

FRANCHISE DISCLOSURE DOCUMENT



TLGI, LLC,
a Delaware limited liability company
2350 Airport Freeway, Suite 505
Bedford, Texas 76022
877.958.9716
letstalk@thelittlegym.com
www.thelittlegym.com
www.thelittlegymfranchise.com

As a franchisee of the THE LITTLE GYM[®], you will operate a business providing physical fitness, recreational gymnastic, motor skills development, and other programs for children under THE LITTLE GYM trademarks and system (each a “Gym”). The franchises offered are for the operation of an individual Gyms under a franchise agreement or for development of multiple Gyms under the development agreement.

The total investment necessary to begin operation of one THE LITTLE GYM[®] franchised business is ~~\$465,250,506,197~~ to ~~\$637,000,673,197~~. This includes ~~\$140,000,144,500~~ to ~~\$163,000,159,500~~ that must be paid to us or our affiliates.

We may offer to enter into a development agreement to establish and operate two to three THE LITTLE GYM[®] franchised businesses at specific locations under individual franchise agreements. The total initial investment necessary under the development agreement for two to three Gyms ranges from \$116,050 to \$165,650. This includes \$113,050 to \$160,650 that must be paid to the franchisor or its affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 Joshua Wall, Chief Growth Officer, Unleashed Services, LLC, 2350 Airport Freeway, Suite 505, Bedford, Texas 76022, 877.958.9716 or by email at josh.wallfranchising@unleashedbrands.com.

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 “[A Consumer’s Guide to Buying a Franchise](#),” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1.877.FTC.HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April ~~28, 2023~~ 30, 2024.

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

This disclosure document describes THE LITTLE GYM[®] franchises. In this disclosure document, the terms “we,” “us,” “our,” and “TLGI” mean TLGI, LLC, the franchisor. The terms “you,” “your” and “Franchisee” mean the individual(s) or business entity (limited liability company, corporation, or partnership) that signs a franchise agreement with us. If the Franchisee is a business entity, the term “Owners” means the person(s) identified in the Franchise Agreement as owners of the Franchisee and all other persons whom we may subsequently approve to acquire an interest in the franchise. Owners holding more than a ten percent equity interest will have certain personal obligations as described in this disclosure document. If any Owner is a business entity, then the term “Owner” also includes the owners of that business entity.

THE FRANCHISOR AND ITS PARENT, PREDECESSORS, AND AFFILIATES

TLGI, LLC is a Delaware limited liability company that was originally incorporated in Washington on June 16, 1992. We were formerly known as The Little Gym International, Inc. On November 17, 2021, Unleashed Brands (defined below) purchased 100% of the equity in The Little Gym International, Inc. and we converted to a limited liability company and changed our name to TLGI, LLC. We do business only under our legal name and “The Little Gym.” Our principal business address is 2350 Airport Freeway, Suite 505, Bedford, Texas 76022. Our agents for service of process are identified in Exhibit C to this disclosure document.

We began offering THE LITTLE GYM[®] franchises in September 1992. We have no predecessor. We do not engage in any other type of business. We are a wholly owned subsidiary of Unleashed Brands, LLC (“Unleashed Brands”). Unleashed Brands’ parent company is Leviathan Intermediate Holdco, LLC, which is owned by UA Holdings, LLC (“UA Holdings”), which we consider our parent company. UA Holdings Unleashed Brands guarantees our performance of obligations under the Franchise Agreement and Development Agreement. Unleashed Brands Foundation, the charitable affiliate of Unleashed Brands, is a Texas based nonprofit corporation which conducts certain charitable activities. Unleashed Brands, Leviathan Intermediate Holdco, LLC, Unleashed Brands Foundation, and UA Holdings share our principal business address.

Our affiliate FM Snap TLGI, LLC is a Delaware limited liability company that was formed on November 30, 2021. FM Snap TLGI, LLC operates a THE LITTLE GYM facility at 5801 Long Prairie Rd Suite 380, Flower Mound, TX 75028 since September 10, 2022.

We have never offered franchises in any other line of business. However, we have affiliates that offer franchises in other lines of business. All of the affiliates listed below have the same business address as us:

- UATP Management, LLC (“UATP”) offers URBAN AIR ADVENTURE PARK franchises, which are venues for recreational activities, birthday parties, and other group events featuring the Adventure Park Attraction package. UATP began offering franchises in May 2013 and had ~~462179~~ franchises as of December 31, ~~2023~~~~2022~~. UATP Canada Franchising, Ltd., a British Columbia corporation, offers these franchises in Canada.
- Snapology, LLC (“Snapology”) offers SNAPOLOGY franchises, which provide curriculum-based courses, events and hands-on learning experiences using LEGO[®] brand bricks, K’Nex[®] brand toys, and other building toys, robotics, animation, coding and engineering techniques. Snapology began offering franchises in March 2015 and had ~~86102~~ franchises as of December 31, ~~2023~~~~2022~~. Snapology International, LLC, a Pennsylvania limited liability company, offers these franchises outside of the USA. Our affiliate Snapology IP, LLC is the owner of certain trademarks and intellectual property associated with the SNAPOLOGY franchises.

- Premier Franchising Group, LLC (“PMA”) offers PREMIER MARTIAL ARTS franchises, which are martial arts studios for self-defense and character development. PMA began offering franchises in April 2018 and had 243213 franchises as of December 31, 20232022. Our affiliate PMA IP, LLC is the owner of certain trademarks and intellectual property associated with the PREMIER MARTIAL ARTS franchises.
- Class 101 Franchise, LLC (“Class 101”) offers CLASS 101 franchises, which provide advice, guidance and training to high school students and their parents in preparing for, selecting, applying to, and paying for college. On April 11, 2022, Class 101 acquired the assets of Class 101, Inc., which began offering franchising in June 2007 and had 4955 franchises as of December 31, 20232022. Our affiliate Class 101 Franchise IP, LLC is the owner of certain trademarks and intellectual property associated with CLASS 101 franchises.
- XP League Franchise, LLC (“XPL”) offers XP LEAGUE franchises which follow traditional youth sports formats delivering values and life skills learned in coach-led athletics in an esports format, for elementary and middle school aged children. On April 21, 2022, XPL acquired certain assets of XP League, LLC, which began offering franchises in August 2020, and had 3341 franchises as of December 31, 20232022. XP League Franchise, LLC is the owner of certain trademarks and intellectual property associated with XP League franchises.
- Our affiliate, Sylvan Learning, LLC (“Sylvan”) offers learning center franchises with a system designed for specialized assessment and teaching of individualized educational programs for children in the principal areas of reading, mathematics, writing, and test preparation, and portable SylvanSync and Sylvan-branded learning environment individualized for children, using proprietary SylvanSync computer systems, under the trademarks SYLVAN, SYLVAN LEARNING, and SYLVANSYNC. Sylvan’s predecessors began offering variations of the Sylvan franchises since 1979, and Sylvan had 474 franchises as of December 31, 2023.
- Our affiliate, Unleashed Services, LLC (“Unleashed Services”), provides executive management services to us, UATP, Snapology, PMA, Class 101, XPL, and XPL-Sylvan but Unleashed Services does not offer franchises in any line of business.

You will not conduct business directly with UATP, Snapology, PMA, Class 101, XPL, or XPL-Sylvan (each an “Affiliated Brand”), unless you decide to co-brand with an Affiliated Brand. If you decide to co-brand the premises of your The Little Gym franchise with an Affiliated Brand, you will be offered a separate franchise disclosure document of your desired Affiliated Brand and will be required to sign a separate franchise agreement for that Affiliated Brand. Other than the above, we do not have any affiliates which offer or sell goods or services to our franchisees, and no other parent, predecessor, and affiliates offer franchises in this or any other lines of business.

THE FRANCHISE OFFERED

We offer franchises for THE LITTLE GYM businesses that provide physical fitness, recreational gymnastics, motor skills development, and other programs to children in a non-threatening, highly motivational environment that enhances physical and mental growth (each a “Franchised Business”). You receive the right to purchase equipment, supplies, advertising materials, and merchandise from us or our approved suppliers and the right to sell approved sportswear, accessories, novelties, and proprietary musical recordings and merchandise at retail.

You will operate your Franchised Business according to the terms and conditions of our standard franchise agreement (“Franchise Agreement,” see Exhibit D) and our operational standards, specifications, policies, and procedures, which we will communicate to you through our confidential operations manual, newsletter, and other written directives (collectively, our “Manual”). As a franchisee, you will have the right to use our proprietary business format and system (“System”) and to do business under our trademarks and service marks (“Proprietary Marks”).

laws regulating the privacy and security of sensitive consumer and employee information in connection with the operation of your business.

Some states and local laws may regulate privacy, the membership contract's length and terms, including regulations related to auto-renewal notices, advertising, and limitations on pre-opening sales. You may be required to obtain a bond to protect pre-paid membership fees you collect and there may be buyer's remorse cancellation rights and other types of cancellation rights.

There may be laws requiring you to have an employee on site who is certified in basic cardiopulmonary resuscitation or on the use of automated external defibrillator and further, require that you maintain certain types of first aid equipment on the premises.

You must follow local and state laws, orders, and ordinances, especially short-term closure or lowered on-site occupancy capacity requirements or mask requirements to address COVID-19 and other pandemic concerns. Further, you may want to consider relevant guidance issued by federal agencies such as the Center for Disease Control and Occupational Safety and Health Administration for the safety of your customers and employees.

You should check with your local attorney for advice on complying with applicable law before you purchase a franchise and during the operation of your business. You must investigate and satisfy and stay current on all local, state, and federal laws and regulations since they vary from place-to-place and can change over time.

ITEM 2 BUSINESS EXPERIENCE

TLGI, LLC

Nancy Bigley - President: Nancy has served as our President since October 2021 in ~~Scottsdale, Arizona~~ ~~Dallas, Texas~~. For Twist Brands, LLC, Nancy served as the Chief Executive Officer from July 2021 to October 2021, and as Chief Operating Officer of from November 2020 to July 2021 in Mandeville, Louisiana. Previously, she served as Chief Operating Officer of Painting with a Twist, LLC from October 2018 to November 2020 in New Orleans, Louisiana. From March 2011 to October 2018, Nancy served as the Chief Executive Officer, President and Co-Owner of Bottle & Bottega, Inc. in Chicago, Illinois.

Jamie Eslinger — Senior Vice President of Marketing and Integration: Jamie has served as Senior Vice President of Marketing and Integration since March 2022- ~~in Bedford, Texas~~. From July 2020 to March 2022, Jamie served as the Head of all North America for Party Lite ~~based out of in~~ Norwell, Massachusetts. Prior to ~~her promotion~~ this position at Party Lite, Jamie served as Director of Marketing for North America from July 2018 to July 2020. From January 2013 to July 2018, Jamie served as the Director of Marketing of Bottle & Bottega, Inc. in Chicago, Illinois.

Samantha Musonda - Vice President of ~~Franchise Support Operations~~: Samantha has been our Vice President of Operations since August 2021 in Scottsdale, Arizona. Previously, from November 2016 to September 2022, she served as our Director of Consulting in Scottsdale, Arizona.

UNLEASHED SERVICES

Michael Browning, Jr. – Chief Executive Officer: Michael Browning, Jr. has been the Chief Executive Officer of both Unleashed Brands and Unleashed Services since July 2021 in Bedford, Texas. He is one of co-founders of UATP and has served as UATP's Chief Executive Officer from its inception in May 2013 to June 2021 in Bedford, Texas. Michael also served as the Chief Executive Officer of UA Attractions, LLC from May 2018 to October 2021 in Bedford, Texas. Previously, he served as the Manager of Southlake Urban Air, LLC from March 2011 to December 2018 in Southlake, Texas; Mansfield Urban Air, LLC from January 2013 to September 2020 in Mansfield, Texas; Frisco Urban Air, LLC from May 2013 to February 2019 in Frisco, Texas; Garland Urban Air, LLC from March 2015 to July 2020 in Garland, Texas; Coppell Urban Air, LLC from March 2015 to July 2020 in Coppell, Texas; and Fort Worth Urban Air, LLC since

August 2016 in Bedford, Texas. Michael ~~was a Member of UATP IP, LLC from October 2013 to March 2018 and~~ has been a Manager of UATP Holdings, LLC since 2015, ~~and served in both positions~~ in Bedford, Texas.

Stephen Polozola – Chief Legal Officer: Stephen Polozola has served as the Chief Legal Officer of Unleashed Services since July 2021 in Bedford, Texas. Stephen is one of the co-founders and has served as the Executive Vice President and General Counsel of UATP since its inception in May 2013 to June 2021 in Bedford, Texas. He has served as a Manager of UATP Holdings, LLC since July 2015 and has served as a Vice President of UATP IP, LLC since October 2013 in Bedford, Texas. ~~He was licensed to practice law in the state of Texas in November 2000 and remains in good standing with the State Bar of Texas. Also, Stephen has served as President of Adventis Insurance, Inc. since March 2020. Prior to his affiliation with UATP, Stephen was a shareholder at Decker Jones, PC in Fort Worth, Texas, where he practiced law from April 2007 to June 2017.~~

Joe Luongo – Chief Operating Officer: Joe Luongo has served as the Chief Operating Officer of Unleashed Services since April 2022 in Bedford, Texas. Since June 2019, he also serves as Chairman of the Board for WellBiz Brands and previously served as Executive Chairman from October 2017 to June 2019 in Englewood, ~~CO~~Colorado.

Scott Perry – Chief Financial Officer: Scott Perry has served as the Chief Financial Officer at Unleashed Services since July 2021 in Bedford, Texas. Before this position, he served as the Chief Financial Officer and Executive Vice President of UATP from March 2019 to June 2021. Previously, he was a Member of Laguna Woods Consulting, LLC from September 2018 to March 2019 in Austin, Texas. ~~Scott was the Chief Financial Officer and Treasurer of Sport Clips, Inc. from November 2014 to July 2018 and Vice President of Finance and Treasurer from November 2006 to November 2014 in Georgetown, Texas.~~

Jessica Correa – Chief Marketing Officer: Jessica Correa has served as Unleashed Services' Chief Marketing Officer since July 2021 in Bedford, Texas. Previously, she served as the Chief Marketing Officer from August 2019 to June 2021. Prior to joining UATP, Jessica served as Head of Marketing for Planet Fitness in Hampton, New Hampshire from November 2014 to May 2018.

Josh Wall, CFE – Chief Growth Officer: Josh Wall has been the Chief Growth Officer of Unleashed Services since July 2021 in Bedford, Texas. From June 2019 to June 2021, Josh Wall served as UATP's Executive Vice President and Chief Franchise Officer. ~~Josh Wall, CFE – Chief Growth Officer: Josh Wall has been the Chief Growth Officer of Unleashed Services since July 2021 in Bedford, Texas. From June 2019 to June 2021, Josh Wall served as UATP's Executive Vice President and Chief Franchise Officer responsible for the growth and development of the brand and franchise relationships.~~ Previously, Josh served as the Chief Development Officer for Christian Brothers Automotive Corporation in Houston, Texas from January 2018 to June 2019.

Chris Andrews – Chief Information Officer: Chris Andrews has been the Chief Information Officer of Unleashed Services since May 2022 in Bedford, Texas. Previously, from May 2019 to May 2022, he was the Chief Information Officer of Smoothie King in Coppell, Texas. From November 2018 to May 2019, he served as the Chief Information Officer at Pei Wei in Dallas, Texas. ~~From July 2017 to November 2018, he served as the Vice President of Technology at Pei Wei in Phoenix, Arizona.~~

~~Jessica Correa – Chief Marketing Officer: Jessica Correa has served as Unleashed Services' Chief Marketing Officer since July 2021 in Bedford, Texas. Previously, she served as the Chief Marketing Officer from August 2019 to June 2021. Prior to joining UATP, Jessica served as Head of Marketing for Planet Fitness in Hampton, New Hampshire from November 2014 to May 2018.~~

Diane Sanford, SHRM-SCP – Chief People Officer: Diane Sanford has served as the Chief People Officer at Unleashed Services since March 2023 in Bedford, Texas. Previously, she was the Chief People Officer at Local Favorite Restaurants in Dallas, Texas from May 2022 to March 2023. Before this role, she served as the Chief People Officer at On the Border Mexican Grill & Cantina from December 2014 to April 2022

in Irving, Texas.

Ryan Slemons – Chief Development Officer: Ryan Slemons has served as ~~our~~the Chief Development Officer of Unleashed Services since April 2023 in Bedford, Texas. From July 2021 to April 2023, he served as Vice President, Global Real Estate and Development at Game Stop in Dallas, Texas. Previously, from September 2014 to July 2021, he held various positions with Amazon, most recently serving as Head of Real Estate – Amazon Go, Amazon Style, and New Concepts in Dallas, Texas.

~~Danny Boruff – Senior Vice President of Supply Chain: Danny Boruff has served as the Senior Vice President of Supply Chain at Unleashed Services since January 2023 in Bedford, Texas. Previously, he served as the Senior Vice President of Supply Chain at UATP from April 2021 to December 2022. Prior to this position, he served as the Head of Supply Chain at Cotton Patch Café from June 2020 to March 2021 in Southlake, Texas. During his time at JMC Restaurant Distribution (Cicis Pizza) in Coppell, Texas, from January 2016 to October 2019, he served as the Vice President of Supply Chain.~~

Eric Schechterman, CFE – Vice President of Franchise Finance: Eric Schechterman has served as ~~our~~the Vice President of Franchise Finance at Unleashed Services since April 2023 in Bedford, Texas. Previously, from April 2011 to February 2023, he held several positions with Benetrends Financial, most recently serving as Chief Development Officer from April 2017 to February 2023 in Philadelphia, Pennsylvania. He currently also serves as Senior Advisor to Lander Analytics, and has held that position since January 2014 in New York, New York.

Josh Barker – Vice President of Franchise Recruitment: Josh Barker has served as Unleashed Services' Vice President of Franchise Recruitment since August 2021. Previously, he served as the Vice President of Franchise Development at Neighborly in Waco, Texas from October 2020 to August 2021. At Christian Brothers Automotive in Houston, Texas, he served as the Franchise Development Manager from June 2017 to April 2018 and Director of Franchise Development from April 2018 to October 2020. From June 2015 to June 2017, he was the General Manager at Air Power Services Inc. in Houston, Texas. Josh serves in his present capacities in Bedford, Texas.

~~Missy Wright – Senior Director of Franchise Recruitment: Missy Wright has served as Senior Director of Franchise Recruitment for Unleashed Services since September 2021 in Houston, Texas. Previously, At Christian Brothers Automotive Corporation in Houston, Texas, she served as the Director of Franchise Development from November 2020 to September 2021 and Franchise Development Manager from January 2017 to November 2020.~~

ITEM 3 LITIGATION

~~Joleyvie, LLC, Tiffany Cianci, and Ryan Cianci v. TLGI, LLC, Unleashed Brands, LLC, and Stephen Polozola, American Arbitration Association, Case No. 01-22-0002-1897. On May 20, 2022, TLGI, LLC terminated Joleyvie, LLC's franchise agreement (the "Joleyvie Franchise Agreement") for failing to timely pay royalty and advertising fees. On May 23, 2022, claimants initiated an arbitration challenging the validity of the termination of the Joleyvie Franchise Agreement. On October 4, 2022, claimants filed an amended demand for arbitration against respondents for breach of contract, tortious interference, trespass, libel, defamation, invasion of privacy, and breach of fiduciary duty and duty of loyalty, and sought unspecified amount of damages. On October 2022, respondents filed a counterclaim alleging trademark infringement, false designation of origin and unfair competition, copyright infringement, misappropriation of proprietary and confidential information and unfair competition, and breach of contract, and requested a permanent injunction and treble damages. On June 8, 2023, the arbitrator issued an Interim Award that ruled in favor of TLGI, LLC and the other respondents, rejected all of the claimants' material allegations against the respondents, and awarded the claimants no monetary damages. In its ruling, the arbitrator~~

~~concluded that (i) TLGI, LLC's termination of the Joleyvie Franchise Agreement was valid and justified, (i) the claimants in fact had breached their post-termination obligations and needed to return confidential and proprietary manuals and other relevant materials to TLGI, LLC, (iii) the post-term non-compete in the Joleyvie Franchise Agreement was enforceable and the claimants therefore needed to cease all competitive activities immediately, and (iv) TLGI, LLC and the other respondents were the prevailing parties and were entitled to recover their attorneys' fees and the costs of arbitration.~~

Snapology:

In the Matter of Snapology Community Programs, L.P. and its successor Snapology, LLC, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2015-0429. As a result of an investigation into the franchise related activities of Snapology Community Programs, L.P. and its successor Snapology, LLC, the Maryland Securities Commissioner ("Commissioner") concluded that grounds existed to allege that Snapology violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of a Snapology franchise. In responding to inquiries from the Maryland Securities Division, Snapology acknowledged that, during the time it was not registered to offer and sell franchises in Maryland, it entered into two separate License and Training Service Agreements in Maryland that the Commissioner concluded constituted the sale of two franchises. Snapology represented that it has offered rescission to one of those franchisees. On January 15, 2016, the Commissioner and Snapology entered into a consent order whereby Snapology, without admitting or denying any violations of the law, agreed to: immediately and permanently cease from the offer and sale of franchises in violation of the Maryland franchise law; complete registration of its franchise offering in Maryland; and, offer rescission to the remaining franchisee who was sold a franchise in Maryland while Snapology was not registered with the State.

UATP:

UATP Management, LLC v. Leap of Faith Adventures, LLC, District Court of Tarrant County, Texas Case No. 017-300796-18. On July 9, 2018, UATP filed this lawsuit ("Petition") against the defendant Leap of Faith Adventures, LLC ("LOFA"), that, at the time of filing, was a distributor and installer of attractions used in Urban Air Adventure Parks. UATP claimed that LOFA had stopped paying UATP rebates on revenue LOFA received from selling attractions to UATP franchisees, alleging breach of contract and tortious interference and have since added a fraud and fraudulent inducement claims. UATP is seeking compensatory damages in excess of \$6.5 million on its various claims, attorneys' fees, and costs. LOFA answered UATP's Petition on August 13, 2018 and filed a counterclaim on October 31, 2018. LOFA alleged, among other things, conversion, breach of contract, interference with business relationships, violation of the Texas Theft Liability Act, and theft of trade secrets arising primarily from UATP's alleged interference with LOFA's contracts with its franchisees and relationships with other entities, all for the supposed purpose of bringing in house, to the exclusion of LOFA, the installation of attractions at Urban Air Adventure Parks. LOFA seeks unspecified compensatory and exemplary damages, equitable relief, and attorneys' fees. On March 29, 2019, the Court granted UATP's motion to dismiss certain of LOFA's counterclaims, in particular the trade secrets claim. After UATP appealed the Court's order, the Court of Appeals on May 4, 2021, dismissed additional claims asserted by LOFA, leaving only claims for, among other things, interference with contracts and business relationships with UATP's franchisees, conversion, breach of contract, and violation of the Texas Theft Liability Act. Before the Appellate Court's ruling, LOFA filed its own new petition on September 10, 2020, against certain of UATP's affiliates and principals, including Michael Browning, Jr. and Stephen Polozola, which was consolidated with the lawsuit described in this paragraph. In an effort to resolve the matter and bring it to a final conclusion, the case was dismissed with prejudice following the execution of a confidential settlement agreement, wherein UATP Management, LLC and Leap of Faith Adventures, LLC released all claims against each other without admission of any liability in exchange for a one-time payment of five million dollars to Leap of Faith Adventures, LLC.

PMA:

The Commissioner of Financial Protection and Innovation v. Premier Franchising Group, LLC doing business as Premier Martial Arts International and/or Premier Martial Arts. On November 18, 2021, ~~we~~PMA entered into a consent order with the California Commissioner of Financial Protection and Innovation related to four licensees of PMAI. The Commissioner found that PMAI offered and sold at least four franchises in California without being registered with the Commissioner or exempt, in violation of Section 31110 of the California Franchise Investment Law. The Commissioner further found that we and PMAI willfully omitted to state in subsequent franchise registration applications the material fact that PMAI had at least four California studios, in violation of Section 31200 of the California Franchise Investment Law. Pursuant to the consent order, we agreed to (1) refrain from violating Sections 31110 and 31200, (2) pay a \$10,000 administrative penalty, (3) file a post-effective Amendment updating ~~our~~PMA's current registration to include the consent order, and (4) disclose the existence of each and every California studio in Item 20 and in the exhibit list of current and former franchisees in any PMA disclosure document filed with the Commissioner moving forward.

William Anthony, et al. v. Van Over, et al., U.S. District Court for the Eastern District of **Class 101:**

Unleashed Services, LLC vs. Tom Pabin vs. Josh Wall, pending in the 48th Judicial District of Tarrant County, Texas, bearing Cause No. 48-346174-23. On September 18, 2023, Unleashed Services, LLC (“Unleashed”) filed its Original Petition against Thomas Pabin (“Pabin”) requesting the issuance of a Declaratory Judgment to construe the terms of Mr. Pabin’s employment agreement and the rights, duties, status, and legal relations of Unleashed and Pabin under such employment agreement. On February 22, 2024, Pabin, in response to Unleashed’s Motion to Dismiss the claims asserted in Pabin’s Counterclaim and Third-Party Petition, filed his First Amended Counterclaim against Unleashed and Third-Party Petition against Josh Wall. Within this Counterclaim and Third-Party Petition, Pabin has alleged (1) Unleashed breached the employment agreement and Pabin is entitled to a severance payment; (2) breach of contract/promissory estoppel against Unleashed and Wall related to the subject asset purchase agreement (“APA”) and payment of a potential earnout; (3) fraud as against Unleashed and Wall related to the calculation of the earnout set forth in the APA; (4) indemnification as against Unleashed and (5) requested a declaratory judgment interpreting the rights, duties, status, and legal relations of the parties under the APA and employment agreement. Unleashed strongly denies all allegations asserted against it and Wall and believes no sums are due Pabin under the applicable agreements.

~~Tennessee, Knoxville Division, Case No. 3:22ev416.~~ On or about November 18, 2022, a number of franchisee groups, comprised of both individual owners and operating entities, filed this lawsuit (“Lawsuit”) against Barry Van Over (PMA’s Brand Ambassador), Myles Baker (PMA’s Vice President), Premier Franchising Group, LLC d/b/a Premier Martial Arts (“PFG”), and Unleashed Brands. FastLane, LLC and Brent Seebohm, who formerly acted as franchise sales brokers for PFG, were also named as defendants. The Lawsuit alleges that the defendants made misrepresentations in connection with the franchise sales process, including as to the profitability of studios, the number of employees needed to operate studios, PFG’s systems, and that franchises could be run “semi-absentee.” The Plaintiffs’ complaint asserts claims for violation of the Racketeering Influenced and Corrupt Organizations Act, fraud, misrepresentation, negligence, fraudulent inducement, breach of contract, breach of the duty of good faith and fair dealing, civil conspiracy, unjust enrichment, negligence, various statutory claims, and a claim for declaratory judgment. The Plaintiffs seek compensatory damages in excess of \$50 million, attorneys’ fees, treble, statutory and/or punitive damages as permitted by law, declaratory relief, injunctive relief, and interest. PFG has filed a motion to compel arbitration and intends to vigorously defend Plaintiffs’ claims.

~~Lloyd Capanna et al vs. Premier Martial Arts International, LLC et al., pending before the American Arbitration Association, Case No. 01 22 0005 2895.~~ On or about December 19, 2022, Claimants filed a demand for arbitration against the Respondents asserting misrepresentations were made in connection with the franchise sales process. The Claimants’ demand asserts claims for violation of the Racketeering

~~Influenced and Corrupt Organizations Act, fraud, misrepresentation, breach of contract, breach of the duty of good faith and fair dealing, unjust enrichment, and various statutory claims. The Plaintiffs seek actual and compensatory damages, attorneys' fees, special, enhanced, and exemplary damages as permitted by law, declaratory relief, injunctive relief, and interest. Premier Martial Arts International, LLC and the various Respondents intend to vigorously defend Claimants' claims.~~

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

ITEM 4 BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

FRANCHISE AGREEMENT

The initial franchise fee is \$59,500. All initial franchise fees are non-refundable and payable in full when you sign the Franchise Agreement. Except for the differences described below, the initial franchise fee is uniform for all franchisees.

DEVELOPMENT AGREEMENT

If we award you multi-unit development rights, you must sign our Development Agreement and pay us a development fee (the “Development Fee”), pursuant to the below schedule:

Number of Gyms	Franchise Fee for Each	Total Development Fee
1	\$59,500	\$59,500
2	\$53,550	\$113,050
3	\$47,600	\$160,650

The minimum commitment is two Gyms, and the maximum commitment is three Gyms. On a very limited basis, and only if you meet our then-current requirements for Developers who may develop more than three Gyms, for 36 months from the effective date of the Development Agreement, any additional Gym you develop will have an additional fee of \$47,600. Starting with the 37th month after the effective date of the Development Agreement, you must pay the then-current initial franchise fee for development of any additional Gyms.

The full Development Fee is due when you sign the Development Agreement and is fully earned when paid in consideration of our reserving the Development Area for you. The Development Fee is non-refundable even if you do not sign any Franchise Agreements or open any Gyms in the Development Area. If and when you sign a Franchise Agreement for each Gym required by the Development Agreement, you will not have to pay an additional initial franchise fee for that Gym.

START-UP EQUIPMENT AND INVENTORY PACKAGE

Before opening, you must purchase the Start-Up Equipment and Inventory Package from us. The package includes, among other things, the gym equipment necessary to conduct a THE LITTLE GYM[®] business; lobby marketing materials; customer marketing materials; staff uniforms; initial pro-shop inventory; music inventory sold in shop or online; letterhead and business cards; front desk management (POS) software and hardware as described in Item 11; and Internet site design and Internet marketing described in Item 11. The current cost of the Start-Up Equipment and Inventory Package is ~~\$58,650~~,000 to \$75,000. The cost is non-refundable and payable in full when you submit your purchase order.

GRAND OPENING

You must spend between \$20,000 and \$25,000 in connection with your grand opening of the Franchised Business. We will consult with you in planning your grand opening, and we may require that you pay all or a portion of your grand opening obligation to us, which we will then submit to our media partner no later than six weeks before your scheduled grand opening or once the grand opening media plan is submitted to you.

VETERAN'S INCENTIVE

INCENTIVES

We offer a 5% ~~discount-off~~reduction of the initial franchise fee and the Development Fee for active-duty United States military and United States veterans who were honorably discharged. The Franchised Business must be operated under a business entity, and the active-duty personnel or veteran participant must maintain at least a 51% ownership interest in such entity throughout the initial term of the Franchise Agreement. A copy of either the active military ID or the form DD-214, evidencing the status of a participating veteran and discharge type, must be submitted with the Franchise Agreement to receive this discount. ~~We reserve the right to cancel or modify any incentive program or discount at any time.~~ If the veteran who was the basis of the veteran's incentive is no longer an Owner for any reason, other than death or disability, at the fifth anniversary of the effective date of your franchise agreement, then you must reimburse us for the

veteran’s incentive discount applied to your initial franchise fee.

EXISTING FRANCHISEE INCENTIVE

We offer a 5% discount off the initial franchise fee and the Development Fee for existing The Little Gym and **Affiliated Brands** franchisees in good standing who wish to purchase additional units. We require you to develop two to three The Little Gym franchised businesses under the Development Agreement. The discounted initial franchise fee is payable in full upon execution of the Franchise Agreement or Development Agreement. In 2023, we charged initial franchise fees ranging from \$53,550 to \$59,500 for a single ~~We require you to develop two to three The Little Gym franchised businesses under the Development Agreement. Further, in limited circumstances, we did not charge an initial franchise fee when certain PMA franchisees converted their undeveloped territories to a~~ The Little Gym franchise.

We reserve the right to cancel or modify any incentive program or discount at any time. Except as described in this Item 5, all fees are uniformly imposed on new franchisees receiving this offering. All fees are fully earned when paid to us and are non-refundable upon payment.

