Beta Club Opening	06/01/2020	5 ELMT Colors plus Pink, Purple blue Custom Pan tones are 2000 per order, Standard colors are min 500	
Placeholder API End Points and Sample Data Sets	11/15/2019	Sent VIA Slack	11/22/2019
Element 79 Database Stood Up	11/1/2019		
Element 79 Database interfacing with API Layer	11/15/2019		
Admin Security Layer	12/1/2019		
Finish API Settings	12/15/2019		
Finish API Sleep	12/15/2019		
Finish API Train	1/10/2020		
Finish API Track	1/10/2020		
Finish SDK	2/5/2020		
Release SDK with API's, Web-hooks and Web service app	2/10/2019		
Integration of OFS data points (Classes)	3/1/2020		
Grid Live Layout Approval	12/1/2019		
Grid Live Content Approval	12/10/2019		
Grid Live Workflow Approval	12/15/2019		
Grid Live Development Approval	1/5/2020		
Grid Live Approval	1/15/2020		
Grid Live Database Updates	2/1/2020		

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Grid Live API's	2/10/2020		
SDK Updates for Grid Live	2/25/2020		
Grid Mobile Layout Approval	01/15/2020		
Grid Mobile Content Approval	02/01/2020		
Grid Mobile Workflow Approval	02/15/2020		
Grid Mobile Development Approval	02/15/2020		
Grid Mobile Database Updates	3/1/2020		
Grid Mobile API's	3/15/2020		
SDK Updates for Grid Mobile	3/20/2020		
Grid Mobile for IOS	5/15/2020		
Grid Mobile for Android	5/15/2020		
Grid Tablet	5/1/2020		

*Please note that Team Morpheus is a SCRUM based development organization working in sprints and delivery dates will vary based on the iterative process of sprints. The Product Manager (Stacie Coates) has gathered high-level requirements to produce the scope document with the understanding that further detailed requirements will be refined throughout the project as the team's knowledge and Element 79 needs and project realities grow.



MASTER RESELLER AGREEMENT

This **Master Reseller Agreement** (the "Agreement") is by and between **Morpheus Labs, Inc.**, a Washington State corporation with its principal office at 423 6th St S, Kirkland, WA 98033 ("**Morpheus**") and **Gold's Gym Licensing LLC**, a Delaware limited liability company with its principal office at 4001 Maple Ave, Ste 200, Dallas, TX 75219 ("**Gold's Gym**").

RECITALS

WHEREAS, Gold's Gym has or will engage Morpheus to develop a software application platform pursuant to the Master Services and Licensing Agreement by and between the Parties with the effective date of March 2, 2020 (the "**MSLA**");

WHEREAS, Morpheus manufactures and supplies proprietary wearable fitness trackers which monitor user fitness, health, and lifestyle in conjunction with the software application platform to deliver personalized fitness recommendations (the "**Hardware**"); and,

WHEREAS, Gold's Gym and Morpheus wish to establish a legal relationship under which Morpheus will sell Hardware and Gold's Gym will purchase such Hardware for resale by Gold's Gym exclusively through Gold's Gym branded fitness locations.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency is acknowledged, the Parties enter into this Master Reseller Agreement dated March 2, 2020 (the "**Effective Date**").

AGREEMENT

(1) SELECTED DEFINITIONS

- I. "**Day**" means business day which is any day on which the New York Stock Exchange is normally open.
- II. "**Documentation**" means any documents which facilitate the use of the Hardware that are provided by Morpheus under the terms of this Agreement.
- III. "**Contract Year**" means the period of twelve months starting on the Effective Date and each anniversary of the Effective Date thereafter throughout the Term.
- IV. "**End User**" means any person who is eligible and/or authorized to use the Hardware and the Platform subject to the terms of an end user license agreement and any associated Documentation.
- V. "**Intellectual Property Rights**" means any and all now known or hereafter known patents, trademarks, service marks, trade name rights, rights associated with works of authorship including, without limitation, copyrights, moral rights and mask-works, trade secret rights, design rights, utility models, and any other intellectual or industrial property rights (whether registered or not and any applications to register or rights to apply for registration of any of the foregoing), whether arising by operation of law, contract, license or otherwise, including any software, ideas, concepts, know-how, development tools, techniques or any other proprietary material or information, wherever enforceable, including without limitation all rights in any jurisdiction required to copy, adapt, translate, broadcast, transmit, publish, perform, reproduce in any medium, or are otherwise necessary to exploit a work and all registrations, initial applications, renewals, extensions, continuations, divisions or reissues thereof now or hereafter made, existing, or in force (including any rights in any of the foregoing), including, without limitation, all current and future

worldwide patents and other patent rights, copyrights, trademarks, service marks, trade names, mask work rights, trade secret rights, know-how, moral rights and the equivalents of the foregoing under the laws of any jurisdiction, and all other proprietary or intellectual property rights throughout the universe, including without limitation all applications and registrations (and all renewals and extensions) relating to any of the above.

- VI. **"Obligations"** shall mean all obligations, liabilities, and indebtedness of Gold's Gym to Morpheus arising from this Agreement (including, without limitation all Purchase Order payment obligations), together with all: (a) interest accruing thereon; and (b) costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Morpheus in the enforcement or collection thereof.
- VII. **"One Fit Stop"** means One Fit Stop USA Corp., a Delaware corporation.
- VIII. **"Parties"** means Morpheus and Gold's Gym and **"Party"** means any one of them.
- IX. **"Platform"** means the software applications and associated servers designed, planned, developed, deployed, managed, maintained, and updated by Morpheus pursuant to the MSLA.
- X. **"Term"** means the combined Initial Term and any Extension Term(s).

(2) APPOINTMENT OF GOLD'S GYM AS HARDWARE RESELLER

(A) Agreement to Sell and Purchase

Morpheus appoints Gold's Gym as Morpheus' non-exclusive reseller of the Hardware listed in Schedule A which Gold's Gym agrees to purchase and Morpheus agrees to sell subject to the terms and conditions of this Agreement during the Term. Gold's Gym shall purchase the Hardware directly from Morpheus in its own name and on its own account and risk.

