

FRANCHISE DISCLOSURE DOCUMENT



Fit Franchise Brands, LLC
a New Jersey limited liability company
Justin Corporate Center, Bldg. 2 #400
200 Route 9 North
Manalapan, New Jersey 07726
Telephone: (732) 520-4475
Email: support@fitfranchisebrands.com
Home page: www.fitfranchisebrands.com

You will operate a business that offers a comprehensive approach to wellness, combining kickboxing, strength training, nutrition, and personal coaching all under one roof under the then-current proprietary marks we designate that, as of the Issue Date, includes our current primary mark FARRELL'S EXTREME BODYSHAPING® (each, a "Studio").

The total investment necessary to begin operation of a single franchised Studio ranges from \$151,028 to \$349,478. This includes \$55,000 that must be paid to the franchisor or affiliate before you open your business.

The total investment necessary to begin operation of a single franchised Studio under an develop multiple Studios under our form of area development agreement for the development of three (3) studios depends on the number of franchises we grant you the right to open, which in all cases will be three (3) or more under this Disclosure Document. The total investment necessary to enter into a development agreement for the right to develop three (3) Studios is \$257,000 to \$451,600. This includes \$118,750 that must be paid to the franchisor or affiliate before you open your business.

, which includes (a) a development fee of \$135,000 that is paid to us or our affiliates prior to opening, and (b) the total estimated initial investment to begin operation of your initial Studio (as described above).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different forms, contact Bryan Klein, CEO, Fit Franchise Brands, LLC at Justin Corporate Center, Bldg. 2 #400, 200 Route 9 North, Manalapan, New Jersey 07726 or (732) 520-4475.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "Buying a Franchise: A Consumer Guide," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania

Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: November 21, 2024

How to Use This Franchise Disclosure Document

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

A.

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits D and E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only FARRELL'S EXTREME BODYSHAPING business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a FARRELL'S EXTREME BODYSHAPING franchisee?	Item 20 or Exhibits D and E list current and former franchisees. You can contact them to ask about their experiences.

What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.
---------------------------------	---

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit F.

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in New Jersey. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in New Jersey than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity which in no event need be more than thirty (30) days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishing not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) Failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding the notice of this Offering should be directed to:

Michigan Attorney General's Office
Consumer Protection Division
Attn. Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48933
(517) 335-7567

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	11
2. BUSINESS EXPERIENCE	4
3. LITIGATION	4
4. BANKRUPTCY	5
5. INITIAL FEES	5
6. OTHER FEES.....	7
7. ESTIMATED INITIAL INVESTMENT.....	19
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	28
9. FRANCHISEE’S OBLIGATIONS.....	35
10. FINANCING	38
11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	39
12. TERRITORY	50
13. TRADEMARKS	54
14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	56
15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	57
16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	57
17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	58
18. PUBLIC FIGURES	63
19. FINANCIAL PERFORMANCE REPRESENTATIONS	64
20. OUTLETS AND FRANCHISEE INFORMATION	65
21. FINANCIAL STATEMENTS.....	69
22. CONTRACTS	70
23. RECEIPTS.....	70

EXHIBITS

A Franchise Agreement	G Table of Contents of Operations Manual
B Development Agreement	H Form of General Release
C Financial Statements	I State Specific Addenda
D List of Franchisees	J State Effective Dates
E List of Former Franchisees	K Receipts
F State Administrators/Designation of Agent for Service of Process	

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify language in this Disclosure Document, we will refer to FIT FRANCHISE BRANDS, LLC, as “we,” “us,” “our,” “Franchisor,” or “FFB,” and to the franchisee as “you.” If you are a corporation, partnership or other entity, the word “you” may also include owners or partners of the franchisee.

Franchisor

The franchisor is FIT FRANCHISE BRANDS, LLC, a New Jersey limited liability company, formed on January 3, 2013. Our principal business address is Justin Corporate Center, Bldg. 2 #400, 200 Route 9 North, Manalapan, New Jersey 07726. FIT FRANCHISE BRANDS, LLC was formerly known as Max Franchising, LLC until it formally changed its name on May 31, 2024.

We currently offer franchises under the trademarks “**FARRELL’S EXTREME BODYSHAPING®**” and “**THE MAX CHALLENGE®**” and do not offer franchises in any other line of business.

With respect to the **FARRELL’S EXTREME BODYSHAPING®** franchises that we offer, we first began offering franchises in **MONTH OF ISSUANCE** of 2024 following the Transaction described below; however, our Predecessor, Farrell’s eXtreme Bodyshaping, Inc., first began offering franchises in October of 2007. As the successor to Farrell’s eXtreme Bodyshaping, Inc., FIT FRANCHISE BRANDS, LLC is now the franchisor for franchisees who signed franchise agreements with Farrell’s eXtreme Bodyshaping, Inc.. All franchisees who signed franchise agreements with Farrell’s eXtreme Bodyshaping, Inc. are disclosed in Item 20 as franchisees of FIT FRANCHISE BRANDS, LLC.

With respect to the “**THE MAX CHALLENGE®**” franchises we offer, we first began offering franchises in 2013 under the mark **TAKE IT TO THE MAX FITNESS FOR THE BODY, MIND AND SPIRIT®**. In April 2016, we changed the mark to “**THE MAX CHALLENGE®**” and are now offering franchises under this mark although some franchisees who purchased franchises before April 2016 may continue to operate under the prior mark.

We do business as Fit Franchise Brands, LLC., FIT FRANCHISE BRANDS, LLC, “**FARRELL’S EXTREME BODYSHAPING®**”, **THE MAX CHALLENGE®** and **TAKE IT TO THE MAX FITNESS FOR THE BODY, MIND AND SPIRIT®**.

We do not operate businesses of the type you will operate directly. “Company-owned” outlets are operated by our affiliates. Other than as set forth in this Disclosure Document, we are not engaged in any other type of business and do not conduct business under any other name. Other than as set forth above, we do not offer franchises in any other line of business.

Our agents for service of process are set forth on **Exhibit F**.

Parents, Predecessors and Affiliates

Parents

Max Transformation Holdings, LLC (“MAX Holdings” or “Parent”), a New Jersey Limited Liability Company formed in January 2013, is our immediate parent. MAX Holdings shares our principal business address at Justin Corporate Center, Bldg. 2 #400, 200 Route 9 North, Manalapan, New Jersey 07726.

Predecessors

On January 2, 2024, our Parent consummated a transaction (the “Transaction”) whereby it acquired substantially all of the assets of Farrell’s eXtreme Bodyshaping, Inc. (the “Predecessor”). Our Predecessor had a principal business address of 8510 New York Avenue, Urbandale, Iowa 50322.

Affiliates

We are party to an intellectual property license agreement with our affiliate, MAX IP, LLC (“**Max IP**”), a New Jersey limited liability company formed on January 3, 2013 solely to be the holder of FFB’s intellectual Property. Following the Transaction, our Parent assigned the FARRELL’S EXTREME BODYSHAPING® and other trademarks (as further described in Item 13) that it acquired as part of the Transaction to Max IP. Max IP and FFB have since entered into a license agreement whereby Max IP licensed to FFB the right to use, and to sublicense use of, the Marks (as subsequently defined) to our franchisees. Max IP’s principal business address is Justin Corporate Center, Bldg. 2 #400, 200 Route 9 North, Manalapan, New Jersey 07726.

Our affiliate, EEP Distribution LLC (“**EEP Distribution**”), a New Jersey limited liability company formed on December 7, 2016, may offer and sell certain designated products, including protein powder and other supplements, to franchisees. EEP Distribution’s principal business address is Justin Corporate Center, Bldg. 2 #400, 200 Route 9 North, Manalapan, New Jersey 07726.

Except as disclosed above, we do not have any (a) parent companies, (b) predecessors or (c) affiliates that offer franchises in any line of business, or affiliates that offer, sell or provide products or services to our franchisees.

The Franchise Offered

We offer and grant franchises for the right to operate a business that offers a comprehensive approach to wellness, combining kickboxing, strength training, nutrition, and personal coaching all under one roof. You will operate the business using our proprietary business system (“System”), which includes our proprietary fitness techniques and workout programs, proprietary marketing systems, and proprietary sales techniques we designate and may update from time to time as we determine appropriate and, as of the Issuance Date, pursuant to our current form of franchise agreement attached to this Disclosure Document as Exhibit A (the “Franchise Agreement” or the “Agreement”). The franchised business you operate will be referred to as a “Studio”. You will operate your Studio from a physical location under the name “FARRELL’S EXTREME BODYSHAPING” and such other trademarks that we designate to identify businesses using our System (collectively, the “Marks” or “Proprietary Marks”). In operating the Studio, you will follow our mandatory and suggested specifications, standards, operating procedures and rules that we periodically specify. You are currently obligated (unless prohibited by applicable law) to offer a prize or award, which may include which may include free membership for a designated period of time and/or a monetary payment to the winner of each ten-week challenge. It is your obligation to ensure compliance with all applicable laws, rules and regulations in connection with the offer, promotion and payment of any and all prizes and awards awarded to each ten-week challenge winner.

Our System is comprised of various proprietary and, in some cases, distinguishing elements such as: proprietary methodology and procedures for the establishment and operating procedures of the Studio; standards and specifications for the purchase, storage and presentation of certain products; site selection guidelines and criteria, as applicable, for the Studio; standards and specifications for the design, layout and construction of the interior and exterior of the Studio; standards and specifications associated with the certain proprietary artwork, décor and trade dress of the Studio, as well as the retail space from which branded merchandise can be sold; specific suppliers and providers of proprietary equipment in connection with the Studio, if and as

applicable; standards and specifications for the furniture, fixtures and/or equipment located within the Studio; established relationships with approved or designated suppliers for certain inventory and other supplies necessary to operate the Studio; and standards and specifications for advertising, bookkeeping, sales and other aspects of operating a Studio. We may change, improve, further develop, or otherwise modify the System from time to time, as we deem appropriate at our discretion.

Area Development Agreement

We may, in our sole discretion, offer opportunities to develop multiple Studios (currently a minimum of three (3) Studios) within a designated geographic area according to a pre-determined development schedule to interested and qualified candidates who meet our then-current criteria for multiple-unit development. If you are interested and qualify, and we elect to offer you the opportunity, you will enter into our then-current form of Area Development Agreement for the development of multiple Studios. Currently, we do not anticipate granting development rights for the development of less than three Studios, but we reserve the right to do so. You and we will mutually agree on an area to be defined in the Area Development Agreement as the “Development Area.” You will be required to develop and open, directly or through affiliated entities that are owned entirely by you (or your owners, if you are a legal entity), a pre-determined number of Studios within the Development Area. You (or your approved affiliate) will sign our then-current Franchise Agreement, which may be different from the franchise agreement included in this offering, for each Studio you are obligated to open under the Development Agreement. You will not be required to pay any initial franchise fee under the Franchise Agreements for the Studios you are obligated open under the Development Agreement.

A copy of our current Area Development Agreement is attached to this Disclosure Document as Exhibit B.

Market Competition

Your Studio will compete with other health and fitness facilities offering exercise/fitness training programs and related services to members, including some fitness facilities that may be owned by us, our Parent or our affiliates. Your Studio will have to compete with other businesses, including franchised operations, national chains and independently owned companies offering exercise, health and wellness, and fitness facilities and training to members. A Studio will have to compete with other businesses offering fitness equipment, spa facilities, personal training, nutritional counseling, vitamin/supplement sales and other fitness and health-related products and services. The market for your services will be individuals interested in health and fitness and weight loss. We conduct research in the markets where Studios are located, using population demographics compiled by the U.S. Census. We do not run a competition analysis.

Industry-Specific Regulations

You must comply with all laws and regulations that apply to businesses generally including, without limitation, regulations pertaining to workers compensation, equal protection and workplace safety laws and regulations (such as Title VII, the Americans with Disabilities Act and the Affordable Care Act). In addition, there are Federal, state and local laws that apply to the fitness business and industry practices. Many states, for example, have enacted specific laws (1) regulating membership contract length and terms, advertising and limitations on pre-opening sales, and (2) requiring bonding, buyer’s remorse cancellation rights for limited periods (usually three to ten days after sale), and cancellation and partial refund rights for medical or relocation reasons. At the federal level, health clubs who sell memberships on credit may be subject to the federal Truth-In-Lending Act and Regulation Z and various other credit-related statutes like the Equal Credit Act and Fair Debt Collection Practices Act.

Some states have laws that require and regulate the content of service contracts and/or that require the presence of at least one person trained in administering CPR and/or to use an external defibrillator. Many states also require that certain types of fitness centers be equipped with working defibrillators. Additionally, some states’ laws require postings concerning steroids and other drug use, require certain medical equipment in the facility, limit the supplements that facilities can sell, require bonds if a health/fitness center sells memberships valid for more than a specified time period, require club owners to deposit into escrow

certain amounts collected from members before the facility opens (sometimes referred to as “pre-sale” memberships), and/or impose other restrictions on memberships that the facility sells.

It is solely your responsibility to comply with all applicable laws and regulations and to obtain and keep in force all necessary licenses and permits. Before purchasing the franchise, we strongly urge you to hire an attorney to review local, state and federal laws that may affect your operations.

[The remainder of this page is intentionally left blank.]

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer: Bryan Klein

Mr. Bryan Klein became the Chief Executive Officer of Fit Franchise Brands, LLC as of January 3, 2013. Mr. Klein also founded, and currently serves as the Managing Member, of Max Meals, LLC, a joint venture based in Manalapan, NJ that was established in December of 2022. Mr. Klein served as president of UTA Martial Arts and Fitness, a New Jersey Corporation that operated a Transformation Center in Manalapan, NJ from May 2012 through July 2014. Mr. Klein was the President and co-owner of Max Transformation Inc. a New Jersey corporation which offers fitness services, located at 285 Gordons Corner Road, Manalapan, New Jersey, from December 2011 – July 2019. Mr. Klein served as: (i) President of Max Transformation of East Brunswick, LLP located in Matawan, New Jersey from July 2012 through February 2013; (ii) President of Max Transformation of East Windsor, LLP located in East Windsor, New Jersey from September 2012 through February 2013; and (iii) President of Max Transformation of Matawan, LLP located in Matawan, New Jersey, from November 2012 through February 2013. Between 1989 and May 2012, Mr. Klein was President of United TaeKwonDo Academy, located at 285 Gordons Corner Road, Manalapan, New Jersey, which offered the ten-week fitness program and provided other martial arts and fitness services to individuals in Central New Jersey. Mr. Klein has been involved in the fitness industry for over thirty years.

President: Lance Farrell

Mr. Farrell is the President of Fit Franchise Brands, LLC, a role he has held since January of 2024. Mr. Farrell is currently based out of Waukee, Iowa. Before the FXB Acquisition, Mr. Farrell served as the founder and CEO of Farrell's eXtreme Bodyshaping, Inc. from September of 2001. He was previously based out of Urbandale, Iowa.

Director of Operations: Natalie Belford

Ms. Belford is the Director of Operations for Fit Franchise Brands, LLC, a role she has held since August of 2019. Ms. Belford is based out of Manalapan, New Jersey.

Director of Franchisee Success: Hayley Guerra

Ms. Guerra currently serves as the Director of Franchisee Success. Between January 2019 and September 2020, Hayley served as the Director of Marketing. Ms. Guerra previously was the Marketing & Sales Coordinator for Electro-America, Inc. from 2012 through 2017 in Union, New Jersey.

Director of Franchisee Support: Tony Ferrao

Mr. Ferrao currently serves as our Director of Franchisee Support, a role he assumed in June of 2024. Prior to joining us, he was the Director of Operations for Family First MA, LLC in Westborough, MA from September of 2023 through April of 2024. Before that time, he was a Director of Franchisee Support for Get In Shape Franchise, Inc. based out of Needham, MA (from April of 2016 through July of 2023) and for Stretch Med Franchise, Inc. based out of Wellesley, MA (from September 2019 through July of 2023).

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee

If you are granted the right to operate a Studio, you must pay an initial franchise fee in a lump sum of \$40,000 upon signing the Franchise Agreement. If you subsequently enter into one or more additional Franchise Agreements for the development and operation of additional Studios, the initial franchise fee for your second Studio will be reduced to \$33,500 and the initial franchise fee for your third Studio will be reduced to \$30,250.

All initial franchise fees payable to us are uniform and there are no refunds of any initial franchise fee under any circumstances.

Training Fee

You must pay a Training Fee in a lump sum of \$15,000 upon signing the Franchise Agreement.

If you sign multiple Franchise Agreements for Studios simultaneously, you will only be required to pay one Training Fee in the amount of \$15,000 at the time of signing (and not \$15,000 per Franchise Agreement signed). The Training Fee is payable to us is uniform and there are no refunds of any portion of the Training Fee under any circumstances.

Development Fee

If you are granted the opportunity to enter into an Area Development Agreement, as disclosed in Item 1, you and we will mutually agree on an area to be defined in the Area Development Agreement as the "Development Area." The Area Development Agreement will specify the total number of Studios you are required to open and operate in the Development Area. When you sign the Area Development Agreement that requires the development of three Studios, you will pay us a Development Fee equal to \$40,000 for your first Studio, plus \$33,500 for the second Studio, and \$30,250 for the third and each additional Studio you are required to develop under the Development Agreement. You will also pay us the Training Fee in the amount of \$15,000 at the time you sign the Area Development Agreement. You (or your approved affiliate) will sign our then-current Franchise Agreement for each Studio you are obligated to open under the Development Agreement. You will not be required to pay any initial franchise fee or training fee under the Franchise Agreement for the Studios you open under the Development Agreement.

[The remainder of this page is intentionally left blank.]