**ITEM 6
OTHER FEES**

Type of Fee ¹	Amount	Due Date	Remarks
Royalty Fee	Greater of 8% of Gross Sales ² or \$2,500 per month (“ <u>Minimum Royalty</u> ”)	Monthly on the 15 th of the month	See <u>Note 2</u> for definition of “Gross Sales.” The Minimum Royalty fee assessment shall begin on the first day following 180 days after the grand opening of the Franchised Business.
NAF Contribution ³	Up to 2.5% of monthly Gross Sales; currently 1% of Gross Sales	Monthly on the 15 th of the month beginning on the established Opening Date	Your total obligation between NAF Contribution, Local Marketing Expenditure, and Advertising Cooperative shall not exceed 6% of Gross Sales.
Local Marketing Expenditure ⁴	Up to 6% of monthly Gross Sales, minus the portion we designate for NAF Contribution; currently 5% of Gross Sales	Monthly upon invoice	We may modify the Local Marketing Expenditure periodically by providing you at least 30 days’ notice.
Advertising Cooperative (if established) ⁵	Determined by majority vote of cooperative members	Monthly	Contributions to the Advertising Cooperative will be credited toward your Local Marketing Expenditure.

Type of Fee ¹	Amount	Due Date	Remarks
Technology Fee	Up to \$399 per month, which is subject to adjustment upward in an amount equal to the annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year or in an amount equal to any increase passed on by the applicable third-party vendors; <u>currently \$119/month</u>	Drafted automatically on the 15th day of each month	The current Technology Fee is for our proprietary technology stack. We have the right to add other technology systems and/or adjust the Technology Fee on thirty (30) days' notice to franchisees. See Item 11 for more information.
Call Center Fee ⁶	The sum of the Service Fee and your pro rata share of E-commerce Variable Cost, as defined in Note 6. Currently, the Service Fee is \$80 to \$120 per month per Gym	Monthly on the 15 th of the month	We have established a call center that you must use for various functions; see Note 6 for details.
Initial Training	None for first 2 individuals; then-current fee (currently, \$500 per day) for each additional person	Upon invoice	See Item 11 for more information about our initial training program and training requirements.
Additional Training	Currently <u>Then-current additional training fee (currently, \$500 per day;)</u> plus reimbursement of our out-of-pocket <u>actual</u> costs	Upon invoice	We can require your Designated Manager and other personnel to complete additional and remedial training as we reasonably deem necessary based on, for example, failure to comply with quality and service standards
Conference Fee	Up to \$1,000 per attendee <u>Currently \$1,000 per attendee; up to \$1,500 per attendee, which is subject to adjustment upward in an amount equal to the annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year</u>	Upon billing	We require that you attend our annual conference. If you cannot attend and we excuse your absence, you must send your Designated Manager or general manager in your place. If you or your representative do not attend, you must pay us a conference materials fee of \$1,000 and we will provide you with relevant training materials from the annual conference. In addition to payment of the Conference Fee, you are responsible for wages, travel, lodging, and other fees and costs for you, your Designated Manager,

Type of Fee ¹	Amount	Due Date	Remarks
			or other personnel to attend such conferences.
Additional On-Site Assistance ⁷	\$500-\$2,500 per day; plus our expenses for travel and accommodations	Upon billing	Payable if you request us to send a representative to your site for training or other assistance.
Compliance Review Fee	Actual cost of program, including purchases made as part of the mystery shop or audit	Upon invoice	Payable if we implement a mystery shop, audit, customer satisfaction, or similar program.
Dashboard Access License Fee	\$10 per month per license	Monthly upon invoice	This fee is payable to us and may be increased by Microsoft from time-to-time, which is a pass-through fee and does not include any markup or rebate.
Supplier Review Fee	Reimbursement of our costs incurred in product testing and evaluating suppliers	Upon invoice	Payable only if you request to purchase products from an alternative supplier or request to use an alternative product. See Item 8.
Renewal Fee	25% of our then-current initial franchise fee plus reimbursement of our legal and professional expenses and our other costs incurred in connection with the renewal	Upon invoice	Payable only if you exercise your successor term option and satisfy conditions for a successor term.
Split Territory Fee ⁸	50% of our then-current initial franchise fee	Upon invoice	Payable if 1) you desire to split your current Protected Area into two territories in order to develop a second Franchised Location, pursuant to a separate then-current franchise agreement, or 2) upon an approved transfer, we require that your Protected Area be split into two or more territories, and you choose to develop one of the split territories, pursuant to a separate franchise agreement.
Transfer Fee	1) 50% of our then-current initial franchise fee if controlling Controlling interest (over 50%) is	Upon invoice	Payable before transfer of your Franchised Business if you request and we consent to transfer. <u>For purposes of the Transfer Fee, a</u>

Type of Fee ¹	Amount	Due Date	Remarks
	<p>transferred to a new approved franchisee;</p> <p><u>2) 25% of our then-current initial franchise fee if controllingControlling interest is transferred to an approved existing franchisee <u>who has already undergone our initial training and any other required training and has at least one open and operating The Little Gym franchised business</u>, plus reimbursement of our <u>actual</u> legal and professional expenses and our other costs incurred in connection with the transfer;</u> or</p> <p><u>3) \$3,500 but only if 20% or less of the total outstanding units in the Franchised Business are beingNon-Controlling interest is transferred to an approved Owner and limited to one time per rolling twelve-month period. Otherwise, such transfers are subject to the fee in #2 above.</u></p>		<p><u>“Controlling interest” means more than 20% the outstanding shares, interest, or assets in the Franchised Business and “Non-Controlling interest” means 20% or less than the outstanding shares, interest, or assets in the Franchised Business.</u></p>
Resale Program Fee	Currently, the greater of 4% of the purchase price paid for your Franchised Business (in any form, including cash, credit, debt or stock) or our then-current initial franchise fee (currently \$59,500).	Prior to closing	Payable only if you elect to participate in our Resale Program in connection with the sale of your Franchised Business to an approved transferee of the Franchise Agreement.
Interest ⁹	Lesser of 18% per year or maximum lawful rate in your state	Upon demand	Interest is charged when any Royalty Fee or other fee or payment due to us is not paid when due or an audit reveals underpayment based on inaccurate Gross Sales.
Nonsufficient Funds Fee	\$100 per occurrence, not to exceed maximum allowed by applicable law.	Upon demand	Payable only if there are insufficient funds in the account designated by you for ACH debit to satisfy fees and amounts owed

Type of Fee ¹	Amount	Due Date	Remarks
			to us under the Franchise Agreement when due.
Audit Costs	Reasonable <u>Actual</u> cost of audit	Upon invoice	Payable if the audit is made necessary by your failure to provide reports or supporting records as required, or provide those reports, records, or information on a timely basis, or if an understatement of Gross Sales for the period of any audit is determined to be greater than 2%
Indemnification	Varies depending upon claim and resolution of claim	Upon demand	You are required to pay us for all losses and expenses we incur in connection with any third-party claim for which you are required to indemnify us under the Franchise Agreement.
Liquidated Damages ¹⁰	The product of (i) eight percent (8%) times the monthly revenue or the Minimum Royalty Fee, whichever is greater by month, for the previous twelve (12) full calendar months, multiplied by (ii) the years remaining in the Initial Term	On demand.	Payable only if you default and we terminate your Franchise Agreement.
Public offering or private placement of your securities	Reimbursement of our actual costs and expenses incurred in having our legal and professional counsel review offering materials	Upon demand	Payable only if you offer your securities in a public or private offering.
Payment Processing Fee ¹¹	Varies depending upon the volume of payments made by credit card	Monthly	Payable to us.

DEVELOPMENT AGREEMENT

Type of Fee ¹	Amount	Due Date	Remarks
Transfer Fee (Controlling Interest)	\$25,000 plus \$1,500 for each Gym yet to be developed	Upon demand	Payable only if you transfer your obligations under the Development Agreement to an approved third-party
Transfer <u>Administrative</u> Fee (Convenience of Operation or	\$3,500 but only if 20% or less of the total outstanding units <u>or assets</u> in the Franchised Business are	Upon demand	Payable only if you transfer your rights under this agreement to a business

Type of Fee ¹	Amount	Due Date	Remarks
Non-Controlling Interest)	being transferred to an approved Owner and limited to one time per rolling twelve-month period. Otherwise, such transfers are subject to the Transfer Fee (governing Controlling Interest) .		entity under your common control
Liquidated Damages	The lesser of i) \$100,000 and ii) the Minimum Royalty Fee, multiplied by 36, multiplied by the number of units undeveloped under the Development Agreement.	Upon Demand	Payable only if you default and we terminate your Development Agreement.

Notes:

Note 1. Unless otherwise noted, all fees in this Item 6 are uniformly imposed on new franchisees receiving this offering and are non-refundable.

Note 2. “Gross Sales” means the dollar aggregate of: (1) the sales price of all products, services, membership fees, merchandise and other items sold, and the charges for all services you perform, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect, including sales and services (A) originating at the Franchised Business premises even if delivery or performance is made offsite from the Franchised Business premises, (B) placed by mail, facsimile, telephone, the internet and similar means if received or filled at or from the Franchised Business premises, and (C) that you in the normal and customary course of your operations would credit or attribute to the operation of the Franchised Business; and (2) all monies, trade value or other things of value that you receive from Franchised Business operations at, in, or from the Franchised Business premises that are not expressly excluded from Gross Sales. Gross Sales does not include: (1) the exchange of merchandise between Franchised Businesses (if you operate multiple franchises) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Franchised Business premises; (2) returns to shippers, vendors, or manufacturers; (3) sales of fixtures or furniture after being used in the conduct of the Franchised Business; (4) the sale of gift certificates, stored value cards and loyalty program benefits (the redemption value will be included in Gross Sales at the time of redemption); (5) insurance proceeds; (6) sales to employees at a discount (provided such discounts will not exceed 1.5% of Gross Sales during any reporting period); (7) cash or credit refunds for transactions included within Gross Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); (8) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority; and (9) tips and gratuities. A purchase returned to the Franchised Business may not be deducted from Gross Sales unless the purchase was previously included in Gross Sales.

Note 3. The Local Marketing Expenditure combined with the NAF Contribution and any Advertising Cooperative contribution described below will not exceed 6% of Gross Sales (as allocated by us between the NAF Contribution, Local Marketing Expenditure, and Advertising Cooperative contribution and the NAF Contribution) during any 12-month period. If established, the NAF will contribute up to 5% of its

monthly balance to a separate fund (the “Unleashed Fund”) utilized for marketing all ~~brands associated with Unleashed Services-Affiliated Brands~~. See Item 11 for details on the Unleashed Fund.

Note 4. We reserve the right to identify a Designated Supplier of local and regional marketing services and establish a system-wide supply contract for local and regional marketing services. Under these circumstances, we may collect all or a portion of the Local Marketing Expenditure and apply it to fees payable to the Designated Supplier for those marketing services. If the full amount of the Local Marketing Expenditure is applied to fees due under a system-wide supply contract, you may, but are not required to, conduct additional or supplemental marketing activities as permitted under the Franchise Agreement. If we collect less than the full amount of the Local Marketing Expenditure, you must spend the remaining Local Marketing Expenditure on marketing activities in your Protected Area as permitted under the Franchise Agreement. Currently, the Local Marketing Expenditure is 5% of Gross Sales, of which 4% is collected by us and then provided to our Designated Supplier for use in local and regional marketing, promotional, and advertising campaigns for your Gym, and the remaining 1% is allocated to advertising and marketing that you purchase directly from approved suppliers, subject to the guidelines described in the Manual.

Note 5. Currently, there is no established The Little Gym advertising cooperative (“Advertising Cooperative”). If we establish an Advertising Cooperative, we may require that you participate in an approved local or regional Advertising Cooperative with certain other franchisees and sign our then-current form of cooperative advertising agreement. If an Advertising Cooperative is established, it will operate by majority vote, with each Gym (whether franchised or affiliate-owned or managed) entitled to one vote. We also will have the right to cast one vote with respect to each Advertising Cooperative. The majority vote will determine the level of contributions. The amounts you contribute will be credited against the Local Marketing Expenditure. We do not currently expect that company-owned or affiliate-owned Gyms will have majority voting power in any Advertising Cooperative, but if they do, the required contribution by any member of the Advertising Cooperative will not exceed \$10,000 per year absent the consent of a majority (i.e., 51%) of the franchisees in the Advertising Cooperative.

Note 6. We have established a call center that performs various functions for franchisees, including general customer support and promotion, booking, and upselling related to events held at The Little Gym businesses (e.g., birthday parties, corporate events). The center also provides an e-commerce platform to accept sales for your benefit. You will pay us a Call Center Fee for these services. The Call Center Fee consists of a Service Fee and your pro-rata share of the E-commerce Variable Cost, as further explained below. The Service Fee is the sum of (i) \$5 per birthday party booked through the call center; (ii) an additional \$5 commission for each \$50 upsell related to a birthday party or special event (not to exceed \$10 for a booked birthday party); and (iii) your share of Call Center Costs. “Call Center Costs” means all costs of operating, administering and upgrading the call center, including costs of the telephone provider and associated software, rental payments, utility payments, SaaS agreements, messaging, SaaS licenses, event lead generation and management as we may select, the hourly wages, benefits, and taxes of call center employees, and certain fees, costs and expenses that we pay to designated suppliers on behalf of participating franchisees. “Share” means Call Center Costs divided by the number of participating franchisees.

“E-commerce Variable Cost” means all costs of hosting and accepting consumer orders, which includes (among other things) hosting fees for the Command Center website, merchant fees, sales tax administration, SaaS agreements, fraud prevention costs, and chargeback administration costs that we pay to designated suppliers on behalf of participating franchisees. “Pro-rata Share” means the proportion of your gross revenue derived through the e-commerce platform to the total gross revenue of all The Little Gym franchisees derived through the e-commerce platform, multiplied by E-commerce Variable Cost. We may revise the costs included in Call Center Costs and E-commerce Variable Cost periodically by giving franchisees 30 days’ written notice.

Note 7. There is no additional fee for such on-site assistance for the first The Little Gym business you develop but may be charged if such assistance is provided with respect to the second or any subsequent The Little Gym business developed by you or your Affiliate.

Note 8. With our written consent, you may divide your Protected Area into two separate territories in order for you to develop a second Approved Location. For each newly created territory, you will execute our then-current form of Franchise Agreement and pay 50% of the then-current initial franchise fee (the “Split Territory Fee”). Our approval to subdivide your territory is subject to conditions, which may include successful completion of training by a new Designated Manager (if we require you to have a second Designated Manager), your compliance under all franchise agreements and other agreements with us and our affiliates, and the subdivided territory independently meeting our then-current standards for a Protected Area. Upon an approved transfer, we may require you to split the Protected Area into two or more protected areas (each of which meet the then-current standards for a protected area); if you choose to develop one of the split territories that does not contain your transferred Gym, you shall pay the Split Territory Fee instead of the then-current initial franchise fee.

Note 9. The highest interest rate allowed by law in California for late payments is 10% annually.

Note 10. If at the time your Franchise Agreement is terminated, you have been operating your Gym for less than 12 months, the amount of liquidated damages will be based upon the system-wide Royalty Fee average for the month in which termination occurs.

Note 11. We require that franchisees utilize the payment processor that we designate for processing credit card payments by customers. You will be charged each month a payment card processing fee by us, which represents your pro rata share of the system-wide fee assessed by our designated payment card processor based on the volume of credit card payments you receive.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

Type of <u>Expenditure</u> ¹	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee ¹	\$59,500	\$59,500	Lump Sum	On signing Franchise Agreement	Us
Start-Up Equipment and Inventory Package ²	\$58,000	\$75,000	Lump Sum	90 days before opening date	Us
Exterior Signage Lease Payments (one month rent and security deposit) ²	\$814,000	\$1530,000	As requested by suppliers	On signing of Lease Requested by Contractors and Others	Landlord Approve d-suppliers
Leasehold and Tenant	\$223,650 10,000	\$270,000	As requested by suppliers	Requested by Contractors	Contractors, landlord, and

Type of Expenditure ¹	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Improvements ³				and Others	third-party suppliers
<u>Architectural & Construction Management Fees⁴</u>	<u>\$16,700</u>	<u>\$25,000</u>	<u>As requested by suppliers</u>	<u>Requested by Contractors and Others</u>	<u>Approved architect & construction manager</u>
<u>Furnishings, Computer Systems, Security Surveillance System, Other Equipment & Supplies⁴ Signage (interior and exterior)⁵</u>	<u>\$8,400,000</u>	<u>\$22,500,000</u>	As requested by suppliers	<u>Requested by Contractors and Others Before Opening</u>	Approved suppliers
<u>Architectural Fees Initial Inventory and Equipment Package⁶</u>	<u>\$16,700,000</u>	<u>\$22,750,000</u>	<u>As Arranged Lump Sum</u>	<u>Before Opening As Arranged</u>	<u>Approved architect Us</u>
<u>Grand Opening Marketing⁵ Furniture, Fixtures and Equipment⁷</u>	<u>\$2015,000</u>	<u>\$2518,000</u>	As <u>Incurred requested by suppliers</u>	Before Opening	Approved suppliers <u>or our Affiliate</u>
<u>Computer Systems, A/V, Security Deposits and Surveillance System, Other Prepaid Expenses⁸</u>	<u>\$810,000</u>	<u>\$3015,000</u>	As requested by suppliers	Before Opening	<u>Approved suppliers Landlord & Suppliers</u>
<u>Training Related Expenses⁶ Expenses⁹</u>	\$17,500	\$22,500	As Incurred	Before Opening	<u>Pre-Opening Payroll, Training, Airlines, Hotels & Restaurants</u>
<u>Insurance Premiums⁷</u>	<u>\$2,500</u>	<u>\$3,500</u>	<u>As requested by suppliers</u>	<u>Before Opening</u>	<u>Approved suppliers or our Affiliate</u>
<u>Legal, Accounting and other Professional Fees¹⁰</u>	<u>\$45,000</u>	\$11,000	As arranged with providers	As arranged	Attorney, CPA, etc.

Type of Expenditure ¹	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
<u>Technology Fees (3 months)</u>	<u>\$357</u>	<u>\$357</u>	<u>As arranged</u>	<u>As arranged</u>	<u>Us or our Affiliate</u>
<u>Insurance Deposit and Premiums¹¹</u>	<u>\$2,440</u>	<u>\$2,840</u>	<u>As requested by suppliers</u>	<u>Before Opening</u>	<u>Approved suppliers or our Affiliate</u>
<u>Business Licenses and Permits</u>	<u>\$500</u>	<u>\$1,000</u>	<u>As requested by suppliers</u>	<u>Before Opening</u>	<u>Approved suppliers or our Affiliate</u>
<u>Grand Opening Marketing¹²</u>	<u>\$20,000</u>	<u>\$25,000</u>	<u>As Incurred</u>	<u>Before Opening</u>	<u>Us or our Affiliate or Designated Suppliers</u>
<u>Initial Supplies</u>	<u>\$1,200</u>	<u>\$2,000</u>	<u>As Incurred</u>	<u>Before Opening</u>	<u>Approved Suppliers</u>
<u>Additional Funds – 3 Months⁸ Months¹³</u>	<u>\$39,000</u>	<u>\$81,000</u>	<u>As Incurred</u>	<u>As incurred</u>	<u>TLGUs, employees, third-party suppliers, Approved Suppliers, etc.</u>
TOTAL	<u>\$465,250</u> <u>06,197</u>	<u>\$637,000</u> <u>673,197</u>			

Notes:

Note 1. We compiled the costs reflected in Item 7 based on our experience and data collected from our franchisees. This initial franchise fee does not reflect any discounts, see Item 5 for details. The amounts payable to us are non-refundable.

Note 2. Typical fixed premise locations are located in strip centers, office and retail business parks, or other retail parks. Rent varies substantially based upon the size of the facility, its geographic location, market vacancy rates, age of the site (new construction, second generation, etc.), on your ability to negotiate a competitive rate with the lessor, and other factors, and can range from \$25 to \$40 gross per square foot, or more. Our minimum requirement for a site is 2,800 square feet, and we may approve sites as large as 4,200 square feet. The estimate above reflects one month’s rent and one month of security deposit, which is based on the costs incurred by The Little Gym franchisees who signed leases in 2023. Your costs for commercial space may be higher in certain markets, or if you choose a commercial space with a higher square footage than our recommended range stated above. We reserve the right to reject your site location. You and your lessor must sign the Lease Rider in the form attached as Attachment G to the Franchise Agreement.

Note 3. The low (2,800 sq. ft.) and high (4,200 sq. ft.) range assumes the landlord includes leasehold tenant improvements or an allowance of at least \$20 sq. ft. for a second-generation space, new construction costs may be higher depending on the condition the landlord provides the space. The landlord is not required to provide any leasehold improvements. There are several factors that can affect the cost of your improvements in a specific location including, but not limited to, condition of space, construction materials used and material costs, local area costs, labor costs, your ability to negotiate tenant improvement allowances with the landlord and when they are paid (you may not get tenant improvements paid until after you open, in

which case your costs may be higher), and other factors. You may choose to spend more for leasehold improvements.~~The Start-Up Equipment and Inventory~~

Note 4. The estimate assumes you will need to obtain architectural and mechanical, electrical, and plumbing plans, licenses, permits, bonds and other approvals needed. You may have an architect, engineer, and construction management consultant to help manage the build-out or remodel the premises for your The Little Gym Franchised Business. We reserve the right to approve the architect and construction management consultant you use for your The Little Gym Franchised Business.

Note 5. This estimate assumes one exterior sign to go on the building, one monument sign, exterior window graphics, and your interior signage/graphics. You must purchase signs that meet our Standards. Required signage includes channel letters, monument, and other signage available and must adhere to our design specifications. We reserve the right to require you to use our approved sign vendor for the design, construction, and installation of certain of your signage.

Note 2; Note 6. The Initial Inventory and Equipment Package price includes shipping and a \$7,175 to \$9,000 technology package that includes the initial software license fee. It is also inclusive of the labor to install the gym equipment from our required supplier. The requirement to purchase the technology package may be waived in whole or in part for those prospective franchisees that purchase an existing location that is using a technology package that is not out-of-date. We can confirm if a technology package is required upon your request.

Note 7. The amount shown for Furniture Fixtures and Equipment includes, but is not limited to, other small equipment, miscellaneous items, lobby furniture, multi-purpose room furniture, office furniture, appliances, pro-shop and storage shelving and hardware, and other equipment you might need for the Franchised Business not included in the Initial Inventory and Equipment Package.

~~Note 3.—The amount shown is for You may choose to spend more for leasehold improvements. Typical fixed premise locations are located in strip centers, office and retail business parks or other retail parks. Rent varies substantially based upon the size of the facility, its geographic location, and other factors. Locations are approximately 2,800 sq. ft. to 4,500 sq. ft., as reflected by the low and high figures. We provide the necessary guidelines and criteria for you to consider when making a location decision. We reserve the right to reject your site location. The lease negotiation and selection of the premises are your sole responsibility, and we will not become involved in the negotiation of your lease or purchase. We require a number of mandatory provisions in your lease agreement, and you and your lessor must sign the Lease Rider in the form attached as Attachment G to the Franchise Agreement. The amount required for equipment, fixtures and improvements to the real estate premises will be determined principally by the size and type of premises. The figures given above represent the best information known to us for lease costs, assuming the landlord pays for the basic build-out. The landlord is not obligated to pay for any leasehold improvements. Upon an assignment, we may require you to make leasehold and other improvements to the location and otherwise upgrade or renovate to the then-current standards.~~

~~Note 4; Note 8. The amount shown for furnishings, computer systems, security surveillance system, other audio/visual equipment, and supplies includes: the required computer other systems of \$2,000 to \$6,000 that are not part of the Start-Up Equipment and Inventory Package; security surveillance system of \$1,000 to \$4,000; miscellaneous gym equipment of \$700 to \$1,000; lobby and multi-purpose room furniture and supplies of \$3,500 to \$9,500; stationery and office supplies of \$500 to \$1,000; and initial pro-shop supplies of \$700 to \$1,000. These costs are approximations and may vary.~~

~~Note 5. Initial sales promotion costs include advertising, promotional and related expenses for your initial opening.~~

~~Note 6; Note 9. Under this Item 7, we We assume you will hire a gym director to manage the day-to-day operations of the franchised business and have included three months' salary allotment for that person in your pre-opening training cost. You may also experience other training related costs such as travel, lodging, and meals for your gym director and other employees to attend training.~~

Note 10. These fees are representative of the costs for engagement of professionals such as attorneys, accountants, and other professionals for the initial review and advisories consistent with the start-up of a The Little Gym Business. These fees can vary greatly depending on the hourly rate charged by the professional and the amount of work you request be performed.

Note 11. You must maintain insurance of the kinds and in the minimum amounts as we specify, ~~including commercial general liability, hired and non-owned auto, property, product, sport accident/participant accident, sexual harassment, abuse and molestation, employment practices (including unfair labor practices and joint employer), data breach, and errors and omissions,~~ and in which TLGI, LLC is named as an additional insured, ~~on general liability, excess, and auto.~~ The amounts displayed are the initial deposit amounts (typically 20% of the annual premium) plus three months of premium payments. If you choose to pay the policies in full, these costs will be higher.

~~Note 7.~~Note 12. Grand Opening Marketing costs include advertising, promotional and related expenses required for your grand opening of The Little Gym Franchised Business. You may choose to spend more or do other types of marketing as approved by us.

~~Note 8.~~Note 13. These amounts represent the amount required for initial operating expenses and working capital. These are estimates of your other initial three-month start-up expenses, less income earned, but not including your salary, finance costs, debt service, your personal expenses, or reimbursements or other payments to you. This estimate does not include any provision for salaries- to you, but it includes wages for your employees. If you are not profitable or have low net cash flow (for example, because of low sales, high costs, or high debt service), you will need ~~more~~ additional funds.

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**YOUR ESTIMATED INITIAL INVESTMENT –DEVELOPMENT AGREEMENT
(Additional Costs to the Above Per Unit Initial Investment)**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Development Fee ¹	\$113,050	\$160,650	Lump Sum	On signing the Development Agreement	TLGI
Legal, Accounting and Other Fees ²	\$3,000	\$5,000	Lump Sum	As Incurred	Third parties
TOTAL³	\$116,050	\$165,650			

Notes:

Note 1. You must develop two to three The Little Gym franchised businesses under the Development Agreement. The Development Fee due under the Development Agreement is based on the additional Initial Franchise Fees for the second and the third Gym.

Note 2. You may incur additional legal, accounting, and other fees for reviewing the Development Agreement.

Note 3. For each Gym you develop under the Development Agreement, you will also incur the expenses in the table above in this Item 7 (except for the initial franchise fee).

The amounts in the above charts are estimates only and specific amounts vary depending upon various local conditions that are outside of our control. We relied on our experience in this business to compile these estimates. You should review these figures carefully with the business advisor of your choosing before you purchase a franchise. We do not offer direct or indirect financing for your initial investment.

**ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

PURCHASES FROM APPROVED OR DESIGNATED SUPPLIERS; PURCHASES ACCORDING TO SPECIFICATIONS

You must purchase from us or from suppliers or distributors we designate (each a “Designated Supplier”) all of your requirements for developing, constructing, and operating the Franchised Business including: (1) fixtures, furniture and other furnishings, equipment, supplies, point-of-sale systems, merchant processing systems, signs, (such as interior and exterior signage), items of décor, paper products, and architect services; (2) uniforms, shirts, and all merchandise and items intended for retail sale (whether or not bearing our Proprietary Marks); (3) advertising, point-of-purchase materials, and other printed promotional materials; (4) gift certificates and stored value cards; (5) stationery, business cards, contracts, and forms; (6) bags, packaging, and supplies bearing the Proprietary Marks; (7) insurance policies from our Designated Supplier and approved carriers or brokers, to the extent permitted by law; (8) local and regional marketing services through our Designated Supplier; (9) reputation management and customer service satisfaction evaluations, and other surveys, (10) real estate brokers, (11) architect, (12) music providers, and (13) other products and services that we require. See Item 11 for information about our computer system requirements. We will notify you in our Manuals or other communications of our standards and specifications with respect to Designated Suppliers, including situations in which we may revoke approval.

You will be required to purchase the following through us or our affiliate: (1) retail merchandise, (2) licenses to the point of sale and other software programs that we designate, (3) certain digital marketing services, (4) safety signage, (5) interior signage, (6) technology solutions (e.g., franchise management system, computer equipment) identified by us, (7) certain insurance policies, and (8) certain support services related to the operation of your Franchised Business, including the accounting systems and third party accounting services that we prescribe. We are the sole approved supplier for the Start-Up Equipment and Inventory Package, which includes, among other things, the gym equipment necessary to conduct a THE LITTLE GYM® business; lobby marketing materials; customer marketing materials; staff uniforms; initial pro-shop inventory; music inventory sold in shop or online; letterhead and business cards; front desk management (POS) software and hardware described in Item 11; and Internet site design and Internet marketing described in Item 11. We receive revenue from your purchase of the Start-Up Equipment and Inventory Package. Adventis is the sole approved supplier for workers' compensation coverage.

We also have certain exclusive supply, license, or merchandizing arrangements with toy, clothing, music, and music curriculum suppliers, and they may pay us to do so (see amounts of supplier payments below). These may become part of our required curriculum or required retail sales. We may add other suppliers or discontinue such arrangements in our discretion.

Except through an interest in us or our affiliates, none of our officers owns any interest in any Designated Suppliers with whom you must or are required or recommended to do business.

In addition to the items described above, we may in the future require you to buy from us advertising and promotional materials, direct mail flyers and related forms to our franchise owners at prices that we determine. We may in the future provide media buying and placement services for local marketing and advertising. If we purchase media time or space or place advertising, then you will pay us our costs plus a **reasonable** fee not to exceed 15% of those costs. We do not currently require you to purchase these materials or services from us. We or affiliates may in the future offer or choose others to offer other goods or services and may become approved suppliers or the only approved supplier for other goods and services.

SUPPLIER APPROVAL PROCESS.

If we require that a product or service be purchased from an approved supplier and you wish to purchase it from an alternate supplier, you must submit to us a written request for approval and must include pertinent information about the supplier as required in the Manual. You may not purchase or lease the product or service until and unless we have approved the supplier in writing. We have the right to require you to submit information, specifications, and samples to us to enable us to determine whether the products or services, as applicable, comply with our standards and specifications and whether the supplier meets our criteria, as may be amended by us periodically. We also have the right to inspect the supplier's facilities and have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may condition our approval of a supplier on requirements relating to product quality, traceability, consistency, and pricing as well as supplier financial condition, corporate social responsibility policies, reliability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints and positive complaint resolution history), and other criteria that we may establish periodically. You must reimburse us for all costs that we incur in connection with due diligence of your proposed supplier and our evaluation of such supplier as well as any costs we incur in monitoring a Designated Supplier's compliance with our requirements. We do not act as an agent, representative, fiduciary or other intermediary for you in our relationship with an alternative supplier you propose, and we approve. We have the right to monitor the quality of the services provided by Designated Suppliers in a manner we deem appropriate. We may impose obligations on Designated Suppliers, which will be incorporated in a written license agreement with the supplier.

We are not required to approve any particular supplier. We will notify you of our approval or disapproval within 120 days of our receipt of complete information from you that we require to evaluate a proposed supplier. Our specifications for products and services and criteria for suppliers are generally issued through

Line of Coverage:	Limits:
Liability	
Student/Participant Accident Policy	\$25,000 limit
Employment Practices Liability Insurance	<ul style="list-style-type: none"> • \$1,000,000 per claim • Wage & Hour sublimit no less than \$100,000 per occurrence • Coverage for 1st and 3rd party sexual harassment
Professional Liability (recommended but not required)	\$1,000,000 per occurrence
Other coverage as we may require from time to time	

We have the right to establish and modify the minimum required coverages and to require different or additional kinds of insurance. Each policy must include those terms and endorsements that we require, as specified in the Franchise Agreement and the Manual. We may designate periodically one or more Designated Suppliers for the required insurance, and you must use those Designated Suppliers, to the extent permitted by applicable law.

You must purchase the required worker’s compensation insurance, general liability insurance, property insurance, and employment practices insurance from our Designated Supplier(s). If we have not named a Designated Supplier or with respect to all other required insurance, in lieu of purchasing the insurance through our Designated Supplier as we may designate from time-to-time, you may purchase the insurance from insurance brokers and carriers that you select, subject to those brokers and carriers satisfying our Standards and minimum requirements. You must submit to us the information and documentation that we request in connection with your request for our consent to purchase insurance from any unapproved insurance broker or insurance carrier.