(B) Resale

Gold's Gym shall resell the Hardware to customers and End Users only in connection with the operation of Gold's Gym branded fitness locations. Gold's Gym shall determine, in its sole discretion, the price at which it shall resell the Hardware, however Morpheus may provide a non-binding recommended retail price.

(C) Minimum Annual Purchase Commitment

Gold's Gym agrees to order from Morpheus during each Contract Year the minimum number of units specified in Schedule A.

(D) Government Rules and Regulations

Morpheus' obligation to ship orders to Gold's Gym under this Agreement shall be subject to Morpheus' right and ability to make such sales and obtain required licenses and permits, if any, under all applicable statutes, rules, and regulations of any government or agency of competent jurisdiction (collectively, **"Third Party Requirements"**). To Morpheus' actual knowledge, as of the effective date of this Agreement, no such Third Party Requirements would interfere with shipping orders to Gold's Gym hereunder. In the event that in the future any Third Party Requirements materially interfere with Morpheus' ability to ship orders to Gold's Gym hereunder, Gold's Gym shall have the right to immediately terminate this Agreement and the MSLA without any further liability to Morpheus (except for amounts due for Hardware delivered and accepted through the applicable termination date).

(3) ORDERS**(A) Purchase Orders**

Gold's Gym shall transmit orders to Morpheus using a mutually acceptable automated order entry system or such other means as may be agreed upon by the Parties. The purpose of such orders is to specify the requested Hardware quantities and delivery dates only. No other terms and conditions of an order shall be binding upon either Party or amend or modify this Agreement in any way unless otherwise agreed in writing by the Parties.

(B) Acceptance of Orders

All orders are subject to Gold's Gym's ongoing compliance with the terms of this Agreement and acceptance and approval by Morpheus. Morpheus must inform Gold's Gym of acceptance or rejection of an order within ten (10) days of receipt. Otherwise, such order will be deemed accepted. Morpheus shall have no liability to Gold's Gym with respect to orders not accepted by Morpheus, provided, however, that Morpheus will not unreasonably reject any orders which do not require modifications or additions to the Hardware.

(C) Allocations for Limited Supply

If any of Hardware is in limited supply or otherwise unavailable in the quantities requested by Gold's Gym, as determined by Morpheus in their reasonable commercial discretion, Morpheus may elect to reduce Gold's Gym's order for such Hardware and instead allocate such limited supply availability among Morpheus' other wholesaler customers in an equitable manner. Gold's Gym acknowledges and agrees that it shall have no claim or remedy against Morpheus in connection with any such allocation.

(D) Minimum Order Quantities

The minimum quantity of Hardware that may be purchased on any single order is 1000 units and Morpheus shall not be obligated to accept any order for quantities less than this minimum.

(E) Order Management

Morpheus and Gold's Gym shall each assign a project manager for each order who shall be responsible for their Party's obligations under the order and communication with the other Party regarding that order. Each Party shall ensure that their project manager has the authority to resolve disputes and make decisions on behalf of that Party.

(F) Cooperation

The Parties acknowledge and agree that Morpheus' ability to timely meet their obligations under this Agreement may, in whole or in part, depend on Gold's Gym's timely cooperation with Morpheus.

(G) Resolving Disputes over Services and Management

All disputes which may arise with respect to any order shall, to the extent possible, be resolved by and between the project managers, as soon as practicable and in any event within ten (10) days of when it arises. If the project managers fail to resolve the dispute within this period, then their respective supervisors or other senior executives designated by the Parties shall work to resolve the dispute within ten (10) days of when it is referred to them.

(4) PRICE AND PAYMENT**(A) Purchase Price**

The per-unit purchase price for Hardware sold under this Agreement shall be determined pursuant to Schedule A for the first Contract Year. After the first Contract Year, Morpheus may modify the purchase price, in its sole discretion but subject to Section 4(E) below, by providing written notice to Gold's Gym. The purchase price may not increase more than five percent (5%) in any Contract Year, unless such increase is justified by cost increases incurred by Morpheus from third-party suppliers or other commercially reasonable factors, which shall be determined by Morpheus in its sole but reasonable discretion. Morpheus agrees to provide Gold's Gym with a minimum of thirty (30) days written notice of any price change and further agrees to honor the price in effect with respect to any orders which (i) are placed prior to the effective date of the price change and (ii) are not cancelled or modified in any way by Gold's Gym.

(B) Payment Terms

Gold's Gym agrees to pay amounts invoiced by Morpheus for Hardware without offset or deduction for any reason whatsoever except as otherwise provided in this Agreement. Payment terms shall be one-half (1/2) upon order and one-half (1/2) upon delivery and acceptance. If Gold's Gym fails to pay any amount when due, then Gold's Gym agrees to pay all reasonable costs and expenses, including without limitation reasonable attorneys' fees, actually incurred by Morpheus to collect such overdue amounts, together with interest on such unpaid amounts at 10% per year until paid. Morpheus reserves the right at any time after Gold's Gym fails to make any payment within fifty (50) days after the due date, to require payment for all orders to be made by an irrevocable letter of credit. If Morpheus elects to have payment made by letter of credit, Gold's Gym shall select the issuing bank, which must be accepted by Morpheus. Any such letter of credit shall be governed by Uniform Customs and Practice for Documentary Credits (UCP) 600, which terms must be expressly incorporated by reference into the letter of credit.

(C) Currency and Method of Payment

Any and all payments under this Agreement shall be made in United States Dollars. Unless otherwise agreed by the Parties in writing, Gold's Gym will pay monies due to Morpheus by wire transfer or other bill payment service without charge to Morpheus.

(D) Taxes

In addition to the applicable purchase price, Morpheus shall invoice and Gold's Gym shall pay all import, export, sales, use, excise, value added, gross receipts, turnover, and similar taxes and tariffs imposed by law or required by any government to be paid or collected by Morpheus in connection with the import, export, purchase, delivery, sale, or use of the Hardware pursuant to this Agreement, other than taxes levied or imposed on Morpheus' income. In the event that Morpheus pays any such taxes on behalf of Gold's Gym, Morpheus shall invoice Gold's Gym for such taxes and Gold's Gym agrees to pay such taxes pursuant to this Agreement.