ITEM 6

OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS						
Royalty Fee <i>See Note 1</i>	<p>The Greater of 7.5% of gross revenues or the Monthly Minimum Royalty Fee in accordance with the following schedule:</p> <p>Minimum Monthly Royalty Fee Schedule:</p> <table border="1" data-bbox="440 684 764 926"> <thead> <tr> <th data-bbox="440 684 602 856">During Months*</th> <th data-bbox="602 684 764 856">Monthly Minimum Royalty Fee (per month)</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 856 602 890">1-12</td> <td data-bbox="602 856 764 890">\$600</td> </tr> <tr> <td data-bbox="440 890 602 926">12-120</td> <td data-bbox="602 890 764 926">\$1100</td> </tr> </tbody> </table>	During Months*	Monthly Minimum Royalty Fee (per month)	1-12	\$600	12-120	\$1100	Payable monthly via EFT (see Remarks for details on payment) based upon the gross revenues for the prior month.	<p>Currently, all payments are processed through an electronic funds transfer system (“EFT”). Under this system a third party service provider receives all payments made to your franchised business. The service provider credits to your bank account all payments made to the service provider, less a total of 9% of gross revenues (7.5% for the royalty fee and 1.5% for the National Brand Fund Fee), on a weekly basis. The 9% is retained by the service provider and paid to us at the end of each month. If the 7.5% retained for the royalty fee does not cover your Minimum Monthly Royalty Fee payment (as determined in accordance with the Minimum Monthly Royalty Fee Schedule), you must pay us the difference immediately.</p> <p>*Your obligation to begin paying monthly royalties, including minimum monthly royalties, begins at the earlier to occur of (a) the Start Date specified in the Franchise Agreement; or (b) the day Your Studio begins Enrollment. The months set forth on the Schedule to the left shall coincide with the earlier of (a) or (b) in the preceding sentence. Your Monthly Minimum Royalty Fee during any renewal term may differ in accordance with then-current minimums for renewal franchisees and, in no event, shall be less than \$1,100.</p>
During Months*	Monthly Minimum Royalty Fee (per month)								
1-12	\$600								
12-120	\$1100								

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
National Brand Fund Fee	1.5% of gross revenues or \$200 per month, whichever is greater, payable as directed	Upon commencement of operations, payable monthly, based on the gross revenues of the preceding month.	You must pay a National Brand Fund Fee equal to the greater of 1.5% of gross revenues or \$200 per month to the Fund, as we designate, in the manner we designate. The National Brand Fund Fee is currently collected and paid as disclosed in the remarks to the royalty fee payment in the first row of this chart. If an advertising cooperative is formed in your area and you are required to participate, you may be required to pay up to 1.5% of gross revenues to the cooperative. All payments made to the cooperative will be credited against your National Brand Fund Fee obligations. As of the date of this Disclosure Document, there are advertising cooperative or franchisor-owned outlets; accordingly, franchisor owned outlets would not control the voting power of any advertising cooperative (if formed).
Local Advertising Deficiency Fee <i>[Note, this fee is only payable if you fail to comply with your local advertising expenditure requirements.]</i>	5% of gross revenues per month or \$2,000 per month, whichever is greater, payable to us only if we impose the fee after you fail to meet your local advertising expenditure requirements under your Franchise Agreement.	Monthly expenditure required if you fail to meet your required individual local franchise advertising requirements	The Local Advertising Fee will only be imposed if we elect to charge the fee after you fail to comply with the Individual Local Franchise Advertising requirement. Local Advertising Fees will be spent on advertising for Your Studio.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Technology and Support Services Fee	Then-current fee; Currently \$599 per month	EFT payable monthly	You must pay us a Technology and Support Services Fee to be used, at our discretion, for technology and support related purposes as we determine in our discretion. As of the issuance date hereof, the technology and support services fee will cover club management software (currently, ClubReady), a social media management platform, your location's website, your internal document management system, and your internal training platform. . We may make additions, deletions and modifications to the technologies, services and support covered by this fee at any time in our sole discretion. This fee is paid one month in advance and payment will begin when you open. In the event that we outsource these services to a third party, we reserve the right to bill you for these services individually or in the aggregate as part of the Technology and Support Services Fee in our sole discretion.
Bookkeeping fee	\$325 per month	EFT payable monthly	Due and Payable via EFT at onset of Pre-Sales period.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
ENE Fee	Then-current fee; currently, \$750/month	EFT payable monthly	You must pay us an ENE Fee; in exchange for this fee, we will provide you with digital marketing management services by which our in-house marketing agency manages your digital marketing needs in accordance with a budget you determine. Digital marketing costs incurred will be invoiced separately as an additional charge. We reserve the right to make changes to, or discontinue, our ENE services at any time. This fee is paid monthly and payment will be structured as follows: \$500 due upon execution of your franchise agreement, \$750 (or the then-current fee) due upon lease execution, \$750 (or the then-current fee) each month thereafter.
Additional Initial Training Fee	\$500 per person	One week prior to beginning training. Non-refundable, but any unused fees can be applied to future training.	If a franchisee desires to bring more than two individuals to initial training, it may do so provided that it must pay us the “Additional Initial Training Fee”. In the event that any required trainee fails to complete initial training to our satisfaction, we reserve the right to require such trainee to undergo additional training and will charge you the “Additional Initial Training Fee”. You shall also be responsible to pay for any travel and living expenses for you or your employees to travel to our training facilities or for our trainer to travel to you.
Annual Mandatory Conferences & Continuing Education <i>See Note 2</i>	Currently \$0, but we reserve the right to charge you a fee equal to our costs plus fifteen percent (15%)	One week prior to attending the annual conference. Non-refundable.	We reserve the right to hold annual, mandatory conferences and continuing education. If we hold an annual conference, or mandate continuing education, you must attend.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Optional Franchisee Support & Training	Our then-current rates; currently, ranging from \$80/hour to \$500/day depending on the nature of the services requested plus reimbursement of direct costs	30 days after billing.	In the event that a franchisee seeks additional training for itself or its team members during the term of the agreement, franchisee may select from various additional training and support modules that we offer; such opportunities and pricing is set forth in the Manual.
Transfer Fee	\$20,000	Prior to consummation of transfer.	<p>If you wish to effectuate a Transfer, you must pay us a transfer fee of \$20,000.</p> <p>No fee charged for a one time transfer from individual(s) to a corporate entity wholly owned and controlled by such individual(s) and formed for convenience of ownership during the 8 month period after the date you sign the franchise agreement. If the transfer from individual(s) to an entity takes place after the 8 month period, you must pay us an assignment fee of \$2,000.</p>
Transfer Brokerage Fee	20% of the sale price	Upon sale of the franchise	This fee only applies if we locate a purchaser for your Studio.
Renewal Fee	Then-current renewal fee, currently \$20,000, non-refundable	Upon renewal of franchise.	Fee payable to us.
Holdover Royalty Fee	Then-current royalty payment.	Upon failure to execute successor franchise agreement upon expiration of the initial term.	If the initial term of your franchise agreement expires and you fail to execute a successor franchise agreement but continue to operate the franchised business, we will extend the initial franchise agreement on the same terms on a month to month basis until a successor franchise agreement is signed; however, for our inconvenience, we will also assess a Holdover Royalty Fee. The Holdover Royalty Fee will be equal to 1 x the then-current Royalty Fee due to us.. The Holdover Royalty Fee will be in addition to your regular Royalty

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			Fee, so you will, in effect, be paying double the amount of royalties to us until such time that you execute a successor franchise agreement or cease operating the franchised business.
Audit	Cost of audit	30 days after billing if there is a discrepancy of 2% or more with respect to the reporting of gross sales.	Fees will be payable to us to reimburse auditor, will be imposed & collected by us, and will be non-refundable. Fees will vary depending on the cost of the audit.
Interest on Past Due Amounts	12% per year or the highest amount allowed by applicable law, whichever is less	Upon invoice.	Charges will be uniformly imposed on a state-by-state basis in conformance with applicable state laws regulating interest rates.
Costs and Attorneys' Fees	Total amount of our costs and expenses.	Upon demand.	You are obligated to reimburse us for all costs and expenses, including attorneys' fees, expert witness fees, court costs, discovery costs, and costs on appeal, we incur in obtaining injunctive or other relief for the enforcement of the Franchise Agreement.
Alternative Supplier Request Fee	Currently \$0; up to \$500 plus all costs we incur	Upon submission of alternative supplier request	If you request our permission to use an alternative product or supplier, you must submit an alternative supplier request in writing. You must reimburse us for all costs we incur, including but not limited to product and supplier testing, visiting the facility. You must pay the alternative supplier fee set forth in the manual, which may be up to \$500.
Trainer and Designated Manager Assistance Fee	Currently \$2,500 for each request you submit to us	Upon submission of request	If you request our assistance in locating potential Designated Managers or a Trainer for your Studio, we will charge you a fee. You are not obligated to use this service.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Indemnification	Total losses and expenses incurred by us and our affiliates	As incurred.	You must indemnify and hold us and our affiliates harmless in any and all actions arising out of or resulting from the development, opening or operation of your Studio. These amounts include all losses, damages, costs and expenses we incur including but not limited to any judgments against us as a result of any act or omission by you.
Non-Compliance Fees	Up to \$500 per incident	Upon demand	If you fail to comply with any of your obligations under the Franchise Agreement, and we issue you a notice of default (each a “Default Notice”), in addition to any other right and remedy we may have under the Franchise Agreement and applicable law, we have the right to assess a Non-Compliance Fee, which, if assessed, will be due and payable to us immediately upon your receipt of the Default Notice.
Taxes	You must reimburse us for any taxes, fees or assessments imposed on us for acting as franchisor or licensing the Marks.	Within 15 days of receipt of invoice.	
Liquidated Damages	An amount equal to the aggregate Royalty Fees and other Continuing Monthly Fees, due to us during the 36 month period immediately preceding termination	Upon termination if your Franchise Agreement is terminated as a result of your default	If the Franchise Agreement is terminated as a result of a default by you, prior to the expiration of the Term, you must pay us liquidated damages in an amount equal to the aggregate Royalty Fees and Other Continuing Monthly Fees as defined in the Franchise Agreement (such as the National Brand Fund, Tech and Support Services Fee, ENE Fee, Customer Service Fee and Bookkeeping Fee) accrued under your Franchise Agreement during the 36 full calendar months during which your Studio was open and operating immediately before the termination date. If the Studio has not been open and operating for at least 36 months before the

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			<p>termination date, liquidated damages shall be equal to (x) the average monthly Royalty Fees and Other Continuing Monthly Fees owed under the Franchise Agreement for all months during which the Studio was open and operating, multiplied by (y) 36.</p>
<p>Relocation/Franchisee Initiated Renovation Support & Approval Fee</p>	<p>\$2,500</p>	<p>Immediately upon receipt of our approval of your request</p>	<p>If you wish to relocate your Studio (subject to your compliance with the conditions and requirements in your Franchise Agreement), or if you wish to renovate your Studio during the term (other than a renovation we are requiring you to complete under your Franchise Agreement), you must pay to us a relocation/franchisee initiated renovation approval fee of \$2,500. This fee is assessed and due to us if we approve your request, payable immediately upon your receipt of our approval. This fee is non-refundable upon payment.</p>
<p>Unapproved Product, Service or Vendor Penalty Fee</p>	<p>Then-current rate; Currently, \$250 per day until violation stops</p>	<p>Fees are to be paid via EFT immediately.</p>	<p>You must only sell products and services that have been approved by us. Further, if we designate a required vendor for any product, equipment, supply, service or otherwise, you must use only that vendor. If you sell unapproved products or services, or purchase from unapproved vendors, we will provide you with notice and, for your first violation only, provide you with seven days to cure your violation. If you fail to cure the violation within seven days from the date of our notice to you, we will charge you the Unapproved Product, Service or Vendor Penalty Fee for each violation for each day that the violation continues. Upon your second and any subsequent Unapproved Product or Vendor violation, we will assess the Unapproved Product or Vendor</p>

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			Penalty Fee without first providing you seven days to cure the violation.

GENERAL: Unless otherwise stated, all fees are imposed by, paid to and collected by us and are non-refundable. Except as otherwise disclosed in this Item, for all franchises offered pursuant to this disclosure document, all fees described in this Item 6 are uniformly imposed, however, in some circumstances under which we deem appropriate, we reserve the right to waive or reduce some or all of these fees for a particular franchisee. We require that all fees payable to us be paid through an electronic funds transfer, including automatic debits from your bank account(s), unless we specify otherwise.

Notes:

1. “Gross Sales” and “gross revenues” defined herein means the total amount of all revenue derived from operating the franchised business, including, but not limited to, all revenues received by You and Your Related Parties for all services and sales, including new and legacy member enrollment, member dues, and any other goods or services sold during the course of operating the franchise, including but not limited to cash, check, credit card, rewards bucks, barter or trade, in whole or in part, excluding any amounts collected for state and local sales taxes from the Studio or in connection with the Trade Name or Marks, within an accounting period

Your obligation to begin paying monthly royalties begins at the earlier to occur of (a) the Start Date specified in the Franchise Agreement; or (b) the day Your Studio begins Enrollment. This means royalties may be due before the franchised business begins classes.

You must use the commercial billing service and its supplied computer program as we designate to process member enrollment, dues, payments, activity and other fees. You must instruct and authorize the commercial billing service to credit to our bank account the applicable royalty percentage and for all similar continuing monthly fees s. All credits to us for amounts billed or received during each month are to be credited to us on or about the 5th day of each month for the preceding month, unless we designate a different day. We reserve the right to modify the manner and method through which you must pay your Royalty Fees, National Brand Fund Fees, Continuing Fees and other fees due to us under the Franchise Agreement at any time upon notice to you. You are required to immediately comply with all changes.

You must also allow the commercial billing service to allow us to access and review all of your records relating to your Studio operations, including your database and receivables.

We reserve the right to, in writing, approve granting franchises with lower royalty fees in certain limited circumstances. Before varying from standard fees, we will take into account many factors, including prior experience and financial capabilities. We may offer incentives in new or developing markets. Incentives may be offered to new and/or existing franchisees. We anticipate that any reduced fees will only apply to franchisees who are in compliance with all of our agreements and requirements. We are not currently offering an incentive program, but may do so in the future. We reserve the right to cancel or modify any future incentive program we may offer. You will not be entitled to receive the benefits of any such incentive programs unless agreed by us in writing.

Prior to any renewal term of your franchise agreement, we will provide you with a new Monthly Minimum Royalty Fee Schedule. Your Monthly Minimum Royalty Fee for any renewal term will not be less than the Monthly Minimum Royalty Fee that set forth in the Monthly Minimum Royalty Fee Schedule for months 12 through 120 (currently, \$1,100). We reserve the right to determine the Monthly Minimum Royalty Fee Schedule for any renewal or successor term in our sole discretion .

Please note that Monthly Minimum Royalty Fee Schedule does not represent a financial performance representation by us and do not, in any way, indicate the amount of revenue that your Studio may earn.

If any federal, state, or local tax other than an income tax is imposed upon the Royalty Fees paid by you to us which we cannot directly and, dollar for dollar, offset against taxes required to be paid by us under applicable federal or state laws, you must compensate us in the manner prescribed by us so that the net amount of the Royalty Fees paid to us is not less than that the dollar amounts of the Royalty Fees under the Franchise Agreement.

2. You are responsible for your own travel and living expenses related to any training, and for the travel and living expenses for any of our trainers required to travel to your site for training purposes. The cost of the trainers’ travel and living expenses varies depending on the distance from our headquarters to your site.

We may, from time to time, require continuing education that is charged at cost plus an administrative fee of up to fifteen percent (15%) of our costs (see Sections 6.6 and 6.7 of the Franchise Agreement for more information on this requirement).

Additionally, we may hold periodic conferences to discuss sales techniques, personal and group training, motivational speaking, nutrition, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures to improve and develop the franchised business. In the event that such conferences are held, there is no conference fee at this time, but you must pay all your travel and living expenses related to your attendance at the conference. We do, however, reserve the right in our discretion to charge a fee for the conference of up to 15% of the cost of the conference. These conferences will be held at a location chosen by us. Attendance is mandatory.

ITEM 7

ESTIMATED INITIAL INVESTMENT

TABLE 1

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee <i>Note 1</i>	\$40,000	Lump Sum	Total due upon signing of Franchise Agreement.	Us.
Training Fee <i>Note 1</i>	\$15,000	Lump Sum	Total due upon signing of Franchise Agreement	Us
Opening Advertising- Enrollment /First Three Months Local Advertising Expenditures <i>Note 2</i>	\$27,000	As Incurred	Before opening, and during the three month period after opening.	Approved Third Party Suppliers of advertising materials.

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Computer Equipment; <i>Note 3</i>	\$6,000- \$7,500	Leased or Financed	Before beginning business.	Approved Third Party Computer Equipment providers.
Pre-Registration Office <i>Note 2</i>	\$0 to \$5,000	As incurred, as required	When premises is secured.	Third Parties.
Grand Opening and Initial Inventory <i>Note 4</i>	\$3,728 - \$4,728	Lump Sum	Before beginning business.	Approved Third Party Supplier.
Insurance <i>Note 5</i>	\$500 - \$2,000	As Incurred, as required	Down payment before opening of business; 10 subsequent payments due in monthly installments.	Insurance Company; State Agency; Governmental Authorities.
Signage	\$6,000 - \$18,000	Lump Sum	Before beginning business.	Approved Third Party Signage Company.
Equipment and Furnishings <i>Note 6</i>	\$23,100 - \$38,250	Bank loan or Lease	Before beginning business.	Approved Third Party Suppliers.
Prepaid Rent and Security Deposit <i>Note 7</i>	\$4,500 - \$20,000	As Incurred	Before beginning business.	Per agreement with landlord.
Leasehold Improvements/Fit out <i>Note 7</i>	\$7,500 - \$115,000	As Incurred or Amortized	Before beginning business.	Various approved contractors/suppliers.
Utility Deposits	\$1,000 to \$2,000	Lump Sum	Before beginning business.	Landlord and/or utility companies.
Licenses and Permits; Fictitious Name Registration and/or Incorporation and Legal Review <i>Note 8</i>	\$1,500 to \$5,000	Lump Sum	Before beginning business.	Attorney and Governmental Authorities as required.

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Training; Travel, Lodging, Meals, etc. for Initial Training <i>Note 9</i>	\$200 to \$5,000	As Incurred	Before beginning business.	Us; Hotels, restaurants, airlines, etc. (as needed).
Additional Funds <i>Note 11</i>	\$15,000 - \$45,000	As incurred	As incurred.	Utility companies, advertising companies, employees, government tax authorities, and various suppliers as needed.
TOTAL <i>Note 11</i>	\$151,028 to \$349,478			

GENERAL NOTE: The Franchisor does not offer financing for any part of the Initial Investment.

Notes to Table 1:

1. The Initial Franchise Fee for a Studio is \$40,000 and the Training Fee is \$15,000. The Initial Franchise Fee and Training Fee are due and payable in full when you sign the Franchise Agreement and are non-refundable under any circumstances. See Item 5 for more details regarding the Initial Franchise Fee and Training Fee.

2. You are required to expend at least \$15,000 during the period leading up to the opening of your Studio to conduct grand opening advertising and marketing (the “Pre-Opening Advertising Expenditure”), including on local search engine optimization. During the period leading up to the opening of your Studio, you will be required to begin enrolling members for your Studio. You may conduct pre-opening membership enrollment from a temporary office space located at or near your Studio location. You may incur rent and other costs associated with pre-opening registration and enrollment activities. As disclosed in Item 11, in addition to the Pre-Opening Advertising Expenditure, you are required to expend at least \$36,000 on local advertising, marketing and search engine optimization during your first year of operations (the “First Year Marketing Expenditure”) as follows: (a) you must spend no less than \$24,000 during the first six (6) months of operations; and (b) you must spend no less than \$2,000 per month for the seventh through the twelve month of operations. The estimate in the above table only includes expenditures through your third month of operation, that is, \$4,000 per month for each of the three months.

Pre-Registration Office is optional. If you do not use a Pre-Registration Office, there will be no cost.

If you acquire an existing Studio from a System franchisee, you are not required to expend the Pre-Opening Advertising Expenditure, however, we require you to spend \$15,000 in marketing during the 90-day period commencing on the effective date of the transfer of the franchise to you.

Platform costs (such as, but not limited to, ENE, SOCi and Twilio) do not count towards your Pre-Opening Advertising Expenditure, First Year Marketing Expenditure or continuing Local Advertising Requirement.