You must include us as an additional insured on all of the above policies except Worker’s Compensation and Professional Liability. All insurance must be provided by an approved vendor or an insurer with an A.M. Best rating of not less than an A-VIII (“excellent” and \$100,000,000 to \$250,000,000 in policy holder surplus) that is authorized to sell insurance in the state in which your Franchised Business is located. You must provide us with a certificate of insurance and additional insured endorsement complying with the above requirements no less than 30 days prior to opening your Franchised Business and at least 30 days prior to any renewal providing the endorsements as noted below. All insurance policies (except worker’s compensation) must include a waiver of subrogation in favor of us and our affiliates, and each company’s officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees, and must include a 30-day notice of cancellation directed to both you and to us or the person we designate.

If we have not named a Designated Supplier, you may purchase the insurance from insurance brokers and carriers that you select, subject to those brokers and carriers satisfying our Standards and minimum requirements. You must submit to us the information and documentation that we request in connection with your request for our consent to purchase insurance from any unapproved insurance broker or insurance carrier.

REVENUE DERIVED FROM ~~REQUIRED~~ FRANCHISEE PURCHASES AND LEASES

We and our affiliates may derive revenue from franchisee purchases and leases to the extent that franchisees purchase products or services from us or our affiliates, and we also may receive payments or material benefits from suppliers based on your purchases or leases from them. We have negotiated supply agreements with providers of merchandise, technology solutions, and credit card processing services under which the vendors will remit to us a percentage of revenue from purchases made by franchisees. During our fiscal year ending December 31, ~~2023~~2022, we received revenues from ~~requiredfranchisee~~ purchases or leases by franchisees of ~~\$356,052.00~~10,035, which was approximately ~~3.20.1~~% of our total revenues of ~~\$11,175,391.00~~13,071,344.

We estimate that the aggregate cost of required purchases and leases of products and services from us and suppliers that we designate will constitute over 90% of your total cost of products and services in connection with establishing the Franchised Business. We estimate that required purchases and leases of products and services from us and designated suppliers will constitute over 50% of your total costs in connection with the operation of the Franchised Business.

None of our officers currently own an interest in any unaffiliated, privately-held supplier, or a material interest in any unaffiliated, publicly-held supplier, though our officers may occasionally own non-material interests in unaffiliated, publicly-held companies that may be suppliers to our franchise system.

PURCHASING COOPERATIVES; SUPPLIER NEGOTIATIONS AND ARRANGEMENTS

There currently are no purchasing or distribution cooperatives in existence connected to our franchise system. We may, but are not obligated to, negotiate purchase arrangements with suppliers for the benefit of our franchisees, and we may but are not obligated to establish national buying accounts with vendors whose products meet our specifications. We do not provide you any material benefits (such as renewal rights or the right to acquire additional franchises) based on your purchases from approved or designated suppliers.

**ITEM 9
FRANCHISEE’S OBLIGATIONS**

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

Obligation	Sections in Franchise Agreement	Sections in Development Agreement	Disclosure Document Items
a. Site selection and acquisition/lease	Article 3 and Attachment G	Articles 1 and 4	Items 11, and 12
b. Pre-opening purchases/leases	Articles 4 and 5	Not Applicable	Items 7 and 8
c. Site development and other pre-opening requirements	Articles 4 and 5	Article 4	Item 7
d. Initial and ongoing training	Article 8 and Section 2.B.(4)	Section 6.2	Item 11
e. Opening	Article 5	Article 4	Item 11
f. Fees	Article 6	Article 3	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Articles 7, 9, 10, and 11	Article 5	Item 11

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING,
COMPUTER SYSTEMS, AND TRAINING

Except as listed below, Franchisor is not required to provide you with any assistance.

FRANCHISE AGREEMENT

Before you begin operating the Franchised Business, we will:

1. Review your franchise site information and notify whether your proposed site is approved or rejected after receiving the complete (as determined by us) site application package. (Franchise Agreement, Section 3.B.)

2. Provide to you specifications, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront, signage, graphics, color schemes, and opening inventory. (Franchise Agreement, Section 4.A.) You must have all required construction plans and specifications prepared to suit the shape and dimensions of the Franchised Business and ensure that the plans and specifications comply with applicable law, building codes, permit requirements, and any lease requirements and restrictions.

3. For your first The Little Gym location opening only, we will provide you with one member of our training team for two to three days of pre-opening assistance and training at your Franchised Business location; there is no fee for the service, nor do we require you to reimburse our related costs. If pre-opening assistance is provided with respect to the second or any subsequent Franchised Business developed by you or your affiliate, or we consider pre-opening assistance necessary, or you request that we provide additional members of our training staff to provide on-site opening assistance (subject to availability of personnel), in each case, we may charge you ~~a reasonable~~ our then-current training fee, including reimbursement of our out-of-pocket costs incurred in connection with providing the assistance, including travel, accommodations and meals for the trainers. (Franchise Agreement, Section 5.C.)

4. For all Franchised Businesses you open, we may at our option, or we will at your request, provide you with additional members of our training team to provide pre-opening assistance, subject to the availability of personnel, in which case we may require you to pay our then-current training fee (as published in the Manual) and to reimburse us for our training-related expenses, including travel, lodging and dining costs for those additional trainers who provide opening assistance. (Franchise Agreement, Section 5.D.)

5. Conduct the initial training program with you and your Designated Manager (see Item 15) without charge. (Franchise Agreement, Section 8.A.)

6. Loan you one copy (digital or hard copy) of our confidential Manual containing information and knowledge necessary and material to the System. (Franchise Agreement, Section 9.)

During the operation of the Franchised Business, we will:

1. Provide to you our knowledge and expertise regarding the System and pertinent new developments, techniques, and improvements in the areas of management, sales promotion, service concepts, and other areas. We may provide these services through on-site visits, through the distribution of printed or filmed material or electronic information, meetings or seminars, telephone communications, email communications, or other communications. (Franchise Agreement, Section 5.D.)

2. Use good faith efforts to approve or disapprove your proposed promotional and marketing materials within 10 business days after we receive them. (Franchise Agreement, Section 15.A.)

3. Establish and administer a membership program, gift card acceptance program, loyalty program and master insurance program for so long as we elect to do so. (Franchise Agreement, Sections 11.Q., 15.F. and 16.B.)

Except as described above, the Franchise Agreement does not require us to provide any other assistance or services to you during the operation of the Franchised Business. As the Development Agreement relates to the development of Franchised Business, the Development Agreement does not require us to provide any other assistance or services during the operation of the Franchised Business.

DEVELOPMENT AGREEMENT

When you sign the Development Agreement, we will provide you site selection guidelines, including our minimum standards for Gym sites and sources regarding demographic information, and such site selection counseling and assistance as we may deem advisable.

During the course of the Development Agreement, we will:

1. Upon your request, disclose to you the then-current franchise disclosure document and, upon your compliance with the Development Agreement and our requirements, issue and execute remaining franchise agreements pursuant to your Development Schedule. (Development Agreement, Section 4.1.)
2. Evaluate each site application and conduct on site evaluation as we deem advisable in response to your request for site approval for each proposed site (through us or our appointed representatives). (Development Agreement, Section 4.3.2.)

CONFIDENTIAL MANUALS

The table of contents of the current Franchise Operations Manual is attached as Exhibit A to this Disclosure Document. The Franchise Operations Manual currently contains ~~195~~180 pages. Our online curriculum and training resources do not have a table of contents, but they are summarized in Exhibit A. We consider these materials to be proprietary and confidential, and you are bound by the Franchise Agreement to keep them confidential.

PRICING

We may, if permitted by applicable law, establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services, including required participation in systemwide discount programs and promotions. If we do not establish such pricing requirements, then you will have the right to determine the prices you charge.

INITIAL TRAINING PROGRAM

The initial training program currently consists of both virtual and in-person training for a total of 1-2 weeks. Launch Training is approximately five days in length with 3-5 hours of virtual training content. The in-person portion takes place at an approved working Gym location that we choose and requires travel. The training program is held whenever we have one or more new franchisees, approximately five to eight times per year. Owners of the franchise must attend Launch Training, and operators may be approved to attend upon your request. You must complete the training program to our satisfaction.

Once you have a signed lease for your location, you may apply to attend Launch Training. You must complete Launch Training no later than 30 days before opening the Franchised Business.

We conduct training workshops in a traditional classroom style with assigned study materials, including our confidential operations manual. We also use role play opportunities. The training program requires franchisees to observe, assist, and eventually lead portions of live gymnastic classes while performing certain operations to ensure you can establish a safe and successful environment.

The following is a summary of the current Training Program:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Virtual Training	3 to 5 hours	3 to 5 hours	Online
Preparation & Homework	13.5 to 20 hours	1-2 hours per day	Your city and state
<u>Internship Training</u>	<u>0 hours</u>	<u>12 hours</u>	<u>Flower Mound, TX or other location of our choosing</u>
Launch Training	15 hours	25 hours	Scottsdale, AZ <u>Bedford, TX</u> or Flower Mound, TX
Total	30 to 44 hours	<u>2941</u> to <u>3244</u> hours	

The primary person in charge of training is Taryn Parker. Mrs. Parker has been our Training ~~Manager~~Director since June 2021. She has been on our training team since May 2016 and has worked continually in this field of experience since 2005.

You are responsible for transportation to the training facilities, lodging, daily transportation between the hotel and the training facilities, and all meals and personal expenses incurred during the Initial Training Program. You must attend Internship Training at a location we select, for which you may incur additional travel and lodging costs if this training location is not in your city.

We may require you to attend an individual training program, or a course or conference with other franchisees. For individual training, you must pay a fee of up to \$500 per person per day, plus reimbursement of our out-of-pocket costs for providing the training. We may also require you to attend up to 15 days per year of group training courses of our choosing after the initial training and may charge up to \$500 per person per day. You must pay your transportation, lodging, meal, your employees' wages, and other expenses incurred during all training. You and your Designated Manager must satisfactorily complete the initial training program and required subsequent training.

We retain the absolute right to prescribe optional and mandatory continuing training programs without charge throughout the term of your Franchise Agreement. We currently require that you attend regional training each year at locations and on dates we determine. We may provide continuing training programs for you if you need specialized instruction and hands-on training with implementing newly developed operating procedures as we incorporate them into THE LITTLE GYM® franchise system. We may also provide continuing training programs for those franchise owners who, as an identifiable group, have experienced the same or similar difficulties in managing their franchised businesses. We may hold these continuing training programs at the corporate training facilities or other locations as we designate for the convenience of the franchise owners in attendance and our training staff. We have structured all continuing training programs to build business-management skills, to develop expertise in technical matters related to the franchised business or to remedy specific problems commonly encountered throughout the franchise system. These continuing training programs may last from one to 15 days depending on the subject material and the specific needs of those attending. You must acknowledge this obligation to attend these mandatory continuing training programs and agree that you will be responsible for your own travel, lodging, meals and living expenses.

We may conduct, and require you to attend, periodic conferences to discuss System developments, including operational efficiency, personnel training, bookkeeping, account, inventory control, performance standards, advertising programs, and merchandising procedures. We may require your Designated Manager to attend the conferences, and the conference fee is currently up to \$1,500 per attendee (currently, \$1,000

per attendee. In addition, you are responsible for all conference-related costs and expenses, including compensation, travel, accommodations, wages, and meals for attendees. An estimate of these travel expenses is included in Item 7.

SITE SELECTION

The Franchise Agreement will contain a site selection area within which you must identify a site for the Franchised Business (the “Site Selection Area”). You must submit our form of a site application for each site you identify, which we will review and notify you whether we accept or reject your proposed site. Upon our acceptance of a site, you must execute a lease within the lease deadline specified in the Franchise Agreement, which is a maximum of 180 days after the effective date of the Franchise Agreement. Failure to identify a site within this period is a default of the Franchise Agreement for which we will have the right to terminate the Franchise Agreement if you fail to cure the default within seven days after delivery of written notice of default. Upon execution of the lease, we will establish a Protected Area as described in Item 12, which may differ from the Site Selection Area, and you shall forfeit the Site Selection Area.

We will provide you with site selection assistance as we consider advisable, including providing our site selection guidelines and design specifications and conducting an on-site evaluation of the proposed site; however, we will not conduct an on-site evaluation for any proposed site prior to the receipt of the complete site application. If we conduct an on-site evaluation, you must reimburse us for our out-of-pocket expenses incurred in connection with the evaluation. We do not own and lease premises to franchisees.

If we do not notify you in writing that we approve a site you propose, we will be deemed to have rejected the proposed site. No site may be used for the location of the Franchised Business unless we first approve it in writing.

Under the Development Agreement, you will have the right to develop, open, and operate up to three The Little Gym businesses within a certain Development Area that we determine. Upon development of each Franchised Business, we will identify a Site Selection Area that is within your Development Area in which you shall identify a suitable site. We will follow the procedure outlined above, or our then-current procedure if different, regarding establishing a Protected Area and executing a lease. Each Franchised Business must be developed and opened according to our then-current system standards and other approval requirements, and pursuant to the corresponding franchise agreement.

TYPICAL TIME BETWEEN SIGNING (OR FIRST PAYMENT) AND OPENING FOR BUSINESS

The typical length of time between signing the Franchise Agreement and the opening of your business ranges from 10 to 12 months, depending on whether the site is known at the time the Franchise Agreement is signed. Factors affecting this range include site availability, lease negotiations, lender approvals, city zoning, permitting, use restrictions, construction time (especially when a new building is being constructed), governmental inspections and regulations, and other factors, such as force majeure that are outside our control.

ADVERTISING

We have no obligation to conduct advertising, except through the National Advertising Fund (“NAF”) described below. If we conduct media advertising, we may use direct mail, print, radio, Internet, or television, which may be local, regional, or national in scope. We may produce the marketing materials in-house or employ a local, regional, or national advertising agency. We are not obligated to conduct any advertising or marketing programs within your market. Our Standards allow us to require you to contract with Designated Suppliers for reputation management and net promoter score responses, as well as to allow us or the reputation management providers to respond to all website inquiries or other inquiries for all franchisees.

We have established and maintain a URL website promoting The Little Gym system and identifying the location of The Little Gym businesses. You will participate in all system-wide promotions that we conduct.

provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing, or administering the NAF. We reserve the right to suspend or terminate (and, if suspended or terminated, to reinstate) the NAF. If the NAF is terminated, all unspent monies on the date of termination accrued will be distributed to franchisees in proportion to their respective contributions to the NAF accrued during the preceding three-month period, and those amounts will be spent on local marketing.

NAF Contributions

In our last fiscal year ended December 31, ~~2023~~2022, we spent approximately ~~2223.5~~% of the ~~advertising fund~~NAF on production, ~~2062.7~~% on media placement and ~~5813.8~~% on administration. At the end of the year, we will carry over to the following year any advertising fees we have not spent and will use these monies for advertising and marketing.

Unleashed Fund

We have the right to establish an advertising fund separate from the NAF, which we call the Unleashed Fund. You will not contribute directly to the Unleashed Fund. The Unleashed Fund is identical to the NAF except that the funds are spent marketing all ~~brands under the Unleashed Services umbrella; these brands currently include Urban Air Adventure Park, Snapology, The Little Gym, PMA, Class 101, and XPL, but may include other brands in the future (collectively, the “Unleashed Brands”)-of the Affiliated Brands under the Unleashed Brands umbrella.~~ When the Unleashed Fund is established, the NAF may contribute up to 5% of its monthly balance to the Unleashed Fund. ~~Each~~ of the ~~Unleashed~~Affiliated Brands are expected to contribute to the Unleashed Fund, except the percentage contributed by each ~~Unleashed~~Affiliated Brand’s fund may vary. Only the ~~Unleashed~~Affiliated Brands that contribute to the Unleashed Fund are included in the advertising conducted by the fund. The Unleashed Fund is not audited, and we are not required to provide you a report of Unleashed Fund. We will have the right to cause the Unleashed Fund to be incorporated or operated through a separate entity our affiliates own and manage if we deem it appropriate, and the successor entity will have all of the same rights and duties.

If we are required to do so by your state law (for example, Maryland), we will within 60 days after your written request (but no more than once annually) provide a copy of our unaudited annual statement of monies collected and costs incurred by the Unleashed Fund. In our last fiscal year ended December 31, 2023, we did not create or maintain an Unleashed Fund.

LOCAL MARKETING EXPENDITURE

You must make the Local Marketing Expenditure, as may be amended by us periodically, but which, when combined with the NAF Contribution and Advertising Cooperative, will not exceed 6% of Gross Sales (as allocated by us between the NAF Contribution, the Advertising Cooperative, and the Local Marketing Expenditure) during any 12-month period. Currently, the Local Marketing Expenditure is 5% of Gross Sales. At our request, you must provide us copies of invoices and other documentation reasonably satisfactory to us to evidence your compliance with this obligation. If we determine that you have failed to comply with the Local Marketing Expenditure requirement for any period, we may notify you of any additional amounts that you must spend (up to the then-current percentage of Gross Sales required by us) on local marketing, and if you have not spent such additional amounts (in addition to any ongoing marketing requirements) within the time period required by us, we may collect those unspent amounts directly from your account and contribute them to the NAF, without any liability or obligation to use such funds for your local advertising. We will provide you not less than 30 days’ notice of any change in the amount of your Local Marketing Expenditure. Alternatively, at our discretion, we may collect these monies from you and place the advertising on your behalf.

You must focus your marketing activities within your Protected Area. You may engage in direct marketing activities in the Protected Area only. “Direct marketing activities” include personal solicitations, direct mailings, sporting event sponsorships and advertising, and school event sponsorships and advertising but

You must conduct a grand opening advertising and promotional program before the Franchised Business opens for business in accordance with the Standards set forth in the Manual and using our required Marketing and Media Partners. We will consult with you in planning the grand opening program. You must spend between \$20,000 and \$40,000 in connection with your grand opening. The media portion of this grand opening expenditure should be submitted to us for processing through our required media partner no later than 6 weeks prior to planned opening or once the grand opening media plan is submitted to you. This amount is in addition to the other required advertising investments described in this Item 11. Any creative associated with your grand opening will be developed by us in conjunction with and approved by your Regional Marketing Manager.

ADVERTISING COUNCIL

There currently are no franchisee advertising councils or advertising cooperatives that advise us on advertising policies. In our discretion, we reserve the right to establish an advisory council of franchisees that does advise us on advertising policies and other matters.

TECHNOLOGY REQUIREMENTS

We may establish and maintain an intranet facility through which The Little Gym businesses may communicate with each other and through which we may disseminate updates to the Manual and other confidential information. We will have no obligation to maintain the intranet indefinitely. We will establish policies and procedures for use of the intranet which will address issues such as (1) code of conduct with respect to communications, (2) confidential treatment of materials we transmit via the intranet, (3) password protocols and security precautions, (4) grounds and procedures for suspending or revoking a franchisee's access to the intranet and (5) privacy policies governing our access to and use of the intranet. All content communicated via the intranet will become our property. You must purchase and install all necessary additions to your technology system and establish and maintain electronic connection with the intranet that allows us to send and receive messages from you. Your obligation to maintain the intranet will continue until your Franchise Agreement expires or is terminated (or, earlier if we cease to maintain the intranet).

You must acquire and use all computer systems that we prescribe for use by our franchisees and may not use any computer system or components or software applications that do not conform to the Standards or that we have not approved in writing. Requirements may include, among other things, hook up to remote servers, off-site electronic repositories, and high-speed internet connections and service. We may require you to update or upgrade computer hardware components and software applications as we deem necessary, but not more than three times per calendar year. You must enter into all applicable software license agreements and software maintenance agreements, in the form and manner we prescribe, and pay all fees charged by third-party software and software service providers, whether billed to you directly or passed through by us. At our request, you must sign or consent to a "terms of use" agreement regarding all software applications that we designate. We may independently access from a remote location, at any time, all information input to, and compiled by, your computer system or an off-site server, including information concerning sales, purchase orders, inventory, and expenditures. There are no contractual limitations to our right to access the information and data.

We require all franchisees to purchase a desktop computer and printer for back of the house needs, and we require all franchisees to acquire and use the Point of Sale ("POS") system that we designate, including payment of the monthly licensing requirements related to the use of such POS. Neither we nor any of our affiliates or any third party is obligated to provide ongoing maintenance, repairs, upgrades or updates to any computer hardware or software (including without limitation your POS).

The initial equipment you must acquire includes necessary computer systems worth an estimated ~~\$2,000 to \$6,000. The Start-Up Equipment and Inventory Package includes a \$7,175 to \$9,000 technology package that includes the initial software license fee.~~ 12,000 to \$20,000. The requirement to purchase the technology package may be waived for those prospective franchisees that purchase an existing location that is using a

USE OF PROPRIETARY MARKS

There are no agreements currently in effect that significantly limit our rights to use or to license the use of the Proprietary Marks in any manner material to the Franchised Business. We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to you.

You must use the Proprietary Marks in full compliance with provisions of the Franchise Agreement and according to the trademark usage guidelines and rules we periodically prescribe. You may not use any Proprietary Mark as a part of your corporate name or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed by us to you) and you may not use them to incur any obligation or indebtedness on our behalf. You may not use any name or mark associated with the sale of any unauthorized product or services in any other manner not explicitly authorized in writing by us.

You may use only the Proprietary Marks that we designate, must use them only in the manner that we authorize and permit, and must use them with the symbols, “®,” “™,” or “SM,” as appropriate. You may use the Proprietary Marks only in connection with the operation and promotion of the Franchised Business, and only in the manner we prescribe. You may not contest ownership or validity of the Proprietary Marks or any registration of the Proprietary Marks, or our right to use or to sublicense the use of the Proprietary Marks. You must sign all documents that we require to protect the Proprietary Marks and to maintain their validity and enforceability.

INTERNET AND SOCIAL MEDIA USAGE

You may not cause or allow all or any recognizable portion of the Proprietary Marks to be used or displayed as all or part of an e-mail address, Internet domain name, uniform resource locator (“URL”), or meta-tag, or in connection with any Internet home page, web site, [landing pages](#), mobile channels, or any other Internet-related activity without our express written consent, and, then, only in a manner and consistent with our procedures, standards and specifications. This prohibition includes use of the Proprietary Marks or any derivative of the Proprietary Marks as part of the registration of any username on any gaming website, personal blogs or social networking website including Facebook, LinkedIn, Yelp, Pinterest, Instagram, TikTok, or [X \(formerly known as Twitter\)](#), or any virtual worlds, file sharing, audio sharing and video-sharing sites. You must comply with our social media and networking policies, which will be provided to you in the Manual and which may be modified, amended, or terminated by us at any time. (Franchise Agreement, [Section 13.D.](#))

You may not establish or maintain a web site or other presence on the World Wide Web portion of the Internet, including gaming websites or social networking websites such as Facebook, LinkedIn, Yelp, Pinterest, Instagram, Tik Tok or [X \(formerly known as Twitter\)](#), that reflects any of the Proprietary Marks or any of our copyrighted works, including the term “The Little Gym” as part of its URL or domain name, that otherwise states or suggests your affiliation with us or the System, or that uses or displays any collateral merchandise offered at the Franchised Business, without our express written consent, and, then, only in a manner and consistent with our procedures, standards and specifications. We will create all social media accounts related to the Franchised Business and license such accounts to you for use in promoting the Franchised Business while the Franchise Agreement is in effect. (Franchise Agreement, [Section 15.G.](#)) Our social media and networking policies will be provided to you in the Manual and may be modified, amended, or terminated by us at any time. (Franchise Agreement, [Section 15.D.](#))

INFRINGEMENT

If there is any infringement of, or challenge to, your use of any name, mark, or symbol, you must immediately notify us, and we may take any action that we deem appropriate, in our sole discretion. The Franchise Agreement does not require us to take affirmative action if notified of the claim. We have the right to control all administrative proceedings or litigation involving your use of the Proprietary Marks. The

third parties to host programs (including after school programs, children’s “camps” or similar services) at the Approved Location unless we have authorized such services to be offered in advance in writing.

You must participate in and offer to your customers all customer loyalty and reward programs and all contests, sweepstakes, and other prize promotions. We will provide you the details of each program and promotion, and you must promptly display all point-of-sale advertising and promotion-related information at such places within the Franchised Business premises as we may designate. You must purchase and distribute all coupons, clothing, toys, and other collateral merchandise (and only the coupons, clothing, toys, and collateral merchandise) we designate for use in connection with each such program or promotion.

You may only use marketing and promotional materials that we have approved.

As stated in Items 11 and 12, you must focus your marketing activities within your Protected Area. You may engage in direct marketing activities in the Protected Area. We may develop policies and procedures that apply to all types of advertising and marketing efforts, including social media advertising, and you must comply with those policies and procedures. You may not conduct marketing activities outside of your Protected Area, unless we provide our written consent that specifically identifies the additional areas and time frame in which you may market outside of your Protected Area. Except as described in this Item, you are not limited in the type of customers to whom you may sell approved products or 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 franchise agreements attached to this disclosure document.

FRANCHISE AGREEMENT

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2.A.	10 years from the effective opening date of the Franchise Agreement your The Little Gym Franchised Business.
b. Renewal or extension	Section 2.B.	If you are in good standing, you may elect to continue operating the franchise for two additional, consecutive five-year successor terms. You must pay us a renewal fee equal to 50% of our then-current initial franchise fee plus reimbursement of our legal and professional expenses.
c. Requirements for franchisee to renew or extend	Section 2.B.	Provide notice; you may not be in default of the Franchise Agreement or any other agreement; you must renovate and modernize the Franchised Business premises to conform to our then-current image; you and employees must be in compliance with our then-current training requirements; you must have the right to possess the Franchised Business premises or have secured a substitute location; you and all guarantors must execute our then-current form of general release, subject to applicable law; and you may not have a continued pattern of non-compliance as evidenced by

Provision	Section in Franchise Agreement	Summary
		Franchised Business' assets we elect to purchase; notify members of the closure of your Franchised Business using our then-current form of notice and offering those members the option to terminate their membership and receive a pro rata refund; and comply with post term obligations (also see r, below).
j. Assignment of contract by franchisor	Section 17.A.	No restriction on our right to assign our interest in the Franchise Agreement or to transfer any of our assets.
k. "Transfer" by franchisee – defined	Section 17.B.	Includes transfer of Franchise Agreement, transfer of the assets of the Franchised Business, and ownership changes.
l. Franchisor approval of transfer by franchisee	Section 17.B.	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 17.B.	We may condition approval on satisfaction of the following: all monetary obligations must be satisfied; you must be in full compliance with the Franchise Agreement and all other agreements; you and each owner must sign a then-current general release; the transferee must meet our Standards for new franchisees; the transferee must sign our then-current form of franchise agreement for the remainder of the franchise term left on your agreement; the transferee must agree to refurbish the Franchised Business premises; you must agree to remain liable for all pre-transfer obligations; the transferee must comply with our then-current training requirements; you must use our Designated Supplier to conduct inspections of the Franchised Business premises before the transfer; the economic terms of the transfer may not, in our opinion, materially and adversely affect the post transfer viability of the Franchised Business.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 17.G.	We may match any bona fide offer to purchase your business.
o. Franchisor's option to purchase franchisee's business	<u>Section 19.B.</u>	Upon the happening of a "Triggering Event" (meaning termination or expiration of the franchise, notice to you that we intend to purchase all or substantially all of the franchises in the System, or the date of an initial public offering), we may purchase the assets of the Franchised Business for a purchase price equal to "Fair Market Value" of the assets, excluding goodwill or going concern value. We may assume your lease and purchase the assets of your business upon expiration or termination of the Franchise Agreement.

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	Section 17.H.	Transfer of interest to his or her spouse or third party within six months of death or incapacity, subject to our approval and right of first refusal.
q. Non-competition covenants during the term of the franchise	Article 14	Neither you nor any owner may be involved in any Competitive Business anywhere within the United States, its territories or commonwealths, or any other country, province, state, or geographic area in which Franchisor or its affiliates have used, sought registration of, or registered the Proprietary Marks or similar marks. A Competitive Business is any business or enterprise that is the same as or similar to The Little Gym businesses, including without limitation any business or enterprise, franchised and non-franchised, that operates or grants franchises or licenses for the operation of a business that provides physical fitness, recreational gymnastic, motor skills development and other programs for children.
r. Non-competition covenants after the franchise is terminated or expires	Article 14	For a two (2) year period following termination or expiration of the franchise, neither you nor any owner may be involved in any Competitive Business located (1) at the former Franchised Business location, (2) within the former Protected Area, or (3) within a 25-mile radius of any other The Little Gym business.
s. Modification of the agreement	Section 22.B.	The Franchise Agreement may be modified only by a written document signed by both parties.
t. Integration/ merger clause	Section 22.A.	The Franchise Agreement and its Attachments constitute the full and final agreement and are binding (subject to state law). Any other promises or statements may not be enforceable. No claim made in the Franchise Agreement is intended to disclaim the express representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 23.G.	Except for certain claims, all disputes must be arbitrated in Texas. Subject to state law.
v. Choice of forum	Section 23.G(9)	Litigation must be instituted and maintained in the state or federal courts serving the district in which we maintain our principal headquarter at the time litigation is initiated (currently Tarrant County, Texas) (subject to applicable state law).
w. Choice of law	Section 23.A.	Texas law applies (subject to applicable state law).

Provision	Section in Development Agreement	Summary
the franchise is terminated or expires		within the Development Area (other than the Franchised Businesses already open pursuant to the Development Schedule), or (2) within a 25-mile radius of any other The Little Gym business.
s. Modification of the agreement	Section 13.1.	The Franchise Agreement may be modified only by a written document signed by both parties.
t. Integration/merger clause	Section 13.1.	The Development Agreement and its Attachments constitute the full and final agreement. Any other promises or statements may not be enforceable. No claim made in the Development Agreement is intended to disclaim the express representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Sections 11.2. and 11.3.	Except for certain claims, we and you must first mediate, and if unsuccessful, arbitrate all disputes within a five (5) mile radius of Franchisor’s principal headquarters at the time arbitration is initiated
v. Choice of forum	Section 11.4.	Litigation must be instituted and maintained in the state or federal courts serving the district in which we maintain our principal headquarters at the time litigation is initiated (currently Tarrant County, Texas) (subject to applicable state law).
w. Choice of law	Section 11.1.	Texas law applies (subject to applicable state law).

**ITEM 18
PUBLIC FIGURES**

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

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

~~Table 1 below shows historic unaudited annual gross revenues as reported to us by our U.S. franchisees for the year ended December 31, 2021 (“Fiscal Year 2021”). As of the end of Fiscal Year~~

[ITEM 19 CONTINUES ON THE NEXT PAGE.]