(E) Most Favored Customer

Morpheus represents and warrants that the prices set forth on Schedule A are at least as low as the price charged by Morpheus to other buyers for similar volumes of the same Hardware. If, at any time during the Term, Morpheus charges any other buyer a lower price for the same Hardware, Morpheus shall apply that price to all same or similar Hardware under this Agreement. If Morpheus fails to meet the lower price, Gold's Gym may, at its option,

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in addition to all of its other rights under this Agreement or at law, terminate this Agreement without liability. The Parties shall reflect any adjustment to pricing under this section in an amendment to Schedule A.

(5) TITLE, DELIVERY, AND SHIPMENT**(A) Shipment and Delivery**

Title to and risk of loss of the Hardware shall pass to Gold's Gym upon the earlier of delivery of the Hardware to the Gold's Gym delivery location set forth in the Purchase Order (the "**Delivery Point**"). Gold's Gym shall be solely responsible for costs related to the further transportation of any Hardware from the Delivery Point. If any Delivery Point is owned, leased, operated, or otherwise controlled in whole or in part by a third party, then Morpheus and its employees, agents, representatives, contractors, and carriers shall comply with all access, use, and other requirements of any such third party relating to such Delivery Point. Except in the case of negligence on the part of Morpheus or Morpheus' failure to package the Hardware as set forth in this Agreement, Morpheus shall have no responsibility for Hardware damaged after delivery to the Delivery Point and Gold's Gym must handle all such claims for damage with the carrier. Morpheus shall have responsibility for Hardware damages prior to delivery to the Delivery Point and Morpheus must handle all such claims for damage with the carrier.

(B) Forecasts

Gold's Gym shall submit a rolling twelve (12) month forecast to Morpheus on the first day of each quarter following the Effective Date (the "**Forecast(s)**"). Such Forecasts shall include expected monthly sales quantities, projected order dates, shipping dates, and other Hardware requirements. If the most recent Forecast becomes materially inaccurate at any time, Gold's Gym shall promptly provide Morpheus with an updated Forecast.

(C) Delivery Time

Morpheus will use commercially reasonable efforts to meet Gold's Gym's requested delivery schedules however Gold's Gym acknowledges that Morpheus will produce the Hardware required to fulfill each order after receipt of the applicable order which may result in unforeseen delays. Timely delivery will depend on the accuracy and timeliness of the Forecasts.

(D) Express Delivery

In the event Gold's Gym requests express delivery or shipment by air instead of by truck or courier service, Gold's Gym agrees to pay all additional expenses related to such requests.

(E) Packaging for Shipment

Unless Gold's Gym requests otherwise, all orders of Hardware will be packed for shipment and storage in accordance with commercially reasonable industry standards. Gold's Gym is obligated to notify Morpheus of any special packaging requirements, the cost of which shall be at Gold's Gym's sole expense.

(F) Return of Non-Conforming Hardware

For purposes of this Agreement, "**Nonconforming Hardware**" means Hardware that does not conform to the specifications in this Agreement or the applicable orders or upon inspection do not confirm with Morpheus' warranties in this Agreement. Gold's Gym shall use commercially reasonable efforts to inform Morpheus within ninety days of delivery to Gold's Gym of any Nonconforming Hardware by delivering written notice to Morpheus

detailing the reasons for the rejection, otherwise, the Hardware shall be conclusively established as conforming Hardware. If Gold's Gym rejects a shipment in whole or in part, it shall promptly return a representative sample of the Hardware along with an itemized statement of non-conformance to Morpheus pursuant to Morpheus' then current return material authorization procedure. Gold's Gym shall retain the rest of the shipment while Morpheus determines whether the Hardware is Nonconforming Hardware and it shall be Gold's Gym's sole responsibility to properly store and handle all Hardware pending inspection and/or return. If the notice of rejection was timely delivered the Hardware is determined to be Nonconforming Hardware, Morpheus, at its sole cost and expense, agrees to, at Gold's Gym sole option, repair or replace the Nonconforming Hardware, or cancel any unpaid invoice, or refund the amounts paid with respect to such Nonconforming Hardware.

(6) NO TRANSFER OF INTELLECTUAL PROPERTY RIGHTS

There is no transfer of ownership and no assignment of any Intellectual Property Rights between the Parties under this Agreement. There are no licenses to Intellectual Property Rights granted from one Party to the others under this Agreement other than the licenses expressly granted in this Agreement. No right or license shall or may be implied or inferred from any provision of this Agreement or either Party's conduct.

(7) HARDWARE BRANDING

(A) Trademark and Trade Dress

The Hardware purchased and sold under this Agreement shall be resold by Gold's Gym only under the Gold's Gym trademarks, trade names, and logos (collectively the "**Gold's Gym Marks**").

(B) Logos and Packaging

Gold's Gym shall provide Morpheus with master copies of the packaging artwork including, without limitation, the Gold's Gym trademarks, trade dress, graphics, packaging design and artwork, Hardware serial numbers, UPC codes, and such other additional information as may be specified by Gold's Gym (the "**Gold's Gym Branding**"). Gold's Gym shall be solely responsible for the costs of such labeling and the costs of registration of any such marks.

(C) Approval of Branding and Packaging

Morpheus shall submit samples of the Hardware bearing the Gold's Gym Branding for review prior to the acceptance of Gold's Gym's first order. Gold's Gym must inform Morpheus in writing within ten (10) days to approve or reject the sample by providing written notice to Morpheus. If Gold's Gym fails to approve or reject within 10 days, then the sample shall be deemed rejected.