3. Most Studios have 2 computers. The Computer System includes the components disclosed in Item 11 including QuickBooks, Microsoft Office, Windows, a scanner, record keeping/support, a card processor, and a signature pad.

4. As of the issuance date of this Disclosure Document, we require you to purchase the Grand Opening Package and certain minimum initial inventory from our designated suppliers. The fees due for the Grand Opening Package are non-refundable upon payment.

5. You must, at all times, maintain insurance as prescribed by law, and you must maintain the minimum insurance requirements listed below:

A. If you have employees, you must maintain worker's compensation policies which, at a minimum, include Voluntary Compensation, and provide:

\$500,000	Per Accident
\$500,000	Disease Per Employee
\$500,000	Disease Policy Limit

B. Special Form Property Insurance for all equipment, supplies, extended coverage for theft, vandalism and malicious mischief for all equipment, supplies and other property used in the operation of the fitness center (of not less than 100% of the replacement value of the same, except that an appropriate deductible clause will be permitted);

C. Business interruption insurance;

D. Employment Related Practices Insurance (inclusive of 3rd Party Coverage) including, but not limited to, \$500,000 per occurrence for each of the following: Sexual Harassment, Wrongful Termination, Discrimination, or Wrongful Failure to Employ or Promote; and

E. Comprehensive general liability insurance and product liability insurance coverage in such amounts and upon such terms as may from time to time be customary for a fitness business located in your Approved Territory, but not less than:

Commercial General Liability*	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Products/Completed Operation	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Personal/Advertising Injury	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Professional Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Sexual abuse/molestation	\$100,000 per occurrence/ \$200,000 aggregate
Hired/non-owned auto	\$1,000,000 per occurrence/ \$2,000,000 aggregate

*Your General Liability Insurance must expressly cover athletic participation, nutritional products, nutritional counseling, and/or martial arts.

All insurance policies must insure both you and us (including our parents, subsidiaries, affiliates, and their successors and assigns) against all claims, suits, obligations, liabilities and damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of your Studio. All insurance policies must be maintained with companies financially rated A- or better. If you are using the space for your Studio to conduct another fitness business of any kind, you must provide proof of insurance for all of your other businesses doing business at the Approved Location to us.

We recommend, but do not require, that You obtain Umbrella Policy Coverage as follows:

1 to 3 Studio Locations	\$1,000,000 per occurrence
3 to 4 Studio Locations	\$2,000,000 per occurrence
5 or more Studios	\$5,000,000 per occurrence

You must also provide certificates of insurance evidencing your insurance coverage in compliance with these minimums before your facility opens for business, and each year when your policy renews.

6. A typical Studio contains soft rubber mat flooring, at least one mirrored wall, 2 ceiling fans, portable fitness equipment such as resistance bands and other similar equipment, an audio system, an AED device, WaveMasters. We recommend pre-ordering equipment 6-8 weeks before the planned opening date to allow sufficient time for delivery and installation. A list of the typical equipment you will buy is included in the Operations Manual. Other furnishings include basic office furniture and equipment, such as a desk, chairs, a fax machine, telephones, etc., water cooler, merchandise display, TV waiting area, CR Equipment, camera system, and a reception counter. Each item addressed in this Note 6 is included in the range of costs in the Table for Equipment & Furnishings.

7. The construction, leasehold improvements and real estate rental fees vary depending on a number of factors including the size, location, existing leasehold improvements and costs of construction in the area of your Studio. These costs will vary based on building size, configuration and condition of the premises, material costs, construction costs, labor costs, installation costs, geographic location, requirements imposed by government and distance from suppliers. Payments for building or leasehold improvements are made to third party contractors and suppliers not related to us. Payments to these contractors and suppliers are typically made as the services are received or when the stages of work are completed. These payments are usually not refundable. Real estate/space development costs vary considerably. Your costs can be higher depending on the site and code requirements, and other factors. The cost of the leasehold improvements is also dependent on the condition of the leasehold site when you (the tenant) take possession and/or how much the landlord’s contribution to leasehold improvements may be, and this varies from location to location. Some landlords may agree to do “rough plumbing,” or sheetrock all the exterior walls (vanilla box). In that case, the additional leasehold improvements that you would be paying for, at a minimum, would be as follows:

- Two handicapped accessible restrooms (if required by local or state law or ordinance)
- Rubber mat flooring throughout exercise areas.
- Construction of the front desk/reception area.
- Construction of work out area.
- Construction of 1 room of at least 100 square feet to be used as an office. (depending on your total square footage)

The estimated costs of construction and outfitting for a new Studio are based on a model build-out of approximately 2,500 square feet. All new sites must be a minimum of 1,700 square feet. You may not operate a Studio in a site less than 1,700 square feet without our prior written consent. The estimate in the Table includes estimates for mirrors, fans, paint, pole wraps, cubbies/benches/storage for members, architect fees, hard construction costs and soundproofing.

8. You are responsible for obtaining all necessary permits required for the development, opening and operation of your Studio. The costs for permitting vary from location to location. You may also incur legal fees and related costs in connection with your investment in the franchised opportunity.

9. Training for up to two people is included in the Training Fee. Additional persons may attend initial training for a \$500 per person fee. The Training Fee does not include expenses that you may incur to attend training (travel, lodging, meals, etc.); you are responsible for your own expenses and those of your employees who attend Initial Training.

10. The “Additional Funds” category includes estimated start-up costs, such as payroll, utilities and advertising, calculated for a period of three (3) months, with additional operating capital to be available as may be needed during the initial phase. These

expenses do not include owner's salary or draw. We cannot and do not estimate when or whether any franchisee will achieve a positive cash flow or profits during this period, or any period. These estimates were determined by experience of the Franchisor, franchisees, and industry norms and trends.

11. This chart provides estimates of your initial start-up expenses and does not include ongoing marketing and advertising expenses or percentage rent payable under the terms of your lease. Depending on the size of the Studio, these estimates may vary. These figures are estimates only based upon limited historical operating data reported to us by franchisees as well as our affiliate's experience operating similar fitness centers.

TABLE 2

AREA DEVELOPMENT AGREEMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development Fee (Note 1)	\$103,750 <i>[if you sign an Area Development Agreement for three Studios.]</i>	Lump Sum	At the Signing of the Development Agreement	Us
Training Fee (Note 1)	\$15,000 <i>[if you sign an Area Development Agreement for three Studios.]</i>	Lump	At the Signing of the Development Agreement	Us
Initial Investment for your first Studio to be developed under the Development Agreement (Note 2)	\$96,028 - \$294,478 <i>[The initial investment range disclosed in Table 1 for the first Studio Developer is obligated to open under the Development Agreement, less the \$40,000 initial franchise fee and the Training Fee disclosed in Table 1.]</i>	See Item 7 Chart above for Franchise Agreement	See Item 7 Chart above for Franchise Agreement	See Item 7 Chart above for Franchise Agreement
TOTAL (Notes 1 & 2)	\$214,778 - \$413,228 <i>[Total Amount includes an Area Development Agreement for three Studios, Training Fee and the Initial Investment for your first Studio.]</i>			

Notes.

Note 1. If you are granted the opportunity to enter into an Area Development Agreement, as disclosed in Item 1, you and we will mutually agree on an area to be defined in the Area Development Agreement as the “Development Area.” The Development Agreement will specify the number of Studios you are required to open under the Development Agreement (the “Development Area Studios”), with a minimum of three Studios. The Development Fee you will pay to us under the Development Agreement will be equal to \$40,000 for your first Studio, plus \$33,500 for the second Studio, and \$30,250 for the third and each additional Studio you are required to develop under the Development Agreement.. You will also pay us Training Fee in the amount of \$15,000 at the time you sign the Area Development Agreement; the Training Fee will cover all of the Studios you are required to open under the Development Agreement. You (or your approved affiliate) will sign our then-current Franchise Agreement for each Studio you are obligated to open under the Development Agreement. You will not be required to pay any initial franchise fee or training fee under the Franchise Agreement for the Studios you are obligated to open under the Development Agreement. If you are unable to open the Studios you are obligated to open under the Development Agreement, or if the Development Agreement is terminated for any reason, you will not receive any refund of any portion of the Development Fee or any training fees.

Note 2. As set forth above in Table 3, the Initial Investment estimate for the first Studio to be developed under a Development Agreement was derived from the Total Estimated Initial Investment range set forth above in Table 1, less the initial franchise fee of \$40,000 and the training fee of \$15,000); the Initial Investment estimate set forth in Table 3 will apply to each Studio you are obligated to open and operate under the Area Development Agreement. Table 3 includes the estimated initial investment range for the first Studio you are obligated to open. You will incur initial investment expenses for each Studio you are required to open and operate under the Area Development Agreement. These expenses may increase over time.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have spent considerable time, effort and financial resources to develop the System. We have established standards and specifications for most of the services, products and goods used in and offered through your franchised business. The System is subject to modification, change and improvement going forward. You must conform to our System standards, including high standards of service, quality, safety, and cleanliness. We anticipate that our standards will change over time. You must adhere to these changes. You may incur increased costs and expenses to comply with these changes, at your own expense; however, no change will materially alter your fundamental rights under the Franchise Agreement. Our requirements are critical to assure the quality, safety and consistency of the services provided by Studios in the System, and to protect and enhance the image of the Marks and the System.

Our standards and specifications may be communicated to you through our confidential operations manual and various other confidential manuals and/or written materials relating to operation of Studios (collectively, the “Manual”), all of which may be changed by us at any time in the future and all of which may be housed in our online portal instead of in print form. The Manual may include, among other things, specifications relating to required services, customer service techniques, and issues and procedures related to brand uniformity and brand protection.

You must, at your expense, construct, improve and operate your Studio under the System and in accordance with our standards and specifications, as set forth in our Manual and other publications or written materials we issue from time to time. You must, at your expense, purchase or lease, install and use, among other things, all fixtures, signage, furnishings, improvements, supplies, other products and equipment (including computer and fitness equipment, inventory, uniforms, signage, point of sale, and computer hardware and software), décor items, related items and services we require, all of which must conform to the Manual and our standards, specifications and other publications or written materials we issue from time to time. You may not install or permit to be installed at the Studio any fixtures, furnishings, equipment, décor items, signs, games, or other items that we have not designated without our prior written consent.

You must operate the Studio in accordance with the Manual and our standards, specifications, and other publications or written materials we issue. You must offer all services and products we designate through your Studio (“Studio Services and Products”). You may not offer any products or service that we have not specifically designated or approved without first obtaining our written consent. You must discontinue offering for sale any items, products and/or services we disapprove, which we have the right to do at any time. If we institute a restrictive sourcing program (which we have already done for certain items, as noted above) you must use the vendors we designate. If you offer products or services that we have not approved, or fail to use a vendor that we require, we will, after providing you with seven days to cure your violation, assess an Unapproved Product or Vendor Penalty Fee for each violation (see Item 6). You may not deviate from our standards and specifications in any way without obtaining our written consent first.

We have the right to, and expect to, supplement or modify the Manual and our standards, specifications and other publications we issue in our sole discretion, at any time. We will provide written notice to you of any changes.

System Modifications

We have the right to supplement, improve and otherwise change the System at any time, including in response to the opportunity to offer new services and products to customers of Studios operating under the System, the experience of franchised and affiliate-operated Studios over time and other factors. We will have full control and discretion over any of these developments and you must comply with all such requirements, including offering and selling new or different products or services specified by us.

Approved and Designated Suppliers

We have the absolute right to limit the suppliers with whom you may deal. We require you to purchase certain items, products, services, signs, furnishings, supplies, fixtures and equipment from us, or distributors we have approved (collectively, “suppliers”). You must purchase all goods, items, products and services required for the development and operation of the Studio from our approved or designated suppliers. We have the right to designate one supplier for any given item or service. We will provide you with a list of suppliers, which list may change over time. While the suppliers included on this list are currently mandated, approved and/or recommended, we reserve the right to change this list from time to time in our sole discretion. Notifications of changes to the approved suppliers list will be communicated to you through changes to the Operations Manual or other written communications, including via electronic mail. Approval of suppliers may be revoked upon written notice.

As of the issuance date of this Disclosure Document, you are only required to purchase certain technology and support services, in-house digital marketing services (“ENE”), and bookkeeping services from us or our affiliate;; however, we reserve the right, in our sole discretion, to designate ourselves or our affiliates as the sole approved supplier(s) for any other product, good or service that you are required to purchase at any time in future. We and our affiliates may make a profit and may derive material consideration on the sale of these products, goods or services to you, including through mark-ups, without limitation. You must purchase any such items in the quantities we designate. Except as disclosed in this Item 8, neither we, nor any person affiliated with us, are currently approved suppliers for any other required products or services. Other than these required purchases, as of the issuance date of this Disclosure Document, neither we nor any of our affiliates are currently approved suppliers, or sell or lease required products or services to you, but we and our affiliates reserve the right to become an approved or designated supplier for any item, product and/or service at any time in the future and we may derive revenue and other material benefits on account of your and/or System franchisee purchases.

We estimate that the cost of the equipment, software, forms, supplies, services, and goods for resale that must be purchased from designated or approved suppliers or in accordance with our specifications will represent between 90% and 100% of your total purchases in connection with the establishment of your business, and will represent between 5% and 10% of your ongoing expenses.

We may source certain branded services, products and /or items for the Studio and we may, but are not required to, develop private label and/or proprietary products, which may or may not bear our trademark. If and when they are developed, you must purchase these products from us or an approved or designated supplier.

Certain individuals listed in Item 2 of this Disclosure Document own an interest in the franchisor entity, and our affiliates, EEP Distribution, which entities are, as disclosed above, the suppliers of the products and services that must be purchased by franchisees described above. Except as disclosed in this Item, as of the issuance date of this Disclosure Document, there are no approved suppliers in which any of our officers or directors own an interest.

Additionally, we reserve the right to require you to promote and sell, from time to time and in our sole discretion, certain additional products or services directly to the members of your Studio; however, you (as the franchisee) will not be required to make purchases of this nature yourself. We likewise reserve the right to limit your ability to promote to your members other products or services at your Studio. The products or services that you may be required to promote to your members from time to time may be sold by our affiliated entities or by approved third parties.

Derived Revenue

We and/or our affiliates, may derive income, consideration, payments and other benefits on account of your purchase or lease of any products, services, supplies and/or other items from us or any supplier, including approved suppliers, and/or designated suppliers. This income may be derived in any form, including as a rebate from various suppliers based on the quantity of System franchisee purchases. We may use these benefits for any purpose we deem appropriate. We are not obligated to remit any benefits to you and reserve the right to retain all such benefits.

We or our Affiliates may charge a mark-up on products and/or services sold to you by us and/or our affiliates.

We and our affiliates may derive rebates and other benefits from certain purchases you make from approved suppliers. These amounts are subject to change without restriction. Certain designated suppliers rebate a percentage of sales or a flat amount to us.

As of the issuance date of this Disclosure Document, unaffiliated suppliers pay us rebates ranging anywhere from 5% to 25% of their revenue from franchisee purchases of certain items and services (including equipment, signage, flooring, apparel, telephone and payroll services). These amounts are subject to change. The designated suppliers are listed in the Manual.

Neither us nor our affiliated entities derived revenue on account of required franchisee purchases during our fiscal year ended December 31, 2023.

Except as disclosed in this Item, as of the issuance date of this Disclosure Document, we have not established any purchasing arrangements with designated suppliers and do not currently receive any payments on the basis of required franchisee purchases.

Purchases from Other Suppliers

If you want to purchase any products, services, goods, equipment or supplies from a supplier or distributor who is not on our approved list, you may request our approval of the supplier or distributor (except in instances where we have designated a sole supplier of any product, item, good, equipment, service or supplies), which we may grant or deny in our sole and absolute discretion. The proposed supplier's or distributor's product or service, as applicable, must conform in every respect to our designated standards and specifications, which may include the ability of the supplier to provide sufficient quantities of the product to the System. The supplier or distributor must also provide us with any information we request in order to analyze the supplier's or distributor's suitability, and the composition and conformity of the product to our standards. This evaluation may include a sampling of the product at either the supplier's/distributor's or our place of business, as we may designate. Where appropriate, we require the supplier or distributor to provide us with product liability insurance. All suppliers and distributors must agree to provide us with reports concerning all purchases by you or other franchisees. You or the supplier will be responsible for all costs and expenses we incur in the testing and approval process. There are no fees currently associated with seeking approval for alternative

suppliers; however, we reserve the right to charge a fee. We cannot predict with any certainty how long its evaluation will take, however, we attempt to complete our evaluation within 90 days. Upon the completion of our evaluation, we inform you of our approval or disapproval of your request. If we approve the supplier or distributor, the supplier or distributor is added to our approved list, however, our approval of a supplier or distributor relates only to the item or product line evaluated and specifically approved by us.

Our standards, specifications and other criteria for supplier or distributor approval have been developed by us, our affiliates, and/or or principals through the expenditure of extensive work and time and are considered confidential information. Therefore, we do not make our standards and specifications or our other criteria for supplier or distributor approval available to our franchisees or suppliers.

We may modify our specifications and standards for any item or revoke our approval of any supplier or distributor who fails to adhere to our quality standards or other requirements. We may limit the number of potential suppliers that we consider for approval and for some categories of products, we may designate a third party or ourselves as an exclusive supplier.

Purchasing Programs

We may establish national or regional purchasing programs for the purpose of negotiating purchases of certain products and/or services from approved or designated suppliers. The purchasing programs may (but are not required to) benefit you by reducing prices, increasing reliability in supply, improving distribution, establishing consistent pricing for reasonable periods to avoid market fluctuations. If a national and/or regional purchasing program is established for the region where your Studio is located, you must participate in the program. In the future, we intend to negotiate purchase arrangements with suppliers of products for the benefit of franchisees.

We do not guarantee the availability of independent sources of supply for any particular product or service required to establish or operate your Studio. We do not provide any material special benefits to franchisees for particular products or services or using designated suppliers.

Currently, there are no purchasing or distribution cooperatives.

Computer/POS System/Telephone Services

You must use our designated supplier for telephone services. You must purchase the computer and POS System we require. You must make reasonable upgrades or updates to your computer system at our request and at your own expense. See Item 11 for more details regarding computer hardware and software requirements.

Insurance

You must, at all times, maintain insurance as prescribed by law, and you must maintain the minimum insurance requirements set forth in the Manual. As of the issuance date of this disclosure document, the minimum requirements are as follows:

A. If you have employees, you must maintain worker's compensation policies which, at a minimum, include Voluntary Compensation, and provide:

\$500,000	Each Accident
\$500,000	Disease Per Employee
\$500,000	Disease Policy Limit

B. Special Form Property Insurance for all equipment, supplies, extended coverage for theft, vandalism and malicious mischief for all equipment, supplies and other property used in the operation of the fitness center (of not less than 100% of the replacement value of the same, except that an appropriate deductible clause will be permitted);

C. Business interruption insurance;

D. Employment Related Practices Insurance (inclusive of 3rd Party Coverage) including, but not limited to, \$500,000 per occurrence for each of the following: Sexual Harassment, Wrongful Termination, Discrimination, or Wrongful Failure to Employ or Promote; and

E. Comprehensive general liability insurance and product liability insurance coverage in such amounts and upon such terms as may from time to time be customary for a fitness business located in your Approved Territory, but not less than:

Commercial General Liability*	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Products/Completed Operation	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Personal/Advertising Injury	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Professional Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Sexual abuse/molestation	\$100,000 per occurrence/ \$200,000 aggregate
Hired/non-owned auto	\$1,000,000 per occurrence/ \$2,000,000 aggregate

*Your General Liability Insurance must expressly cover athletic participation, nutritional products, nutritional counseling, and/or martial arts.