Table 1 – Franchised Units Reporting for the Fiscal Year 2023^{1,2}

<u>Column³</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
Top Quartile	Gross Sales⁴	# of Gyms	Cost of Goods Sold⁵	Occupancy⁶	Advertising⁷	Payroll⁸	Insurance⁹	Other Costs¹⁰	EBITDA¹¹	EBITDA %¹²
High	\$1,970,747	35	\$56,306	\$151,354	\$38,022	\$446,748	\$12,568	\$229,136	\$1,036,613	59.5%
Low	\$866,222		\$36,020	\$131,996	\$30,496	\$242,187	\$34,498	\$28,891	\$362,134	41.8%
Avg.	\$1,125,831		\$39,484	\$146,269	\$34,309	\$290,143	\$13,065	\$121,415	\$481,146	42.4%
Median	\$1,007,529		\$36,020	\$140,562	\$31,558	\$258,486	\$10,199	\$116,582	\$438,463	41.9%
No. Units Above Avg.	14		12	15	13	16	10	13	14	17

2nd Quartile	Gross Sales⁴	# of Gyms	Cost of Goods Sold⁵	Occupancy⁶	Advertising⁷	Payroll⁸	Insurance⁹	Other Costs¹⁰	EBITDA¹¹	EBITDA %¹²
High	\$863,471	35	\$1,259	\$163,255	\$13,919	\$371,582	\$7,662	\$89,209	\$216,586	25.1%
Low	\$722,412		\$57,289	\$303,253	\$73,446	\$206,003	\$23,196	\$104,063	\$(44,838)	-6.2%
Avg.	\$794,526		\$29,551	\$140,505	\$27,992	\$245,430	\$11,398	\$97,483	\$242,168	30.3%
Median	\$793,494		\$27,731	\$125,190	\$28,363	\$255,915	\$8,677	\$99,694	\$257,512	31.9%
No Above Avg.	17		15	16	18	22	10	18	20	19

3rd Quartile	Gross Sales⁴	# of Gyms	Cost of Goods Sold⁵	Occupancy⁶	Advertising⁷	Payroll⁸	Insurance⁹	Other Costs¹⁰	EBITDA¹¹	EBITDA %¹²
High	\$706,796	35	\$6,322	\$145,562	\$37,556	\$282,888	\$21,584	\$108,362	\$104,522	14.8%
Low	\$472,010		\$18,210	\$167,923	\$9,975	\$90,995	\$6,061	\$86,723	\$92,122	19.5%
Avg.	\$578,875		\$28,968	\$121,130	\$37,876	\$195,346	\$8,271	\$65,265	\$122,019	21.1%
Median	\$578,805		\$22,691	\$113,246	\$21,026	\$184,603	\$6,859	\$63,067	\$138,614	25.8%
No Above Avg.	17		7	12	5	15	10	17	23	21

<u>4th Quartile</u>	<u>Gross Sales⁴</u>	<u># of Gyms</u>	<u>Cost of Goods Sold⁵</u>	<u>Occupancy⁶</u>	<u>Advertising⁷</u>	<u>Payroll⁸</u>	<u>Insurance⁹</u>	<u>Other Costs¹⁰</u>	<u>EBITDA¹¹</u>	<u>EBITDA %¹²</u>
<u>High</u>	<u>\$458,019</u>	<u>35</u>	<u>\$13,830</u>	<u>\$55,870</u>	<u>\$7,207</u>	<u>\$150,167</u>	<u>\$5,934</u>	<u>\$57,723</u>	<u>\$167,289</u>	<u>36.5%</u>
<u>Low</u>	<u>\$153,750</u>		<u>\$400</u>	<u>\$51,898</u>	<u>\$1,872</u>	<u>\$71,998</u>	<u>\$6,195</u>	<u>\$550</u>	<u>\$20,837</u>	<u>13.6%</u>
<u>Avg.</u>	<u>\$350,152</u>		<u>\$15,646</u>	<u>\$101,526</u>	<u>\$22,684</u>	<u>\$135,634</u>	<u>\$8,046</u>	<u>\$49,651</u>	<u>\$16,965</u>	<u>1.9%</u>
<u>Median</u>	<u>\$369,323</u>		<u>\$12,418</u>	<u>\$94,131</u>	<u>\$17,370</u>	<u>\$136,420</u>	<u>\$7,000</u>	<u>\$47,502</u>	<u>\$29,007</u>	<u>7.5%</u>
<u>No Above Avg.</u>	<u>21</u>		<u>13</u>	<u>17</u>	<u>13</u>	<u>18</u>	<u>14</u>	<u>15</u>	<u>22</u>	<u>23</u>

Notes:

Note 1. Table 1 2021, there were 176 U.S. outlets operating. The 164 outlets included in Table 3 are those that were open at least a full year. Of the 12 excluded outlets, 11 closed during Fiscal Year 2021 and one did not operate at least a full year.

Table 2 below shows historic unaudited annual gross revenues as reported to us by our U.S. franchisees for the year ended December 31, 2023 2022 (“Fiscal Year 2022 2023”). As of the end of Fiscal Year 2022 2023, there were 173 185 U.S. outlets operating. The 163 outlets included in Table 2 are those that were open at least a full year. Of the 10 excluded outlets, four closed during Fiscal Year 2022 and six outlets were not open at least a full year.

Table 1 – Annual Gross Revenues year ended Dec. 31, 2021 as reported by US Franchisees
Opened Full Year 2021 reported in US Dollars, Unaudited

-	<u>Top Quartile Revenue Range</u>	<u># of Gyms</u>	<u>2nd Quartile Revenue Range</u>	<u># of Gyms</u>	<u>Third Quartile Revenue Range</u>	<u># of Gyms</u>	<u>Bottom Quartile Revenue Range</u>	<u># of Gyms</u>
<u>High</u>	<u>\$1,402,754</u>	<u>41</u>	<u>\$568,594</u>	<u>41</u>	<u>\$410,165</u>	<u>41</u>	<u>\$307,231</u>	<u>41</u>
<u>Low</u>	<u>\$568,611</u>		<u>\$411,926</u>		<u>\$307,530</u>		<u>\$48,336</u>	
<u>Avg.</u>	<u>\$723,601</u>		<u>\$488,076</u>		<u>\$352,942</u>		<u>\$223,055</u>	
<u>Median</u>	<u>\$664,550</u>		<u>\$486,634</u>		<u>\$356,409</u>		<u>\$236,393</u>	
<u>No. Above Avg.</u>	<u>13</u>		<u>20</u>		<u>21</u>		<u>26</u>	

Total Gyms 164

Table 2 – Annual Gross Revenues year ended Dec. 31, 2022 as reported by US Franchisees

Table 1—Annual Gross Revenues year ended Dec. 31, 2021 as reported by US Franchisees
 Opened Full Year 2021 reported in US Dollars, Unaudited

	Top Quartile Revenue Range	# of Gyms	2 nd Quartile Revenue Range	# of Gyms	Third Quartile Revenue Range	# of Gyms	Bottom Quartile Revenue Range	# of Gyms
-								

Opened Full Year 2022 reported in US Dollars, Unaudited

	Top Quartile Revenue Range	# of Gyms	2 nd Quartile Revenue Range	# of Gyms	Third Quartile Revenue Range	# of Gyms	Bottom Quartile Revenue Range	# of Gyms
-								
High	\$1,764,931	41	\$786,912	41	\$576,869	41	\$420,357	40
Low	\$793,052		\$580,949		\$423,801		\$134,572	
Avg.	\$995,185		\$687,879		\$505,596		\$310,551	
Median	\$890,787		\$692,675		\$512,535		\$329,688	
No. Above Avg.	16		22		23		22	

**Total
Gyms 163**

Note 2. The 140 outlets included in Table 1 are those that were open at least a full year. Of the 45 excluded outlets, six closed during the Fiscal Year 2023 and 39 outlets were not open for at least a full year.

Note 3. Column 1 does not reflect the cost of sales, operating expenses, rent/real estate or other costs or expenses that must be deducted from the Gross Sales (defined below) figures to obtain your net income or profit. Column 2 reflects the number of Gyms in each quartile. Columns 3 to 10 contain data for certain expenses related to the operation of The Little Gym Franchised Businesses, which is self-reported data from The Little Gym franchisees.

Note 4. “Gross Sales,” as used in this Item 19 (and Item 6), means the dollar aggregate of: (1) the sales price of all products, services, membership fees, merchandise and other items sold, and the charges for all services you perform, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect, including sales and services (A) originating at the Franchised Business premises even if delivery or performance is made offsite from the Franchised Business premises, (B) placed by mail, facsimile, telephone, the internet and similar means if received or filled at or from the Franchised Business premises, and (C) that you in the normal and customary course of your operations would credit or attribute to the operation of the Franchised Business; and (2) all monies, trade value or other things of value that you receive from Franchised Business operations at, in, or from the Franchised Business premises that are not expressly excluded from Gross Sales. Gross Sales does not include: (1) the exchange of merchandise between Franchised Businesses (if you operate multiple franchises) if the exchanges are made solely for the

convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Franchised Business premises; (2) returns to shippers, vendors, or manufacturers; (3) sales of fixtures or furniture after being used in the conduct of the Franchised Business; (4) the sale of gift certificates, stored value cards and loyalty program benefits (the redemption value will be included in Gross Sales at the time of redemption); (5) insurance proceeds; (6) sales to employees at a discount (provided such discounts will not exceed 1.5% of Gross Sales during any reporting period); (7) cash or credit refunds for transactions included within Gross Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); (8) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority; and (9) tips and gratuities. A purchase returned to the Franchised Business may not be deducted from Gross Sales unless the purchase was previously included in Gross Sales.

Note 5. “Costs of Goods Sold” includes the total cost of all food, beverages, merchandise, and other costs related to products and services sold by the Gyms, including distribution and delivery costs.

Note 6. “Occupancy” includes rent (including both minimum rents and percentage rents), utilities (e.g., electricity, gas, water, cable, internet, telephone), and any sales or other taxes imposed thereon and any pass-through expenses from the landlord. Taxes refer to real estate taxes and assessments levied against the property upon which the Gym is located. Sales and use taxes are excluded from occupancy costs. The amount or rate of taxation for all such taxes varies from jurisdiction to jurisdiction. You should consult with your tax advisors regarding the impact such taxes will have on this analysis. Common area expenses reflect charges for maintenance of parking lots and common use areas, landscaping design and maintenance, weather-related maintenance (e.g., removal of debris and snow), security staff, taxes and insurance for common areas and such other charges customarily paid by tenants for services typically provided by landlords. Common area expenses may vary depending upon the geographic area and individual Gym.

Note 7. “Advertising” includes advertising, promotional and marketing expenses for the Gyms in the Protected Area to satisfy the Local Marketing Expenditure requirement. See Item 6 for minimum Local Marketing Expenditure requirement.

Note 8. “Payroll” includes personnel wages, management salaries, benefits and payroll taxes but excludes bonuses, paid time off, severance payments and fringe benefits. In addition, payroll excludes the cost of training any hourly or management personnel and any disbursements made to the owners of the Franchisees. The costs of providing medical and dental insurance for employees will vary depending on many factors, including the extent and amount of coverage provided and the loss experience of the group in addition to the size of your staff.

Note 9. “Insurance” includes information related to commercial general liability insurance only. See Item 8. Insurance expenses related to other insurance coverages that we require is excluded because the costs associated with such coverage varies significantly depending upon the size of the geographic area in which your Gym is located, the square footage of your Gym, specific lender and landlord insurance requirements, whether alcoholic beverages are offered at the Gym, the availability of insurance carriers in the area where your Gym is located, and the jurisdiction in which the Gym is located. Your costs will vary if you elect to purchase additional insurance coverage and depending on numerous factors, including the carrier you select, the jurisdiction in which you operate your Gym, your loss experience and financial creditworthiness.

Note 10. “Other Costs” includes royalty fees, office expenses (e.g., office and cleaning supplies), and processing fees (e.g., payroll, point of sale and payment processing and other bank charges).

Note 11. “EBITDA” means the earnings before interest, taxes, depreciation, and amortization. As is customary, it excludes expenses related to debt services costs, whether principal or interest.

Note 12. “EBITDA %” means EBITDA as a percentage of Gross Sales.

The financial performance representation figures do not reflect the costs of sales or operating expenses that must be deducted from the gross revenue figures to obtain your net income or profit. The best source of cost and expense data may be from franchisees and former franchisees, some of whom may be listed in Exhibit I.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you’ll sell as much.

Written substantiation for these financial performance representations will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Franchisor’s management by contacting Joshua Wall, 2350 Airport Freeway, Suite 505, Bedford, Texas, 76022, the Federal Trade Commission, and the appropriate state regulatory agencies.

[ITEM 20 IS ON THE NEXT PAGE.]

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
System-Wide Outlet Summary
For Years ~~2020~~2021 to ~~2022~~2023**

Outlet Type	Year	Outlets Operating at the Start of the Year	Outlets Operating at the End of the Year	Net Change
Franchised	2020 2021	205 203	203 176	-227
	2022	203176	176173	-273
	2022 2023	176173	173185	-312
Company-Owned	2020 2021	0	0	0
	2022	0	01	0+1
	2022 2023	01	1	+10
Total Outlets	2020 2021	205 203	203 176	-227
	2022	203176	176174	-272
	2022 2023	176174	174186	-212

**Table No. 2
Transfers of Outlets from Franchisee to New Owners (other than the Franchisor)
For years ~~2020~~2021 to ~~2022~~2023**

State	Year	Number of Transfers
Arizona	2020 2021	01
		+
	2022	0
California	2023	1
	2020 2021	0
	2022	1
Georgia	2023	0
	2021	0
	2022	0
Idaho	2022	+0
	2020 2023	01
	2021	1
Kansas	2022	0
	2021	1
	2022	1
Louisiana	2023	0
	2020 2021	+0
	2022	0
	2023	0

	2021	0
Maryland	2022	0
-	<u>2023</u>	<u>2</u>
Massachusetts	2020 2021	0 2
		<u>2</u>
	2022	0
	<u>2023</u>	<u>0</u>
New York	2021 2020	0
		0
	2022	1
	<u>2023</u>	<u>0</u>
North Carolina	2021 2020	1
		1
	2022	0
	<u>2023</u>	<u>6</u>
Pennsylvania	2021 2020	0 1
	2021	1
	2022	0
	<u>2023</u>	<u>0</u>
South Carolina	2021 2020	0 2
	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>1</u>
	2021	<u>20</u>
Tennessee	2022	0
Texas	2020 2023	1
Texas	2021	0
	2022	6
	<u>2023</u>	<u>1</u>
Virginia	2021 2020	0
		0
	2022	2
	<u>2023</u>	<u>0</u>
Washington	2021 2020	0
		0
	2022	1
	<u>2023</u>	<u>0</u>
Wisconsin	2021 2020	0 1
		1
	2022	0
	2020 2023	3 0
Total	2021	10

	2022	12
	<u>2023</u>	<u>13</u>

Table No. 3
Status of Franchised Outlets
For Years ~~2020~~2021 to ~~2022~~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
Alabama	2021 20	1	0	0	0	0	0	1
	<u>2022</u>	1	0	0	0	0	0	1
	2022 <u>2023</u>	1	0	0	0	0	0	1
Arizona	2021 20	6	0	<u>0</u>	0	0	0	<u>6</u>
		<u>6</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	2022	5	0	0	0	0	0	5
	<u>2023</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
Arkansas	2021 20	2	0	0	0	0	0	2
		<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
California	2021 20	14	1	0	0	0	<u>1</u>	<u>14</u>
	<u>2022</u>	<u>14</u>	<u>1</u>	0	0	0	0	15
	2022 <u>2023</u>	15	0	0	0	0	0	15
Colorado	2021 20	<u>3</u>	<u>1</u>	0	0	0	0	4
	<u>2022</u>	4	0	0	0	0	0	4
	2022 <u>2023</u>	4	0	0	0	0	0	4
Delaware	2021 20	2	0	0	0	0	<u>0</u>	<u>2</u>
	<u>2022</u>	<u>2</u>	0	0	0	0	<u>1</u>	1
	2022 <u>2023</u>	1	0	0	0	0	<u>0</u>	<u>1</u>
Florida	2021 20	4	0	0	0	0	0	4
		<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	2022	4	2	0	0	0	0	6
	<u>2023</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>5</u>
Georgia	2021 20	3	0	0	0	0	0	3
		<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	2022	3	0	0	0	0	0	3
	2022 <u>2023</u>	<u>3</u>	<u>0</u>	0	0	0	0	<u>3</u>
Idaho	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2

	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Illinois	2021 020	4	0	0 <u>1</u>	0	0	0	4 <u>3</u>
		4	0	1	0	0	0	3
	2022	3	0	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>
Indiana	2021 020	1	0	0	0	0	0	1
		1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Kansas	2021 020	1	0	0	0	0	0	1
		1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Kentucky	2021 020	1	0	0	0	0	0	1
		1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Louisiana	2021 020	4 <u>3</u>	0	0	0	0	1 <u>0</u>	3
	<u>2022</u>	3	0	0	0	0	0	3
	2022 023	3	0	0	0	0	0	3
Maryland	2021 020	8	0	0	0	0	0 <u>3</u>	8 <u>5</u>
		8	0	0	0	0	3	5
	2022	5	0	0	1	1	0	3
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>
Massachusetts	2021 020	6	0	0	0	0	0 <u>1</u>	6 <u>5</u>
		6	0	0	0	0	1	5
	2022	5	1	0	0	0	0	6
	<u>2023</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
Michigan	2021 020	3 <u>2</u>	0	1	0	0	0	2 <u>1</u>
		3	0	1	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Minnesota	2021	2 <u>0</u>	0	1 <u>0</u>	0	0	0	1 <u>0</u>
	2022	1 <u>0</u>	0	0	0	0	0	1 <u>0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Mississippi	2021 020	1	0	0	0	0	0 <u>1</u>	1 <u>0</u>

		±	0	0	0	0	±	0
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Missouri	2021 2020	34	10	0	0	0	0	4
		4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>3</u>
New Jersey	2021 2020	19	0	0	<u>0</u>	0	<u>0</u>	19 <u>17</u>
		19	0	0	±	0	±	17
	2022	17	0	0	2	0	0	15
	<u>2023</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>14</u>
New Mexico	2021 2020	1	0	0	0	0	0	1
		±	0	0	0	0	0	±
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
New York	2021 2020	17	0	<u>0</u>	0	0	<u>0</u>	17 <u>15</u>
		17	0	±	0	0	±	15
	2022	15	0	0	0	0	0	15
	<u>2023</u>	<u>15</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>
North Carolina	2021 2020	11	0	0	0	0	<u>0</u>	11 <u>10</u>
		11	0	0	0	0	±	10
	2022	10	0	1	0	0	0	9
	2020 <u>2023</u>	79	0	0	0	0	0	79
Ohio	2021	7	0	0	0	0	1	6
	2022	6	0	0	0	0	0	6
	<u>2023</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
Oklahoma	2021 2020	1	0	0	0	0	0	1
		±	0	0	0	0	0	±
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Oregon	2021 2020	2	0	0	0	0	0	2
		2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Pennsylvania	2021 2020	98	0	0	0	0	1	87
		8	0	0	0	0	±	7
	2022	7	0	2	0	0	0	5

	<u>2023</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
Puerto Rico	2021 2020	2	0	0	0	0	0	2
		2	0	0	0	0	0	2
	2022	2	0	0	2	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Rhode Island	2021 2020	+0	0	0	0	0	+0	0
		0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
South Carolina	2021 2020	5	0	0	0	0	0	5
		5	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	<u>2023</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Tennessee	2021 2020	2	0	0	0	0	0	2
		2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2020 <u>2023</u>	3 <u>2</u>	+0	+0	0	0	+0	3 <u>2</u>
Texas	2021	31	0	1	0	0	6	24
	2022	24	4	1	0	0	0	27
	2020 <u>2023</u>	4 <u>2</u>	0 <u>7</u>	0	0	0	0	4 <u>3</u>
Utah	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	1	3
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Virginia	2021 2020	11	0	0	0	0	0	+1 <u>7</u>
		11	0	0	0	0	4	7
	2022	7	0	0	0	0	1	6
	<u>2023</u>	<u>6</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
Washington	2021 2020	11	0	0	0	0	0	11
		11	0	0	0	0	0	11
	2022	11	2	0	0	0	0	13
	<u>2023</u>	<u>13</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14</u>
Washington D.C	2021 2020	0 <u>1</u>	+0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Wisconsin	2021 2020	1	0	0	0	0	0	1
		1	0	0	0	0	0	1

	2022	1	0	0	0	0	0	1
	2020 <u>2023</u>	205 <u>1</u>	50 <u>0</u>	20 <u>0</u>	0	0	50 <u>0</u>	203 <u>1</u>
Totals	2021	203	1	5	1	0	22	176
	2022	176	9	4	5	1	2	173
	<u>2023</u>	<u>173</u>	<u>19</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>	<u>185</u>

Table No. 4
Status of Company Owned Outlets
For Years ~~2020~~2021 to ~~2022~~2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Maryland	2021	0	0	0	0	0	0
	<u>2022</u>	0	0	<u>0</u> [*]	0	0	0
	2022 <u>20</u>	0	0	1 <u>0</u>	0	0	0
Texas	2021	0	0	0	0	0	0
	<u>2022</u>	0	<u>0</u>	0	0	0	<u>0</u>
	2022 <u>20</u>	<u>0</u>	1 <u>0</u>	0	0	0	1
Total	2021	0	0	0	0	0	0
	2021 <u>20</u>	0	<u>0</u>	<u>0</u> [*]	0	0	<u>0</u>
	2022 <u>20</u>	<u>0</u>	1 <u>0</u>	1 <u>0</u>	0	0	1

*Frederick, MD location has remained closed since acquisition by us.

Table No. 5
Projected Openings
As of December 31, ~~2022~~2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	1	1	0
Arkansas	1	1	0
California	<u>27</u>	<u>12</u>	0
Colorado	<u>13</u>	<u>0</u>	0
Florida	<u>57</u>	<u>12</u>	0
Georgia	5	<u>32</u>	0
Idaho	<u>12</u>	<u>0</u>	0
Illinois	<u>3</u>	<u>0</u>	<u>0</u>
Iowa	<u>3</u>	<u>0</u>	<u>0</u>
Kansas	<u>1</u>	<u>1</u>	<u>0</u>
Maine	<u>1</u>	<u>1</u>	<u>0</u>
Maryland	<u>2</u>	<u>2</u>	<u>0</u>
Massachusetts	<u>1</u>	<u>0</u>	<u>0</u>

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Michigan	1	0	0
Minnesota	2	1	0
Missouri Nevada	1	+0	0
New Hampshire	1	0	0
New Jersey	38	+6	0
New Mexico	21	1	0
New York	23	01	0
North Carolina	24	+2	0
Ohio	+3	01	0
Oregon	1	1	0
Pennsylvania	31	+0	0
South Carolina	+3	+3	0
Tennessee	+3	+2	0
Texas	+317	79	0
Utah	21	0	0
Virginia	1	01	0
Washington	23	1	0
Washington, DC	1	0	0
Wisconsin	1	1	0
Total	5692	2544	0

The name of each of our current franchisees, including those who have signed franchise agreements but are not yet open, and the address and telephone number of each of their outlets as of the end of our last fiscal year (unless another date is stated on the list) is in Exhibit I. Our fiscal year ends on December 31 of each year.

Exhibit I also reflects franchisees, if any, who had a franchise agreement terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during 2022, or who has failed to communicate with us within ten weeks of the 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.

During the last three fiscal years, certain current and former franchisees have signed confidentiality clauses restricting their ability to speak openly about their experience with The Little Gym franchise system. You may wish to speak with current and former franchisees but be aware that not all franchisees will be able to communicate with you.

The following independent franchisee ~~organization has~~ organizations have asked to be included in this disclosure document:

The Independent Association of The Little Gym® Franchisees
A Chapter of the American Association of Franchisees & Dealers
~~PO Box 10158~~
~~Palm Desert, CA 92255-1058~~
~~276 Hazard Ave., Suite 11~~
~~Enfield, CT 06082~~
Phone: 619-209-3775 | ~~Fax: 866-855-1988~~

Email: TLGC@aafdchapters.org

SFFA, Inc.

Phone: 307-800-1976

Email: sffainc2022@gmail.com

We have not created, sponsored, or endorsed a trademark-specific franchisee organization.

ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit H to this disclosure document are the ~~financial statements of UA Holdings, LLC and subsidiaries, our parent company, as of December 31, 2022 and for the periods from December 28, 2022 through December 31, 2022 (successor) and January 1, 2022 through December 27, 2022 (predecessor)~~ and (i) the consolidated financial statements for the years ending December 31, 2023 and 2022 of Unleashed Brands, LLC, our parent company, (ii) TLGI, LLC's audited financial statements for the year ending in December 31, 2021, 2020 and 2019. Also included in Exhibit H is the and (iii) unaudited balance sheet of UA Holdings Unleashed Brands, LLC as of March 31, 2023/2024 and its unaudited profit and loss statement from January 1, 2023/2024 to March 31, 2023/2024. A copy of the guaranty of UA Holdings Unleashed Brands, LLC is attached in Exhibit H. Our fiscal year end is December 31, 2023.

ITEM 22 CONTRACTS

Attached to this disclosure document are the following contracts:

<u>Exhibit D</u>	Franchise Agreement, Attachments, and State Specific Amendments
<u>Exhibit F</u>	Sample form of General Release
<u>Exhibit G</u>	Development Agreement, Attachments, and State Specific Amendments
<u>Exhibit K</u>	Sample Form of Assignment and Assumption Agreement

ITEM 23 RECEIPT

The last two pages of this disclosure document, Exhibit K, are detachable duplicate Receipts. Please sign and date both copies of the Receipt. Keep one signed copy of the Receipt for your file and return to us the other signed copy of the Receipt. The Receipt page also contains the names, addresses and telephone numbers of our franchise sellers or brokers.

(THE DISCLOSURE DOCUMENT ENDS HERE.)

TLGI LLC
BALANCE SHEET (Unaudited)
December 31, 2022

ASSETS

Current Assets

Cash	\$ 101,636
Restricted Cash	1,090,996
Accounts Receivable, Net	897,912
Inventory	18,859
Prepays	96,785
Deferred Variable Costs S/T	69,254
InterCompany Receivable	5,560,870
Total Current Assets	<u>7,836,313</u>

Long Term Assets

Fixed Assets, Net	87,887
Operating Lease Right-of-Use Assets	1,014,816
Intangible Assets	42,200,000
Notes Receivable	50,670
Deferred Variable Costs L/T	472,667
Total Long Term Assets	<u>43,826,040</u>
Total Assets	<u>\$ 51,662,353</u>

LIABILITIES

Current Liabilities

Accounts Payable	\$ 226,438
Marketing Ad Fund	1,063,171
Accrued Expenses	284,929
Intercompany Liabilities	537,996
Deferred Revenue IFF S/T	535,917
Operating Lease Liabilities S/T	239,360
Other Current Liabilities	208,315
Total Current Liabilities	<u>3,096,126</u>

Long Term Liabilities

Deferred Revenue IFF L/T and ADA	7,178,400
Operating Lease Liabilities L/T	907,216
Long-Term Liabilities	<u>8,085,616</u>

Total Liabilities 11,181,743

MEMBERS' EQUITY

Retained Earnings	<u>40,480,610</u>
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Total Liabilities & Members' Equity \$ 51,662,353

**FRANCHISE OPERATIONS MANUAL
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LIST OF AGENTS FOR SERVICE OF PROCESS

<p>CALIFORNIA Commissioner of Department of Financial Protection and Innovation 320 W. 4th Street, Suite 750 Los Angeles, California 90013 (866) 275-2677</p> <p>HAWAII: Commissioner of Securities Hawaii Dept. of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Suite 203 Honolulu, HI 96813 (808) 586-2722</p> <p>ILLINOIS: Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4462</p> <p>INDIANA: Indiana Secretary of State <u>201 State House</u> 200 West Washington Street, <u>Room 201</u> Indianapolis, IN 46204 (317) 232-6531</p> <p>MARYLAND: Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p> <p>MICHIGAN: Corporations, Securities and Land Development Bureau Michigan Department of consumer and Industry Services 6546 Mercantile Way P.O. Box 30222 Lansing, MI 48909 (517) 241-6470</p>	<p>NORTH DAKOTA Securities Commissioner 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414, Bismarck ND 58505-0510 (701) 328-4712</p> <p>RHODE ISLAND Securities Division Department of Business Regulations 1511 Pontiac Avenue John O. Pastore Complex-Building 69-1 Cranston, Rhode Island 02920 (401) 462-9527</p> <p>SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (701) 328-2910</p> <p>TEXAS: <u>Stephen Polozola</u> <u>2350 Airport Freeway Registered Agents</u> <u>Inc.</u> <u>5900 Balcones Drive, Suite 505100</u> <u>Bedford Austin, Texas 7602278731</u></p> <p>VIRGINIA Clerk, State Corporation Commission Tyler Building, 1st Floor 1300 Eat Main Street Richmond, Virginia 23219 (804) 371-9733</p> <p>WASHINGTON Department of Financial Institutions Securities Division 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 903-8760</p> <p>WISCONSIN Administrator, Division of Securities Department of Financial Institutions 4822 Madison Yards Way Madison, Wisconsin 53705 (608) 261-7577</p>
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MINNESOTA

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

NEW YORK

New York Secretary of State
99 Washington Avenue, 6th Floor
Albany, New York 12231
(518) 474-0050

**THE LITTLE GYM®
FRANCHISE AGREEMENT**

SUMMARY PAGE

EFFECTIVE DATE:	.
FRANCHISEE(S):	.
ADDRESS FOR NOTICES:	.
TELEPHONE NUMBER:	.
E-MAIL ADDRESS:	.
FRANCHISOR:	TLGI, LLC, a Delaware limited liability company.
ADDRESS FOR NOTICE:	2350 Airport Freeway, Suite 505, Bedford, Texas 76022.
SITE SELECTION AREA NAME:	.
INITIAL FRANCHISE FEE:	\$59,500.
GRAND OPENING ADVERTISING AMOUNT:	\$20,000 minimum.
MONTHLY ROYALTY FEE:	Greater of 8% of Gross Sales or \$2,500.
NAF CONTRIBUTION:	Up to 2.5% of monthly Gross Sales (together with the Local Marketing Expenditure, not to exceed 6%).
LOCAL MARKETING EXPENDITURE:	Up to 6% of monthly Gross Sales (together with the NAF Contribution, not to exceed 6%).
TECHNOLOGY FEE:	Up to \$399 per month, which is subject to adjustment upward in an amount equal to the annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year or in an amount equal to any increase passed on by the applicable third-party vendors.
<u>RENEWAL FEE:</u>	<u>25% of the then-current initial franchise fee plus reimbursement of legal and professional fees and other costs incurred by Franchisor in connection with the renewal</u>

businesses that offer and sell products and services that are the same as or similar to a The Little Gym Business, and, after such acquisition, merger or affiliation, to own and operate and to franchise or license others to own and operate and to continue to own and operate such businesses of any kind even if such business offer and sell products and services that are the same as or similar to a The Little Gym Business (but not using The Little Gym Proprietary Marks) within Franchisee's Protected Area; (c) be acquired by, merge with, or otherwise affiliate with one or more businesses of any kind including businesses that offer and sell products and services that are the same as or similar to a The Little Gym Business even if such business or businesses presently, or in the future, own and operate and franchise or license others to own and operate businesses that offer and sell products and services that are the same as or similar to a The Little Gym Business (but not use The Little Gym Proprietary Marks) within Franchisee's Protected Area; (d) use the Proprietary Marks and System to distribute the Services or products and services similar to the Services in Alternative Channels of Distribution within or outside Franchisee's Protected Area, without limitation, including to sell and to distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products through wholesalers, distributors, catalogs, mail order, toll free numbers, the Internet, mobile or temporary locations, or other alternative distribution channels, including products bearing Proprietary Marks anywhere within or outside of the Protected Area. Franchisee is not entitled to compensation for any such sales made in the Protected Area; (e) operate and grant to others the right to operate a The Little Gym Business or other business that offers and sells products and services that are the same as or similar to a The Little Gym Business using the System and/or the Proprietary Marks at within non-traditional fixed-location third-party sites such as (but not limited to) Affiliated Brands' premises, national retail outlets, and captive markets that include resorts, parks, stadiums, and other venues with a captive audience, both within or outside Franchisee's Protected Area; (f) use the Proprietary Marks and System and to license others to use the Proprietary Marks and System to engage in all other activities not expressly prohibited by this Agreement; and (g) establish and operate, and license others to establish and operate, any business other than an The Little Gym Business, under the Proprietary Marks or under other marks, including education or children's entertainment businesses that we or our affiliates may operate, acquire, be acquired by, or be merged or consolidated with. Nothing in this Agreement prohibits or restricts Franchisor from owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (i.e., a mark other than THE LITTLE GYM), whether or not the business is the same as or competitive with THE LITTLE GYM Businesses within or outside of the Protected Area or Site Selection Area. In addition, Franchisor and its Affiliates may advertise and promote The Little Gym brand and the System within and outside your Protected Area or Site Selection Area (if applicable) without limitation.

D. Restrictions.

Franchisee has no right to (i) sublicense the Proprietary Marks or the System to any other person or entity, (ii) use the Proprietary Marks or System at any location other than the Approved Location and within the Protected Area, except for when providing Services at Third Party Sites within its Protected Area or as otherwise approved by Franchisor, or (iii) except as expressly authorized by Franchisor, to use the Proprietary Marks or System in any type of sale of, or offer to sell, or distribution of products or Services, including, but not limited to: selling, distributing or otherwise providing, any products to third parties at wholesale, or for resale or distribution by any third party; and selling, distributing or otherwise providing any products through catalogs, mail order, toll free numbers for delivery, or electronic means (e.g., the Internet).