(D) License of Gold's Gym Marks

Gold's Gym grants to Morpheus a non-exclusive, limited, royalty-free, non-transferrable, sublicensable right (as expressly set forth herein only) and license during the Term to use the Gold's Gym Branding solely on the Hardware ordered by Gold's Gym under this Agreement and associated packaging and Documentation. Morpheus agrees to the following:

- I. To ensure that all use of the Gold's Gym Branding will not reflect adversely on the good name or good will of Gold's Gym and that all Hardware is of a high standard and workmanship and of such nature, style, appearance, and quality as shall be adequate and suited to the protection of Gold's Gym's marks and the goodwill associated with them;

- II. To not use the Gold's Gym Branding, or any part thereof, as a part of or in combination with any other names or trademarks without Gold's Gym's prior written approval;
- III. To not register the Gold's Gym Branding or a confusingly similar mark, or to take any action inconsistent with Gold's Gym's ownership of the Gold's Gym Branding in any jurisdiction; and,
- IV. All usage of the Gold's Gym Branding will be on behalf of and inure to the benefit of Gold's Gym.

Morpheus shall have the right to grant a limited sublicense not to exceed the Term of this Agreement to its authorized manufacturers for the Hardware for the sole purpose of manufacturing the Hardware bearing the Gold's Gym Branding.

(8) HARDWARE SPECIFICATIONS AND QUALITY ASSURANCE

(A) Technical Specifications

Technical specifications for the Hardware, as agreed upon by Gold's Gym and Morpheus, shall be set forth in Schedule A.

(B) Product Changes

Except with respect to Hardware ordered pursuant to a purchase order which has been accepted by Morpheus, Morpheus shall have the right, at any time and from time to time, to make substitutions or modifications to the Hardware; provided, however, that Morpheus acknowledges and agrees that the Hardware will function as and be fit for a fitness wearable and an integrated component of the Platform. In the event that a proposed substitution or modification impact, in Morpheus' reasonable judgment, the form, fit, or function of the Hardware, Morpheus shall give Gold's Gym at least ninety (90) days prior written notice of the proposed change. Any changes that impact the Hardware's performance, operation, or Documentation shall be provided to Gold's Gym with no less than ninety (90) days prior written notice of the proposed change. Gold's Gym may order Hardware without such changes during the period after notice is delivered and before the change goes into effect.

(C) Customization Requests

Gold's Gym shall have the right, at any time and from time to time, to request substitutions or modifications to the Hardware. Morpheus agrees to review and consider the requested changes and notify Gold's Gym whether the requested changes are feasible and/or practical and, if so, Morpheus will also notify Gold's Gym of the estimated modification costs and estimated time for implementing the requested changes. Any such changes shall belong solely to Morpheus.

(D) Discontinued Hardware

Morpheus agrees to notify Gold's Gym in writing no less than six (6) months in advance of the discontinuation of any Hardware. In the event Morpheus is unable to manufacture the Hardware for any reason then Gold's Gym shall have the right to manufacture the Hardware or have the Hardware manufactured and, in exchange, Gold's Gym shall pay a reasonable royalty or license fee for such right. The conditions for the transfer of specialized knowledge related to such manufacture shall be agreed upon separately, if necessary, in good faith by the Parties.

(E) Quality Assurance and Inspections

The Hardware shall be manufactured pursuant to commercially reasonable industry standards and in compliance with applicable laws. Upon thirty (30) days written notice, each Party shall, at a time and place mutually agreeable

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to the Parties, have the right to audit and inspect the other's facilities and/or records relating to such Party's obligations under this Agreement with respect to the Hardware. All information the inspecting Party obtains in the course of such inspection or audit is Confidential Information and shall be treated as such under the confidentiality provisions of this Agreement.

(9) WARRANTY**(A) General Hardware Warranty**

Morpheus warrants that the Hardware manufactured and sold by it will be free from defects in material and workmanship and will conform in all material respects to the technical specifications described in Schedule A and applicable order(s) in normal use and service for a period and under the warranty terms set forth in Schedule B. The warranty shall be void to the extent of any:

- I. Modification of Hardware by any person other than Morpheus or a person authorized to do such modification by Morpheus in writing,
- II. Modification of the Platform by any person other than Morpheus, One Fit Stop or Gold's Gym, or a person authorized to do such modification by Morpheus in writing,
- III. Misuse or abuse of Hardware or the Platform by Gold's Gym or Gold's Gym's customers or End Users,
- IV. Negligence or wrongdoing of Gold's Gym, Gold's Gym's customers or End Users, or any third party,
- V. Event of force majeure,
- VI. Use of Hardware, the Platform or Documentation in any manner inconsistent with this Agreement,
- VII. Improper storage of Hardware,
- VIII. Use of Hardware in combination with Hardware, equipment, or software not supplied or approved by Morpheus, provided that the software being provided by One Fit Stop is hereby approved, or
- IX. Use of Hardware or the Platform in combination with hardware supplied by Gold's Gym without Morpheus' approval.

(B) Return Material Authorization

Morpheus' then current return material authorization ("**RMA**") procedure shall apply to Hardware repair or replacement, provided however in the event of a conflict between the terms of this Agreement and the RMA, this Agreement shall govern. Morpheus shall only accept Hardware returns which are accompanied by an RMA number issued by Morpheus and an itemized statement of defects. Such returns shall be shipped prepaid and insured to Morpheus at the return address specified by Morpheus, from time to time. All Hardware returned to Morpheus with an RMA number but which are not Nonconforming Hardware shall be subject to Morpheus' examination charge, which shall be invoiced by Morpheus and paid by Gold's Gym. Any Hardware returned to Morpheus without an RMA number or which are not accompanied by an itemized statement of non-conformance will be returned to Gold's Gym at Gold's Gym's sole expense and Morpheus shall have no obligation to evaluate such Hardware, provided that Morpheus has provided Gold's Gym with written notice of the failure to provide an RMA number or itemized statement of non-conformance and Gold's Gym fails to cure the failure within ten (10) days of receipt of such notice.

(C) Disclaimer

Except for the warranties set forth in this Agreement, Morpheus disclaims all warranties, whether express or implied, oral or written, with respect to the Hardware, including without limitation, all implied warranties of merchantability or fitness for any particular purpose. Laws from time to time in force in certain jurisdictions may imply warranties that cannot be excluded or can only be excluded to a limited extent, and this Agreement shall be read

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and construed subject to any such statutory provisions. Gold's Gym shall be responsible for any warranty it extends, either directly or indirectly, expressly or by operation of law, beyond the warranties expressly granted by Morpheus in this Agreement. Morpheus is not responsible for damages caused by Gold's Gym's failure to perform its responsibilities or for damages due to deterioration of the Hardware due to improper storage or for storage by Gold's Gym longer than the periods recommended by Morpheus in the Documentation.