All insurance policies must insure both you and us (including our parents, subsidiaries, affiliates, and their successors and assigns) against all claims, suits, obligations, liabilities and damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of your Studio. All insurance policies must be maintained with companies financially rated A- or better. If you are using the space for your Studio to conduct another fitness business of any kind, you must provide proof of insurance for all of your other businesses doing business at the Approved Location to us.

We recommend, but do not require, that You obtain Umbrella Policy Coverage as follows:

1 to 3 Studio Locations	\$1,000,000 per occurrence
3 to 4 Studio Locations	\$2,000,000 per occurrence
5 or more Studios	\$5,000,000 per occurrence

You must also provide certificates of insurance evidencing your insurance coverage in compliance with these minimums before your facility opens for business, and each year when your policy renews.

Pricing and Promotion Requirements

We reserve the right to require Studios in the System to offer certain services and/or products at prices not to exceed the prices we publish from time to time, subject to applicable laws. We also reserve the right to require Studios to offer all promotions we specify from time to time. We currently do not prohibit our franchisees from charging prices lower than our published prices for any service or item; however, we reserve the right to do so in the future, to the maximum extent allowed by applicable law. You may be required to promote and offer one or more awards, which may include free membership for a designated period of time and/or

monetary awards, to winners of each ten-week challenge and national challenge in accordance with the System specifications as communicated to you through the Manual or through other written communications we may issue from time to time. It is your obligation to ensure compliance with all applicable laws, rules and regulations in connection with the promotion, offer and issuance of each such award in connection with the operation of your Studio.

We do not provide any material benefits, such as renewal or granting of additional franchises, to you based on your purchase of a particular product or service or use of particular suppliers.

Area Development Agreement

Under the Area Development Agreement, you are required to find sites that meet our then-current standards and specification for each of the Studios you are obligated to open under the Area Development Agreement. You are not permitted to sign any lease agreement before you submit the agreement to us for our review and approval. We have the right to require you to incorporate certain terms and agreements with the lease for the Studio premises. We have the right to require you to use our designated site selection and real estate service providers at any time.

Except as stated in this Item 8, there are no goods, services, supplies, equipment, computer hardware and software or real estate which you must purchase or lease from us or our designee or from suppliers approved by us at this time.

[The remainder of this page is intentionally left blank.]

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
A. Site Selection and Acquisition/Lease	Sections 4.2, 4.3, 7.2	Items 11 & 12
B. Pre-Opening Purchase/Leases	Sections 4.2, 5, 7.2, 7.3	Items 5, 7 & 8
C. Site Development and other Pre-Opening Requirements	Sections 5.1, 5.2, 7.3	Item 11
D. Initial and Ongoing Training	Section 5.2, 5.3	Item 11
E. Opening	Section 7.3	Item 11
F. Fees	Section 6	Items 5, 6 & 7
G. Compliance with Standards and Policies/ Operations Manual	Section 5.4, 7.2, 7.3	Item 11
H. Trademarks and Proprietary Information	Section 7.1, 8.1, 8.4	Items 13 & 14
I. Restrictions on Products/Services Offered	Section 7.3.3	Items 8 & 16
J. Warranty and Customer Service Requirements	Section, 7.3.5	Not Applicable
K. Territorial Development and Sales Quotas	Section 3.2, 4.3	Item 12
L. Ongoing Product/Service Purchases	Section 5.6, 6.11	Item 16
M. Maintenance, Appearance and Remodeling Requirements	Section 4.6.2(e), 7.3.1, 7.3.6	Not Applicable
N. Insurance	Section 7.8	Item 8
O. Advertising	Section 5.5, 6.10, 7.1.3, 7.6	Item 11
P. Indemnification	Section 7.1.4, 8.5	Not Applicable

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
Q. Owner's Participation/Management/ Staffing	Section 7.5	Item 15
R. Records and Reports	Section 7.3.1(h), 7.3.4, 7.7.1,7.7.2	Not Applicable
S. Inspections and Audits	Section 6.5,7.3.1(i),7.3.4, 7.6.3	Not Applicable
T. Transfer	Section 9, 10.2.1	Item 17
U. Renewal	Section 4.6.2	Item 17
V. Post-Termination Obligations	Section 8.6.2, 10.3	Item 17
W. Non-Competition Covenants	Section 7.5,8.6,10.2.1(d and e	Item 17
X. Dispute Resolution	Sections 11.7, 11.8, 11.9, 11.10	Item 17
Y. Guarantee of Franchisee Obligations	Section 12.2, See Guaranty attached as Exhibit 5	Item 15

DEVELOPMENT AGREEMENT

OBLIGATION	SECTION IN DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
A. Site Selection and Acquisition/Lease	Section 3	Items 11 & 12
B. Pre-Opening Purchase/Leases	Section 3.2	Items 5, 7 & 8
C. Site Development and other Pre-Opening Requirements	Sections 1.2 3	Item 11
D. Initial and Ongoing Training	Not Applicable	Item 11
E. Opening	Section 1.2 and Exhibit A	Item 11
F. Fees	Section 2.1	Items 5, 6 & 7
G. Compliance with Standards and Policies/ Operations Manual	Background B	Item 11

OBLIGATION	SECTION IN DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
H. Trademarks and Proprietary Information	1.4	Items 13 & 14
I. Restrictions on Products/Services Offered	Background B	Items 8 & 16
J. Warranty and Customer Service Requirements	Not Applicable	Not Applicable
K. Territorial Development and Sales Quotas	Section 1.1 and Exhibit A	Item 12
L. Ongoing Product/Service Purchases	Not Applicable	Item 16
M. Maintenance, Appearance and Remodeling Requirements	Not Applicable	Not Applicable
N. Insurance	Not Applicable	Item 8
O. Advertising	Not Applicable	Item 11
P. Indemnification	Section 9.4	Not Applicable
Q. Owner's Participation/Management/ Staffing	Section 1.2.2	Item 15
R. Records and Reports	Not Applicable	Not Applicable
S. Inspections and Audits	Not Applicable	Not Applicable
T. Transfer	Section 6.2	Item 17
U. Renewal	Not Applicable	Item 17
V. Post-Termination Obligations	Section 7.1.2, Section 7.2, Section 7.3	Item 17
W. Non-Competition Covenants	Section 7.1	Item 17
X. Dispute Resolution	Section 8	Item 17
Y. Guarantee of Franchisee Obligations	See Guaranty	Item 15

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

[The remainder of this page is intentionally left blank.]

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Area Development Agreement

We have no obligation under the Area Development Agreement other than to (a) designate your Development Area, which is the area within which you must open and operate the designated number of Studios you are required to open under the Area Development Agreement; and (b) approve or disapprove of your proposed sites for each Studio you are required to open and operate under the Area Development Agreement within the thirty (30) day period after you provide to us the site report, application and all materials and information we require relating to the proposed site.

Pre-Opening Obligations

Before you open your Studio, we will:

1. Designate your Approved Territory. (Franchise Agreement Section 4.3)
2. Approve or disapprove the site you have selected for your Studio. You are responsible for compiling the information necessary for us to evaluate your site. Approval of any proposed site is based on the information you submit in a form sufficient to assess the location. We must approve or disapprove your site within 30 days after we receive notice of the location from you and a copy of the lease (if you are leasing new space). We may not withhold our approval unreasonably. The franchise may be operated from a retail strip mall type location of approximately 2,500 square feet. The size of your Studio may vary, but a typical Studio may not be less than 1,700 square feet or larger than 3,500 square feet without our prior written consent. (Franchise Agreement Section 4.2) We do not currently own sites for lease to you, nor do we select sites for you. We may offer guidance and assistance with the site selection and construction process, but we are under no contractual obligation to do so.
3. We will provide you with password-restricted access to our confidential Operations Manual online. (Section 5.4 of the Franchise Agreement) Our Operations Manual also includes a list of our approved suppliers. In addition, you may be provided with a password that will enable you to update your copy of the Operations Manual by downloading updates from our website. We expect to modify and update the Operations Manual from time to time, and, if updated or modified, you will be notified via email (provided by you on your potential franchise candidate profile) or another form of communication of such modifications and updates. (Franchise Agreement Section 5.4) The Operations Manual, and the information contained therein, is confidential and remains our property. (Franchise Agreement Section 7.3.2)
4. Provide you access to a sample layout and specifications for an existing Studio to guide you in furnishing and equipping your Studio. You will, at your own expense, tailor the plans and specifications provided by us for your individual use and will then submit the customized plans and specifications to us for written approval, which may not be unreasonably withheld. You pay for the re-fitting and all other costs of compliance and permits. (Franchise Agreement Sections 5.1, 7.3.1)
5. Train you and one other person as follows in the **Item 11** Training Program Table. (Franchise Agreement Section 5.2)

We may, but are not contractually required to provide any assistance to you in establishing pricing. We do not provide any signs, equipment, fixtures, opening inventory, or supplies to be used in connection with the operation of your Studio at this time, but we reserve the right to do so at any time in the future.

Area Development Agreement

If you sign an Area Development Agreement, you must: (a) find an approved location for each Studio you are obligated to open and enter into a valid and binding lease agreement on or before the “Lease Execution Deadline” identified in Exhibit A attached to the Area Development Agreement; and (b) open each Studio on or before the Opening Deadline identified in Exhibit A to the Development Agreement. If you sign an Area Development Agreement for the development of three (3) Studios, under your Development Schedule, you will be required to open the first Studio within twelve (12) months of the Effective Date, the second Studio within twenty-one (21) months of the Effective Date, and the third Studio within thirty (30) months of the Effective Date. As stated under the disclosures applicable to the Franchise Agreement, each proposed site must meet or then-current criteria, standards and specifications. We will approve or disapprove of a proposed site within the thirty (30) day period following our receipt of the site application package and all material we require to evaluate the proposed site. If we do not approve or disapprove the proposed site before the expiration of this thirty (30) day period, it will be deemed disapproved. We also reserve the right to require you to include the lease provisions disclosed under the Franchise Agreement disclosures. The site development, build-out and pre-opening obligations, as well as ongoing obligations for each of the Studios you are obligated to open under the Development Agreement are governed by the terms and conditions of the individual Franchise Agreement you sign for each Studio.

Obligations After Opening

During the operation of the franchised business, we will:

1. At our discretion, develop new services and methods and provide you with information about the development of services and methods. (Franchise Agreement Section 5.3)
2. We may hold periodic conferences to discuss sales techniques, the ten-week or national challenge, classroom management skills, self-improvement, nutrition, motivational speaking, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures to improve and develop the franchised business. In the event that such conferences are held, there is no conference fee, but you must pay all your travel and living expenses related to your attendance at the conference. We do, however, reserve the right to charge a fee for the conference at our discretion. These conferences will be held at a location chosen by us. Attendance is mandatory. (Franchise Agreement Section 5.2.3)

We are not obligated to provide any assistance to you during operation of the franchise in establishing prices.

Site Selection

You must locate, obtain and occupy the site for the Studio, on your own initiative and at your own expense. You must advise us in writing of the proposed Studio location. Our prior approval is required in writing. We will not unreasonably withhold approval of your site. The site must meet minimum demographic/geographic requirements as described in the Operations Manual, which vary by region and typically include the general location and neighborhood, demographic information, traffic patterns, access, visibility, location of competing facilities, size, configuration, appearance and other physical characteristics of the site. After we approve your proposed Studio location, you must submit a copy of your lease to us for review. If you are leasing additional space for the Studio, we must approve your lease before you may enter into it. If you and we cannot agree on a site, or you do not select a site and submit a lease which meets our minimum geographic and demographic requirements as described in the Operations Manual for our review within six (6) months of signing a franchise agreement, we may terminate the franchise agreement.

Opening

If you are opening a new Studio, you must begin Membership Enrollment within six (6) months of signing your Franchise Agreement, and you must open your Studio no more than nine (9) months after the effective date of your Franchise Agreement (Enrollment is the membership sales drive that occurs before you open your business; we anticipate that it will begin when you begin building out your Studio and will continue for a period of approximately two (2) months, depending upon how long the construction phase takes). We estimate that you will open your business within nine (9) months after you sign a Franchise Agreement. The factors that may affect this time are the ability to obtain a location, financing or permits, local ordinances, weather conditions, shortages and delayed installation of equipment and fixtures. We recommend allowing fourteen (14) weeks lead time for equipment purchases in order to have it delivered and installed in time for the planned opening date of your Studio.

You may not open a Studio to the public until we certify in writing that, in view of our management, you and your employees are prepared to do so.

Assistance with pre-opening and opening activities will be conducted as reasonably determined by us (including immediately prior to Enrollment and during the first week of the operation of your Studio).

Payment of bookkeeping fees will begin on the date you begin the Enrollment sales drive. Payment of royalties will commence as soon as you begin collecting revenues from Enrollment or the date you are required to begin Enrollment, whichever is earlier.

Payment of mandatory Ad Fund contributions will commence as soon as you begin collecting revenues from Enrollment.

Advertising

We have no obligation to conduct advertising for the franchise system, but we may use television, radio, and/or print media. Media placement may be regional, local or national at our sole discretion. Advertising media, creative concepts, and materials may come from us or from a public relations firm.

We may, in our sole discretion, provide certain advertising materials and services to you at no cost; however, you will be responsible for paying us for some services such as ENE services. Materials provided to you may include video and audiotapes, copy-ready print advertising materials, posters, banners and miscellaneous point-of-sale items, and may be regional or national at our discretion. You will receive one sample of each at no charge. If you want additional copies, you must pay all duplication costs assessed. We may use outside advertising and marketing agencies to create advertising. (Franchise Agreement Section 5.5,7.6)

You may develop advertising materials for your own use, at your own cost. There is no advertising council that will advise us or you on advertising policies. However, you must obtain our prior written approval of the advertising before use. (Franchise Agreement Section 7.6)

You must utilize our in-house digital marketing agency, ENE. Through ENE, you will have access to our proprietary lead management system. ENE will also manage your digital marketing needs including paid social media advertising and PPC campaigns in accordance with an agreed upon budget. Your service with ENE also includes texting/email messaging configured on your behalf and sent out to leads at a regular cadence. You must pay us the then-current monthly ENE Fee (currently, \$750/month) in exchange for those services. Please note that the ENE Fee does not cover any costs that you may incur for texting/emailing through the platform; those costs shall be paid separately by you. In addition, you may not count the amounts you pay for ENE Fees towards your Pre-Opening Advertising Expenditures, First Year Marketing Expenditures, or your ongoing Local Advertising Requirements.

Grand Opening Marketing / Local Marketing During First Year of Operations

You are required to expend \$15,000 (the “Pre-Opening Advertising Expenditure”) during the period leading up to the opening of your Studio (the “Pre-Opening Period”) to conduct grand opening advertising and marketing, including expenditures for local search engine optimization. If you acquire an existing Studio from a System franchisee, we require you to spend \$15,000 (the “Transition Marketing Expenditure”) in marketing during the 90-day period (the “Transition Marketing Period”) commencing on the effective date of the transfer of the franchise to you. Platform costs (such as, but not limited to, ENE, SOCi and Twilio) do not count towards your Pre-Opening Advertising Expenditure. During the Transition Marketing Period only, your local advertising expenditure requirement will be waived. You must submit to us a written marketing plan detailing how you plan to expend your Pre-Opening Advertising Expenditure or Transition Marketing Expenditure (as applicable), which plan must include the marketing channels you plan to use and all other information we require. During the Pre-Opening Period, you will be required to begin enrolling members for your Studio. You may conduct pre-opening membership enrollment from a temporary office space located at or near your Studio location. You may incur rent and other costs associated with pre-opening registration and enrollment activities.

In addition to the Pre-Opening Advertising Expenditure, you are required to expend \$36,000 on local advertising marketing and search engine optimization during your first year of operations (the “First Year Marketing Expenditure”) as follows: (a) you must spend no less than \$24,000 during the first six (6) months of operations; and (b) you must spend no less than \$2,000 per month for the seventh through the twelve month of operations. Platform costs (such as, but not limited to, ENE, SOCi and Twilio) do not count towards your First Year Marketing Expenditure. As stated above, during the Transition Marketing Period, your local advertising expenditure obligations shall be suspended. You must submit to us a written marketing plan detailing how you plan to expend your First Year Marketing Expenditure, which plan must include the marketing channels you plan to use and all other information we require.

After the first year of operations, you must comply with the ongoing local advertising expenditure requirements disclosed below.

Ongoing Local Advertising

Local advertising is your responsibility and done typically by local advertising agencies hired by you or advertising cooperatives. You are obligated to spend at least \$2,000 per month or 5% of gross revenues from the Studio per month, whichever is greater, on local advertising every month and supply copies of receipts for advertising to us (“Local Advertising Requirement”). (Franchise Agreement Section 7.6.2). Platform costs (such as, but not limited to, ENE, SOCi and Twilio) do not count towards your Local Advertising Requirement. In the alternative, we may require you to expend not less than \$2,000 promoting the next upcoming ten-week challenge during the forty-five day period leading up to the next upcoming ten-week challenge. We reserve the right to require you to spend an amount we designate on search engine optimization (SEO). If you do not provide proof that you have complied with your Local Advertising Requirement, we (or our designee) may collect by electronic funds transfer a local advertising fee of \$2,000 or 5% of your gross revenues per month, whichever is greater (the “Local Advertising Fee”) from you, which we will spend on local advertising for your Studio. (see **Item 6**)

We require you to utilize our in-house marketing agency, ENE, to manage your digital marketing activities (such as digital ad/social media placements, email and text messaging). ENE will manage each franchisee’s digital marketing needs in accordance with a budget set by the franchisee. The ENE Fee for these management services is currently \$750/month; however, this fee may increase over time in our sole discretion. As explained above, the ENE Fee does not count towards satisfaction of your Local Advertising Requirement.

Advertising: The National Brand Fund

We have established an advertising and marketing brand Fund (the “**National Brand Fund**” or the “Ad Fund”). You are required to contribute 1.5% of monthly gross revenues each month, or \$200 per month, whichever is greater, to the National Brand Fund for purposes of national advertising or regional advertising (at our sole discretion). (see **Item 6**) (Franchise Agreement Section 7.6.3) We do not provide a periodic accounting to you of how National Brand Fund monies are spent; however, an annual unaudited financial statement of the fund is available to you, 180 days after the fiscal year end, upon reasonable request.