2. TERM

A. Initial Term.

The initial term of this Agreement ("Initial Term") shall begin on the Effective Date and shall expire at midnight on the date ten (10) years ~~thereafter~~ of the Opening Date (defined below).

4. DRAWINGS, CONSTRUCTION, AND RENOVATION

A. Specifications and Drawings.

You assume all cost, liability, and expense for developing, constructing, and equipping the Franchised Business. Franchisor will furnish to you sample drawings and specifications for a The Little Gym business, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront, signage, graphics, and color schemes-, or identify a third-party vendor who shall provide these to you at an additional cost. It is your responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the Franchised Business, and you must ensure that these plans and specifications comply with applicable law and ordinances, building codes, and permit requirements, and with your lease requirements and restrictions. You shall use only qualified registered architects, registered engineers, and professional and licensed contractors, all or some of which Franchisor may specifically designate or approve from time-to-time in the Manual.

Franchisor may, but is not required to, make available to Franchisee standard plans and specifications for fixtures, equipment, furnishings, and signs to be used in connection with development of the Franchised Business. Franchisee acknowledges that such standard design plans and specifications shall not contain the requirements of any federal, state, or local law, code, or regulation (including without limitation those concerning the Americans with Disabilities Act (the “ADA”) or similar rules governing public accommodations or commercial facilities for persons with disabilities), compliance with which shall be Franchisee’s sole responsibility and at Franchisee’s sole expense.

You shall submit proposed construction plans, specifications, and drawings for the Franchised Business (“Plans”) to Franchisor and shall, upon Franchisor’s request, submit all revised or “as built” Plans during such construction. Franchisor will approve or refuse to approve the Plans and notify you in writing within 30 days after receiving the Plans. Once Franchisor has approved the Plans, the Plans shall not be materially changed without Franchisor’s prior written approval, which shall not be withheld unreasonably. You may not begin site preparation or construction before Franchisor has approved in writing the Plans. All construction must be in accordance with Plans approved by Franchisor and must comply in all respects with the Standards and with applicable laws, ordinances, local rules, and regulations.

B. Acquisition of Necessary Furnishings, Fixtures and Equipment.

You agree to use in the development and operation of the Franchised Business only the fixtures, furnishings, equipment, technology, signs, and items of décor that Franchisor has approved as meeting its specifications and Standards for quality, design, appearance, function, and performance, including without limitation the Indicia. You further agree to place or display at the Franchised Business location (interior and exterior) only those signs, emblems, lettering, logos, and display materials that Franchisor has approved in writing from time-to-time or as otherwise required in accordance with applicable law.

You shall purchase or lease approved brands, types, or models of fixtures, furnishings, equipment, and signs only from suppliers designated or approved by Franchisor. If you propose to purchase, lease or otherwise use any fixtures, furnishings, equipment, signs, or items of décor which have not been approved by Franchisor, you shall first notify Franchisor in writing and shall, at your sole expense, submit to Franchisor upon its request sufficient specifications, photographs, drawings, or other information or samples for a determination as to whether those fixtures, furnishings, equipment, or signs comply with Franchisor’s specifications and Standards. Franchisor will, in its sole discretion, approve or disapprove the items and notify you within 30 days after Franchisor receives the request.

C. Commencement and Completion of Construction and Build Out.

Construction shall be performed or supervised by a general contractor or construction manager that satisfies the Standards set forth in the Manual. You will notify us in writing within ten days following commencement of construction. Once construction has commenced, it shall continue uninterrupted (except

for interruption by reason of events constituting Force Majeure) until completed. You must obtain our approval of and open the Franchised Business for business within twelve (12) months from the Effective Date, which is the maximum time permitted for the Opening Date. In our sole discretion, if you have made full and complete applications for all building permits, and all other permits required to open the Franchised Business, within ninety (90) days of the date we approve the Site, we may grant to you up to two (2) thirty (30) day extensions to open the Franchised Business and/or to obtain all necessary permits, provided that the delay was due to Force Majeure (but not longer than 13 months after the Effective Date of the Franchise Agreement). We are not required to grant extensions. “Force Majeure” means any natural disaster (such as tornadoes, earthquakes, hurricanes and floods), strike, lock-out, or other industrial disturbance, war (declared or undeclared), riot, government mandated closures due to epidemics and pandemics, fire, or other catastrophe, compliance with the orders, requests, regulations of any governmental authority having jurisdiction over a party or its business, and any other cause not within the control of the party affected thereby that materially and adversely affects such party’s ability to perform its obligations under this Agreement. Financial inability of a party will not constitute an event of Force Majeure. If events constituting Force Majeure cause a delay in the commencement of the construction or build out of the Franchised Business, Franchisor shall proportionately extend the Opening Date for the Franchised Business. Notwithstanding the occurrence of any such events, the Franchised Business shall be furnished, equipped and shall otherwise be ready to open for business per this Agreement, no later than the Opening Date.

You agree, at your sole expense, to do or cause to be done the following, by the Opening Date:

- (1) Obtain and maintain all required building, utility, sign, health, sanitation, business, and other permits and licenses applicable to the Franchised Business;
- (2) Make all required improvements to the Franchised Business location and decorate the exterior and interior in compliance with the Plans approved by Franchisor;
- (3) Purchase or lease and install all specified and required fixtures, equipment, furnishings, and interior and exterior signs required for the Franchised Business; and
- (4) Purchase an opening inventory for the Franchised Business of only authorized and approved products and other materials and supplies.

D. Inspection, Cooperation.

During construction or renovation, you shall (and shall cause your architect, engineer, contractors, and subcontractors to) cooperate fully with Franchisor and its designees for the purpose of permitting Franchisor and its designees to inspect the Franchised Business location and the course of construction or renovation to determine whether construction or renovation is proceeding according to the Plans.

E. Final Inspection.

You shall notify Franchisor in writing at least ten days prior to the date you expect construction or renovation to be completed and a certificate of occupancy to be issued. Upon Franchisor’s request, you shall submit a copy of the certificate of occupancy to Franchisor. Franchisor reserves the right, after receiving your notice, to conduct a final inspection of the Franchised Business premises to determine your compliance with this Agreement. You shall not open the Franchised Business for business unless you have satisfied the conditions set forth in Article 5, below. Further, upon Franchisor’s request, you agree to submit development costs of the Franchised Business to Franchisor in the format Franchisor requires.

5. OPENING

A. Opening Date.

Franchisee must open the Franchised Business by the “Opening Date”, which is the date by which the Franchised Business must open for business to the public, as set forth in Attachment B, which date shall be no later than 365 days following the Effective Date.

Time is of the essence in performance under this Section 5.A. If the Franchised Business is not open and operating by the Opening Date, Franchisor may, at its option, terminate this Agreement without providing any refund to Franchisee or opportunity to cure. However, neither party shall be responsible for non-performance or delay in performance occasioned by a Force Majeure event. Force Majeure shall not include Franchisee's lack of adequate financing, and no event of Force Majeure shall relieve Franchisee of the obligation to pay any money under this Agreement, including the Minimum Royalty.

B. Opening Authorization.

Franchisee shall provide Franchisor with (a) written notice of its specific intended opening date; and (b) request for Franchisor's approval to open on such date. Such written notice and request shall be made no later than thirty (30) days prior to such intended opening date. Franchisor will authorize the opening of the Franchised Business only after all of the following conditions have been fully satisfied:

(1) You are not in material default under this Agreement or any other agreements with Franchisor; you are not in default beyond the applicable cure period under any real estate lease, equipment lease, or financing instrument relating to the Franchised Business; and you are not in default beyond the applicable cure period with any vendor or supplier of the Franchised Business;

(2) You are current on all obligations due to Franchisor, including payment of the initial franchise fee, Minimum Royalty, Technology Fee, and any other fees then due;

(3) Franchisor is satisfied that the Franchised Business was constructed or renovated substantially in accordance with approved Plans and you have provided documentation satisfactory to Franchisor that such construction or renovation was completed in accordance with applicable federal, state, and local laws, regulations, and codes;

(4) Franchisor has received a copy of the approved and fully executed lease and Lease Rider;

(5) You have obtained a certificate of occupancy and any other required health, safety, or fire department certificates;

(6) You shall comply with all federal, state, and local laws, codes, and regulations, including the applicable provisions of the ADA, regarding the Approved Location. In the event you receive any complaint, claim, other notice alleging a failure to comply with the ADA, you shall provide Franchisor with a copy of such notice within five (5) days after receipt thereof;

(7) You have certified to Franchisor in writing that the installation of all items of furnishings, fixtures, equipment, signs, computer terminals, and related equipment, supplies, and other items has been accomplished in accordance with the Standards and applicable law;

(8) Your Designated Manager has attended and successfully completed Franchisor's initial training program and you have hired and trained your personnel in accordance with the requirements of this agreement, including without limitation ensuring that your personnel have obtained all required safety training and certifications;

(9) Franchisor has been furnished copies of all insurance policies required by Article 16 of this Agreement, and all such insurance is in full force and effect;

(10) You have executed and delivered to Franchisor the Telephone Number Assignment Agreement attached hereto as Attachment F;

(11) You have executed and delivered to Franchisor the ACH Agreement attached hereto as Attachment H for the Franchisee entity operating under this Franchise Agreement;

(12) You have obtained initial inventory of supplies to open, and paid any amounts due to Designated Suppliers, or Franchisor or Affiliate;

(13) you have satisfied all bonding, licensing, and other legal requirements for the lawful operation of your The Little Gym business, including, without limitation, by ensuring that your planned membership offerings follow the Gym's opening and your forms of membership agreement comply with applicable law;

(14) you have conducted or are conducting the Grand Opening advertising according to our Standards; and

(15) You have complied with all other of Franchisor's pre-opening requirements, conditions, and procedures (including, without limitation, those regarding pre-opening scheduling, training, and communications) as set forth in this Agreement, the Manuals, and/or elsewhere in writing by Franchisor.

C. Pre-Opening Assistance.

Franchisor will provide consultation and advice to you regarding: (1) development and operation of the Franchised Business; (2) building and layout, furnishings, fixtures, and equipment plans and specifications; (3) qualifications and training requirements for various personnel roles required for the operation of the Franchised Business in accordance with the Standards; (4) purchasing and inventory control; and such other matters as Franchisor deems appropriate. If this Agreement is being signed in conjunction with your development and operation of your first The Little Gym business, Franchisor will make available one member of Franchisor's training staff to provide you two to three days of on-site opening assistance. There is no additional fee for such assistance for the first The Little Gym business you develop, but if such assistance is provided with respect to the second or any subsequent The Little Gym business developed by you or your Affiliate, or if Franchisor deems necessary or you request that Franchisor provide additional members of its training staff to provide on-site opening assistance (subject to availability of personnel), then in each such case, Franchisor may charge, and you agree to pay, ~~a reasonable~~ **its then-current training** fee for such on-site assistance, including reimbursement of Franchisor's out of pocket costs it incurs in connection with providing such on-site opening assistance, including travel, accommodations and meals for the trainer(s) providing such assistance. If you request more than one member to assist you with pre-opening or provide additional training, Franchisor shall charge the then-current training fee per day per each additional member requested, as well as reimbursement of Franchisor for its out-of-pocket costs incurred in connection with providing such assistance.

D. Ongoing Assistance.

Franchisor periodically, as it deems appropriate, will advise and consult with you regarding the operation of your Franchised Business, and provide to you its knowledge and expertise regarding the System and pertinent new developments, techniques, and improvements in business management, sales promotion, service concepts, and other areas. Franchisor may provide these services through visits by Franchisor's representatives to the Franchised Business, the distribution of printed or filmed material, or electronic information, meetings, or seminars, telephone communications, email communications, or other communications.

6. FEES

A. Initial Franchise Fee.

Upon execution of this Agreement, you shall pay Franchisor an Initial Franchise Fee in the amount specified in the Summary Page. Franchisee acknowledges and agrees the Initial Franchise Fee is fully earned by Franchisor when paid and is not refundable. In the event any Initial Franchise Fee discounts were applied because one of the Owners is a veteran, and if the veteran who was the basis of such veteran's incentive is no longer an Owner for any reason, other than death or disability, then, at the fifth anniversary of the Effective Date or upon any transfer, Franchisee shall reimburse Franchisor the entire amount of the discount applied to the Initial Franchise Fee.

The Initial Franchise Fee shall be paid in full upon the execution of this Agreement, subject to any applicable development fees that Franchisee previously paid to Franchisor pursuant to a separate development agreement and which may be applied against the Initial Franchise Fee under the terms of such development agreement.

B. Royalty Fee.

You shall pay to Franchisor a nonrefundable and continuing Royalty Fee in the amount specified in the Summary Page for the right to use the System and the Proprietary Marks, as they may be amended by Franchisor from time to time, at the Franchised Business location and in connection with the operation of the Franchised Business. In each monthly period, the Royalty Fee will be the greater of: (a) 8% of Gross Sales, or (b) \$2,500 (the “Minimum Royalty”). The Minimum Royalty assessment shall begin on the first day following 180 days after the grand opening of the Franchised Business.

C. Administrative Fees.

~~You~~ In addition to the Royalty Fee and any other fees charged in this Agreement, you shall pay to Franchisor certain administrative fees each month related to support services provided to the Franchised Business, as follows:

(1) Call Center: If Franchisor establishes or designates a centralized call center for The Little Gym businesses operating in the United States (“Call Center”), you must pay Franchisor or the designated provider the then-current fee for Call Center services (the “Call Center Fee”). Both the services and the associated fee may be revised from time to time. The Call Center program may include commissions for scheduling classes, soliciting prospective customers, and soliciting and booking birthday parties, corporate events, and special events for the Franchised Business. Policies and procedures related to bookings through the Call Center, including your obligations with respect to such bookings and related commissions, will be set forth in the Manual, as it may be amended by Franchisor from time to time. Fees that are collected by Designated Suppliers of services related to the Call Center (as described above) are established by such Designated Suppliers and will vary depending on the number of licenses provided to your Franchised Business and the overall number of licenses provided to The Little Gym businesses operating in the United States.

(2) Membership Program. All Membership Program fees, pursuant to Section 11.Q below, you collect from members will be included in your Gross Sales and subject to the monthly Royalty Fee.

(3) Technology Fee. You must pay Franchisor a Technology Fee as specified in the Summary Page and Section 11.E below.

(4) Payments to Affiliates. If any of our Affiliates provides products and services to you, whether under a separate agreement or otherwise, you must promptly pay any and all outstanding invoices and other payments to such Affiliate. Late or non-payment of our Affiliate invoices is a breach of this Agreement, and any such overdue and unpaid invoices to our Affiliates become payable and an outstanding obligation under this Agreement, which is subject to default and termination under Article 18.

D. National Advertising Fund.

Upon 30 days’ notice to Franchisee, Franchisor may implement, and thereafter will administer and control the National Advertising Fund (“NAF”) for The Little Gym businesses in the United States. You will pay to Franchisor a continuing, non-refundable monthly contribution of up to 2.5% of monthly Gross Sales (“NAF Contribution”) to the NAF. Franchisor reserves the right to suspend collection of the NAF Contribution, or lower or increase the NAF Contribution at any time as indicated in the Manual or by other written notice, provided that (i) the NAF Contribution will not exceed 2.5% of Gross Sales, (ii) the sum of the NAF Contribution, Advertising Cooperative contribution, and required Local Marketing Expenditure will not exceed 6% of Gross Sales during any 12-month period; and (iii) Franchisor provides Franchisee at

least 60 days' notice of any increase from the then-current NAF Contribution collected before such noticed increase to the NAF Contribution goes into effect. For purposes of clarity, Franchisee's total obligation between the NAF Contribution, Local Marketing Expenditure, and Advertising Cooperative (if applicable) shall continue to be 6% of monthly Gross Sales, where any contribution not made to the NAF or Advertising Cooperative (if applicable), shall be spent as the Local Marketing Expenditure.

E. Conferences.

Franchisor may, at its sole option, conduct conferences to discuss System developments including operational efficiency, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs, merchandising procedures, and such other matters as Franchisor may identify. Attendance at such conferences by your Designated Manager or general manager may be made mandatory by Franchisor. If you are currently in default of this Agreement then Franchisor may, at its option, prohibit you and your Designated Manager's attendance at such conferences. You are responsible for all costs and expenses associated with attendance including, without limitation, compensation, travel, accommodations, wages, and meals for conference attendees. Franchisor reserves the right to charge a conference fee up to \$1,000~~500~~ per attendee, which is subject to adjustment upward in an amount equal to the annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year, which is due upon Franchisor's invoice to you. If your attendance is required and you fail to attend or send a representative in your place to attend the conference, then Franchisor reserves the right to charge you a conference materials fee of \$1,000 to provide you the training materials from the conference in a format of Franchisor's choosing.

F. Payment for Products and Services.

You agree to pay Franchisor and/or its affiliates for all purchases of merchandise, equipment, supplies, and services from Franchisor and its affiliates, in accordance with the seller's then-current prices, terms and conditions of sale, and credit policies for The Little Gym businesses. Franchisor and its affiliates reserve the right to refuse orders from or deny delivery of products and services to any The Little Gym business with a past due balance. Franchisor and its affiliates have the right to change their prices, terms and conditions of sale, and credit policies on reasonable notice.

G. Payment Method.

You must participate in Franchisor's then-current electronic funds transfer program authorizing Franchisor to utilize a pre-authorized bank draft system and sign the ACH Authorization form attached hereto as Attachment H. Except as otherwise specified, all Royalty Fees and other amounts owed under this Agreement, including interest charges, are payable monthly and must be received by Franchisor or credited to Franchisor's account by pre-authorized bank debit before 5:00 p.m. on the date such payment is due, as specified in the Manual (the "Due Date"). On each Due Date, Franchisor will transfer from your commercial bank operating account ("Account") the fees due pursuant to this Section 6 based on the Gross Sales reported to Franchisor by you or as determined by Franchisor by the records contained in the cash registers/computer terminals of the Franchised Business. Declining or revoking participation (directly or indirectly) your participation in Franchisor's then-current electronic funds transfer program is a material breach of this Agreement for which Franchisor may terminate your agreement.

For the sake of clarity, you must include in Gross Sales all revenue you receive in connection with the operation of the Franchised Business, including without limitation disbursements you receive from any third party sales platform (e.g. Groupon), in each case whether authorized or unauthorized (provided, Franchisor's acceptance of fees paid by Franchisee in connection with unauthorized programs or third party service providers will not constitute a waiver of any right or remedy of Franchisor under this Agreement or applicable law). If you have not reported to Franchisor Gross Sales for any reporting period, Franchisor will transfer from the Account an amount calculated in accordance with its estimate of the Franchised Business' Gross Sales during the reporting period, which estimate may be based on, among other things,

J. Partial Payments.

No payment by you or acceptance by Franchisor of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Your payments of a lesser amount than due with an endorsement, statement, or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect and Franchisor may accept the partial payments without prejudice to any rights or remedies it may have against you. Acceptance of payments by Franchisor other than as set forth in this Agreement or a waiver by Franchisor of any other remedies or rights available to it pursuant to this Agreement shall not constitute a waiver of Franchisor's right to demand payment in accordance with the requirements of this Agreement or a waiver by Franchisor of any other remedies or rights available to it pursuant to this Agreement or under applicable law. Notwithstanding any designation by you, Franchisor shall have the sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, purchases from Franchisor or its Affiliates, interest, or any other indebtedness. Franchisor has the right to accept payment from any other entity as payment by you. Acceptance of that payment by Franchisor will not result in that other entity being substituted as franchisee under this Agreement.

K. Collection Costs and Expenses.

You agree to pay Franchisor on demand all costs and expenses incurred by Franchisor in enforcing the terms of this Agreement including, without limitation, collecting any monies that you owe to Franchisor. These costs and expenses include, without limitation, costs and commissions due a collection agency, **reasonable** attorneys' fees, costs incurred in creating or replicating reports demonstrating Gross Sales of the Franchised Business, court costs, expert witness fees, discovery costs, and **reasonable** attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

L. Pre-Opening Gross Sales.

If Franchisor approves your Franchised Business to engage in pre-opening sales of memberships, then such pre-opening sales will be conducted in accordance with the Standards set forth in the Manual. In such case, Franchisee will pay Franchisor a Royalty Fee, Marketing Fee, and such other fees payable to Franchisor under this Article 6 in accordance with the terms and conditions described above on all Gross Sales of the Franchised Business in connection with such pre-opening sales.

M. Designated Accountants and Fees.

If required by Franchisor, Franchisee shall use a certified public accountant service designated or approved by Franchisor for bookkeeping and financial records management of the Franchised Business. Franchisee shall pay such service provider or Franchisor, as directed by Franchisor, a fee for these services for each month in such **reasonable** amount as the service provider or Franchisor may periodically designate.

N. No Subordination.

Franchisee shall not subordinate to any other obligation its obligation to pay Franchisor the Royalty Fees and/or any other fee or charge payable to Franchisor, whether under this Agreement or otherwise.

7. RECORDKEEPING AND REPORTS

A. Recordkeeping.

You agree to use computerized cash and data capture and retrieval systems that meet Franchisor's specifications and to record Franchised Business sales electronically or on tape for all sales at or from the Franchised Business premises. You shall keep and maintain, in accordance with any procedures set forth in the Manual, complete and accurate books and records pertaining to the Franchised Business in the format and using the accounting software that Franchisor requires. Your books and records shall be kept and maintained using generally accepted accounting principles in the United States ("GAAP"). You shall preserve all of your books, records, and state and federal tax returns for at least five years after the later of

preparation or filing (or such longer period as may be required by any governmental entity) and make them available and provide duplicate copies to Franchisor within five days after Franchisor's written request. Upon Franchisor's request, you shall provide all organizational documents of the Franchisee, your lease for the Approved Location, and such other records as Franchisor may reasonably require.

B. Periodic Reports and Retention of Records.

You shall, at your expense, submit to Franchisor in the form prescribed by Franchisor a monthly profit and loss statement and balance sheet (both of which may be unaudited). Each statement and balance sheet shall be signed by you, your treasurer, or chief financial officer attesting that it is true, correct, and complete and uses accounting principles applied on a consistent basis which accurately and completely reflects the financial condition of the Franchised Business during the period covered. Where Franchisor authorizes Franchisee to use the services of a third-party sales platform (e.g. Groupon), Franchisee must execute an authorization in the form prescribed by Franchisor that permits Franchisor to access the sales made by such third party sales platform and the disbursements paid to Franchisee at least monthly.

With respect to the operation and financial condition of the Franchised Business, Franchisor may require that Franchisee adopt, until otherwise specified by Franchisor, a fiscal year that coincides with Franchisor's then-current fiscal year, as specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall maintain for a period of not less than seven (7) years during the term of this Agreement, and, for not less than seven (7) years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing, including but not limited to: (i) daily transaction reports; (ii) cash receipts journal and general ledger; (iii) cash disbursements and weekly payroll journal and schedule; (iv) monthly bank statements, deposit slips and cancelled checks; (v) all tax returns; (vi) suppliers' invoices (paid and unpaid); (vii) dated daily and weekly transaction journal; (viii) semi-annual fiscal period balance sheets and fiscal period profit and loss statements; and (ix) such other records as Franchisor may from time to time request.

C. Other Reports.

You shall submit to Franchisor, for review or auditing, such other forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and at times and places reasonably required by Franchisor, upon request and as specified from time-to-time in the Manual or otherwise in writing. At Franchisor's request, you shall furnish to Franchisor a copy of all federal and state income tax returns reflecting revenue derived from the operation of the Franchised Business, and copies of all sales tax returns, filed with the appropriate taxing authorities.

D. Audit Rights.

Franchisor or its designee shall have the right at all reasonable times, both during and for a period of five years after the Term, to inspect, copy, and audit your books, records, and federal, state, and local tax returns, sales tax returns and such other forms, reports, information, and data as Franchisor reasonably may designate, applicable to the operation of the Franchised Business. If an inspection or audit discloses an understatement of Gross Sales, you shall pay Franchisor, within ten days after receipt of the inspection or audit report, the deficiency in the Royalty Fees plus interest (at the rate and on the terms provided in Section 6.F.) from the Due Date until the date of payment. If an inspection or audit is made necessary by your failure to furnish reports or supporting records as required under this Agreement, or to furnish such reports, records, or information on a timely basis, or if an understatement of Gross Sales for the period of any inspection or audit is determined to be greater than 2%, you also shall reimburse Franchisor for the ~~reasonable~~actual cost of the inspection or audit including, without limitation, the charges of attorneys and independent accountants, and the travel expenses, accommodations, meals and compensation of Franchisor's employees or designees involved in the inspection or audit. These remedies shall be in addition to all other remedies and rights available to Franchisor under this Agreement and applicable law.

Franchisor may also require you to participate in Brand-wide management and reporting systems, which you must contribute requested data and otherwise participate in. Upon execution of this Agreement, you must also execute Attachment I, the Dashboard Access Agreement, which gives you access to Franchisor's current reporting system. You may be required to participate in other systems in the future, which you must participate in and incorporate into your reporting procedures at your own cost and expense.

E. Accounting Practices.

If you fail to comply with any of the reporting requirements described in this Article 7 then Franchisor may require you to engage a bookkeeping service provider, designated or approved by Franchisor, to provide bookkeeping services for the Franchised Business for such period of time that Franchisor deems appropriate, in its sole discretion.

8. TRAINING AND ASSISTANCE

A. Training.

Franchisor will provide an initial training program at its headquarters or such other location as Franchisor may designate. Your Designated Manager and such other of your management personnel (such as a general manager) as Franchisor may reasonably require must attend and successfully complete the initial training program before the Franchised Business may open for business. "Designated Manager" means the individual identified in Attachment C and that satisfies the requirements and conditions set forth in Section 11.K. There is no charge for up to two individuals (including the Designated Manager) to attend the initial training program. At your request, Franchisor may permit additional individuals to attend the same training program (subject to certain conditions, as set forth in the Manual), provided there is availability for additional participants in the training program and, if approved, you pay to Franchisor its then-current training fee as published in the Manual from time-to-time. If Franchisee is other than an individual, Franchisor may require (in addition to the training of the key personnel identified in Attachment C and the Designated Manager) that any or all owners of beneficial interests in Franchisee (each a "Owner"), who are individuals and own more than a ten percent (10%) beneficial interest in Franchisee, to attend and successfully complete, to Franchisor's satisfaction, such portions of the initial training program as determined by Franchisor appropriate for Owners not involved in the day-to-day operations of the Franchised Business.

Your Designated Manager, general manager, and other Franchised Business personnel shall attend and successfully complete to Franchisor's satisfaction all safety training courses and programs that Franchisor requires from time-to-time, including, without limitation, all training that may be required by the state or local municipality where your Franchised Business is located, and shall maintain such certifications at all times throughout the Term. Franchisor may charge, and you agree to pay, ~~a reasonable~~ the then-current training fee or tuition for all safety training courses and programs that it provides plus, when applicable, reimbursement of Franchisor's out of pocket costs it incurs in connection with providing such training, including travel, accommodations and meals for the individual(s) providing such training.

Your Designated Manager shall be responsible for training your employees in all aspects of Franchised Business operations in accordance with the Standards set forth in the Manual. If Franchisor determines that the training provided by Franchisee or Designated Manager does not satisfy Franchisor's standards and requirements, or that any newly trained individual is not trained to Franchisor's standards, then Franchisor may require that such newly trained individual(s) attend and complete an initial training program provided by Franchisor prior to the opening of the Franchised Business.

Franchisor may, in its sole discretion, require your Designated Manager and other of your management personnel to attend and complete, to Franchisor's satisfaction, such other additional and remedial training as Franchisor may from time-to-time reasonably deem necessary. By way of example and not limitation, remedial training may be required if you repeatedly fail to comply with the quality and service Standards set forth in the Manual, fail to comply with reporting requirements of this Agreement or

receive significant customer complaints. Franchisor may charge, and you agree to pay, ~~a reasonable~~ the then-current training fee for each day of additional or remedial training provided plus, when applicable, reimbursement of Franchisor's out of pocket costs it incurs in connection with providing such training, including travel, accommodations and meals for the individual(s) providing such assistance.

You are responsible for all costs and expenses of complying with Franchisor's training and certification requirements including, without limitation, tuition, fees, and registration costs, as well as compensation, travel, accommodations, and meals for all personnel who participate in the training.

B. New or Replacement Designated Manager.

In the event that Franchisee's Designated Manager ceases active employment in the Franchised Business, Franchisee shall enroll a qualified replacement who is reasonably acceptable to Franchisor in Franchisor's training program reasonably promptly following cessation of employment of said individual. Franchisor reserves the right to require Franchisee to pay Franchisor's then-current per diem charges for any such training conducted by Franchisor. In the alternative, with respect to training a replacement Designated Manager, Franchisee may train such replacement(s) in accordance with Section 8.C. below. The replacement Designated Manager and/or any required managers shall complete the initial training program as soon as is practical and in no event later than any time periods as Franchisor may specify from time to time in the Manuals and otherwise in writing. Franchisor reserves the right to review any Franchisee trained personnel and require that such persons attend and complete, to the satisfaction of Franchisor, the initial training program offered by Franchisor at a location designated by Franchisor.

C. Training by Franchisee of Additional or Replacement Managers.

Franchisee shall have the option of training any additional Designated Manager (following the training of the first Designated Manager by Franchisor) at the Franchised Business or other The Little Gym Businesses operated by Franchisee or its Affiliates, provided that Franchisee is in compliance with all agreements between Franchisee and Franchisor and further provided that the training is conducted: (a) by the Designated Manager or other personnel who has completed Franchisor's initial training program to the satisfaction of the Franchisor (and who remains acceptable to Franchisor to provide such training) and (b) in accordance with any requirements or standards as Franchisor may from time to time establish in writing for such training. In the event Franchisor conducts such training, Franchisor reserves the right to require Franchisee to pay Franchisor's then-current per diem charges for training.

D. Refresher Training.

Subject to Section 8.G., Franchisor may also require that Franchisee or its key personnel or Designated Manager attend such refresher courses, seminars, and other training programs as Franchisor may reasonably require from time to time.

E. Training Costs.

All expenses incurred in connection with training, including without limitation, the costs of transportation, lodging, meals, wages, and worker's compensation insurance, shall be borne by Franchisee.

F. Location of Training.

All training programs shall be at such times as may be designated by Franchisor. Training programs shall be provided at Franchisor's headquarters and/or such other locations as Franchisor may designate.

G. Additional Training.

If Franchisor determines, in its sole discretion, that Franchisee is in need of additional supervision or supplemental training, Franchisor may require that Franchisee receive such training from Franchisor, in

which case Franchisee agrees that it shall pay Franchisor's then-current training fee, per diem charges, and out-of-pocket training expenses, which shall be as set forth in the Manuals or otherwise in writing. If Franchisee requests that Franchisor provide additional supervision or supplemental training or that any training programs offered or required by Franchisor, then Franchisee further agrees that it shall pay Franchisor's then-current per diem charges and out-of-pocket training expenses, set forth in the Manuals or otherwise in writing.

9. MANUAL

A. Manual on Loan.

Franchisor will loan you one copy of the Manual (as defined in Attachment A), which may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; CD-ROMS or other electronic media; online postings; online portal; e-mail or electronic communications; facsimiles; PDF; or any other medium capable of conveying the Manual's contents. The Manual is material because it will affect the way you operate your Franchised Business. The Manual contains detailed standards, specifications, instructions, requirements, methods, and procedures for management and operation of the Franchised Business. The Manual may also contain information relating to customer experience and service standards; customer loyalty, rewards and Membership Programs; management training and brand qualifications for personnel roles; marketing, advertising, and sales promotions, including brand strategy and positioning; maintenance and repair of the Franchised Business premises; personnel uniform standards; graphics; and accounting, bookkeeping, records retention, and other business systems, procedures, and operations. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System, Franchisee shall operate the Franchised Business strictly in accordance with the standards, specifications, methods, policies, and procedures specified in the Manuals (as supplemented, amended, or modified by Franchisor from time-to-time). The mandatory specifications, standards and operating procedures prescribed by Franchisor and communicated to Franchisee in writing as part of the Manual, shall constitute provisions of this Agreement as if fully set forth herein. All references herein to this Agreement shall include the provisions of the Manuals and all such mandatory specifications standards and operating procedures.