(10) HARDWARE RECALLS**(A) Recalls and Corrective Actions**

If a Governmental Authority determines that a Hardware recall is necessary then Morpheus agrees to take any and all commercially reasonable actions, at its sole cost and expense, which are reasonably necessary and appropriate, in Morpheus' sole discretion, to implement a Hardware corrective action, including, without limitation, a Hardware recall, replacement, patch, maintenance release, Documentation update, or other such corrective action in response to the recall. , Morpheus shall be responsible for all Hardware recalls, however Gold's Gym agrees to cooperate with Morpheus in such action, including, without limitation, contacting customers and End Users and assisting in the transfer and shipping of Hardware, as directed by Morpheus. Morpheus agrees to respond within a reasonable period of time to any question or request for information received by Gold's Gym from its customers and End Users pertaining to the production and manufacturing of the Hardware. Each Party agrees to provide to the other Party all necessary information in its possession arising out of recall or corrective action program or similar program.

(11) CONFIDENTIALITY**(A) Definition – Confidential Information**

"**Confidential Information**" shall include any information disclosed by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") directly or indirectly in writing, orally, or by inspection of tangible objects, including, without limitation, documents, prototypes, samples, plant and equipment, research, product plans, Hardware, services, customer lists, software, code, developments, inventions, processes, designs, drawings, engineering, hardware configuration, marketing materials, or finances. Orally communicated information is Confidential Information only if the Disclosing Party confirms within a reasonable time after the initial disclosure that the information is Confidential Information.

Confidential Information does not include (i) any information that is publicly available through a permissible disclosure; or, (ii) any information that was communicated to the Receiving Party by a non-confidential source before its disclosure by the other Party, but only if (a) the source of information was not bound by a confidentiality agreement or otherwise prohibited from communicating the information to the Receiving Party and (b) the Receiving Party provides the other Party with written notice of their prior possession of the information either (1) before the effective date of this Agreement or (2) promptly after the Receiving Party becomes aware that the information is Confidential Information; or, (iii) any information that was developed by either Party completely independently.

(B) Limitation on Use and Reasonable Care

The Parties, each as a Receiving Party, agree to:

- I. Hold in the strictest confidence and not disclose any Confidential Information or any information derived from Confidential Information to any third party other than employees, attorneys, accountants, and other advisors who need to know such Confidential Information for the purposes of this Agreement ("Agents");

- II. Inform Agents of the confidential nature of Confidential Information and ensure they abide by this Agreement;
- III. Not use Confidential Information except as needed to perform their obligations to the Disclosing Party;
- IV. Not copy or reproduce any Confidential Information;
- V. Take reasonable measures to protect the secrecy of Confidential Information and to prevent its inadvertent disclosure or unauthorized use which at least equal those measures you take to protect your own confidential information;
- VI. Not reverse engineer, disassemble, de-encrypt, decompile, or otherwise derive the design, logic, or structure of any prototypes, software, or other tangible or intangible objects which embody the Confidential Information;
- VII. Promptly notify the Disclosing Party of any misuse or misappropriation.

(C) Return of Confidential Information

All documents and other tangible objects containing or representing Confidential Information and all copies are and shall remain the property of the Disclosing Party and must be promptly returned to the Disclosing Party upon written request or the termination of this Agreement. If any Confidential Information is in a form incapable of return or has been copied or transcribed into another document it must be destroyed or erased. If either Party is unable to return or destroy any Confidential Information, such information must be kept confidential and that Party must make no use of it.

(D) Duration and Survival

The nondisclosure and confidentiality provisions of this Agreement shall survive the termination of this Agreement and the duty to hold such information in confidence shall remain in effect for three (3) years or until the Confidential Information no longer qualifies as a trade secret, whichever is longer, or until the Disclosing Party sends written notice releasing the Receiving Party from this Agreement.

(12) TERM AND TERMINATION

(A) Term of the Agreement

(I) Initial Term

The initial term of this Agreement is for five (5) years from the Effective Date (the "Initial Term").

(II) Extension Term(s)

This Agreement shall automatically renew for up to three (3) successive periods of one (1) year each ("Extension Term(s)"), unless Gold's Gym gives written notice to Morpheus of its intention to not renew a minimum of thirty (30) days prior to the expiration of the Initial Term or the then current Renewal Term. Notwithstanding the foregoing, Gold's Gym may terminate this Agreement at any time without cause during the Extension Term only by providing Morpheus with at least 90 days advance written notice of termination, provided that Gold's Gym must also concurrently terminate the MSLA.

(III) Expiration

If this Agreement is not extended, then the Agreement shall expire at the end of the current Term.

(B) Termination(I) Termination for Breach and Financial Reasons

Either Party shall have the right to terminate this Agreement at any time by giving written notice to the other Party if the other Party: (a) commits a non-curable material default or violation of this Agreement; (b) commits a curable material default or violation of this Agreement which is not remedied within thirty (30) days after written notice of the violation has been served on the defaulting Party; (c) has a receiver or administrative receiver appointed for it or over its undertakings or assets, and such appointment is not dismissed within ninety (90) days, or (d) files a petition in bankruptcy or has filed against it a petition in bankruptcy which is not discharged within ninety (90) days.

Any time after December 31, 2021, Gold's Gym shall have the right, upon 90 days' advance written notice to Morpheus, to terminate this Agreement if, in Gold's Gym's sole discretion, the Platform is not financially viable provided that Gold's Gym must also concurrently terminate the MSLA. In the event of such early termination, Gold's Gym shall pay Morpheus the monthly license fee through the effective date of the termination.

(II) Delayed Expiration/Termination

Notwithstanding anything to the contrary herein, Gold's Gym shall have the right to place Purchase Orders up to thirty (30) days after the expiration date or early termination date of this Agreement (on the same terms, including payment of applicable fees).