We may administer the National Brand Fund ourselves, or designate or license a third party to do so. We may change, dissolve or merge the National Brand Fund at any time, in our sole discretion. We have the sole discretion over the creative concepts, materials, media, type, nature, scope, frequency, place, form, copy, layout and content of all national, regional and local advertising paid out of the National Brand Fund; and the National Brand Fund will be maintained and administered by us or our designee, as follows:

1. The use of the National Brand Fund is at our discretion, and the purpose of the National Brand Fund is to increase brand awareness. Without limiting our broad discretion, the National Brand Fund is intended to maximize general public recognition and acceptance of the System and/or the Marks for the benefit of the System, and neither we, nor the National Brand Fund, are obligated to make expenditures for you that are equivalent or proportionate to your contributions or that you will otherwise benefit directly or pro rata from the placement of advertising or other National Brand Fund expenditures. We have no obligation to make expenditures for you which are equivalent or proportionate to your contributions, or to ensure that advertising impacts or penetrates your Approved Territory.

2. We will direct all advertising programs and control the creative concepts, materials and media used, media placement and allocation. The National Brand Fund, all contributions to the National Brand Fund, and any earnings by the National Brand Fund, may pay for creating, producing, maintaining, administering, directing, conducting, printing and preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System, including the costs of preparing and conducting television, radio, Internet, mobile applications, magazine, newspaper and other media advertising campaigns; search engine optimization; developing and/or hosting an Internet web page or similar activities; conducting market research; providing other marketing materials to franchisees; direct mail advertising; on-line Internet advertising and marketing including click-through charges paid to search engines, sources of banner advertising and host sites; marketing surveys and other public relations activities; employing advertising and/or public relations agencies; printing and production costs; purchasing promotional items, conducting and administering visual merchandising, promotions and merchandising programs; and providing promotional and other marketing materials and services. Advertising may be local, regional or national, in any type of media, including Internet, print, radio and/or television.

3. Contributions to the National Brand Fund may, in our sole and absolute discretion, also be used to provide rebates or reimbursements to you for local expenditures on products, services or improvements, approved in advance by us, which we believe will promote general public awareness and favorable support for the System.

4. We have no obligation to segregate National Brand Fund contributions or maintain accounts separate from our other funds. National Brand Fund contributions may be commingled with funds in our general accounts. We expect to use an amount equal to all contributions made in any fiscal year, but any monies remaining in the National Brand Fund at the end of any year will carry over to the next year.

5. We expect to use any interest or other earnings of the National Brand Fund before using current contributions, but are not required to do so.

6. We are not required to prepare or provide you with any statements relating to the National Brand Fund, or expenditures of the National Brand Fund, although we may do so at our option. The National Brand Fund will not be audited, unless we decide, in our sole discretion, to require an audit. If we choose to require an audit, all expenses for the audit will be paid out of National Brand Fund contributions.

7. If the National Brand Fund is terminated, we are not required to return any of your National Brand Fund contributions and will expend any retained contributions for the terminated National Brand Fund for System advertising purposes. None of the National Brand Fund contributions paid us are refundable at any time, including upon termination or expiration of the Franchise Agreement.

8. We may use the National Brand Fund contributions to pay administrative expenses to us or our designees. Administrative expenses may include amounts equivalent to the salaries and benefits of personnel who manage, administer and/or work the National Brand Fund and its activities; travel expenses, meeting costs, overhead costs and expenses; a management fee payable to us, an affiliate and/or any of our designees or employees whose services are provided to further the purposes and efforts of the National Brand Fund and/or Local Marketing Purposes; taxes on National Brand Fund contributions; market research; public relations; and the creation, preparation and production of advertising, promotions and marketing materials.

9. The National Brand Fund is not a trust. We have no fiduciary obligation to you for administering the National Brand Fund or for any other reason. We will not use contributions to the National Brand Fund principally to develop materials and programs to solicit franchisees. However, media, materials and programs prepared using National Brand Fund contributions may describe our franchise program, reference the availability of franchises and related information and process franchise leads.

10. We may structure the National Brand Fund's organization and administration in any way that we determine. We may organize or reorganize the National Brand Fund into a separate entity as we deem appropriate and we may transfer all National Brand Fund contributions and assets to the entity. We may require you to pay the National Brand Fund contributions directly to the entity.

11. Company owned or affiliated Studios are not contractually required to contribute to the National Brand Fund, however we anticipate that they will contribute to the National Brand Fund on an equal basis. We anticipate that all franchises offered pursuant to this disclosure document will be required to contribute to the National Brand Fund at the same rate; however, we reserve the right to negotiate different rates as we deem necessary or appropriate in our sole and absolute discretion.

As of the issuance date hereof, the National Brand Fund had not yet collected any marketing fund contributions from franchisees and accordingly had not made any expenditures..

Other Advertising Information

We do not require you to participate in any other advertising funds at this time, but reserve the right to require you to participate in other advertising funds as they are developed in the future. We may require you to participate in the regional or local cooperative advertising programs we designate from time to time. We may require you to contribute up to three percent (3%) of your Gross Sales to additional advertising programs we develop from time to time.

There is no obligation for us to maintain any advertising program or to spend any amount on advertising in your area or Approved Territory.

You may develop advertising materials for your own use, at your own cost. As stated above, you must obtain our prior written consent for use of advertising materials. You must submit copies of all advertising materials to us at least two weeks before the first time they are broadcast or published. We will review the materials within a reasonable time and will promptly notify you in writing as to whether we approve or reject them.

Use of Your Own Advertising Material including Electronic Media

You are prohibited from using the Marks and listing, marketing, advertising, or otherwise promoting your Studio on or through the Internet, any social media site, mobile application, networking website, electronic media, or any emerging or future developed

media outlet or platform, including Facebook®, Twitter®, LinkedIn®, Living Social®, Instagram®, Groupon®, MySpace®, YouTube, Pinterest, Foursquare, Yelp, Google, Yahoo, or any similar sites, without our prior written consent in each instance. We may withhold our consent for any reason and we may condition our consent on your compliance with our designated methods, procedures, rules and regulations. You may not post any content on the Internet, electronic media, mobile applications, social media or any future developed media outlet relating to your Studio or the System without: (i) obtaining our prior written consent (which we may grant or refuse in our sole and absolute discretion), and (ii) complying with any and all restrictions, terms and conditions we impose. You must comply with any and all policies, terms and conditions we designate, including those related to privacy and security. We have the right to establish any requirement we deem appropriate, including a requirement that your only presence on the Internet will be through one or more web pages that we establish on our website.

We have the right to establish a website or other electronic system providing private and secure communications between us, our franchisees and other persons and entities that we deem appropriate. If we require, you must establish and maintain access to the extranet in the manner we designate. We may periodically prepare agreements and policies concerning use of any extranet that you must acknowledge and sign.

Electronic Cash Register/Computer/Point of Sale System

You must purchase a computer. At a minimum, the computer must have an Intel Core 2 Duo processor and at least 4 gigabytes of RAM, and 8 USB ports. You must purchase Microsoft Office 2010 or newer and Microsoft Windows 7 or newer. You must subscribe to QuickBooks Online. The annual cost of QuickBooks Online is \$900. We will have independent access to the information you enter into QuickBooks Online. The cost for Microsoft Office is \$150 and the cost for Microsoft Windows is \$199. You must purchase a Barcode Scanning device compatible with ClubReady, or a dedicated mobile device (i.e., Ipad), also compatible with Club Ready, for member check ins. The cost for the scanner is currently \$300. You must use the web based management software and electronic cash register system provided by ClubReady (“**ClubReady**”), and ClubReady’s proprietary software. ClubReady’s ongoing record keeping and support services is currently covered by the Tech Fee you will pay to us on a monthly basis. This fee is subject to change and we reserve the right to have you pay this fee directly to the vendor in the future. You must purchase a credit card processor compliant with ClubReady and associated merchant. The current cost for the credit card processor is \$235. You will purchase a digital signature pad. The current cost for the digital signature pad is \$275. You will use ClubReady’s credit card processing services, you will pay a fee of approximately 3.70% of all transactions. The current cost of the Computer System, as disclosed in Item 7, also includes 1 iPad mini, which you are required to use in the operation of your Studio.

The equipment you are required to purchase includes limited manufacturers’ warranties on hardware repairs. In addition, ClubReady provides software support through its help desk and software upgrades and patches, database management, including backups, and other record keeping services that are required by us. You are obligated to install the software upgrades and patches as provided by ClubReady. We provide support with using or maintaining the system on an as-needed basis. You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty. There are no contractual limitations on the frequency or cost of this obligation.

The software used by ClubReady is their proprietary property. No compatible equivalent component or program has been approved by us to perform the same functions. We reserve the right to change our supplier of software services and electronic cash register systems.

ClubReady maintains customer data on your behalf for purposes of billing the customers’ enrollment and monthly membership fees. We have independent access to this data, via the ClubReady web interface. We use this information to assess monthly royalty, advertising, and other fees. There are no contractual limitations on our right to access this data.

The estimated cost of the computer system is \$1,000, including hardware.

Operations Manual

Included in this Disclosure Document, at **Exhibit G**, is a list of the topics contained in our online portal. Because the Operations Manual and supporting materials are provided in an online electronic format, we cannot provide a total page count.

Training

After you obtain your approved site within your Approved Territory, and before you open your Studio, all training, except onsite training, is conducted at our designated location, currently in New Jersey. You will travel to Monmouth County New Jersey for a total of twelve days over two separate trips. Onsite training will be conducted at your Studio, or another location we designate.

To the extent we determine, in our sole discretion, that the health and safety of You, your trainees or our trainers is at risk due to the pendency of the current COVID-19 pandemic or otherwise, we reserve the right to modify the training program set forth below by utilizing, as we deem appropriate, all available technologies to conduct any or all of the training program including, but not limited to, videoconferences, teleconferences, virtual meeting technologies, prerecorded training videos, or webinars.

Instructional materials include our Operations Manual and related forms. There will be no additional charge for these items.

Currently, our training staff has more than thirty years of combined experience in various operational capacities relating to the operation of a Studio. However, this staff may change from time to time. Our trainers are: Bryan Klein, Hayley Guerra, Natalie Belford and Michael Slomczewski.

Bryan Klein

Mr. Klein has owned and operated fitness services businesses for approximately thirty years. He has trained others to operate fitness businesses since 1998 and the Transformation Program since September 2011.

Hayley Guerra

Ms. Guerra currently serves as the Director of Franchisee Success, primarily supporting us in the areas of franchise sales, operations, marketing, technology rollouts, & platform development.. Between January 2019 and September 2020, Hayley served as the Director of Marketing, where she was responsible for developing THE MAX Challenge's national marketing strategy and deploying content and resources to support all units system-wide. Ms. Guerra previously was the Marketing & Sales Coordinator for Electro-America, Inc. from 2012 through 2017 in Union, New Jersey.

Natalie Belford

A distinguished sales expert, Natalie Belford serves as our National Director of Sales. Ms. Belford's impact extends to revenue generation through her unparalleled skills in membership sales. Not only does she lead FIT Franchise Brands' internal call center, her comprehensive sales training programs have been instrumental in significantly enhancing the financial performance of our franchise locations.

Michael Slomczewski

Michael serves as one of our Franchise Business Coaches, serving as the first point of contact for franchise owners. With five years of experience at FARRELL'S EXTREME BODYSHAPING®, Michael's journey began in Peoria, IL, where he started as a student and part-time staff member. His expertise grew as he helped launch the Waukee, IA location in 2021, where he served as the Business Manager and Head Coach for two years before transitioning to a role on the corporate team.

In his current role, Michael facilitates several FXB University courses, trains new instructors through onboarding sessions and small group, location-specific trainings. and works directly with franchise owners to develop and implement strategic action plans that support the health and ongoing growth of their businesses.

We do not charge for this forty-hour training program for two (2) individuals, but you must pay the travel and living expenses for those persons attending training. Additionally, when one of our trainers must travel to your location or a location other than our training facility in New Jersey, you are responsible for the travel and living expenses for the trainer(s). The costs vary depending upon the distance from our training facility in New Jersey to your location.

At least one person must complete the training program to our satisfaction. Before opening, you must: (a) complete our training program, (b) pass our nutrition knowledge exam, (c) attend our designated boot camp, (d) compete a 10-week challenge (which may currently be completed through Skype), and (e) attend our designated kick off meeting. The training program must be completed before you begin member pre-sales. If any required trainees do not complete the initial training program to our satisfaction, we may require them to undergo additional training and you shall pay us \$500 per person for each person we must retrain. Currently, the initial training program is held quarterly at a designated conference Studio location and Studio facility within the state of New Jersey. However, to the extent that a regularly scheduled training session is not timely for your intended opening, we will consider scheduling an initial training program session to accommodate you.

INITIAL TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Orientation/Business Leadership	8	n/a	Monmouth, Middlesex or Ocean, NJ, or as determined by us
Marketing and Member Recruitment	8	n/a	Monmouth, Middlesex or Ocean, NJ, or as determined by us
Enrollment Procedures / Sales	8	n/a	Monmouth, Middlesex or Ocean, NJ, or as determined by us
Instructor & Classroom Skills	4	5	Monmouth, Middlesex or Ocean, NJ, or as determined by us
Instructor Development Program	2	n/a	Monmouth, Middlesex or Ocean, NJ, or as determined by us
Nutrition	4	n/a	Monmouth, Middlesex or Ocean, NJ, or as determined by us
Studio Operations: Systems, Daily Routines, Reporting & Support	6	n/a	Monmouth, Middlesex or Ocean, NJ, or as determined by us
Total	40 hours		

We may, from time to time, require you to undergo continuing education that is charged at cost plus an administrative fee of up to fifteen percent (15%) of our costs (see Sections 6.6 and 6.7 of the Franchise Agreement for more information on this

requirement). Additionally, we may hold periodic conferences to discuss sales techniques, personal and group training, motivational speaking, nutrition, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures to improve and develop the franchised business. In the event that such conferences are held, there is no conference fee at this time, but you must pay all your travel and living expenses related to your attendance at the conference. We do, however, reserve the right in our discretion to charge a fee for the conference of up to 15% of the cost of the conference. These conferences will be held at a location chosen by us. Attendance is mandatory.

We may, from time to time and in our sole discretion, offer additional optional training and support services to you. We will publish the services that are available to you and their prices in our Manual. You will be required to pay us for such services at our then-current rates. You may, but are not required to, take advantage of these optional training and support services.

ITEM 12

TERRITORY

You will operate the franchised business at a single approved site.

Once you secure an approved location, we will grant you an “Approved Territory.” We will not establish or license another to establish a Studio under the FARRELL’S EXTREME BODYSHAPING® marks within the Approved Territory during the term of your Franchise Agreement, with the exception of Studios located in Special Venues (as defined below). We have the unlimited right to establish Studios anywhere outside of your Approved Territory, regardless of proximity. We will describe your Approved Territory in your Franchise Agreement when we approve your proposed site for the Studio. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we or our affiliates control.

We will determine the size and boundaries of your Approved Territory, within our discretion, based upon factors including geographic area, population density, character of neighborhood, location and number of competing business in the surrounding area, and other factors. While there is no minimum territory size and the exact size of each territory varies based on the applicable factors, a typical approved territory will cover an area that consists of a two (2) mile “driveable distance” from your approved site, which may be determined using the mapping service and/or software designated by us, including GOOGLE® maps, MAPQUEST®, or YAHOO® maps (as we select) as such maps exist on the date that your site is approved. We may grant you an approved territory of less than a two-mile “driveable distance” based on the demographics of the area in which you wish to open your Studio and other factors. You will operate from one location approved by us.

In order to retain the limited rights insofar as it relates to your Approved Territory, you must comply with all obligations set forth in the Franchise Agreement, including, without limitation, payment of all the minimum royalty fees. If you do not comply with your payment obligations, subject to the notice and cure periods stated in your Franchise Agreement, we have the right to terminate your Franchise Agreement, which will eliminate all rights, including any territorial protection. You are not required to achieve or maintain any given level of sales or to satisfy any other contingency in order to retain your limited exclusivity with respect to your Approved Territory and, provided that you are not otherwise in default under your Franchise Agreement, your limited rights will continue to apply even if the population in your Approved Territory increases, or you choose to sell or transfer your Franchise in accordance with the terms and provisions of the Franchise Agreement. Except for this limited protection, your Franchise is non-exclusive. You are not granted any options, rights of first refusal or similar rights to acquire additional Studios.

You are not permitted to solicit customers or advertise outside of your Approved Territory without our prior written approval. We may condition our approval on your agreement to offer other franchisees who are operating Studios in territories encompassed by the circulation base of the proposed advertising, the opportunity to participate in, and share the expense of your solicitation and/or advertising. You are not permitted to use other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales outside of your Approved Territory without our prior written approval. We have the right to condition our approval on the terms that we determine necessary, such as requiring that your domain name and home page belong to us and be licensed to you for your use during the term of your agreement.

We retain all rights that are not expressly granted to you under the Franchise Agreement. Without limiting this broad retention, and without granting you any rights therein, we have the right to:

(a) establish, own, or operate, and license others to establish, own or operate Studios and any other business under the Marks or any other trademark outside of your Approved Territory;

(b) establish, own or operate, and license others to establish, own or operate, other businesses under other systems using the Marks or any other trademark inside or outside of your Approved Territory;

(c) offer, sell, operate, distribute and/or license others to sell, operate and distribute, through franchised or non-franchised businesses, at wholesale or retail, within and outside the Approved Territory: (i) branded goods, (ii) services we have not licensed you to offer or sell through your Studio, and/or (iii) goods and services under trademarks other than the Marks;

(d) offer, sell, rent and/or distribute any products or services under the Marks or any other trademark through alternative channels of distribution, including through the Internet, to any purchaser (including, but not limited to, sales made to purchasers in the Approved Territory through retail establishments, mail order, independent distributors, wholesale distribution, phone order, and on the Internet, and/or sales to delivery customers); and/or

(e) merge with, acquire or be acquired by any business of any kind under other systems and/or other marks, which business may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside the Approved Territory.

We are not required to pay you any compensation for soliciting or accepting orders for products or services (regardless of under which trademark they are offered) inside your territory.

Special Venues

We reserve the right to establish and operate, or license others to establish and operate, Studios in “Special Venues”, including Special Venues located in your Approved Territory. The term “Special Venues” shall mean non-traditional venues, including, without limitation, schools, corporate offices, police departments, fire departments, government institutions and facilities, and military installations.

We may also operate a temporary location, trade show booth or similar type location for a limited period of time (not to exceed 15 consecutive days without your written consent) within your Approved Territory. Additionally, we reserve the right to sell branded products in your Approved Territory through other channels of distribution, including retail outlets or via the Internet, which may affect your ability to sell those products. There are no restrictions on our soliciting or accepting orders from consumers inside your Approved Territory. We are not required to pay you any compensation for soliciting or accepting orders from inside your Approved Territory.

In addition to the FARRELL’S EXTREME BODYSHAPING® franchise system, we also own and control THE MAX CHALLENGE® franchise system (the “MAX System”), which offers fitness programs similar to those offered under FARRELL’S EXTREME BODYSHAPING® marks. Fitness centers offered under the MAX System operate transformation centers providing body renewal through fitness, nutrition, counseling and healthy lifestyle programs in a specially designed format (each, an “MAX Center”). As of December 31, 2023, there were 35 franchised and 4 company-owned or affiliated MAX Centers located in various states including New Jersey (27), New York (5), Delaware (1) and Ohio (1).