B. The Manual is Confidential

Franchisee shall treat the Manuals, any other materials created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use all reasonable best efforts to maintain such information (both in electronic and other formats) as proprietary and confidential. You shall not download, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person, except as authorized in advance by the Franchisor. You agree to maintain the Manual at the Franchised Business, to treat the Manual as strictly confidential and proprietary, and to disclose the contents of the Manual only to those employees who have a need to know in connection with the operation of the Franchised Business.

C. Revisions to the Manual

Franchisor, at its sole discretion, may supplement, amend, or modify the Manual from time-to-time through any of the foregoing methods of communication concerning the System to reflect changes in the image, specifications, and standards relating to developing, equipping, furnishing, and operating a The Little Gym business, including without limitation products and services that may be offered to customers, all of which will be considered part of the Manual and will, upon delivery to you, become binding on you as if originally set forth in the Manual or in this Agreement. You must keep your copy of the Manual current and up-to-date with all additions and deletions provided by or on behalf of Franchisor, and you must purchase whatever equipment and related services (including, without limitation, sound system, lighting, computer system, internet service, dedicated phone line, and such other hardware and software and related technology solutions and components as we may prescribe) as may be necessary to receive these

use of video equipment and type and decibel level of television broadcasts (including closed captioning requirements); (12) types of fixtures, furnishings, computer systems, equipment, small wares, and packaging; and (13) the make, type, location, and decibel level of any game, entertainment, or vending machine. Mandatory specifications, standards, and operating procedures, including upgraded or additional equipment (including Computer Systems, as defined below) that Franchisor prescribes from time-to-time in the Manual or otherwise communicates to you shall constitute provisions of this Agreement as if fully set forth in this Agreement.

Such System specifications may include brand specifications (“Approved Brands”), and to the extent that Approved Brands have been identified, you may purchase and use only the Approved Brands. Franchisor may from time-to-time modify its specifications, and you shall promptly comply with all such modifications.

C. Designated Suppliers and Distributors.

You must purchase from us or from suppliers or distributors we designate (each a “Designated Supplier”) all of your requirements for developing, constructing, and operating the Franchised Business including, but not limited to: (1) fixtures, furniture and other furnishings, equipment, supplies, point-of-sale systems, merchant processing systems, signs, items of décor, paper products, and architect services; (2) uniforms, shirts, and all merchandise and items intended for retail sale (whether or not bearing our Proprietary Marks); (3) advertising, point-of-purchase materials, and other printed promotional materials; (4) gift certificates and stored value cards; (5) stationery, business cards, contracts, and forms; (6) bags, packaging, and supplies bearing the Proprietary Marks; (7) insurance policies from our Designated Supplier and approved carriers or brokers, to the extent permitted by law; (8) local and regional marketing services through our Designated Supplier; (9) reputation management and customer service satisfaction evaluations, and other surveys, (10) real estate brokers, (11) architect, (12) music providers, and (13) other products and services that we require. You agree We reserve the right to modify, add, and discontinue use of such suppliers or distributors at any time at our sole discretion. You agree to promptly comply with all such requirements within our designated timeframe, and at your sole expense.

Franchisor may, at its sole option, enter into supply contracts either for all The Little Gym businesses or a subset of The Little Gym businesses situated within one or more geographic regions (each a “Systemwide Supply Contract”). Franchisor may enter into Systemwide Supply Contracts with one or more vendors of products, services, or equipment and may require all company-owned and franchised The Little Gym businesses in a geographic area to purchase from or use such vendors. If Franchisor enters into such Systemwide Supply Contracts, then immediately upon notification, you must purchase or use the specified product, service, or equipment, as applicable, only from the Designated Supplier for such Systemwide Supply Contract; provided, however, that if at the time of such notification, you are already a party to a non-terminable supply contract with another vendor or supplier for the designated product, service, or equipment, then your obligation to purchase from or use Franchisor’s Designated Supplier under the Systemwide Supply Contract will not begin until the scheduled expiration or earlier termination of your pre-existing supply contract. Franchisor makes no representation that it will enter into any Systemwide Supply Contracts or other exclusive supply arrangements or, if it does, that you will not otherwise be able to purchase the same products or services at a lower price from another supplier. Franchisor may add to, modify, substitute, or discontinue Systemwide Supply Contracts or exclusive supply arrangements in the exercise of its sole discretion and business judgment. If Franchisor enters into a Systemwide Supply Contract or such other contracts with a Designated Supplier (e.g., point-of-sale systems, music licenses, Membership Programs), then you agree to pay Franchisor on a monthly basis (via ACH or Franchisor’s then-current electronic payment program and on the Due Date for the Royalty Fee collected under this Agreement), or such other basis as reasonably determined by Franchisor, your pro rata share of such payments due to such Designated Supplier under the Systemwide Supply Contract regardless of whether there is a participation agreement or similar agreement in effect to which you are a party.

Franchisor may also establish commissaries and distribution facilities owned and operated by Franchisor or its Affiliate that Franchisor may deem a Designated Supplier. Franchisor may receive money or other benefits, such as rebates or conference sponsorships, from Designated Suppliers based on your purchases; you agree that Franchisor has the right to retain and use all such benefits as it deems appropriate, in its sole discretion.

Franchisor may approve one or more suppliers for any products and services and may approve a supplier only as to certain products and services. Franchisor may concentrate purchases with one or more suppliers or distributors to obtain lower prices and the best advertising support and services for any group of The Little Gym businesses or any other facilities franchised or operated by Franchisor or its Affiliates. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, corporate social responsibility policies or other criteria as set forth in the Manual, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such supplier by Franchisor.

If you propose to purchase from a previously unapproved source, you shall submit to Franchisor a written request for such approval or shall request the supplier to submit a written request on its own behalf. Franchisor has the right to require, as a condition of its approval, that its representatives be permitted to sample the product and inspect the supplier's facilities, and that such information, specifications, and samples as Franchisor reasonably requires be delivered to Franchisor and to an independent, certified laboratory designated by Franchisor for testing prior to granting approval. A charge not to exceed the ~~reasonable~~ actual cost of the inspection and product testing and the actual cost of the test shall be paid by you ("Supplier Testing Fee"). Franchisor will notify you within 120 days of your request as to whether you are authorized to purchase such products from that supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such Designated Supplier and to revoke its approval of any supplier upon the suppliers' failure to meet Franchisor's criteria for quality and reliability.

D. Authorized Products and Services.

You shall cause the Franchised Business to offer all products and services that Franchisor requires and only offer the products and services that Franchisor has authorized in writing. For the sake of clarity, you may not "co-host" programs at your Franchised Business (e.g., after-school programs and children's camps organized by third party service providers for which the Franchised Business serves as a "host venue") without Franchisor's prior written authorization. Franchisor may add, modify, and discontinue authorized products and services at any time, in its sole discretion, and you shall promptly comply with all directives. The Franchised Business shall begin offering for sale additional, upgraded, or modified products and services and cease offering discontinued products and services within ten days of the date you receive written notice of the addition, modification, or discontinuance. All products and services offered for sale by the Franchised Business shall meet Franchisor's Standards. You shall discontinue selling and offering for sale any products and services which Franchisor shall have disapproved, in writing, even if Franchisor has previously approved its use.

ALTHOUGH APPROVED OR DESIGNATED BY FRANCHISOR, FRANCHISOR AND ITS AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS. IN ADDITION, FRANCHISOR DISCLAIMS ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS SUPPLIED BY ANY DESIGNATED SUPPLIER OR SUPPLIER APPROVED BY FRANCHISOR. FRANCHISOR'S APPROVAL OF OR CONSENT TO ANY PRODUCTS OR SERVICES, ANY SUPPLIER THEREOF OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM WILL NOT CREATE ANY LIABILITY TO FRANCHISOR.

protect the goodwill of businesses operating under the Proprietary Marks and System. Accordingly, you shall cause the Franchised Business to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Security Standards Council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information. You shall use only the non-cash payment systems approved by Franchisor, and are prohibited from accepting any currency or payment type other than U.S. currency. This prohibition extends to cryptocurrency or any other non-U.S. currency based payment systems. You shall take commercially reasonable precautions to prevent data security breaches, and to comply with breach notification statutes and other legal requirements in the event of a security breach. You are solely responsible for your own education concerning these regulations and standards and for achieving and maintaining applicable compliance certifications. **YOU SHALL DEFEND, INDEMNIFY, AND HOLD FRANCHISOR HARMLESS FROM AND AGAINST ALL CLAIMS ARISING OUT OF OR RELATED TO YOUR VIOLATION OF THE PROVISIONS OF THIS SECTION 11.F. IN ACCORDANCE WITH THE INDEMNIFICATION PROCEDURES SET FORTH IN SECTION 20.B.**

Notwithstanding anything to the contrary in this Section 11.G. or anywhere else in the Agreement, Franchisor will allow Franchisee to collect cash payments in limited circumstances, such as one-time events, parent's night out, camps, and other similar events. For purposes of clarity, any recurring payments such as memberships are required to be paid by credit card, debit card, stored value cards, or other non-cash systems approved by Franchisor, except for memberships subsidized by government payments or extraordinary one-time situations. Franchisee is required to report all cash payments to Franchisor via Zendesk, or other system required by Franchisor, within a reasonable time after collection, but in no case later than 5 business days after collection of cash payments.

H. Franchisor Inspections.

Franchisor or its designees shall have the right at any reasonable time and without prior notice to you to: (1) inspect the Franchised Business premises; (2) observe, photograph, and record the operation of the Franchised Business for such consecutive or intermittent periods as Franchisor deems necessary; (3) interview Franchised Business personnel; (4) interview customers; and (5) inspect and copy any books, records, and documents relating to the operation of the Franchised Business or, upon request of Franchisor or its designee, require you to send copies thereof to Franchisor or its designee. You shall present to your customers those evaluation forms as are periodically prescribed by Franchisor and shall participate and ask your customers to participate in any surveys performed by or on behalf of Franchisor as Franchisor may direct.

You agree to cooperate fully with Franchisor or its designee regarding any such inspection, observations, recordings, product removal, and interviews. You shall take all necessary steps to immediately correct any deficiencies detected during these inspections including, without limitation, ceasing further sales of unauthorized items and ceasing further use of any equipment, advertising materials, or supplies that do not conform to the Standards and requirements promulgated by Franchisor from time-to-time. Franchisor shall have the right to develop and implement a grading system for inspections and, to the extent such a system is implemented, if the Franchised Business fails to achieve a passing score on any inspection, Franchisor may require your key personnel identified in Attachment C and other Franchised Business personnel to attend and participate in such additional training as Franchisor deems appropriate. If the Franchised Business fails to achieve a passing score on any i) three consecutive inspections, ii) two consecutive inspections involving health, safety, or sanitation, or iii) if the Franchised Business fails to achieve a passing score three or more times in any 12-month period, Franchisor may terminate this Agreement in accordance with Article 18.

These inspections may take the form of quality assurance inspections and mystery shops. If Franchisor ~~utilizes~~ any of its employees, representatives, or a third-party service ~~it retains conduct to~~ conduct a quality assurance inspection or mystery shop of the Franchised Business, then the cost of same

("Compliance Review Fee") shall be borne by Franchisor, save and except in the following circumstances in which case you must reimburse Franchisor for the Compliance Review Fee: i) the Franchisee has failed to report Gross Sales or use the approved technology systems; (ii) the Franchisee has failed to comply with brand standards related to health, safety, and sanitation, or iii) Franchisee has failed to follow brand standards. At Franchisor's request, Franchisor may require you to pay the Compliance Review Fee directly to the applicable service provider.

I. Upkeep of the Franchised Business.

You shall continuously operate the Franchised Business and shall, at all times and at your sole expense, maintain in first class condition and repair (subject to normal wear and tear), in good working order, in accordance with the requirements of the System, and in compliance with all applicable laws and regulations, the interior and exterior of the Franchised Business premises, including, without limitation, all furniture, fixtures, equipment, computer systems, furnishings, floor coverings, interior and exterior signage, interior and exterior finishes, and interior and exterior lighting. You shall promptly and diligently perform all necessary maintenance, repairs, and replacements to the Franchised Business premises as Franchisor may prescribe from time-to-time including periodic interior painting and replacement of obsolete or worn-out signage, floor coverings, furnishings, equipment, and décor. Franchisee shall make such changes, upgrades, and replacements as Franchisor may periodically require, in the time frames specified by Franchisor.

J. Franchised Business Operations.

You shall cause the Franchised Business to be open and operating on the days and during the hours that Franchisor designates, subject to applicable lease and local law or licensing limitations. You shall operate and maintain the Franchised Business in conformity with the highest ethical standards and sound business practices and in a manner that will enhance the goodwill associated with the Proprietary Marks.

K. Management and Personnel.

You shall employ a sufficient number of qualified, competent personnel to satisfy the demand for the products and services offered by the Franchised Business. Your key management personnel are identified in Attachment C to this Agreement. You shall hire all employees of the Franchised Business and be exclusively responsible for the terms of their employment and for the proper training of such employees in the operation of the Franchised Business, including without limitation with respect to customer relations. You are required to conduct such training of your employees in compliance with Franchisor's Standards, specifically Franchisor's then-current approved program content developed by Franchisor's then-current approved The Little Gym certified trainers. You will ensure that your personnel comply with the Standards set forth in the Manual, including compliance with Standards related to customer service and engagement. The parties acknowledge and agree that these requirements are necessary to preserve the goodwill identified by the Proprietary Marks.

Franchisor may provide recommendations to you on qualifications and skill level of certain key employees or prospective candidates. These recommendations do not constitute direction to you on whether to employ or discharge candidates, or otherwise impact your employment relationship with your employees. You retain the sole authority to make all employment decisions regarding your employees.

Further, the parties acknowledge and agree that Franchisor neither dictates nor controls labor or employment matters for you or your employees. You are exclusively responsible for labor and employment-related matters and decisions related to the Franchised Business, including, but not limited to, hiring, promoting, and compensating personnel, for determining the number of jobs offered or job vacancies to be filled, for determining and changing employee wages, benefits and work hours, method of payment, maintenance of employment records, for disciplining and discharging your employees, and for supervising and controlling your employee's work schedule or conditions of employment. You are exclusively responsible for labor relations with your employees. We do not require you to implement any employment-

related policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Operations Manual or otherwise for your optional use. You shall determine to what extent, if any, these policies and procedures may be applicable to your operations at the Franchised Business. **YOU SHALL DEFEND AND INDEMNIFY FRANCHISOR AND ITS INDEMNITIES (AS DEFINED IN SECTION 20.B BELOW) AGAINST ANY AND ALL PROCEEDINGS, CLAIMS, INVESTIGATIONS, AND CAUSES OF ACTION INSTITUTED BY YOUR EMPLOYEES OR BY OTHERS THAT ARISE FROM YOUR EMPLOYMENT PRACTICES IN ACCORDANCE WITH THE INDEMNIFICATION PROCEDURES SET FORTH IN SECTION 20.B.**

L. Designated Manager.

You shall designate and retain an individual to serve as your Designated Manager. The Designated Manager as of the date of this Agreement is identified in Attachment C to this Agreement. Unless waived in writing by Franchisor, the Designated Manager shall meet all of the following qualifications:

(1) He or she, at all times, shall have full control over the day-to-day activities and operations of the Franchised Business and shall devote full time and best efforts to supervising the operation of the Franchised Business (and any other The Little Gym businesses that you own and operate pursuant to a franchise agreement with Franchisor) and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitment;

(2) He or she shall successfully complete the initial training program and any additional training required by Franchisor;

(3) Franchisor shall have approved him or her as meeting its then-current Standards for such position, and not have later withdrawn such approval; and

(4) He or she shall have executed and delivered to Franchisor a Confidentiality and Noncompete Agreement in the form attached to this Agreement as Attachment E.

If the Designated Manager ceases to serve in, or no longer qualifies for such position, you shall inform the Franchisor immediately and designate another qualified person to serve as your Designated Manager within 30 days. Franchisor reserves the right to approve or reject your replacement Designated Manager. Your approved replacement Designated Manager must successfully complete the initial training program and execute and deliver to Franchisor a Confidentiality and Noncompete Agreement in the form prescribed by Franchisor before assuming Designated Manager responsibilities. We reserve the right to charge you our then-current ~~reasonable~~ training fee to train your new Designated Manager. Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Manager as having responsibility and decision-making authority regarding the Franchised Business's operation and Franchisee's business.

M. Signs and Logos.

Subject to any applicable local ordinances, you shall prominently display at the Franchised Business premises such interior and exterior signs, logos, and advertising of such nature, form, color, number, location, and size, and containing the content and information that Franchisor may from time-to-time direct. You shall not display in or about the Franchised Business premises or otherwise regarding the Proprietary Marks any unauthorized sign, logo, or advertising media of any kind.

N. Entertainment Equipment.

You shall not permit to be installed at the Franchised Business premises any juke box, vending or game machine, gum machine, game, ride, gambling or lottery device, coin or token operated machine, or any other music, film, or video device not authorized by Franchisor.

C. Use of the Proprietary Marks and Intellectual Property.

You shall use only the Proprietary Marks and Intellectual Property designated by Franchisor and shall use them only in connection with the operation and promotion of the Franchised Business and in the manner required or authorized and permitted by Franchisor. Your right to use the Proprietary Marks and Intellectual Property is limited to the uses authorized under this Agreement and in the Manual, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights and grounds for termination of this Agreement.

You shall not use all or any recognizable portion of the Proprietary Marks as part of your Business Entity or other legal name, and may not use them to incur any obligation or indebtedness on Franchisor's behalf. You shall comply with all requirements of Franchisor's and applicable state and local laws concerning use and registration of fictitious and assumed names and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. You shall not use any confusingly similar trademarks in connection with the Franchise Business or any other business in which you or any Affiliate has an interest.

Franchisor reserves the right to approve all signs, memos, stationery, business cards, advertising material forms and all other objects and supplies using the Proprietary Marks. All advertising, publicity, point of sale materials, signs, decorations, furnishings, equipment, or other materials employing the Proprietary Marks shall be in accordance with this Agreement and the Manuals, and Franchisee shall obtain Franchisor's approval prior to such use.

Upon the expiration, termination, or non-renewal of this Agreement, Franchisee shall immediately cease using the Proprietary Marks and Intellectual Property, color combinations, designs, symbols, or slogans; and Franchisor may cause Franchisee to execute such documents and take such action as may be necessary to evidence this fact. After the effective date of expiration, termination, or non-renewal, Franchisee shall not represent or imply that it is associated with Franchisor or The Little Gym franchise. To this end, Franchisee irrevocably appoints Franchisor or its nominee to be Franchisee's attorney-in-fact to execute, on Franchisee's behalf, any document or perform any legal act necessary to protect the Proprietary Marks from unauthorized use. Franchisee acknowledges and agrees that the unauthorized use of the Proprietary Marks and Intellectual Property will result in irreparable harm to Franchisor for which Franchisor may obtain injunctive relief, monetary damages, ~~reasonable~~ attorneys' fees, and costs.

D. Internet and Social Media Usage.

You may not cause or allow all or any recognizable portion of the Proprietary Marks to be used or displayed as all or part of an e-mail address, Internet domain name, uniform resource locator ("URL"), or meta-tag, or in connection with any Internet home page, web site, landing pages, mobile channels, or any other Internet-related activity without Franchisor's express written consent, and then only in a manner and in accordance with the procedures, standards and specifications that Franchisor establishes. This prohibition includes use of the Proprietary Marks or any derivative of the Proprietary Marks as part of in the registration of any username on any gaming website, personal blogs or social networking website including, but not limited to, Facebook, LinkedIn, Yelp, Pinterest, Instagram, Tik Tok or X (formerly known as Twitter), or any virtual worlds, file sharing, audio sharing and video-sharing sites. You will at all times during the Term comply with our social media and networking policies which will be provided to you in the Manual, and may be modified, amended, or terminated by us at any time.

E. Customer Data.

All customer information collected by Franchisee in connection with the operation of the Franchised Business ("Customer Data"), and all revenues Franchisor derives from such Customer Data, will constitute our sole property, and be considered Confidential Information. Franchisor may use such Customer Data for any reason without compensation to Franchisee. You will assign all rights in Customer Data to us as further described in Section 13.F. You will provide copies of all Customer Data to us upon

agree to execute such further assignments as Franchisor may request. The term “Derivative Works” shall be interpreted to include, without limitation: any and all of the following which is developed by you, or on your behalf, if developed in whole or in part in connection with your Franchised Business: all products or services; all variations, modifications and/or improvements on products or services; your means, manner and style of offering and selling products and services; management techniques or protocols you may develop (or have developed on your behalf); all sales, marketing, advertising, and promotional programs, campaigns, or materials developed by you or on your behalf; and, all other intellectual property developed by you or on behalf of your Franchised Business.

Franchisor may authorize itself, its Affiliates, and other Franchised Businesses to use and exploit any such rights assigned by this Section 13.E. The sole consideration for your assignment to Franchisor of the foregoing rights shall be Franchisor’s grant of the Franchise conferred to you under this Agreement. You and each Owner shall take all actions and sign all documents necessary to give effect to the purpose and intent of this Section 13.E. You and each Owner and personnel irrevocably appoint Franchisor as true and lawful attorney-in-fact for you and each Owner and authorize Franchisor to take such actions and to execute, acknowledge, and deliver all such documents as may from time-to-time be necessary to convey to Franchisor all rights granted herein.

G. Infringement; Notice of Claims.

If you become aware of any infringement of the Proprietary Marks or Intellectual Property or if your use of the Proprietary Marks or Intellectual Property is challenged by a third party, then you must immediately notify Franchisor. Franchisor shall have the exclusive right to take whatever action it deems appropriate. If Franchisor or its Affiliate undertakes the defense or prosecution of any litigation pertaining to any of the Proprietary Marks or other intellectual property, you must sign all documents and perform such acts and things as, in the opinion of Franchisor’s counsel, may be necessary to carry out such defense or prosecution. If it becomes advisable at any time in the sole discretion of Franchisor to modify or discontinue the use of any Proprietary Mark or Intellectual Property, or to substitute a new mark or graphic for any Proprietary Mark or Intellectual Property, as applicable, you must promptly comply, at your expense (which may include the cost of replacement signage and/or trade dress), with such modifications, discontinuances, or substitutions within 60 days following your receipt of written notice of the change.

H. Remedies and Enforcement.

You acknowledge that violation of this Article 13 is a material breach of this Agreement for which Franchisor may terminate this Agreement pursuant to Section 18.B. You acknowledge that in addition to any remedies available to Franchisor under this Agreement, you agree to pay all court costs and ~~reasonable~~ attorneys’ fees incurred by Franchisor in obtaining specific performance of, a temporary restraining order and/or an injunction against violation of the provisions of this Article 13.

14. CONFIDENTIALITY OBLIGATIONS AND RESTRICTIVE COVENANTS

A. Confidential Information.

You and each Owner acknowledge that all Confidential Information belongs exclusively to Franchisor. You and each Owner agree to use and permit the use of the Confidential Information only in connection with the operation of your Franchised Business, to maintain the confidentiality of all Confidential Information, to not duplicate any materials containing Confidential Information. You and each Owner further agree that you will not at any time, during the term of this Agreement and after expiration or earlier termination of this Agreement: (1) divulge any Confidential Information to anyone, except to your employees and professional advisors having a need to know who are subject to a confidentiality agreement with you (the form of which shall contain at least the same level of confidentiality and degree of care related to nondisclosure required under this Agreement); (2) divulge or use any Confidential Information for the benefit of yourself, your Owners, or any third party (including any person, business entity, or enterprise of any type or nature), except in the operation of your Franchised Business, and then only in strict compliance

activities, or materials proposed or developed by Franchisee for the Franchised Business or the System and approved by Franchisor may be used by Franchisor and other operators under the System of Franchisor without any compensation to Franchisee.

B. Grand Opening Advertising.

You agree to spend at least the Grand Opening Advertising Amount set forth in the Summary Page in accordance with the Standards to promote the opening of your Franchised Business. Franchisor reserves the right to require a Designated Supplier, which may be its Affiliate, to conduct your Grand Opening Advertising. All grand opening advertising and promotional materials shall be submitted to Franchisor for approval pursuant to Section 15.A, above.

C. Advertising Cooperatives.

Franchisor may, from time-to-time, form local or regional advertising cooperatives (each an “Advertising Cooperative”) to pay for the development, placement, and distribution of advertising for the benefit of Franchised Businesses located in the geographic region served by the Advertising Cooperative. Any Advertising Cooperative established by Franchisor will be operated solely as a conduit for the collection and expenditure of Advertising Cooperative fees for the foregoing purposes.

If Franchisor forms an Advertising Cooperative for the region in which the Franchised Business is located, you agree to participate in the Advertising Cooperative pursuant to the terms of this Section 15.C.

Franchisor shall have the exclusive right to create, dissolve, and merge each Advertising Cooperative created, in its discretion, and to create and amend the organizational and governing documents related thereto, provided that such documents shall: (1) operate by majority vote, with each The Little Gym business (including those owned or managed by Franchisor or its Affiliates) entitled to one vote; (2) entitle Franchisor to cast one vote (in addition to any votes it may be entitled to on account of its ownership or operation of The Little Gym businesses in the area served by the Advertising Cooperative); (3) permit the members of the Advertising Cooperative, by majority vote, to determine the amount of required contributions; and (4) provide that any funds left in the Cooperative at the time of dissolution shall be returned to the members in proportion to their contributions during the 12-month period immediately preceding termination. If the majority of the voting power of an Advertising Cooperative consists of The Little Gym businesses owned by Franchisor or its Affiliates, contributions will not exceed \$10,000 per year without the consent of a majority of the remaining members.

You agree to be bound by all organizational and governing documents created by Franchisor and, at Franchisor’s request, shall execute all documents necessary to evidence or affirm your agreement. The Advertising Cooperative shall begin operating on a date determined in advance by Franchisor.

No advertising or promotional plans or materials may be used by the Advertising Cooperative or furnished to its members without Franchisor’s prior approval. All advertising plans and materials must conform to the Standards and must be submitted to Franchisor for approval according to the procedures set forth in Section 15.A of this Agreement.

D. Restriction Against Internet Advertising.

You may not establish or maintain a web site or other presence on the World Wide Web portion of the Internet, including gaming websites or social networking websites such as, but not limited to, FACEBOOK, LINKEDIN, TIKTOK, YELP, or ~~TWITTER~~, X (formerly known as Twitter), which reflects any of the Proprietary Marks or any of Franchisor’s copyrighted works, that includes the term “The Little Gym” or “TLG” as part of its URL or domain name, that otherwise states or suggests your affiliation with The Little Gym brand or franchise system, or that uses or displays any collateral merchandise offered at the Franchised Business, without Franchisor’s express written consent, and then only in a manner and in accordance with the procedures, standards and specifications that Franchisor establishes. Our social media

(2) **Proportionality.** Franchisee acknowledges that the NAF is intended to maximize recognition of the Proprietary Marks and patronage of The Little Gym businesses generally. Although Franchisor will endeavor to utilize the NAF to develop advertising and marketing materials and programs and to place advertising that will benefit the System, Franchisor has no obligation to ensure that expenditures by the NAF in or affecting any geographic area are proportionate or equivalent to the contributions to the NAF by The Little Gym businesses operated in that geographic area. Nor is Franchisor under any obligation to ensure that any The Little Gym business will benefit directly or in proportion to its NAF Contribution from the development of advertising and marketing materials or the placement of advertising, or that all The Little Gym businesses operated by Franchisor or any of its Affiliates will pay the same NAF Contribution. Except as expressly provided in this **Section 15.E**, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to collecting amounts due to, or maintaining, directing, or administering the NAF. Franchisor reserves the right to suspend or terminate (and, if suspended or terminated, to reinstate) the NAF. If the NAF is terminated, all unspent monies on the date of termination accrued will be distributed to franchisees operating The Little Gym businesses in proportion to their respective contributions to the NAF accrued during the preceding three-month period, and such amounts will be spent on local marketing in accordance with **Section 15.A**.

(3) **Unleashed Fund.** Franchisor or its Affiliate reserves the right to establish an advertising fund separate from the NAF (the “**Unleashed Fund**”) for advertising activities related to Franchisor’s affiliates. Franchisee will not contribute directly to the Unleashed Fund. When the Unleashed Fund is established, the NAF shall contribute up to 5% of its monthly balance to the Unleashed Fund. The Unleashed Fund is not audited, and Franchisor is not required to provide any financial reports or other reports of Unleashed Fund. Franchisor or its affiliate will have the right to cause the Unleashed Fund to be incorporated or operated through a separate entity our affiliates own and manage if we deem it appropriate, and the successor entity will have all of the same rights and duties.

F. Loyalty Programs, Prize Promotions, and Promotional Literature.

You shall participate in and offer to your customers all customer loyalty and reward programs, and all contests, sweepstakes, and other promotions that Franchisor may develop from time-to-time. Franchisor will communicate to you in writing the details of each such program and promotion, and you shall promptly display all point-of-sale advertising and promotion-related information at such places within the Franchised Business premises as Franchisor may designate. You shall purchase and distribute all coupons, clothing, toys, and other collateral merchandise (and only the coupons, clothing, toys, and collateral merchandise) designated by Franchisor for use in connection with each such program and promotion.

To the extent that Franchisor develops or authorizes the sale of gift certificates and/or stored value cards, you shall acquire and use all computer software and hardware necessary to process their sale and to process purchases made using them. All proceeds from the sale of all gift certificates and stored value cards belong exclusively to Franchisor, and you shall remit the proceeds of such sales to Franchisor according to the procedures that Franchisor prescribes periodically. Franchisor shall reimburse or credit to you (at Franchisor’s option) the redeemed value of gift cards and stored value cards accepted as payment for products and services sold by the Franchised Business.

You also shall display at the Franchised Business premises all promotional literature and information as Franchisor may reasonably require from time-to-time. This may include, among other things, establishing a bulletin board for posting local school and community events and displaying signage or other literature containing information about The Little Gym franchise offering.

You also agree to honor such credit cards, courtesy cards, and other credit devices, programs, and plans as may be issued or approved by us from time-to-time. Any ~~reasonable and~~ customary service charges or discounts from reimbursements charged on such cards or authorizations will be at your sole expense.

G. Social Media Accounts License.

At Franchisee's request and upon Franchisee's execution of a terms of use agreement in a form provided by Franchisor, Franchisor may, technology permitting, create all Social Media accounts related to the Franchised Business, and license the account to Franchisee for use in promoting the Franchised Business while this Agreement is in effect. Franchisee shall follow Franchisor's mandatory specifications, standards, operating procedures, and rules for using Social Media in connection with Franchisee's operation of the Franchised Business and Franchisee agrees to comply with any Social Media policy Franchisor implements. Franchisor shall own all Social Media accounts used in operation of the Franchised Business and shall allow Franchisee's access and use only in strict compliance with this Agreement. Franchisor reserves its right to remove Franchisee's access to Social Media accounts at any time at its sole discretion. Upon termination of this Agreement for any reason, Franchisee's access to all Social Media accounts will terminate. The term "Social Media" includes, without limitation, blogs; common social networks such as FACEBOOK, SNAPCHAT, INSTAGRAM, LINKEDIN, TIKTOK, ~~TWITTER~~, X (formerly known as Twitter), or YOUTUBE; internet listing sites such as WIKIPEDIA, GOOGLE, and YELP; applications supported by mobile platforms such as iOS and Android; virtual worlds and metaverses; file, audio, and video-sharing sites; and other similar internet, social networking, or media sites, mobile platforms, or tools.

Franchisee shall use all Social Media accounts and all content associated with the Social Media accounts only in connection with the operation and promotion of the Franchised Business. Franchisee has no right to sublicense use of the Social Media accounts. Franchisee acknowledges that Franchisor owns the Social Media accounts, all goodwill, all customer information, all analytical data, and all content associated with the Social Media accounts. Franchisee's use of the Social Media accounts will inure to the sole benefit of Franchisor. Franchisor shall possess exclusive rights to "likes," "favorites," "retweets," "followers," and other similar benefits ("Benefit") that come as a result of Franchisee's use of the Social Media accounts. Nothing herein shall grant Franchisee any right, title or interest in or to the Social Media accounts, goodwill, customer information, analytical data, content, or Benefit associated with the Social Media accounts, other than the right to use it per this Agreement. Franchisee shall take no action inconsistent with Franchisor's ownership of the Social Media accounts, goodwill, customer information, analytical data, content or Benefit associated with the use of the Social Media accounts, or assist any third party in attempting to claim adversely to Franchisor, with regard to such ownership. Without limiting the generality of the foregoing, Franchisee specifically agrees that it will not challenge Franchisor's ownership of the Social Media accounts, goodwill, customer information, analytical data, content or any Benefit associated with the Social Media accounts.