(III) Duties Upon Termination or Expiration

Upon the termination or expiration of this Agreement:

- I. Gold's Gym shall immediately pay all amounts due and payable to Morpheus which were triggered before the effective date of termination;
- II. Morpheus will immediately cease further manufacture of the Hardware and any pending orders, whether complete or partial, shall be delivered to Gold's Gym.
- III. Each Party shall cease using the other's trademarks, service marks, and other proprietary words and symbols.
- IV. Each Party shall discontinue all representations that it is associated with the other Party.
- V. Each Party shall return to the other Party the other Party's materials related to the Hardware, associated Documentation, and Confidential Information in its possession.
- VI. Gold's Gym shall immediately cease offering the Hardware to customers and End Users subject to the sell-off period rights in the following paragraph.
- VII. Morpheus shall immediately cease using the Gold's Gym Branding.
- VIII. All license grants under this Agreement shall terminate except as otherwise provided in this Agreement.

(C) Sell-Off Period

Upon the termination or expiration of this Agreement, Gold's Gym shall have a period of one hundred and eighty (180) days to sell off its remaining inventory of Hardware which is on-hand, on-order, or in-process before the expiration or termination date, or which is ordered immediately after the expiration or termination date as specified above (the "Inventory"). At the conclusion of the sell-off period, Morpheus has the option to (a) extend the sell-off period for an additional period to be determined by the Parties, (b) purchase from Gold's Gym, at the original purchase price, any and all remaining Inventory, or (c) order the destruction of the Inventory at Gold's

Gym's sole cost and expense.

(D) Survival of Certain Provisions

Any provision of this Agreement which by its terms ought to survive the termination or expiration of this Agreement shall survive.

(13) MUTUAL REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to the other that as of the Effective Date:

- I. It is duly organized, validly existing, and in good standing under the laws of the state and country in which it is incorporated;
- II. It has the right and authority to enter into this Agreement;
- III. The execution, delivery, and performance of the obligations in this Agreement and the consummation of the transactions contemplated in this Agreement are within the corporate powers of each Party;
- IV. It has the necessary rights and authority to grant the other the rights and licenses purported to be granted in this Agreement;
- V. The Party's obligations under this Agreement will not place that Party in breach of any other contract or obligation; and,
- VI. It will comply with all applicable laws and regulations in the court of performing the obligations contemplated under this Agreement, including, without limitation, import and export laws, and all applicable local, state, provincial, and national laws and regulation for each jurisdiction in which the Party is or will operate.

(14) ADDITIONAL MORPHEUS REPRESENTATIONS AND WARRANTIES

In addition to the above mutual representations and warranties, Morpheus represents and warrants to Gold's Gym that (a) that the Hardware does not infringe the Intellectual Property Rights of a third party, and (b) Gold's Gym will receive good and valid title to the Hardware, free and clear of all encumbrances and liens of any kind. Further, Morpheus is not aware of any pending or threatened litigation which alleges that the Hardware infringes upon any intellectual property rights of a third Party. Nothing in this Agreement shall be interpreted or construed in any way as a warranty or representation by Morpheus that the Hardware, or the use of any such Hardware by any person, will not infringe any third-party patent.

(15) INDEMNIFICATION

(A) Indemnification by Morpheus

Morpheus agrees, at its own expense, to indemnify, defend, and hold harmless Gold's Gym (and its officers, employees, directors, agents and representatives) from any and all claims, losses, damages and liabilities (including reasonable attorneys' fees) in connection with any claim, suit, action, or other proceeding made or threatened by a third party that arises that arises from (a) Morpheus' breach or alleged breach of any of its representations or warranties, covenants or other obligations under this Agreement or applicable laws, (b) Morpheus' knowing or willful misconduct, (c) Morpheus' failure or alleged failure to perform its obligations under this Agreement, or (d) the alleged infringement of any third-party Intellectual Property Rights by the Hardware supplied hereunder. Gold's Gym shall promptly provide Morpheus written notice of such claim and reasonable cooperation, information, and assistance in connection with such claim and Morpheus shall have sole control and authority with respect to the defense, settlement, or compromise of such claim.

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Morpheus shall not indemnify Gold's Gym, and shall not otherwise be liable under this Agreement, for (1) any use of the Hardware by Gold's Gym or any third party to whom Gold's Gym sells, distributes, or otherwise transfers the Hardware other than for the uses expressly permitted in this Agreement or applicable Documentation; (2) any images or other content provided by or supplied by a Party other than Morpheus; (3) any materials provided by any Party other than Morpheus that are misleading, do not comply with applicable governmental regulations, or violate any law; or (4) any claim based upon (i) Morpheus' reasonable compliance with designs, plans, or specifications provided by Gold's Gym (ii) use of the Hardware by any person in combination with software or hardware not designed to be used with the Hardware (excluding the software developed by One Fit Stop), (iii) use of the Hardware in an application or environment for which such Hardware was not designed, or (iv) any modification to the Hardware by anyone other than Morpheus where such modification is the cause of the claim.

(B) Indemnification by Gold's Gym

Gold's Gym agrees, at its own expense, to indemnify, defend and hold harmless Morpheus (and its officers, employees, directors, agents and representatives), from any and all losses or damages (including reasonable attorneys' fees) in connection with any claim, suit, action or other proceeding made or threatened by a third party that arises from (a) Gold's Gym's breach or alleged breach of any representation, warranty, covenant, or other obligation in this Agreement, (b) Gold's Gym's knowing or willful misconduct, (c) any use of the Hardware by Gold's Gym other than for the uses expressly permitted in this Agreement or applicable Documentation, (d) any images or other content provided by or supplied by Gold's Gym, or (e) any materials provided by Gold's Gym that are misleading, do not comply with applicable governmental regulations or violate any law. Morpheus shall promptly provide Gold's Gym written notice of such claim and reasonable cooperation, information, and assistance in connection with such claim and Gold's Gym shall have sole control and authority with respect to the defense, settlement, or compromise of such claim.