We intend to continue operating and offering franchise opportunities for the MAX System under THE MAX CHALLENGE® marks. While we have no present intention to do so, we reserve the right to grant said franchise opportunities in markets that overlap with one or more Approved Territories that we grant under this Disclosure Document. In the event that conflicts arise in the future between us (and/or our affiliated parties) and franchisees of either system, or between the franchisees of either system regarding territory, customers, and franchisor support, we will work in good faith to resolve those conflicts in a timely manner.

At this time, both franchise brands are operated from our principal business address at Justin Corporate Center (Bldg. 2, #400), 200 Route 9 North, Manalapan, New Jersey 07726. We do not currently maintain physically separate offices or training facilities for either franchise system; however, we reserve the right to do so in the future.

Except as disclosed above, as of the Issuance Date of this Disclosure Document, neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks or that sells or distributes similar goods or services to those that you will offer. However, neither we nor our affiliates are restricted from establishing other franchises or company-owned Studios, or other channels of distribution, selling or leasing similar products or services under a different trademark.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Relocation of Your Studio

You may not relocate your Studio without our prior written approval. We may approve the relocation of your Studio in our sole discretion. Factors we may consider when evaluating a relocation may include, without limitation, proximity to other locations or demographics of the proposed locations, among other things. In addition to obtaining our consent, you must also meet certain conditions in order to relocate your Studio. Those conditions include the following: (a) you must be in good standing under the Franchise Agreement and any other agreement between us (or our affiliate) and you (or your affiliate); (b) you are in compliance with all provisions of the Manual; (c) you must sign an agreement terminating your existing Franchise Agreement and you must sign our then-current franchise agreement (with a term equal to the then-remaining term of the franchise agreement); (d) you must construct the Studio at the new location so that it meets our then current standards of appearance and function applicable to new Studios at the time of your relocation; (e) you must sign a general release; (f) you may only cease operation of your existing Studio for one day to move equipment from the old location to the newly approved location for the Studio. You are not granted a right of first refusal related to the sale of other franchises in proximity to your Approved Territory or the right to acquire additional franchises under the Franchise Agreement.

Development Agreement

If you are interested and qualify, and we elect to offer you the opportunity, you will enter into our then-current form of Area Development Agreement for the development of multiple Studios. Currently, we do not anticipate granting development rights for the development of less than three Studios. You and we will mutually agree on an area to be defined in the Development Agreement as the “Development Area” before you sign the Development Agreement.

We expect that a typical Development Area will consist of a list of counties within a designated State, or within an area covered by identified zip codes. Your Development Agreement will specify the total number of Studios you are required to develop in the Development Area. You must sign lease agreements and open each Studio that you are required to open under the Development Area by the deadlines stated in the Agreement. If you fail to do so, we have the right to terminate the Area Development Agreement, in which case you will lose all rights granted under the Area Development Agreement.

We will not establish or license another to establish a Studio within the Development Area during the term of the Area Development Agreement, with the exception of Studios located in Special Venues. We, or our affiliate(s), may: (i) establish and license others to establish Studios under the System at any location outside of your Development Area; (ii) establish and license others to establish gyms, fitness facilities, kiosks or the like under other systems, using other proprietary marks including but not limited to “*The Max Challenge*®”, which offer or sell other products or services and are located either within or outside of your Development Area; (iii) market, distribute and sell, directly or indirectly, or license others to market, distribute or sell, directly or indirectly, any products from any location or to any purchaser (whether the purchaser is located within or outside your Development Area) under any proprietary mark, including “*FARRELL’S EXTREME BODYSHAPING*®”, “*The Max Challenge*®”,

and/or “*Take it to the Max, Fitness For the Mind, Body & Spirit*®” through alternative channels of distribution, within or outside your Protected Territory, including through the Internet and wholesale distribution centers; (iv) establish or operate and license others to establish or operate a Studio at any location outside the Development Area, regardless of the Studio’s proximity to your Development Area; and (v) acquire, be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not those businesses are competitive), including competing franchise systems with units operating in your Development Area. If we have previously, or in the future, acquire a competitive business or a competitive franchise system with units operating in your Development Area, we have the right to operate the business under the Marks in your Development Area without affording any rights to you or providing any compensation to you. We also reserve the right to establish and operate, and to license others to establish and operate, Studios(s) in “Special Venues”, including Special Venues located in your Development Area.

You will not receive an exclusive territory. You may face competition from franchisees from outlets that we own, or from other channels of distribution or competitive brands that we control.

Except as disclosed in this Item, continuation of your territorial rights under the Area Development Agreement does not depend on your achieving a certain sales volume, market penetration (other than satisfaction of your Development Schedule) or other contingency. If the population of the Development Area increases during the term of the Area Development Agreement, we have no right to increase or decrease your development obligations.

Except as provided in this Item, you have no options, rights of first refusal or similar rights to acquire additional franchises.

ITEM 13

TRADEMARKS

We grant you the right to operate a business using our System, which is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin (the “Marks”) as are designated by us in writing for use in connection with the System. Our right to use and license others to use the Marks is exercised pursuant to an intellectual property license agreement with our affiliate, MAX IP, LLC (the “IP Agreement”) which, if not renewed, ends on January 2, 2063 and which can be terminated upon thirty days’ notice for a material breach. Under the IP Agreement, we are granted the right to use and to permit others to use the Marks. We have the right to license the use of the trademark FARRELL’S EXTREME BODYSHAPING® to you for the term of the Franchise Agreement, including any extensions or renewals.

We or our affiliate(s) have filed applications to register the following trade names, trademarks, service marks, logotypes and other commercial symbols with the United States Patent and Trademark Office principal register. Each trademark is registered with the United States Patent and Trademark Office (USPTO) as follows:

MARK	REGISTRATION NUMBER	REGISTRATION DATE
	5123371	1/17/17
	667286	9/6/19
FARRELL’S EXTREME BODYSHAPING (standard character)	3817655	7/13/10
FXB (standard character)	3671680	8/25/09
FARRELL’S (standard character)	3649762	7/9/09
EXTREME BODYSHAPING (standard character)	3814145	7/6/10
FARRELL’S INFINITE TRANSFORMATION (standard character)	3668536	10/18/09
MOTIVATION TO TRANSFORMATION (standard character)	4715760	4/7/2015
LIFE AT LEVEL 10 (standard character)	4353871	6/18/13
RESULTS ARE TYPICAL (standard character)	3837871	8/24/10
THE EXTREME IS IN THE RESULTS (standard character)	5391895	1/30/18

Our affiliate has filed all required affidavits for the above referenced principal marks.

You must follow our rules when you use the Marks. You cannot use a name or Mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You cannot modify a Mark in any way without our express written consent. You may not use our registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

In connection with the establishment of our trademarks, we operate a website for the promotion of the Marks and Studios. This website lists the location, operating hours, and other facts regarding your facilities. You may not register any domain name nor operate any website that includes any of our Marks, or any variation of the following terms “FXB”, “Farrell’s,” “Extreme” or “Bodyshaping” ” You may request the establishment of a web page within our website to include additional information specific to your franchised Studio. You may not use any electronic media, including the Internet, or any social media, for viewing by the public that contains our registered trademarks without our prior written approval. You may not establish a facebook[®], MySpace[®], or similar page without our prior written approval. You may not establish a Twitter[®] feed, post on Instagram[®], or other similar social media without our prior written approval.

The confidentiality provisions of the Franchise Agreement apply to all uses of electronic media.

There is no currently effective determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, or any pending interference, opposition or cancellation proceeding, or any pending material litigation involving the above-described Marks which are relevant to your use of these Marks.

No currently effective material determinations or agreements limit our right to use or license the use of the trademarks listed in this section in a manner material to the franchise.

We do not know of any pending material state or federal court litigation regarding our use or ownership rights in the trademarks.

You must notify us immediately when you learn about an infringement of or challenge to your use of our trademarks. We will indemnify and hold you harmless from any expense or liability arising from your use of the Marks in accordance with the Franchise Agreement and the Operations Manual.

You must promptly notify us in writing of any claim, demand, or suit against you or your principals in connection with your use of the Marks. We have the right to select legal counsel and to control the proceedings. In certain cases, as described in Section 8.5 of the Franchise Agreement, we will indemnify and hold you harmless from all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark; provided that (a) your use is and has been in accordance with the terms of the franchise agreement and such other terms as may be specified by us, and (b) you notify us of the proceeding or alleged infringement in a timely manner and you have complied with our directions regarding the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel or for expenses in removing signage or discontinuing your use of any Mark. We will not reimburse you for disputes where we and/or any of our parents, affiliates, successors or assigns challenges your use of a Mark.

You must modify or discontinue the use of a trademark if we modify or discontinue it at your own cost. You may not directly or indirectly contest our right to our trademarks, trade secrets or business techniques that are part of our business.

We do not know of any superior rights or infringing uses that could materially affect your use of our principal trademarks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no current or pending patents that are material to your franchise. There are no pending patent applications that are material to your franchise. Although we have not filed an application for a copyright registration for the Operations Manual, we own and claim a copyright in it.

There are no current material determinations of the United States Patent and Trademark Office, the United States Copyright Office, or any court regarding any patents or copyrights material to the franchised business.

As of the date of this Disclosure Document, we do not know of any patent or copyright infringement that could materially affect the franchised business.

Confidential Information

We have may developed certain trade secrets and other confidential information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Studio. We may provide our trade secrets and other confidential information to you during training, in the Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for the purpose of operating your Studio. You may only divulge trade secrets and other confidential information to employees who must have access to it to operate the Studio. You are responsible for enforcing the confidentiality provisions as to your employees. Certain individuals with access to trade secrets or other confidential information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements in a form the same as or similar to the form of confidentiality and restrictive covenant agreement attached to the Franchise Agreement. We and our affiliates will be a third-party beneficiary with the independent right to enforce all such agreements. All ideas, concepts, techniques or materials concerning your Studio and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development, if requested.

Your use of the Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in Item 17.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We strongly recommend, but do not require, that you personally supervise the franchised business. Whenever open for business, the fitness center must be directly supervised on site by a designated manager who has successfully completed our Initial Training program to our satisfaction and is FXB Certified (the “**Designated Manager**”). The Designated Manager must be a full-time

employee with a minimum of 30 hours per week at the Studio location. The Designated Manager cannot have an interest in or business relationship with any of our business competitors. The Designated Manager need not have an ownership interest in your corporation, limited liability company or partnership. You must require the Designated Manager and all employees to sign a confidentiality agreement and a non-compete agreement.

Each of the principals of your entity must sign the Franchise Agreement assuming and agreeing to discharge all obligations of the “Franchisee” under the Franchise Agreement and must sign a written agreement to maintain confidentiality of the trade secrets described in **Item 14** and to comply with the covenants not to compete described in **Item 17**.

Each of the principals of your entity, if any, must sign the Personal Guaranty and Subordination Agreement assuming and agreeing to discharge all obligations of the “Franchisee” under the Franchise Agreement. We may, if needed to satisfy our standards of creditworthiness or to secure the obligations made under the Franchise Agreement, require your spouse, or the spouse of the principals of your entity to sign the Personal Guaranty and Subordination Agreement.

“Principal” means, for purposes of this **Item 15**, anyone having an ownership or beneficial interest in your entity(s).

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those goods and services that we have approved (see **Item 8**). You must offer all goods and services that we designate and may not offer any goods or services that we do not designate. We reserve the right, in our sole discretion, to change the types of authorized goods and services you must offer and you must comply immediately. There are no contractual limits on our right to make changes. We or our affiliate may act as sole supplier of goods and services to you, or we may designate authorized suppliers from whom you must or may buy. We reserve the right, in our sole discretion, to change the authorized suppliers from whom you must buy. We may profit directly or indirectly on the sale of goods and services to you. Currently, you are obligated to offer the ten week and national challenge programs in accordance with our System standards and specifications, including the Manual, and to award a prize or award to the winner of each such challenge (except to the extent prohibited under applicable law). It is your responsibility to ensure that you operate your Studio in accordance with all applicable laws, rules and regulations, including those pertaining to any and all products, services, promotions, awards, prizes offered, promoted or provided to your Studio’s members.

Subject to the conditions above, You may sell goods and services to any person at your Studio, so long as that person may lawfully purchase such goods and services.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or other agreement	Summary
a. Length of the franchise term	<p>Section 4.6.1 of the Franchise Agreement (“FA”)</p> <p>Section 5.1 of the Area Development Agreement (“DA”)</p>	<p>10 years from the Effective Date</p> <p>The Term under the DA is defined as the period beginning on the Effective Date and ending on the earlier to occur of (i) the date the final Studio you are required to develop has opened, or (ii) the Opening Deadline for the final Studio you are required to open under the DA.</p>
b. Renewal or extension of the term	<p>Section 4.6.2 of the FA</p> <p>Not Applicable to DA</p>	<p>If you are in good standing, you can add one additional term of 10 years (or the length of your then-current lease term, whichever is shorter) with payment of any franchise extension or renewal fee that is in effect at the time of renewal. The current renewal fee is \$20,000.</p>
c. Requirements for franchisee to renew or extend	<p>Section 4.6.2 of the FA</p> <p>Not Applicable to DA</p>	<p>Good standing, timely notice, pay any then-current renewal fee. Upon renewal, you may be asked to sign a new Franchise Agreement that may contain materially different terms (including different royalty, minimum monthly royalty fee and other fees) and conditions than your original contract/Franchise Agreement in this Disclosure Document, be current in payments, and sign release; modernize Studio to meet then-current standards. If you continue to operate the franchised business after the initial term expires, but have not executed a successor franchise agreement, you will be considered a “Holdover Franchisee” and we will continue the existing franchise agreement on a month-to-month basis until such time that you cease operating the franchised business or execute a successor franchise agreement. During any such “hold over” period, however, we will assess you Holdover Royalty Fee equal to 1x the Royalty Fee that is owed to us pursuant to the initial franchise agreement (meaning you will be paying double the amount of royalties in order to compensate us for the inconvenience of you not executing a successor agreement prior to the initial term expiring).</p>
d. Termination by franchisee	None	
e. Termination by us without cause	None	

Provision	Section in Franchise or other agreement	Summary
f. Termination by us with cause	<p>Section 10.2 of the FA</p> <p>Section 5.2 of the DA</p>	<p>We can terminate only if you default.</p> <p>We can terminate if you commit a Material Default</p> <p>Termination of the DA, in and of itself, does not also permit Franchisor to terminate any Franchise Agreement under the DA.</p>
g. “Cause” defined – curable defaults	<p>Section 10.2.2, 10.2.3 of the FA</p> <p>Section 5.2 of the DA</p>	<p>You have 30 days to cure noticed curable defaults other than non-payment of fees. You have 5 days to cure non-payment of fees.</p> <p>If you commit a default under the DA, other than failure to meet the Minimum Development Obligations, if a Franchise Agreement entered into between us and you or any of your affiliates is terminated, or if you violate any of your confidentiality or non-competition obligations under the DA (which defaults are not subject to a cure period), we will give you notice and a 15 day cure period.</p> <p>Termination of the DA, in and of itself, does not also permit Franchisor to terminate any Franchise Agreement under the DA.</p>
h. “Cause” defined – non-curable defaults	<p>Section 10.2.1 of the FA</p> <p>Section 5.2 of the DA</p>	<p>Non-curable defaults: misuse of trademarks, breach of non-competition, unauthorized transfer, material misrepresentation, lack of prior written consent when required, abandonment, repeated defaults even if cured, threat to public health or safety, bankruptcy, plead guilty, repeated defaults, no contest to or conviction of a felony, or engage in conduct which reflects materially and unfavorably on the goodwill associated with the Marks, System or Trade Name, use of unauthorized marks. <i>The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 USC §101 et seq).</i></p> <p>Uncurable defaults under the DA include failure to meet the Minimum Development Obligations, if a Franchise Agreement entered into between us and you or any of your affiliates is terminated, or if you violate any of your confidentiality or non-competition obligations under the DA</p>

Provision	Section in Franchise or other agreement	Summary
		Termination of the DA, in and of itself, does not also permit Franchisor to terminate any Franchise Agreement under the DA.
i. Franchisees obligations on termination/non-renewal	Section 10.3 of the FA Sections 5.3, 7.1.2, 7.2, 7.3, 8 and 9.4 of the DA	Obligations include final accounting, complete de-identification, our option to purchase assets, our option to assume your real estate lease, and payment of amounts due (also see r. below). Non-competition, confidentiality, indemnification covenants. Dispute resolution provisions.
j. Assignment of contract by us	Section 9.6 of the FA Section 6.1 of the DA	No restriction on our right to assign. There is no restriction on our right to assign. You have no right to assign the DA, or any of your rights thereunder.
k. "Transfer" by franchisee – definition	Section 3.22, 9 of the FA Section 6.2 of the DA.	Includes transfer of contract or assets; any ownership change. You have no right to assign the DA, or any of your rights thereunder.
l. Our approval of transfer by franchisee	Article 9 of the FA Not Applicable to the DA	We have the right to approve all transfers.
m. Conditions for our approval of transfer	Section 9.4 and 9.5 of the FA Not Applicable to the DA	New franchisee qualifies, payment of all of your outstanding debts to us, cure of any defaults, current agreement signed by new franchisee or assumption of current agreement, transfer fee paid, training completed, and release signed by you and your Related Parties.

Provision	Section in Franchise or other agreement	Summary
n. Our right of first refusal to acquire franchisee's business	Section 9.3 of the FA Not Applicable to the DA	We or our designee can match any offer for your business.
o. Our option to purchase franchisee's business	Section 9.3, of the FA Not Applicable to the DA	We or our designee may, but are not required to, purchase your inventory and equipment at the lesser of fair market value or depreciated value if franchise is terminated for any reason.
p. Death or disability of franchisee	Section 9.6 of the FA Not Applicable to the DA	Heirs or beneficiaries must demonstrate, within 60 days, ability to operate franchise. Otherwise, franchise must be assigned by estate to approved buyer within 6 months.
q. Non-competition covenants during the term of the franchise	Section 8.6.1 of the FA Section 7.1.1 of the DA	No competing business during the Term. No involvement in a competing business
r. Non-competition covenants after the franchise is terminated or expires	Section 8.6.2 of the FA Section 7.1.2 of the DA	No competing business for 2 years (a) at the Studio location; (b) within 10 miles of current location; (c) within 10 miles of another Studio; or (d) within the state of New Jersey (including after assignment). No involvement with a franchise system that offers or sells franchises for the right to open or operate competing businesses within the United States for a 2-year period. No involvement in a competing business for 2 years within the Development Area, within a 10 mile radius of the Development Area, or within a 10 mile radius of any other Studio. No involvement with a franchise system that offers or sells franchises for the right to open or operate competing businesses within the United States for a 2-year period.
s. Modification of agreement	Section 11.4 of the FA Section 9.10 of the DA	No modification generally unless on consent of both parties, but Operations Manual subject to change. No modifications of the DA unless the modifications are in writing and signed by both parties.
t. Integration/merger clause	Section 11.6 of the FA	Only the terms of the franchise agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. See Note 1.