Franchisee undertakes that its use of the Social Media accounts under this Agreement: (a) will comply in all material respects with the applicable platform's terms and conditions in force from time to time; (b) will not breach any applicable law, statute, regulation or legally binding code; (c) will not infringe the legal rights of any person in any jurisdiction; (d) will be used only to publish content about the Franchised Business; and (e) will not breach any provision of the Franchise Agreement and will comply at all times with Franchisor's policies, standards, and specifications, as they exist from time to time.

16. INSURANCE

A. Obligation to Maintain Insurance.

You shall be responsible for all loss or damage arising from or related to your development and operation of the Franchised Business, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, the Franchised Business. You shall procure at your expense and maintain in full force and effect throughout the term of this Agreement that insurance which you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Franchised Business, including the minimum coverages described in Section 16.B. below and as otherwise set forth in the Manual, as updated from time-to-time. Franchisor

you must provide us with a certificate of insurance on each policy renewal date. Upon request, you also shall provide to Franchisor copies of all or any policies, and policy amendments, endorsements, and riders.

E. Minimum Insurance Requirements Not a Representation of Adequacy.

You acknowledge that no requirement for insurance contained in the Agreement constitutes advice or a representation by Franchisor that only such policies, in such amounts, are necessary or adequate to protect you from losses regarding your business under this Agreement. You may choose to obtain additional policies or increase the limits from the minimum requirements in Section 16.B. Maintenance of this insurance, and the performance of your obligations under this Article 16, shall not relieve you of liability under the indemnification provisions of this Agreement.

17. TRANSFER

A. Transfer by Franchisor.

Franchisor shall have the unrestricted right, in its sole discretion and without your consent, to assign this Agreement and/or all of its rights and/or obligations hereunder in a related or third-party transaction, may sell any or all of its assets (including its rights in and to the Proprietary Marks and the System); may issue new shares through an initial public offering and/or private placement; may merge with and/or acquire other companies, or may merge into or be acquired by another company; and may pledge its assets to secure payment of its financial obligations.

B. Franchisee Transfer of Agreement; Transfer of the Franchised Business; Transfer of Controlling Interest.

You understand and acknowledge that Franchisor has entered into this Agreement in reliance on your business skill, financial capacity, personal character, experience, and demonstrated or purported ability in customer service operations. Accordingly, you may not sell or transfer your interest in this Agreement, your ~~controlling interest~~Controlling Interest, or the assets of the Franchised Business (except in the ordinary course of your business) without Franchisor's prior written consent. In addition, if you are a Business Entity, no Owner may transfer or assign all or any portion of his or her equity interest in the Business Entity without Franchisor's prior written consent. For purposes of this Section 17.B the term "transfer" means and includes an actual assignment, sale, or transfer of a ~~controlling interest~~Controlling Interest, or a collateral assignment or pledge of the interest as security for performance of an obligation.

You must notify Franchisor in writing at least 60 days prior to the date of any such intended transfer. Any purported transfer, by operation of law or otherwise, not having the written consent of Franchisor shall be null and void and shall constitute a material breach of this Agreement. Franchisor shall not unreasonably withhold its consent to any transfer, but may, in its sole discretion, require any or all of the following as conditions of its consent:

(1) All of your accrued monetary obligations and all other outstanding obligations to Franchisor and its Affiliates and your suppliers shall be up to date, fully paid, and satisfied;

(2) You must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates, and your suppliers;

(3) You and each Owner shall have executed a then-current form of general release and a covenant not to sue, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, shareholders, agents, and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances; provided, however, that any release will not be inconsistent with any state statute regulating franchising; provided, however, that any release will not be inconsistent with any state law regulating franchising;

(4) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's then-current Standards applicable to new The Little Gym franchisees, including but not limited to educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business; and has sufficient equity capital to operate the Franchised Business (which condition shall be presumed if the transferee's net worth is equal to or exceeds your net worth at the time of transfer, excluding the value of the Franchised Business);

(5) The transferee shall sign Franchisor's then-current form of franchise agreement, for a term equal to the remaining term of this Agreement, and you shall pay to Franchisor the Transfer Fee in the amount set forth in Attachment A. If the transferee is a Business Entity, then the transferee's Owners shall jointly and severally guarantee your obligations under this Agreement in writing in a form satisfactory to Franchisor. The transferee shall have the option, however, to purchase a longer term (not to exceed a total of five years) by paying an extended term fee ("Extended Term Fee"). The Extended Term Fee will be calculated as Franchisor's then-current initial franchise fee divided by the number of days included in the initial term of the then-current franchise agreement, multiplied by the number of days of additional term being purchased by the transferee;

(6) If deemed necessary by Franchisor, the transferee shall agree to update, remodel, refurbish, renovate, modify, or redesign the Franchised Business, at transferee's sole expense, to conform to Franchisor's then-current Standards and specifications for The Little Gym businesses. Upon Franchisee informing Franchisor of a transfer under this Section 17.B., Franchisor reserves the right to require Franchisee to undergo inspections pursuant to Section 11.H. above and Franchisee shall bear the cost of such inspections, even if such transfer does not close;

(7) You agree to remain liable for all direct and indirect obligations to Franchisor in connection with the Franchised Business prior to the effective date of the transfer, and you and your Owners shall continue to remain responsible for your respective obligations of nondisclosure, noncompetition, and indemnification as provided elsewhere in this Agreement, and all other obligations that survive termination, expiration, or transfer and shall execute any and all instruments reasonably requested by Franchisor to further evidence such obligation;

(8) The transferee shall comply with Franchisor's initial training requirements and pay any applicable training fees;

(9) You or the transferor must provide Franchisor with a copy of the agreements of purchase and sale between the transferor and the transferee. The economic terms of the transfer may not materially and adversely affect, in Franchisor's sole judgment, the post-transfer viability of the Franchised Business;

(10) If you elect to participate in Franchisor's resale program in connection with the transfer of the Franchised Business pursuant to this Section 17.B., you must comply with Franchisor's then-current resale program requirements, which may include the execution of Franchisor's then-current resale program agreement and payment of the then-current resale program fee; ~~and~~

(11) Franchisor reserves the right to require transferee to conduct grand opening marketing upon closing of the transfer, which Franchisee and Owners shall communicate to transferee during initial communications of the proposed transfer. Such grand opening expectation shall be the same as Franchisor's requirements in the then-current The Little Gym franchise disclosure document disclosed to transferee. If transferee does not agree to conduct grand opening upon closing of the transfer, Franchisor reserves the right to charge Franchisee and Owners the required grand opening amount, payable upon closing of the transfer. This is a material condition of Franchisor's approval of the proposed transfer; and

~~(11)~~(12) At Franchisor's sole discretion, Franchisor may require the Protected Area be split into two or more smaller protected areas (each a "Fractional Area"), each of which shall meet the then-current standards for a Protected Area set forth in Item 12 of the FDD that existed as of the Effective Date of this Agreement (e.g., Protected Areas will have average household income above \$70,000 and

encompass a population of approximately 10,000 children aged 0 to 4 years within a 15-minute drive time from the Approved Location, based upon the most recent U.S. Census or other publicly available data that we designate). The Fractional Area that contains the Approved Location shall serve as the new Protected Area (or similarly described territory) in the transferee's franchise agreement and shall be the only territory transferred under the purchase agreement between the Franchisee and transferee. In addition to the right of first refusal set forth below, Franchisor, at its sole discretion, may offer the remaining Fractional Areas to transferee or Franchisee under a separate then-current franchise agreement, if Franchisee or transferee meet Franchisor's then-current standards for multi-unit development; if transferee or Franchisee undertakes development of the remaining Fractional Areas, they shall pay the Split Territory Fee for each Fractional Area in lieu of an initial franchise fee. If the Franchisee's Protected Area is split into a Fractional Area, then i) the Franchisee shall not be required to pay a Transfer Fee with respect to the transfer that resulted in the Fractional Area and ii) Franchisor will provide the purchasing franchisee a right of first refusal to purchase the newly created Fractional Areas not subject of their Franchise Agreement. The term of such right of first refusal will commence upon closing of the Transfer and shall expire ninety days later.

C. Franchisee Transfer Among Owners; Transfer of Non-Controlling Interest.

If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer up to a Non-Controlling Interest in the Business Entity to one or more approved third parties, if:

- (1) you have provided to Franchisor advance notice of the transfer and have obtained Franchisor's approval of any new owners,
- (2) Attachment C has been amended to reflect the new ownership, and each individual listed in Section B of Attachment C has signed the Confidentiality and Non-Competition Agreement in the form of Attachment E;
- (3) each new Owner has signed an Undertaking and Guaranty in the form of Attachment D;
- (4) each previous and/or new owners have signed a general release in favor of Franchisor and in the form Franchisor requires; and
- (5) you pay to Franchisor a Transfer Fee in the amount set forth in Attachment A.

Transfers under this Section 17.C. are limited to once per rolling 12-month period. Otherwise, any transfers under this subsection shall be subject to a Transfer Fee of 25% of the then-current initial franchise fee. For purposes of this Section 17.C. only and the Transfer Fee, "Non-Controlling Interest" shall mean 20% or less of the total outstanding units or assets in the Franchised Business.

D. Franchisee Transfer to Business Entity for Convenience.

You may transfer your interest in this Agreement to a Business Entity for convenience of operation by signing Franchisor's standard form of assignment and assumption agreement if:

- (1) the Business Entity is formed solely for purposes of operating the Franchised Business;
 - (2) you provide to Franchisor a copy of the Business Entity's formation and governing documents (company/operating agreement, by laws, etc.), and a certificate of good standing from the jurisdiction under which the Business Entity was formed;
 - (3) you sign a general release in favor of Franchisor and in the form that Franchisor requires;
- and
- (4) you pay to Franchisor a Transfer Fee in the amount set forth in Attachment A.

E. Security Interest.

Any security interest that may be created in this Agreement by virtue of Section 9-408 of the Uniform Commercial Code is limited as described in Section 9-408(d) of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in the franchise without Franchisor's consent.

F. Public and Private Offerings.

If you are a Business Entity and you intend to issue equity interests pursuant to a public or private offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all conditions set forth in Section 17.B and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the ~~reasonable~~actual costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

G. Right of First Refusal.

If you receive a bona fide offer to purchase your interest in this Agreement or all or substantially all of the assets of the Franchised Business, or if any Owner receives a bona fide offer to purchase his or her equity interests in you, and you or such Owner wishes to accept such offer, you or the Owner must deliver to Franchisor written notification of the offer and, except as otherwise provided herein, Franchisor shall have the right and option, exercisable within 30 days after receipt of such written notification, to purchase the seller's interest on the same terms and conditions offered by the third party. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets (as defined herein) and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. If Franchisor elects to purchase the seller's interest, closing on such purchase must occur by the later of: (1) the closing date specified in the third-party offer; or (2) within 60 days from the date of notice to the seller of Franchisor's election to purchase. Franchisor failure to exercise the option described in this Section 17.E shall not constitute a waiver of any of the transfer conditions set forth in this Article 17.

Notwithstanding anything herein to the contrary, in the event of an approved transfer subject to Section 17.C or an approved in-term familial transfer of ownership (limited to immediate families only), then Franchisor's right of first refusal in this Section 17.G shall be inapplicable, and Franchisee shall not be obligated to pay a Transfer Fee as a result of such transfer.

H. Transfer Upon Death or Incapacitation.

If any Owner dies or becomes incapacitated (mental or physical), Franchisor shall consent to the transfer of the former Owner's interest in this Agreement or equity interest in the franchisee (as applicable) to his or her spouse or heirs, whether such transfer is made by will or by operation of law, if, in Franchisor's sole discretion and judgment, the transferee meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the Franchised Business herein; has at least the same managerial and financial criteria

(6) You fail to commence operation of your Franchised Business by the Opening Date in accordance with Section 4.C5.A. and fail to cure within 15 days after delivery of written notice of default;

(7) You or your Affiliate fails to pay any monies owed to Franchisor, its Affiliates or your trade creditors when due and fail to cure within ten days after delivery of written notice of default;

(8) You misuse the Proprietary Marks or the Intellectual Property, including without limitation by offering and selling unauthorized products or services under or in conjunction with the Proprietary Marks or Intellectual Property, and fail to correct the misuse within five days after delivery of written notice of default;

(9) You infringe on the rights of third-parties, including unauthorized use of third-party trademarks, service marks, patents, copyrights, and all other intellectual property, and fail to cure immediately after Franchisor's written or verbal notice, depending on the severity of such infringement;

(10) The Franchised Business is cited for violation of health, sanitation, or safety laws or regulations, and fails to cure the violation within five days after the date the citation is issued;

(11) You purchase or use items for which Franchisor has identified Approved Suppliers from an unapproved source;

(12) You purchase, use, or sell items not approved by the Franchisor;

(13) You refuse to permit Franchisor to inspect the Franchised Business premises, or the books, records, or accounts of Franchisee upon demand;

(14) You fail to operate the Franchised Business during such days and hours specified in the Manuals;

(15) You are not in compliance with federal, state, or local laws, including but not limited to employment, environmental, occupancy, or other laws affected the day-to-day operations of your Franchised Business; or

(16) You fail to comply with any provision of this Agreement (except as otherwise provided in Section 18.A and Section 18.B and this Section 18.C) and fail to take appropriate corrective action within 30 days after delivery of written notice of a default.

During any period of default, Franchisor reserves the right to 1) prohibit you from attending any meetings, seminars, conferences, or other events sponsored by Franchisor, 2) prohibit you from serving on the board of any Franchisor organization, or otherwise participate in leadership of such organizations, 3) suspend your access to the Call Center, the franchisee portal/dashboard, and any technology systems we provide to you; 4) suspend services provided to you by us or our Affiliates under this Agreement, including but not limited to inspections, training, marketing assistance, and the sale of products and supplies; 5) remove the listing of the Franchised Business from all advertising published or approved by Franchisor; 6) cease listing the Franchised Business on Websites and social media, and to discontinue any links to any site or page for the Franchised Business; and 7) contact Franchisee's landlords, lenders, suppliers, customers, and others with whom it has entered into agreements about the status of Franchisee's operations and provide copies of any default or other notices to Franchisee's landlords, lenders, suppliers, and others with whom it has entered into agreements.

D. Other Remedies.

In addition to its termination rights, Franchisor shall have the right to require the Franchised Business, or a portion thereof, closed during any period in which (1) it is in violation of applicable health, sanitation, or safety laws or regulations, or (2) Franchisor determines, in its sole discretion, that continued operation of the Franchised Business poses a risk to public health or safety. We will have the right to take the actions set out below and continue them until you have cured the default to our satisfaction. The taking

“Net Book Value” shall be the net book value of the Purchased Assets (including the unamortized portion of any capitalized so-called “key money” for leases), as reflected on Franchisee’s books and records, determined in accordance with generally accepted accounting principles. The Fair Market Value, Appraised Asset Value and Net Book Value, as applicable, will be determined by a member of a nationally recognized accounting firm (other than a firm which conducts audits of either Party’s financial statements) agreed to by the Parties who has experience in the valuation of retail businesses (“Appraiser”). If the Parties cannot agree to an Appraiser, then each Party will select an Appraiser in accordance with the foregoing standards and the appraisal will be conducted by an Appraiser selected by the two party-appointed Appraisers that meets the foregoing standards.

The Appraiser will make his or her determination and submit a written report (“Appraisal Report”) to Franchisee and Franchisor as soon as practicable, which report shall contain the Fair Market Value, Appraised Asset Value and Net Book Value, as applicable. The Appraiser shall endeavor to complete the Appraisal Report within 60 days after his or her appointment, and both Parties shall fully cooperate with the Appraiser in order to meet the deadline. The Appraiser may extend the Appraisal Report deadline, as may be reasonably necessary. Franchisee agrees to promptly provide the Appraiser with such books and records as he or she may require, which Franchisee represents and warrants to be complete and accurate. In absence of such books and records or if the Appraiser is not satisfied with their completeness or accuracy, the Appraiser may make his or her determination in the Appraisal Report on the basis of other sources and information he or she deems reasonably appropriate. The Appraiser’s determination shall be final and binding on the Parties hereto, and the Parties agree to share the cost of the appraisal equally.

Franchisor has the option, exercisable by delivering notice thereof within ten days after submission of the Appraisal Report (or the date that an agreement is reached, if the Parties agree to the Agreed Value), to agree to purchase the Appraised Assets of the Franchised Business at its Agreed Value (“Purchased Assets”).

If Franchisor exercises its option to purchase, the purchase price for the Purchased Assets will be paid in full by wire transfer at the closing, which will occur at the place, time and date mutually agreed by the Parties, and if the Parties cannot agree, then as reasonably determined by Franchisor (subject to compliance with applicable law and any ~~reasonable~~ extensions required by Franchisor). At the closing, Franchisor will be entitled to all customary representations and warranties, covenants and closing documents and post-closing indemnifications, including: (i) instruments transferring good and merchantable title to the Purchased Assets, free and clear of all security interests, liens, encumbrances, and liabilities, to Franchisor or its designee, with all sales and other transfer taxes paid by Franchisee; and, (ii) an assignment of all leases (subject to landlord rights) and concession licenses of personal property and real estate used in the operation of the Franchised Business, including building and/or equipment (or if an assignment is prohibited, a sublease or sublicense to Franchisor or its designee for the full remaining term, subject to landlord rights, and on the same terms and conditions as Franchisee’s lease or concession license, including renewal and/or purchase options).

Franchisor shall have the right to offset against the purchase price for the Purchased Assets any of the following: (1) any and all amounts owed by Franchisee or any of its Affiliates to Franchisor or any of its Affiliates; (2) lease transfer fees (if any), other costs owed to your landlord, and the costs of renovating the Franchised Business premises so that it meets Franchisor’s then-current standards and specifications (if Franchisor elects to assume the lease for the Franchised Business premises); and (3) the costs of de-identifying the Franchised Business premises in accordance with Section 19.B, if you fail to do so (if Franchisor does not elect to assume the lease for the Franchised Business premises).

If Franchisee cannot deliver clear title to all of the assets, or if there are other unresolved issues, the closing of the sale may at Franchisor’s option, be accomplished through an escrow on reasonably appropriate terms, including the making of payments, to be deducted from the purchase price, directly to

third parties in order to obtain clear title to the Purchased Assets. Franchisee and Franchisor shall comply with any applicable bulk sales or similar laws and all applicable tax notification and/or escrow procedures.

Franchisee shall exert reasonable commercial efforts to obtain all necessary consents to consummate the sale (including consents to assignments of leases and concession licenses) and to ensure all managers shall be available, to the extent requested by Franchisor, for continued employment with the company purchasing the Purchased Assets. Franchisor shall have the right to receive specific performance or injunctive relief to enforce the provisions set forth in this Section 19.

Upon delivery of the Appraisal Notice and pending determination of Agreed Value and the closing of the purchase, Franchisor shall authorize continued temporary operations of the Franchised Business pursuant to the terms of this Agreement, subject to the supervision and control of one or more of Franchisor's appointed managers.

FRANCHISEE WILL DEFEND, INDEMNIFY AND HOLD HARMLESS FRANCHISOR FROM AND AGAINST ALL OBLIGATIONS, LIABILITIES, CLAIMS AND CAUSES OF ACTION ACCRUING PRIOR TO CLOSING AND THAT IN ANY WAY RELATE TO OR ARISE OUT OF THE OPERATION OF THE FRANCHISED BUSINESS IN ACCORDANCE WITH THE INDEMNIFICATION PROCEDURES SET FORTH IN SECTION 20.B.

C. ~~Franchisor's Option to Purchase Upon a Triggering Event~~

~~Without limiting any right or remedy of Franchisor set forth in Sections 18 and 19, upon the occurrence of (i) notice from Franchisor that it intends to purchase all or substantially all of the The Little Gym businesses in the franchise system, or (ii) of the date of an initial public offering (each, a "Triggering Event"), Franchisee, on behalf of itself and its Affiliates and Owners, hereby grants to Franchisor or Franchisor's designee the right to purchase the Assets from Franchisee, its Owners and its Affiliates for Fair Market Value, free and clear of all liens, restrictions and encumbrances, determined as set forth in Section 19.B, and with all rights of offset described therein.~~

D.C. Compliance with Post Term Obligations.

You and each Owner shall comply with all covenants and obligations which, by their nature, survive termination of this Agreement including, without limitation, the confidentiality obligations and restrictive covenants set forth and described in Article 14 of this Agreement and the indemnification obligations set forth and described in Section 20.B of this Agreement.

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. Independent Contractor.

The parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that you will operate the Franchised Business as an independent contractor, we and you do not intend to be partners, associates, joint venturer, employee, employer, agents, or joint employers in any way, we shall not be construed to be jointly liable for any of your acts or omissions under any circumstances, and that nothing in this Agreement shall be construed to create a partnership, joint venture, agency, employment, fiduciary relationship, master-servant relationship, or legal relationship of any kind. Franchisor shall have no relationship with your employees and you have no relationship with Franchisor's employees.

None of your employees will be considered employees of Franchisor or its Affiliates. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be an employee of Franchisor or its Affiliates for any purpose, including with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied, or fixed by any city, state, or federal governmental agency. Neither Franchisor nor its Affiliates will have the power to hire or fire your employees. We have no right or duty to supervise, manage, control or direct your employees in the course of their employment for you. You expressly agree,

and will never contend otherwise, that Franchisor's authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Franchised Business does not directly or indirectly vest in Franchisor or its Affiliates the power to hire, fire, or control any such employee. You further acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities, and elements of your Franchised Business and that under no circumstance shall Franchisor or its Affiliates do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications, and procedures of System which you are required to comply with under this Agreement, whether set forth in the Manual or otherwise, do not directly or indirectly constitute, suggest, infer, or imply that Franchisor or its Affiliates controls any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but constitute only standards to which you must adhere when exercising your control of the day-to-day operations of your Franchised Business. You are solely responsible for all terms and conditions of employment of your employees.

Except as otherwise expressly authorized by this Agreement, neither party hereto will make any express or implied agreements, warranties, guarantees, or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between Franchisor and you are other than that of franchisor and franchisee. Franchisor does not assume any liability, and will not be deemed liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement, nor will Franchisor be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of the Franchised Business.

During the term of this Agreement, you shall identify yourself as the owner of the Franchised Business operating under a franchise granted by Franchisor, and shall apply for all permits, certificates of occupancy, and business licenses in your own name. Additionally, your individual name (if you are an individual) or your corporate name (if you are a Business Entity) must appear prominently on all invoices, order forms, receipts, business stationery, and contracts. You shall not use the Proprietary Marks to incur or secure any obligation or indebtedness on behalf of Franchisor. You shall display at the Franchised Business, in a conspicuous location, a form of notice approved by Franchisor, stating that you are an independent franchised operator of the business.

B. INDEMNIFICATION.

YOU SHALL DEFEND AT YOUR OWN COST AND INDEMNIFY AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISOR AND ITS AFFILIATES, AND THEIR RESPECTIVE SUBSIDIARIES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, DESIGNEES, AND REPRESENTATIVES (COLLECTIVELY, THE "FRANCHISOR INDEMNITEES") FROM ALL LOSSES AND EXPENSES INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, CLAIM, CAUSE OF ACTION, DEMAND, INVESTIGATION, OR FORMAL OR INFORMAL INQUIRY (REGARDLESS OF WHETHER ANY OF THE FOREGOING IS REDUCED TO JUDGMENT), OR ANY SETTLEMENT OF THE FOREGOING, WHICH ACTUALLY OR ALLEGEDLY, DIRECTLY OR INDIRECTLY, ARISES OUT OF, IS BASED UPON, IS A RESULT OF, OR IS IN ANY WAY RELATED TO ANY OF THE FOLLOWING: (1) ANY ACTUAL OR ALLEGED INFRINGEMENT OR ANY OTHER ACTUAL OR ALLEGED VIOLATION OF ANY PATENT, TRADEMARK, COPYRIGHT, OR OTHER PROPRIETARY RIGHT OWNED OR CONTROLLED BY THIRD PARTIES BY YOU OR THE FRANCHISED BUSINESS OR ANY OF YOUR OR ITS RESPECTIVE OWNERS, OFFICERS, DIRECTORS, MANAGEMENT PERSONNEL, EMPLOYEES, AGENTS, SERVANTS, CONTRACTORS, SUBCONTRACTORS, PARTNERS, PROPRIETORS, AFFILIATES OR REPRESENTATIVES, OR ANY THIRD PARTY ACTING ON BEHALF OF OR AT THE DIRECTION OF SUCH PERSONS OR ENTITIES, WHETHER IN CONNECTION WITH THE FRANCHISED BUSINESS OR OTHERWISE (COLLECTIVELY, THE "FRANCHISEE INDEMNITORS"); (2) ANY

information, knowledge, and know-how which either Franchisor or its Affiliates, now or in the future, designate as “Confidential Information.”

“Controlling Interest” means: (a) if you are a corporation or a limited liability company, that the Owners, either individually or cumulatively (i) directly or indirectly own ~~at least 50%~~ more than 20% of the shares of each class of the developer entity’s issued and outstanding capital stock or membership units, as applicable; and (ii) are entitled, under its governing documents and under any agreements among the Owners, to cast a sufficient number of votes to require such entity to take or omit to take any action which such entity is required to take or omit to take under this Agreement; or (b) if you are a partnership, that the Owners (i) own ~~at least 51%~~ more than 20% interest in the operating profits and operating losses of the partnership as well as ~~at least 51%~~ more than 20% ownership interest in the partnership (and ~~at least 51%~~ more than 20% interest in the shares of each class of capital stock of any corporate general partner); and (ii) are entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.

“Crisis Management Event” means any event that occurs at or about the Franchised Business premises or in connection with the operation of the Franchised Business that has or may cause harm or injury to customers or employees, such as contagious diseases, natural disasters, terrorist acts, personal injuries resulting from the use of an attraction, shootings or other acts of violence, or any other circumstance which may materially and adversely affect the System or the goodwill symbolized by the marks.

“Franchise Site Application” means the form of application prescribed by Franchisor, from time-to-time, and used to evaluate proposed sites for the Franchised Business premises.

“Grand Opening Advertising Amount” means the amount set forth in the Summary Page that Franchisee will spend in connection with the opening of the Franchised Business.

“Gross Sales” means the dollar aggregate of: (1) the sales price of all products, services, membership fees, merchandise and other items sold, and the charges for all services you perform, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect, including sales and services (A) originating at the Franchised Business premises even if delivery or performance is made offsite from the Franchised Business premises, (B) placed by mail, facsimile, telephone, the internet and similar means if received or filled at or from the Franchised Business premises, and (C) that you in the normal and customary course of your operations would credit or attribute to the operation of the Franchised Business; and (2) all monies, trade value or other things of value that you receive from Franchised Business operations at, in, or from the Franchised Business premises that are not expressly excluded from Gross Sales. Gross Sales does not include: (1) the exchange of merchandise between Franchised Businesses (if you operate multiple franchises) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Franchised Business premises; (2) returns to shippers, vendors, or manufacturers; (3) sales of fixtures or furniture after being used in the conduct of the Franchised Business; (4) the sale of gift certificates, stored value cards, and loyalty program benefits (the redemption value will be included in Gross Sales at the time of redemption); (5) insurance proceeds; (6) sales to employees at a discount (provided such discounts will not exceed 1.5% of Gross Sales during any reporting period); (7) cash or credit refunds for transactions included within Gross Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); (8) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority; and (9) tips and gratuities. A purchase returned to the Franchised Business may not be deducted from Gross Sales unless the purchase was previously included in Gross Sales.

“Renewal Fee” means 25% of the then-current initial franchise fee plus reimbursement of legal and professional fees and other costs incurred by Franchisor in connection with the renewal.

“Royalty Fee” means the continuing royalty fee Franchisee must pay to Franchisor as set forth in Section 6.B. and identified on the Summary Page.

“Site Application” means the documents and information that Franchisee must submit to Franchisor prior to Franchisor’s evaluation of a proposed site, including without limitation a description of the proposed site, demographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses, the nature of other businesses in proximity to the site, and other commercial characteristics (including the purchase price, rental obligations and other lease terms for the proposed site) and the size, appearance, other physical characteristics and a site plan of the premises that Franchisee wishes to include in the development of the Franchised Business, if any.



“Site Selection Area” means the geographical area defined by the map in Attachment B within which Franchisee must conduct its search to find an acceptable location for its Franchised Business. “Site Selection Area Name,” as defined on the Summary Page, shall mean the general identifying name for the Franchisee’s area, and does not endow any greater area than the Site Selection map identified in Attachment B.

“Standards” means the standards, specifications, policies, procedures, and techniques that Franchisor has developed relating to the location, establishment, operation, and promotion of Franchisor’s Franchised Businesses, all of which may be changed by Franchisor in its sole discretion. The Standards include, among other things: required and recommended business practices; product preparation techniques; presentation standards; standards and specifications for Franchised Business design and appearance; customer service standards; sales techniques and procedures; and other management, operational, and accounting procedures.

“Transfer Fee” means:

- 1) 50% of the then-current initial franchise fee if Controlling Interest is transferred to a new approved franchisee;
- 2) 25% of the then-current initial franchise fee if Controlling Interest is transferred to an approved existing franchisee who has already undergone Franchisor’s initial training and any other required training and has at least one open and operating The Little Gym franchised business; plus, reimbursement of legal and professional fees and other costs incurred by Franchisor in connection with the transfer, not to exceed \$3,500; or
- 3) \$3,500 if ~~i) 20% or less of the total outstanding units in the Franchised Business are~~ Non-Controlling Interest is being transferred to an approved Owner *and* ii) limited to one time per rolling twelve-month period (otherwise, 25% of the then-current initial franchise fee).

REGISTERED US MARKS:

Mark	Registration Number	Registration Date
	2,057,340 (Class 35)	April 29, 1997
	2,069,466 (Class 41)	June 10, 1997
The Little Gym	1,837,113 (Class 41)	May 17, 1994

**THE LITTLE GYM®
FRANCHISE AGREEMENT**

ATTACHMENT G

LEASE RIDER

THIS AGREEMENT is made and entered into on _____, 20____, by and among TLGI, LLC, having its principal offices at 2350 Airport Freeway, Suite 505, Bedford, Texas, 76022 (“Franchisor”), _____, having its principal offices at _____ (“Landlord”), and [_____] having its principal offices at [_____] (“Tenant”).

BACKGROUND

- A. Landlord and Tenant have executed a lease agreement dated _____ (“Lease”) for the premises located at _____ (“Leased Premises”) for use by Tenant as a business to be opened pursuant to Franchisor’s proprietary marks and system in connection with a franchise agreement dated _____ by and between Franchisor and Tenant (“Franchise Agreement”);
- B. A condition to the approval of Tenant’s specific location by Franchisor is that the Lease for the Leased Premises specify that the Leased Premises may be used only for the operation of a The Little Gym franchise facility (“Franchised Business”) and contain the agreements set forth herein;
- C. Landlord acknowledges that Franchisor requires the modifications to the Lease set forth herein as a condition to its approving the Leased Premises as a site for the Franchised Business, and that Landlord agrees to modify and amend the Lease in accordance with the terms and conditions contained herein; and
- D. All rights, title, and interest in and to the Lease must be assigned to Franchisor, at Franchisor’s option, upon the termination of the Franchise Agreement.