Gold's Gym shall not indemnify Morpheus for (1) any images or any other content provided or supplied by Morpheus, or (2) for any materials provided by Morpheus that are misleading, do not comply with applicable governmental regulations, or violate any law.

(C) Insurance.

During the Term, Morpheus will carry "Commercial General Liability" insurance with limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the general aggregate. Morpheus' "Commercial General Liability" policy will: (a) be issued by companies with a rating of A- or better in the current Best's Insurance Reports published by A.M. Best Company, Inc.; (b) name Gold's Gym Licensing LLC as an additional insured with the standard separation of insureds provision or an endorsement for cross-liability coverage; (c) provide coverage on an occurrence basis; and (d) provide primary coverage, without any right of contribution from any other insurance that Company may have.

(16) COMPLIANCE WITH LAWS

Gold's Gym shall comply with all laws, rules, regulations, governmental requirements and industry standards applicable to the purchase, sale, leasing, marketing, demonstration, installation, services, repair, or use of the Hardware supplied to Gold's Gym under this Agreement, including, without limitation, those rules relating to the maintenance and availability of records. Without limiting the foregoing in any way, Gold's Gym shall not export any Hardware or Documentation or technical data relating thereto to any jurisdiction without first obtaining all necessary export and import permits and clearance, and in no event shall Gold's Gym export any Hardware in violation of any applicable law or regulation, whether foreign or domestic.

(17) WAIVER OF CONSEQUENTIAL DAMAGES

EXCEPT FOR LIABILITY ARISING UNDER THE CONFIDENTIALITY AND INDEMNIFICATION PROVISIONS OF THIS AGREEMENT, IN NO EVENT SHALL ANY PARTY BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, EVEN IF SUCH PARTY SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF THE SAME.

(18) DISPUTE RESOLUTION**(A) Mandatory Arbitration**

Any dispute or controversy arising out of or in relation to this Agreement, whether in contract, tort, statutory, or otherwise, shall be subject to and settled via mandatory arbitration by the American Arbitration Association ("AAA") in Dallas County governed by Texas state law or US federal law, as applicable, in accord with the rules of the AAA in effect when the demand for arbitration is filed, which rules are incorporated into this Agreement by reference. The arbitrator may grant injunctions as well as monetary and other relief. The decision of the arbitrator will be final, conclusive, and binding on the Parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction. Each Party's promise to resolve claims by arbitration in accord with this Agreement rather than through the courts is consideration for the like promise of each other Party. This arbitration provision shall survive the termination of this Agreement in full force and effect.

(B) Governing Law

This Agreement has been entered in the State of Texas and shall be construed and enforced under and is subject to applicable US federal law and the law of the State of Texas without regard to said state's conflict of laws provisions.

(C) Choice of Forum and Consent to Personal Jurisdiction

Any disputes arising out of or relating to this Agreement which must be tried in court shall be resolved in the state and federal courts located in Dallas, Texas. The Parties waive any objections against and expressly consent to the personal jurisdiction and venue of the state and federal courts located in Dallas, Texas.

(D) Costs, Fees, and Expenses

Unless otherwise specified in this Agreement, in any action or proceeding between or among the Parties to interpret or enforce any of the provisions hereof, the prevailing Party shall, in addition to any other award of damages or other remedy, be entitled to recover reasonable costs, fees, and expenses including attorneys' fees and costs incurred in connection with such dispute including any appeal.

(E) Equitable Relief

Nothing in this Agreement shall prevent any Party from bringing an action for equitable or injunctive relief in a court of competent jurisdiction to compel another Party to comply with its obligations under this Agreement.

(F) Waiver of Jury Trial

The Parties waive the right to a jury trial in any action arising out of or related to this Agreement.

(19) GENERAL PROVISIONS**(A) Additional Documents**

The Parties agree to execute any additional documents which may be required to fully effect the purpose and intent of this Agreement or to carry out their mutual obligations.

(B) Amendment and Modification

This Agreement may not be modified, altered, or amended except by written agreement signed by an authorized representative of each Party.

(C) Assignment

No Party may assign or otherwise transfer rights or obligations under this Agreement whether in whole or in part, except with the prior written consent of the other Party. Notwithstanding the foregoing, either Party may assign this Agreement in its entirety in the event of a merger, change of control, corporate reorganization, or a sale of all or substantially all of the assets of such Party and shall notify the other Party of such pending transfer no less than thirty (30) days prior to its completion. Subject to the foregoing, this Agreement shall be binding on the Parties and their respective successors and permitted assigns, and such permitted assigns shall expressly agree to be bound by all the terms and conditions herein. No partial assignment of the rights or obligations granted hereunder shall be permitted.

(D) Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original, but all of which when taken together shall constitute one instrument. This Agreement shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party.

(E) Entire Agreement

This Agreement (including the schedules) constitutes the entire understanding between the Parties regarding the subject matter of this Agreement and this Agreement supersedes all prior oral or written agreements.

(F) Force Majeure

No Party shall be liable for any delays or failures to perform resulting from circumstances or causes beyond its reasonable control and not reasonably foreseeable to it as of the Effective Date, including, without limitation, fire or other casualty, act of god, strike or labor dispute, war or other violence, any changes in law, or the order, act, or requirements of any governmental agency or authority.

(G) Independent Contractor Relationship of the Parties

Morpheus and Gold's Gym are independent contractors and no Party is the legal representative, agent, joint venture, partner, or employee of the other. No Party has any right or authority to assume or create any obligations of any kind or to make any representation or warranty on behalf of the other Party, whether express or implied, or to bind the other Party.

(H) Notices

All notices under this Agreement shall be in writing and shall be served by personal delivery or certified mail, return receipt requested, or by email with a copy sent by U.S. Mail, to the address set forth under each Party's signature. A Party may change its address or email address at any time by written notice to the other Party. Notices served by mail shall be deemed served upon deposit in the U.S. Mail, and in the case of electronic transmission, on the day of transmission.

(I) No Waiver

No waiver by any Party of a breach or default by the other Party shall be deemed to be a waiver of any preceding, continuing, or succeeding breach of the same or any other provision of this Agreement.