Provision	Section in Franchise or other agreement	Summary
	Section 9.10 of the DA	<p>Only the terms of the DA are binding. Nothing in the DA is intended to disclaim the representations made in this disclosure document.</p> <p>Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.</p>
u. Dispute resolution by arbitration or mediation	<p>Section 11.7, 11.8 of the FA</p> <p>Section 8 of the DA</p>	<p>With the exception of certain actions by us, all claims must first be mediated prior to arbitration or litigation. Except for certain claims, all disputes must be arbitrated in New Jersey. The arbitration will occur with each respective party paying their own costs.</p> <p>All claims under the DA (except as set forth in 8.3) must be mediated prior to arbitration or litigation. Except for certain claims, all claims must be arbitrated in New Jersey.</p>
v. Choice of forum	<p>Section 11.2 of the FA</p> <p>Section 9.1 of the DA</p>	<p>Subject to applicable state law, Superior Court of New Jersey, Monmouth County; United States District Court for the District of New Jersey. See Note 1.</p> <p>Arbitration must be in New Jersey. Litigation must be in New Jersey.</p>
w. Choice of law	<p>Section 11.2 of the FA</p> <p>Section 9.1 of the DA</p>	<p>Subject to applicable state law, New Jersey law applies. See Note 1.</p>

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise.

[The remainder of this page is intentionally left blank.]

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rules permit a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Franchise Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Bryan Klein, CEO, Fit Franchise Brands, LLC at Justin Corporate Center, Bldg. 2 #400, 200 Route 9 North, Manalapan, New Jersey 07726 or (732) 520-4475, the Federal Trade Commission, and the appropriate state regulatory agencies.

[The remainder of this page is intentionally left blank.]

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION^{1,2}

**Table No. 1
Systemwide Outlet Summary
For Years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	55	55	0
	2022	55	50	-5
	2023	50	46	-4
Company-Owned	2021	1	1	0
	2022	1	2	+1
	2023	2	1	-1
Total Outlets	2021	56	56	0
	2022	56	52	-4
	2023	52	47	-5

**TABLE NO. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2021 to 2023**

State	Year	Number of Transfers
Colorado	2021	0
	2022	0
	2023	1
Illinois	2021	0
	2022	0
	2023	2
Indiana	2021	1
	2022	1
	2023	0
Iowa	2021	1
	2022	2
	2023	0
Minnesota	2021	2
	2022	0
	2023	1
Nebraska	2021	3
	2022	1
	2023	0
	2021	7
	2022	4

Total	2023	4
--------------	------	----------

TABLE NO. 3
Status of Franchised
Outlets For years 2021 to
2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations—Other Reasons	Outlets at End of the Year
Arizona	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Colorado	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Illinois	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Indiana	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	1	2
Iowa	2021	16	1	0	0	0	1	16
	2022	16	0	0	0	1	0	15
	2023	15	0	0	0	0	2	13
Minnesota	2021	18	0	0	0	0	0	18
	2022	18	1	0	0	0	3	16
	2023	16	0	0	0	0	1	15
Nebraska	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	1	7
Texas	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	2	0
	2023	0	0	0	0	0	0	0
Wisconsin	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Totals	2021	55	1	0	0	0	1	55
	2022	55	1	0	0	1	5	50
	2023	50	1	0	0	0	5	46

TABLE NO. 4
Status of Company-Owned Outlets For years 2021 to 2023

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Iowa	2021	1	0	0	0	0	1
	2022	1	0	1	0	0	2
	2023	2	0	0	1	1	0
Totals	2021	1	0	0	0	0	1
	2022	1	0	1	0	0	2
	2023	2	0	0	1	0	1

TABLE NO. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
California	1 ³	1	1
Totals	1	1	1

Notes to Tables 1 - 5:

Note 1: All numbers are as of the fiscal year ending on December 31st for each year. These numbers include those Studios in Enrollment. As of December 31, 2023, there were no area development agreements in place.

Note 2: Please note that all outlets described in this Item 20 for years 2021, 2022 and 2023 relate to activities that took place prior to our (Fit Franchise Brands, LLC's) acquisition of the FARRELL'S EXTREME BODYSHAPING® franchise system and its existing franchise agreements as further explained in Item 1 of this Disclosure Document. Specifically, we note that the one company-owned outlet disclosed in Table 4 is, as of the Issuance Date of this Disclosure Document, no longer company owned as that outlet became a franchised outlets as of the January 2, 2024 Transaction; however, because this Item 20 only reflects activity through 2023, so that change is not yet captured.

Note 3. This franchise agreement was signed by our predecessor prior to our (Fit Franchise Brands, LLC's) acquisition of the FARRELL'S EXTREME BODYSHAPING® franchise system.

Exhibit D lists the names of all current franchisees and the addresses and telephone numbers of their Studios as of December 31, 2023.

Exhibit E lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had a Studio terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance

date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We are a new franchisor and accordingly have not signed any franchise agreements containing confidentiality clauses in the last three years; however, we reserve the right, in some instances, to have current and former franchisees sign such provisions restricting their ability to speak openly about their experience with Fit Franchise Brands, LLC. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. If you buy this franchise, your contact information may be disclosed to other buyers.

We do not know of any trademark-specific franchisee organization associated with the franchise system being offered. Currently, there are no franchisee organizations we have created, sponsored or endorsed. However, we reserve the right to do so in the future.

ITEM 21

FINANCIAL STATEMENTS

The following documents are attached to this disclosure document as **Exhibit C**:

- A. Our unaudited interim balance sheet as of September 5, 2024;
- B. Our Audited Financial Statements for our fiscal year ended December 31, 2023;
- C. Our Audited Financial Statements for our fiscal year ended December 31, 2022;
- D. Our Audited Financial Statements for our fiscal year ended December 31, 2021.

[The remainder of this page is intentionally left blank.]

ITEM 22

CONTRACTS

Copies of all proposed agreements regarding the franchise offering included are:

EXHIBIT A: Franchise Agreement and the following exhibits:

- Exhibit 1 - Approved Territory
- Exhibit 2 - Authorization Agreement for Prearranged Payment
- Exhibit 3 - Conditional Assignment of Telephone Numbers
- Exhibit 4 - Nondisclosure and Noncompetition Agreement
- Exhibit 5 - Personal Guaranty and Subordination Agreement
- Exhibit 6 - Waiver of Two Mile Approved Territory
- Exhibit 7 - Statement of Ownership Interest in Franchisee
- Exhibit 8 - Amendment to Franchise Agreement
- Exhibit 9 – Assignment & Assumption Agreement
- Exhibit 10 – Collateral Assignment of Lease
- Exhibit 11 – Bookkeeping Services Agreement

EXHIBIT B: Development Agreement

EXHIBIT J: Pre-Closing Questionnaire *(not applicable in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin)*

ITEM 23

RECEIPTS

Attached as **Exhibit K** of this disclosure document is a list of the State Effective Dates for each registration state. Attached as **Exhibit L** of this disclosure document are duplicate Receipts to be signed by you. You should sign both copies of the Receipt. Keep one for your records and return the other one to us at the following address:

Attention:
FIT FRANCHISE BRANDS, LLC
Justin Corporate Center, Bldg. 2 #400
200 Route 9 North
Manalapan, New Jersey 07726
Telephone: (732) 520-4475

Exhibit A

Franchise Agreement and Exhibits

Exhibit B

Development Agreement and Exhibits

Exhibit C
Financial Statements

Exhibit D

Current Franchisees as of December 31, 2023¹

Table 1.
LIST OF FRANCHISEES WITH FRANCHISED STUDIOS THAT WERE OPEN
AS OF DECEMBER 31, 2023

Franchisee	Franchise ID	Street Address	City	ST	Zip	Phone
Katie Lunde, FXB Anthem	Anthem, AZ	3668 W. Anthem Way, Ste B-132	Anthem	AZ	85086	720-594-8092
Mark and Jenny Vohsman, Good Stuff Fitness, LLC	FXB Colorado Springs	5850 Championship View, Suite 140	Colorado Springs	CO	80922	719-473-3921
Julie and Jim McKenzie, FXB Level 10 LLC.	FXB Denver	547 S Colorado Blvd,	Denver	CO	80222	720-363-5210
Angela Bland & Lisa Tomlin, KP Fitness, LLC.	FXB Bloomington-	1804 South Hershey Road	Bloomington	IL	61704	309-635-7728
Samantha Breed & Ethan Breed, Tru North Fitness, LLC.	FXB Albertville	5262 Kyler Avenue NE	Albertville	MN	55301	612-406-1482
Cathy Caldwell, Level 10 Fitness, LLC.	FXB East Peoria	212 Veterans Drive.	East Peoria	IL	61611	217-741-5864
Flynn McCartney and Pat Thomas, Transform Fitness, LLC	Springfield FXB	3246 Ginger Creek Drive	Springfield	IL	62711	217-993-9820
Bill and Ashley Ryan, Sheri and Steve Rico, RYCO Fitness, LLC	Landmark FXB	430 S. Landmark Avenue	Bloomington	IN	47403	812-822-2712
Oliver S. Beard and Lyndsey Beard, Beyond Fitness, LLC.	Columbus FXB	3230 N. National Road	Columbus	IN	47201	502-641-2428
Cathy Caldwell, Level 10 Fitness, LLC.	FXB Peoria	5832 North Knoxville Ave Suite L.	Peoria	IL	61614	217-741-5864
David Shilling, Finish Strong, LLC	Altoona FXB	1003 8 th Street SW	Altoona	IA	50009	515-867-1073
Joni Gammon, Fierce Fighters, Inc.	Ames FXB	605 East Lincoln Highway	Ames	IA	50010	515-509-4007

Andrew and Amy Sadler, A Sadler Investments, LLC	Ankeny FXB	121 N. 18 th Street	Ankeny	IA	50021	309-781-3832
--	------------	--------------------------------	--------	----	-------	--------------

Franchisee	Franchise ID	Street Address	City	ST	Zip	Phone
Pat Thomas, Thomas Fitness, LLC	C.R. Boyson FXB	576 Boyson Road NE	Cedar Rapids	IA	52042	319-362-0075
Pat Thomas, Thomas Fitness, LLC	C.R. C Street FXB	5761 C Street SW	Cedar Rapids	IA	52404	319-841-2233
Pat Thomas, Thomas Fitness, LLC	C.R. Edgewood North FXB	5240 Edgewood Road NE	Cedar Rapids	IA	52411	319-832-0000
Pat Thomas, Thomas Fitness, LLC	Coralville – Oakdale FXB	2761 Oakdale Boulevard	Coralville	IA	52241	319-626-2285
Ryan Winter, FXB DSM, LLC	South Des Moines FXB	4230 Fleur Drive	Des Moines	IA	50321	515-287-2739
Mike and Jenn Nethery, MJN Fitness, LLC	Dubuque – Meinen FXB	2478 Meinen Court	Dubuque	IA	52002	563-564-7696
Scott Carpenter, Level X, LLC	Grimes – FXB	1451 SE 3 rd St, Suite 500	Grimes	IA	50111	515-986-0865
Denise DeHamer and Nicholas Cicero, Success Unlimited, LLC	Urbandale FXB	8801 Hickman Road	Urbandale	IA	50322	515-251-3942
Angie Fuller, Ryan Sheridan, and Dan Hanawalt, DARE Fitness	Cedar Valley FXB	4507 Algonquin Dr, Suite C	Cedar Falls	IA	50613	319-234-2348
Ryan Winter, FXB EP True, LLC	EP True FXB	1905 EP True Parkway	West Des Moines	IA	50265	515-707-6042
Cindi Nikituk, CK Hardcore Fitness, LLC	Andover FXB	2246 Bunker Lane Boulevard, Suite 205	Andover	MN	55304	763-276-9688

Franchisee	Franchise ID	Street Address	City	ST	Zip	Phone
Cindi Nikituk, CK Hardcore Fitness, LLC	Blaine FXB	1510 109 th Avenue, Suite 160	Blaine	MN	55449	763-784-2401
Cheryl and Chris Soli, Live Life Love Fitness, LLC	Brooklyn Park FXB	9618 Colorado Lane	Brooklyn Park	MN	55445	763-316-6458
Casey Bloemke and Ed McNamara – Wolverine Fitness, LLC	Eden Prairie FXB	9627 Anderson Lake Parkway	Eden Prairie	MN	55344	952-522-3113
Robyn Keller and Brittany Widman, B.R.E.W Fitness	Elk River FXB	19140 Freeport Street NW	Elk River	MN	55330	763-777-1616
Robyn Keller and Brittany Widman, B.R.E.W. Fitness	Forest Lake FXB	808 Lake Street South	Forest Lake	MN	55025	651-464-4041
Jeremy and Jacque Whiteford, 4You Fitness, LLC	Mankato FXB	1170 South Riverfront Drive	Mankato	MN	56001	218-329-2266
Dale DeSteno and Chanell Leach, DRD Training, LLC	Maple Grove FXB	9893 Maple Grove Parkway North	Maple Grove	MN	55369	612-245-8933
Casey Bloemke and Ed McNamara – Wolverine Fitness, LLC	North Loop	304 6 th Ave N	Minneapolis	MN	55401	773-430-8660
Leslie Egan and Abby O'Reilly, Achieve Level 10 Fitness, LLC	Stillwater FXB	5825 Neal Avenue North	Stillwater	MN	55082	651-342-1063
Casey Bloemke and Ed McNamara – Wolverine Fitness, LLC	St. Paul FXB	477 Selby Ave	St. Paul	MN	55102	651-369-7272
Cindi Nikituk, CK Hardcore Fitness, LLC	Shoreview FXB	1037 West Highway 96	Shoreview	MN	55126	763-400-8707
Justin Gordon and Jillian Faber, Intense Fitness, LLC	White Bear FXB	1210 County Road J	White Bear Township	MN	55127	651-407-2942
Justin Gordon and Jillian Faber, Intense Fitness, LLC	Woodbury FXB	1960 Donegal Drive, Suite 10	Woodbury	MN	55125	651-407-2942
Nick Senior, Senior Enterprise, LLC	Bellevue FXB	2219 Capeheart Road	Bellevue	NE	68123	402-408-6404
Carol Wisecarver, Penny Mc Williams,	La Vista FXB	10351 Portal Road	La Vista	NE	68128	402-408-4143

Franchisee	Franchise ID	Street Address	City	ST	Zip	Phone
Nicole Essink, Essink Energy, LLC	Lincoln- Yankee Ridge FXB	3900 Yankee Hill Rd, Ste 147 Rd, Ste 147	Lincoln	NE	68516	402-310-4026
Nicole Essink, Essink Energy, LLC	Lincoln- Meadowlane FXB	920 N. 70 th	Lincoln	NE	68505	402-310-4761
Melissa Bildt and Andye Serflaten- Lamm, FXB 402, LLC	Omaha Northwest FXB	4975 N. 120 th Street	Omaha	NE	68164	402-408-5818
Mike and Penny Ranallo, Shinning Penny, LLC	Omaha West Dodge FXB	15791 West Dodge Road	Omaha	NE	68118	402-630-0362
Dan Coops, NPMA, LLC	Omaha 180 th & Q FXB	18101 R Plaza #3	Omaha	NE	68135	402-547-3381
Lisa Lanz, Virga Vitality, LLC	Hudson FXB	1301 Gateway Circle, Suite 400	Hudson	WI	54016	715-718-3603
Nicole Jackson and Jess Ammann, Stronger Together, LLC	Madison FXB	6060 McKee Road	Fitchburg	WI	53719	608-341-8497

Table 2.
List of Franchisees With Signed Franchise Agreements for Studios
Not Yet Open
As of December 31, 2023

Franchisee	Franchise ID	Street Address	City	ST	Zip	Phone
Laxmi Narasimhan, PRG Software Solution	Irvine FXB	NA	Irvine	CA		949-202-8972

¹ The current franchisees listed in this Exhibit D as of December 31, 2023 relate to those franchise agreements entered into by Farrell's eXtreme Bodyshaping, Inc. prior to the Transaction detailed in Item 1, whereby we (Fit Franchise Brands, LLC) acquired the FARRELL'S EXTREME BODYSHAPING[®] franchise system and all related franchise agreements.

Exhibit E

List of Former Franchisees¹

This Exhibit lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had a Studio terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document.

COMPANY NAME	CITY/STATE	PHONE NUMBER
Pat Thomas, Thomas Fitness, LLC.	Iowa City, IA	319-338-5878
Dan Harvey, Spartan Strength, LLC	Bettendorf, IA	563-505-4240
Lorenzo Rollie and Lenore Schoenfelder, Level 10 Fitness, LLC	Rochester, MN	507-322-4243
Andrew and Erin Peters, Healthy at 7624, LLC	Midtown, NE	402-201-2474
Jan Arnold and Taryn Deenik	Greenwood, IN	317-884-6521

Transfers in 2023

The below franchisees sold or transferred ownership control of their Studio during the 2023 calendar year.

COMPANY NAME	CITY/STATE	PHONE NUMBER
Transform Fitness, LLC	East Peoria, IL	319-362-0075
Transform Fitness, LLC	Peoria, IL	319-362-0075
Ariel Doctoroff	Denver, CO	303-756-2639
Robyn Keller and Brittany Widman, B.R.E.W. Fitness	Albertville, MN	763-777-1616

¹ The former franchisees and transfers listed in this Exhibit E as of December 31, 2023 occurred prior to the Transaction described in Item 1 whereby we (Fit Franchise Brands, LLC) acquired the FARRELL'S EXTREME BODYSHAPING® franchise system.