(J) Section Headings

The headings in this Agreement are only for convenience.

(K) Severability

In case any provision contained in this Agreement should be found invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction the remaining provisions of this Agreement shall not in any way be affected or impaired.

(L) Successors and Assigns


This Agreement shall in no event be construed as a third-party beneficiary contract and is not intended for the benefit of any person or company other than the Parties. However, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, successors and permitted assigns.

SIGNATURE PAGE FOLLOWS

(20) SIGNATURE AND EXECUTION

The Parties hereby execute this Agreement as of the Effective Date and agree to be bound by its terms and conditions.

GOLD'S GYM:

Gold's Gym Licensing LLC:By: 
8640DA1AEBE54D9...

Name: Adam Zeitsiff

Its: CIO

MORPHEUS:

Morpheus Labs, Inc.By: 
2F6C5EEC7AAB468...

Name: Joel Jamieson

Its: CEO



SCHEDULE A

HARDWARE LIST

(1) PRODUCT

M5 Armband

(2) PER UNIT PURCHASE PRICE

The per-unit purchase price is \$70.00 for the first contract year, subject to applicable volume discounts.

(3) TECHNICAL SPECIFICATIONS

ATTACHED

M5

Product Specifications

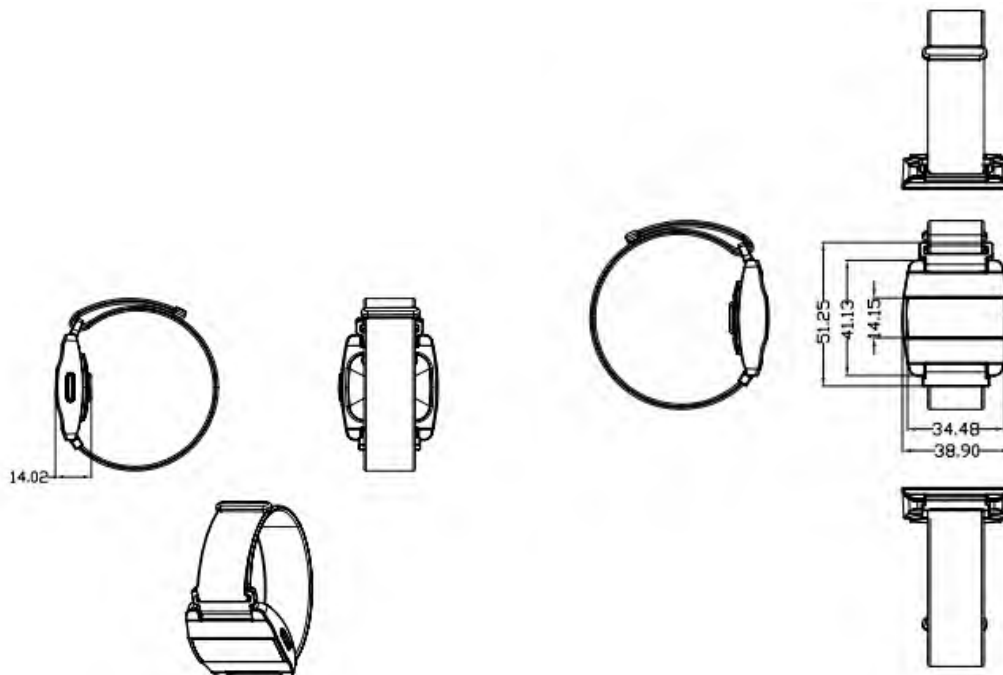
Version	Description	Date
1.0	1 st release	08-06-2019

1. Introduction:

M5 is an armband device for measuring heart rate. Mechanical and touch key switch, rechargeable lithium battery, with storage function, ANT+&BLE dual mode communication.

2. Mechanism

- a) Main device Material & Color
- b) Material: PC+ABS
- c) Size: 41.13*38.90*14.02



3. Basic Parameters

Subject	Description	Parameters
Wireless mode	ANT+	6m
	BLE	10m
Working Environment	0°C~ 40°C	-----
Battery life	300 times Full charge and discharge	Battery capacity ≥ 80%
Normal service time after single charge	> 8h	-----
Heart rate storage time	8h	Stores every two seconds

3.1. Battery life:

- (1) Lithium batteries.
- (2) Battery capacity 90mAh.
- (3) 8 hours of continuous use.

4. Product requirement:

Working environment: 0°C ~ 40°C, relative humidity ≤ 85%

Waterproof: IP67

5. Accessories

- (1) Main device: 1 piece
- (2) Magnet charging cable: 1 piece
- (3) Manual: 1 piece
- (4) Armband: 1 piece
- (5) Package box: Customized



SCHEDULE B

Morpheus warrants that the Hardware manufactured and sold by it will be free from defects in material and workmanship and will substantially conform to the technical specifications described in the Agreement in normal use for a period of twenty four (24) months from the date the Hardware is delivered to Gold's Gym.

The warranty shall be void to the extent of any:

- I. Modification of Hardware by any person other than Morpheus or a person authorized to do such modification by Morpheus in writing,
- II. Modification of the Platform by any person other than Morpheus, One Fit Stop or Gold's Gym, or a person authorized to do such modification by Morpheus in writing,
- III. Misuse or abuse of Hardware or the Platform by Gold's Gym or Gold's Gym's customers or End Users,
- IV. Negligence or wrongdoing of Gold's Gym, Gold's Gym's customers or End Users, or any third party,
- V. Event of force majeure,
- VI. Use of Hardware, the Platform or Documentation in any manner inconsistent with this Agreement,
- VII. Improper storage of Hardware,
- VIII. Use of Hardware in combination with Hardware, equipment, or software not supplied or approved by Morpheus, provided that the software being provided by One Fit Stop is hereby approved, or
- IX. Use of Hardware or the Platform in combination with hardware supplied by Gold's Gym without Morpheus' approval.

This warranty gives Gold's Gym the right to have defective Hardware replaced free of charge (labor, shipping, and other costs related with the replacement not included).

Morpheus reserves the right to inspect the defective Hardware to determine the origin of the defect and whether the defect is covered by this warranty.