Exhibit F

State Administrators/Designation of Agent for Service of Process

State Administrators

California

California Department of Financial Protection & Innovation
Department of Financial Protection & Innovation
1515 K Street
Sacramento, CA 95814
(916) 445-7205
(Toll Free) (866) 275-2677

Hawaii

Hawaii Securities Examiner
1010 Richards Street
Honolulu, HI 96813
(808) 586-2722

Illinois

Illinois Franchise Development
Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana

Indiana Chief Deputy Commissioner
Secretary of State
Franchise Section - Securities Division
301 W. Washington Street, Room E111
Indianapolis, IN 46204
(317) 232-6681

Maryland

Office of the Attorney General
Securities Division
200 Saint Paul Place,
Baltimore, MD 21202
(410) 576-6360

State Agents For Service of Process

California

California Commissioner
Department of Financial Protection & Innovation
1515 K Street
Sacramento, CA 95814
(916) 445-7205
(Toll Free) (866) 275-2677

Hawaii

Director, Department of Commerce and Consumer Affairs
Business Registration Division
1010 Richards Street
Post Office Box 40
Honolulu, HI 96810

Illinois

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, IN 46204

Maryland

Maryland Securities Commissioner
200 Saint Paul Place
Baltimore, MD 21202-2020

State Administrators
(Continued)

Michigan

Michigan Franchise Administrator
Consumer Protection Division
Attention: Franchise Examiner
670 Law Building
Lansing, MI 48913
(517) 373-7117

Minnesota

Minnesota Franchising Examiner
Minnesota Department of Commerce
85 7th Place, East, Suite 500
St. Paul, MN 55101
(651) 539-1571

New York

Special Deputy Attorney General
Bureau of Investigation
New York State Department of Law
120 Broadway
New York, NY 10271
(212) 416-8222

North Dakota

North Dakota Securities Department
600 East Boulevard State Capitol
Fifth Floor Dept 414
Bismarck, ND 58505-0510
(701) 328-4712

Rhode Island

Rhode Island Securities Examiner
Division of Securities
1511 Pontiac Avenue
Cranston, RI 02920
(401) 462-9500

South Dakota

South Dakota Franchise Administrator
Division of Securities
Department of Labor & Regulation
124 S Euclid, Suite 104
Pierre, SD 57501
(605) 773-4013

State Agents For Service of Process
(Continued)

Michigan

Not Applicable

Minnesota

State of Minnesota
Department of Commerce
Securities Division
85 7th Place East, Suite 500
St. Paul, MN 55101

New York

Secretary of State of New York
99 Washington Avenue
Albany, NY 12231

North Dakota

Securities Commissioner
600 East Boulevard State Capitol
Fifth Floor Dept 414
Bismarck, ND 58505-0510

Rhode Island

Rhode Island Department of Business Regulation
1511 Pontiac Avenue
Cranston, RI 02920

South Dakota

Director, Division of Securities
State Capitol Building
124 S Euclid, Suite 104
Pierre, SD 57501
(605) 773-4013

State Administrators
(Continued)

Virginia

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

Washington

Washington Securities Administrator
Business License Service
P. O. Box 9033
Olympia, WA 98507-9033
(360) 902-8760

Wisconsin

Wisconsin Commissioner of Securities
Registration Division
P. O. Box 1768
Madison, WI 53101
(608) 266-8559

State Agents For Service of Process
(Continued)

Virginia

Clerk of the State Corporation Commission
1st Floor
1300 East Main Street
Richmond, VA 23219
(804) 371-9733

Washington

Director of Licensing
Securities Division
150 Israel Road
Turnwater, WA 98501

Wisconsin

Wisconsin Commissioner of Securities
Office of the Commissioner of Securities
101 East Wilson Street
Madison, WI 53702

Exhibit G

OPERATIONS MANUAL

- 1. Company Directory**
- 2. Vendors**
- 3. Assets**
 - a. Photos**
 - b. Videos**
 - c. Logos**
- 4. Hiring**
 - a. Hiring Tutorials**
 - b. Job Postings**
 - c. Job Descriptions**
 - d. Offer Letters**
- 5. Onboarding**
- 6. Marketing**
 - a. Annual Marketing Calendar**
 - b. Challenge Marketing**
 - c. Promotions**
 - d. Grassroots Marketing**
 - e. Retail Marketing**
 - f. Referral Marketing**
 - g. National Challenge Marketing**
 - h. Monthly Social Media Content**
 - i. Art Request Submission**
- 7. Member Experience**
 - a. New Members**
 - b. Trial Members**
 - c. Milestones**
 - d. Class Programming**
 - e. Nutrition**
 - f. National Challenge**

Exhibit H

Form of General Release

General Release

THIS GENERAL RELEASE (the “**Release**”) is made and entered into on this _____ day of _____, 20____ (the “**Effective Date**”), by and between:

- FIT FRANCHISE BRANDS, LLC a New Jersey limited liability company with its principal place of business at Justin Corporate Center (Bldg. 2, #400), 200 Route 9 North, Manalapan, New Jersey 07726 (“**Franchisor**”); and

- _____ a [resident of] [corporation organized in] [limited liability company organized in] _____ and having offices at _____ [(“**Franchisee**”)] [(“**Transferor**”)].

BACKGROUND:

A. Franchisor and [Franchisee][Transferor] are parties to a Franchise Agreement dated _____ (the “**Franchise Agreement**”); and

B. Franchisor and Franchisee have agreed, pursuant to the Franchise Agreement, [to renew or extend Franchisee’s rights under the Franchise Agreement (the “**Renewal Transaction**”)] [to permit a transfer pursuant to Section 9 of the Franchise Agreement (the “**Transfer Transaction**”)] [to permit a relocation pursuant to Section 4.5.1 of the Franchise Agreement (the “**Relocation Transaction**”)], [to permit a conversion pursuant to Section 4.5.2 of the Franchise Agreement (the “**Conversion Transaction**”) and in connection with the [Renewal Transaction] [Transfer Transaction] [Relocation Transaction] [Conversion Transaction], Franchisor and [Franchisee] [Transferor] have agreed to execute this Release, along with such other documents related to the approved [Renewal Transaction] [Transfer Transaction] [Relocation Transaction].

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. Release. [Franchisee] [Transferor], its officers and directors and Principals, and their respective agents, heirs, administrators, successors and assigns (the “**Franchisee Group**”), hereby forever release and discharge, and forever hold harmless Franchisor, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors and assigns (the “**Franchisor Group**”) from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which [Franchisee] [Transferor] and/or its Principals had, have or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership or operation of FARRELL’S EXTREME BODYSHAPING ® franchised Studio. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to

reimburse them for any loss, liability, expense or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants' and expert witness fees, costs of investigation and proof of facts, court costs and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor or other third party now has, ever had, or hereafter would or could have, as a result of, arising from or relating to the Franchise Agreement or FARRELL'S EXTREME BODYSHAPING® franchise. The Franchisee Group and its Principals represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements or promises described herein.

2. General Terms.

2.1. This Release shall be binding upon, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

2.2. This Release shall take effect upon its acceptance and execution by each of the parties hereto.

2.3. This Release may be executed in counterparts, and signatures exchanged by fax, and each such counterpart, when taken together with all other identical copies of this Release also signed in counterpart, shall be considered as one Release.

2.4. The captions in this Release are for the sake of convenience only, and shall neither amend nor modify the terms hereof.

2.5. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

2.6. No amendment, change, or variance from this Release shall be binding on either party unless in writing and agreed to by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

FIT FRANCHISE BRANDS, LLC
Franchisor

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Exhibit I
State Specific Addenda

NASAA REQUIRED MODIFICATIONS TO ITEM 22 OF THE FDD –

IN ADDITION TO CERTAIN STATE SPECIFIC ADDENDA THAT FOLLOW, THE FOLLOWING LANGUAGE SHALL BE APPLICABLE IN CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**RIDER TO FIT FRANCHISE BRANDS, LLC
FRANCHISE AGREEMENT FOR USE IN ILLINOIS**

THIS RIDER is made this ___day of _____, 20__ by and between **FIT FRANCHISE BRANDS, LLC**, a New Jersey limited liability company, having its principal place of business at Justin Corporate Center, Bldg. 2, #400, 200 Route 9 North, Manalapan, New Jersey 07726 (“**Franchisor**”), and _____ (“**Franchisee**”).

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20__ that has been signed concurrently with the signing of this Rider (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Franchised Restaurant that Franchisee will operate under the Franchise Agreement was made in the State of Illinois and the Franchised Restaurant will be operated in Illinois, and/or (b) Franchisee is a resident of Illinois.

2. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987 (“Act”), 815 ILCS 705/1-44. To the extent that this Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to you concerning nonrenewal and termination of this Franchise Agreement. If this Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.
- b. In conformance with Section 41 of the Illinois Franchise Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
- c. Any provision that designates jurisdiction or venue or requires Franchisee to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois. Therefore to the extent that the Franchise Agreement is inconsistent with Illinois law, Illinois law will control.
- d. Any release of claims or acknowledgment of fact contained in this Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and is hereby deleted with respect to claims under the Act.

3. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act, or any law of the State of Illinois is void. However, this provision shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of

the provisions of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise,

5. All other provisions of this Franchise Agreement are hereby ratified and confirmed.

[The Signature Page Follows]

IN WITNESS WHEREOF, the parties, intending to be legally bound, have duly executed and delivered this Rider on the day and year first above written.

ATTEST:

FIT FRANCHISE BRANDS LLC:

Print Name: _____

By: _____
Name: _____
Title: _____

Date: _____

ATTEST/WITNESS:

FRANCHISEE:

Print Name: _____

By: _____
Name: _____
Title: _____

**RIDER TO FIT FRANCHISE BRANDS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR USE IN ILLINOIS**

Item 13 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in Item 17.r. of the FDD is deleted and the

following is inserted in its place: No competing business for

two (2) years within the Protected Area.

The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in the Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the

provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The “Summary” column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor’s Choice of Law State law applies. Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

RIDER TO THE FIT FRANCHISE BRANDS LLC
FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT FOR USE IN MINNESOTA

THIS RIDER is made this ___day of _____, 20__ by and between **FIT FRANCHISE BRANDS, LLC**, a New Jersey limited liability company, having its principal place of business at Justin Corporate Center, Bldg. 2, #400, 200 Route 9 North, Manalapan, New Jersey 07726 (“**Franchisor**”), and _____ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20__ that has been signed concurrently with the signing of this Rider (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee’s Franchised Restaurant will be located or operated in Minnesota and/or (b) the offer or sale of the franchise for the Franchised Restaurant that Franchisee will operate under the Franchise Agreement was made in the State of Minnesota.

2. **Releases.** The following language is added to the end of Section 4.5.1(d). of the Franchise Agreement, entitled **Relocation**, to the end of Section 4.6.2(f), entitled **Renewal**, and to the end of Section 9.4(i). of the Franchise Agreement, entitled **Conditions for Consent to Transfer**:

“provided, however, that such general releases will not apply to the extent prohibited by applicable law with respect to claims which arise under Minn. Rule 2860.4400D.”

3. The following language is added to the end of Section 4.6.2. of the Franchise Agreement, entitled **Term and Renewal**, and Section 10.2 of the Franchise Agreement, entitled **Termination by Fit Franchise Brands**:

“WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW, FRANCHISOR WILL COMPLY WITH MINN. STAT. §80C.14, SUBDS. 3, 4, AND 5 WHICH REQUIRE, EXCEPT IN CERTAIN SPECIFIED CASES, THAT FRANCHISEE BE GIVEN 90 DAYS’ NOTICE OF TERMINATION (WITH 60 DAYS TO CURE) AND 180 DAYS’ NOTICE FOR NON-RENEWAL OF THE FRANCHISE AGREEMENT.”

4. The following language is added to Item 5 and 7 of the Franchise Disclosure Document and to the end of Section 6.1.1 of the Franchise Agreement:

“The State of Minnesota has imposed a financial condition under which the initial franchise fees due will be deferred until the franchise is open for business.”

~~6~~5. The following language is added to the end of Section 6.3. of the Franchise Agreement:

“NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.”

6. Section 4 of the Nondisclosure and Noncompetition Agreement that is incorporated into the Franchise Agreement as Exhibit 4 shall be deleted from the Franchise Agreement in its entirety as required by Minnesota Statutes, Section 181.991, which prohibits franchisors from restricting, restraining or prohibiting in any way a franchisee from soliciting or hiring an employee of a franchisee of the same franchisor or of the franchisor.

7. **Applicable Law.** The following language is added to the end of Section 11.2 of the Franchise Agreement:

“MINN. STAT. §80C.21 AND MINN. RULE 2860.4400J PROHIBIT FRANCHISOR FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF FRANCHISEE’S RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR FRANCHISEE’S RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.”

[The Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed, sealed and delivered this Rider in duplicate the day and year first above written.

FIT FRANCHISE BRANDS LLC:

ATTEST:

By: _____

Name: _____

Title: _____

Print Name: _____

Date: _____

ATTEST/WITNESS:

FRANCHISEE:

Print Name: _____

By: _____

Name: _____

Title: _____

**ADDENDUM TO FIT FRANCHISE BRANDS, LLC
FRANCHISE DISCLOSURE DOCUMENT & FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF VIRGINIA**

This Amendment shall pertain to franchises sold in the State of Virginia and shall be for the purpose of complying with the Virginia Retail Franchising Act.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for FARRELL'S EXTREME BODYSHAPING® for use in the Commonwealth of Virginia shall be amended as follows:

Item 17(h) of the Franchise Disclosure Document shall be amended to include the following disclosure:

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

**ADDENDUM TO FIT FRANCHISE BRANDS, LLC
FRANCHISE DISCLOSURE DOCUMENT & FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF WISCONSIN**

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

FRANCHISEE:

BY: _____ **PRINT NAME:** _____ **TITLE:** _____

FRANCHISOR:

BY: _____ **PRINT NAME:** _____ **TITLE:** _____

EXHIBIT J
PRE-CLOSING QUESTIONNAIRE

PRE-CLOSING QUESTIONNAIRE

[To be completed by Franchisee and all Owners before signing Franchise Agreement]

DO NOT COMPLETE IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

As you know, you and FIT FRANCHISE BRANDS, LLC (the “Franchisor”) are about to enter into a franchise agreement for the development, opening and operation of a **FARRELL’S EXTREME BODYSHAPING®** franchised outlet (the “Studio”). The purpose of this Questionnaire is to determine if any improper sales practices have occurred, including, whether any statements or promises were made to you Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question. **The answers you provide in this Questionnaire are material to Franchisor and Franchisor is relying on all such answers in agreeing to enter into a franchise relationship with you.**

1. Have you received and personally reviewed Franchisor’s Franchise Disclosure Document?

Yes____ No____

2. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

Yes____ No____

3. Have you received and personally reviewed the Fit Franchise Brands, LLC Franchise Agreement and all accompanying Exhibits?

Yes____ No____

4. Has any employee or other person speaking on behalf of Franchisor made any statement, representation or promise concerning the revenue, profits or operating costs of a **FARRELL’S EXTREME BODYSHAPING®** Studio operated by Franchisor or any of its affiliates?

Yes____ No____

5. Has any employee or other person speaking on behalf of Franchisor made any statement, representation (aside from the disclosure provided in Item 19 of the FDD) or promise concerning the revenue, profits or operating costs of a **FARRELL’S EXTREME BODYSHAPING®** Studio operated by a franchisee?

Yes____ No____

6. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning any FARRELL'S EXTREME BODYSHAPING® Studio that is contrary to, different from, or in addition to, the information contained in the Disclosure Document?

Yes____ No____

7. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the amount of money you may earn or revenue you may derive in operating a FARRELL'S EXTREME BODYSHAPING® Studio ?

Yes____ No____

8. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the amount of revenue a FARRELL'S EXTREME BODYSHAPING® Studio will generate?

Yes____ No____

9. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the costs you may incur in operating a FARRELL'S EXTREME BODYSHAPING® Studio that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No____

10. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a FARRELL'S EXTREME BODYSHAPING® Studio?

Yes____ No____

11. Has any employee or other person speaking on behalf of Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No____

12. Do you understand that Franchisor's approval of a location for the Studio does not constitute an assurance, representation or warranty of any kind as to the successful operation or profitability of the Studio at the location?

Yes____ No____

13. Do you understand that the approval of Franchisor of a financing plan for operation of the Studio does not constitute any assurance that such financing plan is favorable, or not unduly burdensome, or that the Studio will be successful if the financing plan is implemented?

Yes____ No____

14. Do you understand that in all dealings with you, the officers, directors, employees and agents of Franchisor act only in a representative capacity and not in an individual capacity and such dealings are solely between you and Franchisor?

Yes____ No____

If you have answered "Yes" to any of questions 4 through 11, please provide a full explanation by attaching an additional page. You understand that your answers are important to us and that we will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

PROSPECTIVE FRANCHISEE/APPLICANT:

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

Exhibit K

State Effective Dates

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

<u>STATE</u>	<u>EFFECTIVE DATE</u>
Indiana	
Illinois	
Michigan	
Minnesota	
Virginia	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Exhibit L

Receipts

Item 23 – Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If FARRELL’S EXTREME BODYSHAPING, INC. offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If FIT FRANCHISE BRANDS, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in **Exhibit E**.

The franchisor is FIT FRANCHISE BRANDS, LLC, located at Justin Corporate Center, Bldg. 2 #400, 200 Route 9 North, Manalapan, New Jersey 07726. Its telephone number is (732) 520-4475.

Date of Issuance: November 21, 2024

The franchise seller for this offering is: *[Check all that apply.]*

<input type="checkbox"/> Bryan Klein Justin Corporate Center, Bldg. 2 #400 200 Route 9 North Manalapan, New Jersey 07726 (732) 520-4475	<input type="checkbox"/> Hayley Guerra Justin Corporate Center, Bldg. 2 #400 200 Route 9 North Manalapan, New Jersey 07726 (732) 520-4475
<input type="checkbox"/> _____(write in name) _____(write in address) _____(write in address) _____(write in phone)	<input type="checkbox"/> _____(write in name) _____(write in address) _____(write in address) _____(write in phone)

FIT FRANCHISE BRANDS, LLC authorizes the respective state agencies identified on **Exhibit E** to receive service of process for it in the particular state.

I have received a disclosure document dated November 21, 2024 that included the following Exhibits:

- | | |
|--|--|
| A Franchise Agreement | G Table of Contents of Operations Manual |
| B Development Agreement | H Form of General Release |
| C Financial Statements | I State Specific Addenda |
| D List of Franchisees | J Pre-Closing Questionnaire |
| E List of Former Franchisees | K State Effective Dates |
| F State Administrators/Designation of Agent for Service of Process | L Receipts |

Date: _____
 (Do not leave blank)

 Signature of Prospective Franchisee

 Print Name

KEEP THIS COPY FOR YOUR RECORDS.

Item 23 – Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If FARRELL’S EXTREME BODYSHAPING, INC. offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If FIT FRANCHISE BRANDS, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in **Exhibit E**.

The franchisor is FIT FRANCHISE BRANDS, LLC, located at Justin Corporate Center, Bldg. 2 #400, 200 Route 9 North, Manalapan, New Jersey 07726. Its telephone number is (732) 520-4475.

Date of Issuance: November 21, 2024

The franchise seller for this offering is: *[Check all that apply.]*

<input type="checkbox"/> Bryan Klein Justin Corporate Center, Bldg. 2 #400 200 Route 9 North Manalapan, New Jersey 07726 (732) 520-4475	<input type="checkbox"/> Hayley Guerra Justin Corporate Center, Bldg. 2 #400 200 Route 9 North Manalapan, New Jersey 07726 (732) 520-4475
<input type="checkbox"/> _____(write in name) _____(write in address) _____(write in address) _____(write in phone)	<input type="checkbox"/> _____(write in name) _____(write in address) _____(write in address) _____(write in phone)

FIT FRANCHISE BRANDS, LLC authorizes the respective state agencies identified on **Exhibit E** to receive service of process for it in the particular state.

I have received a disclosure document dated November 21, 2024 that included the following Exhibits:

- | | |
|--|--|
| A Franchise Agreement | G Table of Contents of Operations Manual |
| B Development Agreement | H Form of General Release |
| C Financial Statements | I State Specific Addenda |
| D List of Franchisees | J Pre-Closing Questionnaire |
| E List of Former Franchisees | K State Effective Dates |
| F State Administrators/Designation of Agent for Service of Process | L Receipts |

Date: _____
 (Do not leave blank)

 Signature of Prospective Franchisee

 Print Name

Please sign this copy of the receipt, date your signature, and return it to FIT FRANCHISE BRANDS, LLC at Justin Corporate Center, Bldg. 2 #400, 200 Route 9 North, Manalapan, New Jersey 07726.