AGREEMENT

In consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

- 1. Use Clause. The Leased Premises shall be used for the operation of a The Little Gym Franchised Business and identified by the mark THE LITTLE GYM® or such other name as may be specified by Franchisor or its affiliates. A portion, in any case less than 25%, of the Leased Premises, may also be used for operation of businesses associated with Unleashed Brands, LLC affiliate of Franchisor, which shall not be the primary use of the Leased Premises and which additional use shall not violate any use restrictions that exist with respect to the Leased Premises as of the effective date of the Lease. Landlord acknowledges that such use shall not violate any then-existing exclusive rights granted to any existing tenant of Landlord. Landlord consents to Tenant’s use of Franchisor’s marks and signs, décor items, color schemes and related components of Franchisor’s proprietary system. Landlord further acknowledges that during the term of this Lease or any extension thereof, Landlord will not lease space to another business that provides physical fitness, recreational gymnastic, motor skills development and other programs for children within the same shopping center or facility in which the Franchised Business is located.
- 2. Termination of the Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated for any reason during the term of the Lease or any extension thereof, Tenant, upon the written request of Franchisor, shall assign to Franchisor or any affiliate designated by Franchisor (collectively hereinafter referred to as “Franchisor Assignee”) all of its rights, title and interest in and to the Lease, and Franchisor Assignee may agree to assume from the date of assignment all of Tenant’s obligations remaining under the Lease, and may assume Tenant’s

**THE LITTLE GYM®
FRANCHISE AGREEMENT**

ATTACHMENT I

DASHBOARD ACCESS AGREEMENT

This Dashboard Access Agreement (“Agreement”) is entered into by Franchisor and Franchisee on the last date of execution below and amends the terms of the franchise agreement entered into by the parties (“Franchise Agreement”). Capitalized terms not defined herein have the meaning ascribed in the Franchise Agreement.

WHEREAS, Franchisor created an online dashboard through Microsoft’s Power BI to provide The Little Gym franchisees access to certain data, including, but not limited to, sales, operating expenses, membership sales and data, net promoter score, labor costs, and such other information as identified by Franchisor (“Data”); and

WHEREAS, ~~by checking one of the two boxes below, Franchisee is indicating its desiredesires to acquirepurchase~~ an optional; license for Power BI through Franchisor, view the Data provided by Franchisee and others, and share its Data on Power BI such that it is visible to other The Little Gym franchisees.

In light of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. LICENSE. Franchisee acknowledges its desire to purchase _____ (insert number of licenses to be purchased) twelve-month Power BI license(s) and agrees to reimburse Franchisor the License Fee (as defined below) charged by Microsoft for each Power BI license purchased. The “License Fee” shall equal \$10.00 per month per license plus applicable taxes, as such fee may be increased by Microsoft from time-to-time. Franchisor acknowledges the License Fee does not include any markup or rebate. Franchisee agrees Franchisor may bill the License Fee through the monthly royalty invoice and collect the License Fee pursuant to Franchisee’s ACH Authorization on file. If there is no ACH Authorization on file, then Franchisee shall remit payment to Franchisor by the deadline by which royalties are due Franchisor under the Franchise Agreement. Time is of the essence in the performance of the payment obligations hereunder, and violations of this Agreement constitute a violation under the Franchise Agreement. Access to Power BI is subject to all restrictions set forth in the Operations Manual and Microsoft’s terms, conditions, and license agreement available at <https://powerbi.microsoft.com/en-us/windows-license-terms>, which is incorporated herein. ~~Please check one of the two boxes below indicating your desire to acquire a Microsoft Power BI license and to the sharing of data as set forth in section 2 below. If Microsoft audits Franchisor’s account and determines additional fees are due because of your violation of the terms, conditions, and license agreement, then Franchisee agrees to pay such sum to Franchisor upon request.~~

2. SHARING OF AND ACCESS TO DATA. Franchisee acknowledges (a) ~~if Franchisee elects to opt in,~~ Franchisor may share Franchisee’s Data with other The Little Gym franchisees through the Power BI platform and such other platforms as identified by Franchisor and (b) ~~if Franchisee elects to opt out, such Franchisee’s the Data willmay be anonymous on the Power BI platform with respect to those The Little Gym franchisees who do not execute this Agreement.~~ Franchisor makes no warranty or representation the Data will be representative of all The Little Gym franchisees. Further, Franchisee acknowledges and agrees it will access and use the Data solely with its efforts to improve the operation of its franchised business pursuant to the Franchise Agreement, and such Data is not provided in connection with the offer or sale of a franchise.

3. CONFIDENTIALITY. Franchisee agrees all Data Franchisor makes available to Franchisee through Power BI is Confidential Information as defined in the Franchise Agreement, and subject to confidentiality

obligations and restrictive covenants set forth therein.

4. MISCELLANEOUS TERMS. This Agreement reflects the entire understanding of the parties regarding the subject matter hereof, may only be modified in writing, and supersedes any inconsistent or conflicting provisions of the Franchise Agreement. The remaining terms of the Franchise Agreement are unaffected by this Agreement and remain binding on the parties. The parties sign and deliver this Agreement to each other as shown below.

- ~~**OPT IN:** By selecting this box you are electing to receive a Microsoft Power BI license and the sharing of data as provided in section 2 above.~~
- ~~**OPT OUT:** By selecting this box you are declining to receive a Microsoft Power BI license and to share your data anonymously as provided herein.~~

FRANCHISOR:
TLGI, LLC,
a Delaware limited liability company

FRANCHISEE:
_____ ,

By: _____
Nancy Bigley, President

By: _____

Name: _____

Its: _____

DO NOT SIGN THIS FRANCHISEE DISCLOSURE QUESTIONNAIRE IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, TLGI, LLC (“we” or “us”) and you are preparing to enter into a Franchise Agreement for the operation of a THE LITTLE GYM franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the disclosure document, but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer on the back of this sheet by emailing Franchising@UnleashedBrands.com.

- Yes ___ No ___ 1. Have you received and personally reviewed THE LITTLE GYM Franchise Agreement and each exhibit or schedule attached to it?
- Yes ___ No ___ 2. Have you received and personally reviewed THE LITTLE GYM disclosure document we provided?
- Yes ___ No ___ 3. Did you sign a receipt for THE LITTLE GYM disclosure document indicating the date you received it?
- Yes ___ No ___ 4. Do you understand all the information contained in THE LITTLE GYM disclosure document and Franchise Agreement?
- Yes ___ No ___ 5. A) Have you had ample time and the opportunity to review THE LITTLE GYM disclosure document and THE LITTLE GYM Franchise Agreement with a lawyer, accountant or other professional advisor?
- Yes ___ No ___ B) Have you had the opportunity to discuss the benefits and risks of operating a THE LITTLE GYM franchise with your professional advisor?
- Yes ___ No ___ C) Did you discuss the benefits and risks of operating a THE LITTLE GYM franchise with an existing THE LITTLE GYM franchisee?
- Yes ___ No ___ 6. Do you understand the risks of operating a THE LITTLE GYM franchise?
- Yes ___ No ___ 7. Do you understand the success or failure of your THE LITTLE GYM franchise will depend in large part upon your skills, abilities and efforts and those of the person you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?
- Yes ___ No ___ 8. Do you understand we are not obligated to provide assistance to you in finding and securing a location for your THE LITTLE GYM Franchised Business?
- Yes ___ No ___ 9. A) Do you understand all disputes or claims you may have arising out of or relating to THE LITTLE GYM Franchise Agreement must be brought in the judicial district in which our principal place of business is located, if not resolved informally?
- Yes ___ No ___ B) Do you understand THE LITTLE GYM Franchise Agreement provides you can only collect compensatory damages on any claim under or relating to THE

ii. If Developer does not elect to purchase, or fails to complete the purchase of, an Acquired Business, Franchisor shall retain its right to operate itself, or through its affiliates or third-party licensees or franchisees, the Acquired Business under any trade name or trademarks including the Proprietary Marks. If an Acquired Business is part of a system of retail businesses that Franchisor acquires (an “Acquired System”), franchised or otherwise, Franchisor may also license or franchise to third parties under the Acquired System additional units of the Acquired System so that such third parties have the right to develop and operate within the Development Area.

1.4. No Rights to Use the System. This Agreement is not a franchise agreement and does not grant to Developer any right to use the Proprietary Marks or the System or to sell or distribute any products or services. Developer’s rights to use the Proprietary Marks and System will be granted solely under the terms of the Franchise Agreement.

2. TERM OF DEVELOPMENT AGREEMENT

2.1. Term. Unless sooner terminated, the term (“Term”) of this Agreement begins on the Effective Date and, unless otherwise negotiated, terminated, or extended as provided in this Agreement, expires on ~~the earlier of: (a) the date on which you have completed your development obligations under this Agreement pursuant to Attachment B, or (b) 12:00 midnight CST on the Expiration Date identified on the Summary Page.~~

2.2. Effect of Termination or Expiration. Upon termination or expiration of this Agreement, all territorial protection afforded under this Agreement ends (particularly under Section 1.2. above), and you have no further right to develop any Units for which a Franchise Agreement has not been signed. Termination or expiration of this Agreement does not affect any rights or obligations under any then-existing Franchise Agreements. For purposes of clarity, upon expiration or termination, Developer shall no longer have any rights to the Development Area other than the Protected Areas defined in each Unit’s then-existing Franchise Agreement. This Agreement cannot be renewed upon termination or expiration.

3. FEES

3.1. Development Fee. Upon execution of this Agreement, you shall pay to Franchisor a Development Fee in the amount set forth on the Summary Page (“Development Fee”) pursuant to the Development Fee Schedule below. The Development Fee is fully earned by Franchisor when paid and is not refundable, in whole or in part, under any circumstances.

Number of Units	Development Fee For Each	Total Development Fee
1	\$59,500	\$59,500
2	\$53,550	\$113,050
3	\$47,600	\$160,650

On a very limited basis and only if Developer meets Franchisor’s then-current requirements for Developers who may develop more than three units pursuant to this Agreement, for 36 months from the Effective Date, any additional Units shall be developed for an additional fee of \$47,600. Upon the 37th month after the Effective Date, Developer shall pay the then-current initial franchise fee or development fee for purchase of any additional Units.

3.2. Credit Towards Franchise Fee. If the Developer has paid the respective Development Fee, Developer will not pay any additional initial franchise fees (“Franchise Fee”) for any of the Units to be developed under this Agreement.

4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

4.1. Separate Franchise Agreements. The Franchise Agreement for the first Unit to be developed under this Agreement is the form attached to the current franchise disclosure document, and shall be executed at the same time as this Agreement. The Franchise Agreement for the second and each additional Unit to be developed is the form of Franchisor's then-current Franchise Agreement, the terms of which may be materially different from the terms of the first franchise agreement. At the time you are ready to develop your second and each subsequent Unit, you will be disclosed with the then-current The Little Gym franchise disclosure document with the then-current form of franchise agreement. Each Unit developed hereunder shall be at a specific location, which shall be designated in the respective franchise agreement that is within the Development Area.

4.2. Time is of the Essence. Recognizing that time is of the essence, Developer shall comply strictly with the Development Schedule. Developer acknowledges and agrees that the Development Schedule requires that Developer have executed and delivered to Franchisor Franchise Agreements for a cumulative number of Franchised Locations by the end of the time periods specified in ~~Exhibit A~~Attachment B.

4.3. Manner for Exercising Development Rights.

4.3.1. Before exercising any development right granted hereunder, you shall apply to Franchisor for a franchise to operate a Unit. If Franchisor, in its sole discretion, determines that you have met each of the following operational, financial, and legal conditions, then Franchisor will grant you a franchise for each respective Unit:

(a) **Operational Conditions:** You are in compliance with the Development Schedule and this Agreement, and you or your Affiliates are in compliance with any other agreement between them and Franchisor or its Affiliates, including any other franchise agreement executed with Franchisor. You are conducting the operation of your existing Units, if any, and are capable of conducting the operation of the proposed Unit in accordance with the terms and conditions of this Agreement, the respective Franchise Agreements, and the standards, specifications, and procedures set forth and described in the Manuals (defined in the Franchise Agreement).

(b) **Financial Conditions:** You and your Owners satisfy Franchisor's then-current financial criteria for developers and Owners of The Little Gym businesses. You and your Owners have been and are faithfully performing all terms and conditions under each of the existing Franchise Agreements with Franchisor. You are not in default, and have not been in default during the 12-month period immediately preceding your request for financial approval, of any monetary obligations owed to Franchisor or its Affiliates under any Franchise Agreement or any other agreement between you or your Affiliates and Franchisor or its Affiliates. You acknowledge and agree that it is vital to Franchisor's interest that each of its franchisees must be financially sound to avoid failure of a restaurant and that such failure would adversely affect the reputation and good name of The Little Gym businesses and the System.

(c) **Legal Conditions:** You have submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to you by this Agreement or by any Franchise Agreement. This includes, but is not limited to, certificates of formation or articles of incorporation (or its equivalent), EIN information, company or operation agreement (or its equivalent), contact information for all Owners, and any other information Franchisor may reasonably require from time to time.

4.3.2. Identifying and Securing Sites. Developer shall be solely responsible for identifying, submitting for Franchisor's approval, and securing specific sites for each Unit. The following terms and conditions shall apply to each Unit to be developed hereunder:

5. DUTIES OF THE PARTIES

5.1 Franchisor's Assistance. Franchisor shall furnish to Developer the following:

5.1.1. Site selection guidelines, including Franchisor's minimum standards for The Little Gym sites and sources regarding demographic information, and such site selection counseling and assistance as Franchisor may deem advisable.

5.1.2. Such on-site evaluation as Franchisor deems advisable in its sole discretion in response to Developer's request for site approval for each proposed site; provided, however, that Franchisor shall not provide on site evaluation for any proposed site prior to the receipt of a site application for such site prepared by Developer.

5.2 Designated Principal. If Developer is other than an individual, Developer shall designate, subject to Franchisor's ~~reasonable~~ approval, one Owner, as identified in Attachment C, who is both an individual person and owns at least a ten percent (10%) of Developer, and who shall be responsible for general oversight and management of the development of the Franchised Locations under this Agreement pursuant to the Development Schedule (the "Designated Principal"). Once open, the Developer or Designated Principal may appoint a Designated Manager, pursuant to the respective Franchise Agreement, to operate the Unit. Developer acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Principal to have been given, by Developer, the responsibility and decision-making authority regarding the Developer's business and operation. In the event the person designated as the Designated Principal becomes incapacitated, leaves the employ of Developer, transfers his/her interest in Developer, or otherwise ceases to supervise the development of the Franchised Locations, Developer shall promptly designate a new Designated Principal, subject to Franchisor's ~~reasonable~~ approval.

5.3 Records and Reports to Franchisor. Developer shall, at its expense, comply with the following requirements to prepare and submit to Franchisor upon request the following reports, financial statements and other data, which shall be prepared in the form and using the standard statements and chart of accounts as Franchisor may prescribe from time to time:

5.3.1. No later than the twentieth (20th) day of each calendar month, Developer shall have prepared a profit and loss statement reflecting all of Developer's operations during the last preceding calendar month, for each Franchised Location. Developer shall prepare profit and loss statements on an accrual basis and in accordance with generally accepted accounting principles. Developer shall submit such statements to Franchisor at such times as Franchisor may designate or as Franchisor may otherwise request;

5.3.2. On April 15th of the year following the end of Developer's fiscal year, a complete annual financial statement (prepared according to generally accepted accounting principles), on a compilation basis, and if required by Franchisor, such statements shall be prepared by an independent certified public accountant; and

5.3.3. Such other forms, reports, records, information, and data as Franchisor may reasonably designate.

5.4 Maintaining Records. Developer shall maintain during the term of this Agreement, and shall preserve for at least seven (7) years from the dates of their preparation, and shall make available to Franchisor at Franchisor's request and at Developer's expense, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles.

5.3. Compliance with Laws. Developer shall fully comply with all federal, state, and local laws, rules, and regulations when exercising its rights and fulfilling your obligations under this Agreement and any franchise agreement.

6. COVENANTS

6.1. Confidential Information. Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Developer by Franchisor, and shall disclose such information or materials only to such of Developer's employees or agents who must have access to it in connection with their employment. Developer shall not at any time, during the term of this Agreement or thereafter, without Franchisor's prior written consent, copy, duplicate, record, or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

6.2. During the Term. Developer specifically acknowledges that, pursuant to this Agreement, Developer will receive valuable specialized training and confidential information, which may include, without limitation, information regarding the operational, sales, advertising and promotional methods and techniques of Franchisor and the System. Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation:

(a) Divert or attempt to divert any business or guest of any The Little Gym business or of any unit under the system to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the proprietary marks or the system.

~~(b) Unless released in writing by the employer, employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee or Developer of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.~~

~~(e)(b)~~ Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a one percent (1%) interest in (as owner or otherwise) any Competitive Business (as defined in Attachment A). Developer acknowledges and agrees that Developer shall be considered in default under this Agreement and that this agreement will be subject to immediate termination in sole discretion of Franchisor, in the event that a person in the immediate family (including spouse, domestic partner, parent or child) of Developer (or, if Developer is other than an individual, each Owner that is subject to these covenants) engages in a Competitive Business that would violate this Section 6.2 if such person was subject to the covenants of this Section 6.2.

6.3. Post-Termination. Developer covenants that, except as otherwise approved in writing by Franchisor, for a continuous uninterrupted period of two (2) years from the date of (a) a transfer permitted under Section 8 below; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 8.3; or (e) any or all of the foregoing, Developer shall not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, partnership, corporation, or other entity, own, maintain, operate, engage in, be employed by, or have any interest in any Competitive Business, which is, or is intended to be, located (i) within the Development Area (other than those Units provided for in the Development Schedule), or (ii) within a radius of twenty-five (25) miles of any other The Little Gym business in operation or under construction on the effective date of termination or expiration located anywhere. Provided, however, that this provision shall not apply to the operation by Developer of any business under the System under a franchise agreement with Franchisor.

6.4. Exception for Ownership in Public Entities. Sections 6.2 and 6.3 hereof shall not apply to ownership by Developer of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation. As used in this Agreement, the term "publicly held corporation"

refers to a corporation which has outstanding securities that have been registered under the federal Securities Exchange Act of 1934.

6.5. Personal Covenants. At the request of Franchisor, Developer shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Article 6 (including covenants applicable upon the termination of a person's relationship with Developer) from all managers and other personnel employed by Developer who have received or will receive training and/or other confidential information, or who are or may be involved in the operation or development of the Franchised Locations. Every covenant required by this Article 6 shall be in a form approved by Franchisor, including specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

6.6. Covenants as Independent Clauses. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article 6 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Article 6.

6.7. Covenants Survive Claims. Developer expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 6. Developer agrees to pay all costs and expenses (including ~~reasonable~~ attorneys' fees) incurred by Franchisor in connection with the enforcement of this ~~Section 8~~Article 6.

6.8. Compliance with Laws. Developer represents and warrants to Franchisor that neither Developer (including, without limitation, any and all of its Principals, employees, directors, officers and other representatives) nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

6.9. Breach of Covenants Causes Irreparable Injury. You acknowledge that your violation of any covenant of this Article 6 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and you consent to the issuance of, and agree to pay all court costs and ~~reasonable~~ attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an *ex parte* or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

7. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

7.1. Independent Contractor. The parties acknowledge and agree that you are operating the business contemplated under this Agreement as an independent contractor. Nothing contained in this Agreement shall create or be construed to create a partnership, joint venture, joint employer, or agency relationship between the parties. Neither party has any fiduciary obligations to the other or will be liable for the debts or obligations of the other. Neither party has the right to bind the other, transact business in the other party's name or in any manner make any promises or representations on behalf of the other party, unless otherwise agreed in writing by the parties or shall conspicuously identify yourself and the business contemplated under this Agreement in all dealings with your customers, contractors, suppliers, public officials, and others, as an independent franchisee of Franchisor, and shall place a conspicuous notice, in the form and at such place as Franchisor prescribes, notifying the public of such independent ownership. During the term of this Agreement, Developer shall hold itself out to the public as an independent contractor operating the business pursuant to a Development Agreement with Franchisor. Developer agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of the fact in a conspicuous place in Developer's offices, the content of which Franchisor reserves the right to specify.

merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands, or damages arising from or relating to the loss of Franchisor's name, the Proprietary Marks (or any variation thereof), Copyrighted Works, and System and/or the loss of association with or identification of TLGI, LLC as the franchisor under this Agreement. You specifically waive any and all other claims, demands, or damages arising from or related to the foregoing merger, acquisition, and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract, or breach of the implied covenant of good faith and fair dealing. You agree that Franchisor has the right, now or in the future, to purchase, merge, acquire, or affiliate with an existing competitive or non-competitive franchise network, chain, or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as The Little Gym businesses operating under the Proprietary Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be proximate to any The Little Gym business developed under this Agreement).

8.2. Transfer by Individual Developer to Business Entity for Convenience. If you are an individual, you may transfer your interest in this Agreement to a Business Entity for convenience of operation within the first 12 months of this Agreement by signing Franchisor's standard form of assignment and assumption agreement if: **(a)** the Business Entity is formed solely for purposes of continuing your development rights and obligations; **(b)** you provide to Franchisor a copy of the Business Entity's formation and governing documents (including disclosure of all owners of such entity) and a certificate of good standing from the jurisdiction under which the Business Entity was formed; **(c)** you sign a general release in favor of Franchisor and in the form Franchisor requires; **(d)** you pay to Franchisor a \$3,500 administrative fee; and **(e)** you and all other Owners sign an Undertaking and Guaranty in the form of Attachment D.

8.3. Transfer Among Owners; Transfer of Non-Controlling Interest. If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer up to a Non-Controlling Interest in the Business Entity to one or more third parties, if: **(a)** you have provided to Franchisor advance notice of the transfer and have obtained our prior written consent, which shall not be unreasonably withheld; **(b)** Attachment C to this Agreement has been amended to reflect the new ownership; **(c)** each new Owner has signed a Undertaking and Guaranty in the form of Attachment D; **(d)** each previous and/or new Owner has signed a general release in favor of Franchisor and in the form Franchisor requires, **(e)** you pay to Franchisor a \$3,500 administrative fee; and **(f)** you must be in compliance with the Development Agreement. Transfers under this Section 8.3. are limited to once per rolling 12-month period; otherwise, transfers under this Section 8.3. shall be subject to an administrative fee of 25% of the then-current initial franchise fee. For purposes of this Section 8.3 only, "Non-Controlling Interest" shall mean 20% or less of the total outstanding units or assets in the Franchised Business.

8.4. Transfer of Agreement; Transfer of Controlling Interest. All other transfers (including any sale or transfer of your interest in this Agreement and the sale of a Controlling Interest in you if you are a Business Entity) require Franchisor's prior written consent. Franchisor will not unreasonably withhold its consent to a transfer, but may condition its consent on satisfaction of any or all of the following:

8.4.1. Your written request for consent and delivery of a copy of the proposed transfer agreements, including sale terms, at least 30 days prior to the proposed transfer, and Franchisor has determined, in its sole ~~and reasonable~~ discretion, that the terms of the sale will not materially and adversely affect the post transfer viability of any Franchised Business in operation at the time of transfer;

8.4.2. The transferee has demonstrated to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate each Franchised Business; and has sufficient equity capital to operate each Franchised Business (which condition shall be

presumed if the transferee's net worth is equal to or exceeds your net worth at the time of transfer, excluding the value of each Franchised Business);

8.4.3. All of your accrued monetary obligations and all other outstanding obligations to Franchisor, its Affiliates, and third-party suppliers shall be up to date, fully paid and satisfied, and you must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates and your suppliers;

8.4.4. You and each Owner has executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, managers, shareholders, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release will not be inconsistent with any state law regulating franchising;

8.4.5. Payment of the transfer fee equal to \$25,000 plus \$1,500 for each Unit yet to be developed;

8.4.6. You and the transferee have executed a consent to transfer of this Agreement in the form prescribed by Franchisor;

8.4.7. If the transferee is a Business Entity, then the transferee's Owners each shall sign Franchisor's standard form of Undertaking and Guaranty;

8.4.8. The transferee has have complied with Franchisor's then-current initial training requirements for the operation of each then-existing Unit;

8.4.9. The transferee signs our then-current form of the Development Agreement for the remaining term of your Development Agreement; and

8.4.10. If Franchisor introduced the buyer to you, you have paid all fees due Franchisor under its then-current franchise resale policy or program.

~~8.5. Transfer to Business Entity. Notwithstanding Section 8.4 of this Agreement, you may, with Franchisor's prior written consent, execute and contemporaneously assign your rights and obligations under this Development Agreement to a business entity under common control with you if: (a) such business entity executes and complies with the terms and conditions of the Franchise Agreement; and (b) you pay Franchisor an administrative fee in the amount of \$3,500.~~

8.5. Reserved.

8.6. Transfers Void. Developer understands and acknowledges that Franchisor has granted the rights hereunder in reliance on the business skill, financial capacity, and personal character of Developer or the Owners of Developer if Developer is not an individual. Accordingly, neither Developer nor any Owner shall sell, assign, transfer, pledge or otherwise encumber any direct or indirect interest in the Developer (including any direct or indirect interest in a corporate or partnership Developer), the rights or obligations of Developer under this Agreement, or any material asset of the Developer's business, without the prior written consent of Franchisor, which shall be subject to this Article 8, and to all of the conditions and requirements for transfers set forth in the franchise agreements executed simultaneously with this Agreement that Franchisor deems applicable to a proposed transfer under this Agreement. In addition, Developer's first Unit under its first Franchise Agreement must be open and operating, and Developer must be in compliance with the Development Schedule (and all other terms of this Agreement and all Franchise Agreements and other agreements between the Developer and its affiliates, and Franchisor). Any purported transfer under this Article 8, by operation of law or otherwise, made without Franchisor's prior written consent will be considered null and void and will be considered a material breach of this Agreement, which shall provide Franchisor the right to terminate the agreement without an opportunity to cure.

8.7. Security Interest. You may grant a security interest in this Agreement or the franchise represented by this Agreement only to the limited extent permitted by Section 9-408 of the Uniform Commercial Code.

Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in this Agreement or the franchise without Franchisor's consent.

8.8. Private or Public Offerings. If you are a Business Entity and you intend to issue equity interests pursuant to a private or public offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all of the conditions set forth in Section 8.4 and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the ~~reasonable~~ costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

8.9. Transfer Upon Death or Incapacitation. Upon the death or permanent incapacity (mental or physical) of the Developer or any Owner, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as an inter vivos transfer, except that the transfer fee shall be waived. In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Section 8, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within six months, which disposition shall be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within such period, Franchisor may, at its option, terminate this Agreement, pursuant to Section 9.3.

8.10. Non-Waiver of Claims. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of Franchisor's right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor's and the transferee are parties, by the transferee.

9. DEFAULT AND TERMINATION

9.1. Automatic Termination In the Event of Bankruptcy or Insolvency. You shall be deemed to be in default under this Agreement, and all rights granted to you in this Agreement shall automatically terminate without notice, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against you and you do not oppose it; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver for you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law is instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against any Franchised Location premises or assets or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable.

9.2. Termination with Notice and Without Opportunity to Cure. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of notice without opportunity to

by either party against the other in any court, whether federal or state, shall be brought and maintained exclusively and within the state and federal judicial district court serving the district in which we maintain our principal headquarters at the time litigation is initiated or Tarrant County, Texas (if there is a dispute), and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Nothing contained in this Agreement bars Franchisor's right to seek injunctive relief from any court of competent jurisdiction; and you agree to pay all costs and ~~reasonable~~ attorneys' fees incurred by Franchisor in obtaining such relief.

11.5. Non-exclusivity of Remedy. No right or remedy conferred upon or reserved to Franchisor or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

11.6. WAIVER OF JURY TRIAL. FRANCHISOR AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

11.7. WAIVER OF PUNITIVE DAMAGES. THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

11.8. Limitation to Bring a Claim. Any and all claims and actions arising out of or relating to this Agreement and/or the relationship of Developer and Franchisor, brought by either party hereto against the other, whether in mediation, in arbitration or in court, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be forever barred.

11.9. Attorneys' Fees. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

11.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

12. NOTICES

12.1. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail; by private overnight delivery; by DocuSign or other electronic signature or delivery system; or by or by facsimile or other electronic system. Service shall be deemed conclusively made: **(a)** at the time of service, if personally served; **(b)** 24 hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; **(c)** upon the earlier of actual receipt or three calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; **(d)** 24 hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; and **(e)** at the time of transmission by facsimile, if such transmission occurs prior to 5:00 p.m. on a Business Day and a copy of such notice is mailed within 24 hours after the transmission. Notices and demands shall be given to the respective parties at the addresses set forth on the Summary Pages, unless and until a different address has been designated by written notice to the other party. Either party may change its address for the purpose of receiving notices, demands and other communications as in this Agreement by providing a written notice given in the manner aforesaid to the other party.

12.2. Notice of Actions. Developer shall notify Franchisor in writing within five (5) days of the receipt of any demand letter, commencement of any action, suit, or proceeding, and of the issuance of any order,

13.4. Survival of Terms. Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration or termination.

13.5. Definitions and Captions. Unless otherwise defined in this body of this Agreement, capitalized terms have the meaning ascribed to them in Attachment A (“Glossary of Additional Terms”). All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

13.6. Persons Bound. This Agreement shall be binding on the parties and their respective successors and assigns. As applicable, each Owner shall execute the Undertaking and Guaranty attached as Attachment D. Failure or refusal to do so shall constitute a breach of this Agreement. You and each Owner shall be joint and severally liable for each person’s obligations hereunder and under the applicable Undertaking and Guaranty.

13.7. Rules of Construction. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement shall be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

13.8. Timing. Time is of the essence with respect to all provisions in this Agreement. Notwithstanding the foregoing, if performance of either party is delayed on account of a Force Majeure, the applicable deadline for performance shall be extended for a period commensurate with the Force Majeure, but not to exceed 12 months.

13.9. Full Scope of Terms. Developer expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

13.10. Captions/Headings Only for Convenience. All captions/headings in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

13.11. No Waiver or Disclaimer of Reliance in Certain States. The following provision applies only to developers and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

14. REPRESENTATIONS

14.1. Representations of Franchisor. Franchisor represents and warrants that **(a)** Franchisor is duly organized and validly existing under the law of the state of its formation; **(b)** Franchisor is duly qualified and authorized to do business in each jurisdiction in which its business activities or the nature of the properties it owns requires such qualification; and **(c)** the execution of this Agreement and the performance

**THE LITTLE GYM®
DEVELOPMENT AGREEMENT**

**ATTACHMENT A
GLOSSARY OF ADDITIONAL TERMS**

“**Affiliate**” means any entity that is wholly or partly owned by another entity, that shares common ownership with another entity, or that has an ownership interest in another entity.

“**Business Entity**” means a corporation, limited liability company, limited partnership, or other entity created pursuant to statutory authority.

“**Competitive Business**” means any business or enterprise that is the same or similar to The Little Gym businesses, including without limitation any business or enterprise, franchised and non-franchised, that operates or grants franchises or licenses for the operation of a business that provides physical fitness, recreational gymnastic, motor skills development and other programs for children.

“**Confidential Information**” means all information, knowledge, elements, trade secrets, and know-how utilized or embraced by the System, or which otherwise concerns Franchisor’s systems of operation, programs, services, products, customers, practices, materials, books, records, financial information, manuals, computer files, databases, or software; including, but not limited to: the Standards and all elements of the System and all products, services, equipment, technologies, policies, standards, requirements, criteria, and procedures which now or in the future are a part of the System; all information contained in the Manual, including supplements to the Manual; Franchisor’s standards and specifications for product preparation, packaging, and service; all specifications, sources of supply, all procedures, systems, techniques and activities employed by Franchisor or by you in the offer and sale of products and/or services at or from the Franchised Business premises; all pricing paradigms established by Franchisor or by you; all of Franchisor’s and/or your sources, or prospective sources, of supply and all information pertaining to same, including wholesale pricing structures, the contents of sourcing agreements, and the identity of vendors and suppliers; Franchisor’s specifications, and your final plans, for the construction, buildout, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Franchised Business premises; the identify of, and all information relating to, the computer and POS hardware and software utilized by Franchisor and you; all information and data pertaining to Franchisor’s and/or your advertising, marketing, promotion, and merchandising campaigns, activities, materials, specifications and procedures; all customer lists and records generated and/or otherwise maintained by your Franchised Business; all internet/web protocols, procedures, and content related to the System and your Franchised Business; Franchisor’s training and other instructional programs and materials; all elements of Franchisor’s recommended staffing, staff training, and staff certification policies and procedures; all communications between you and Franchisor, including the financial and other reports you are required to submit to Franchisor under this Agreement; additions to, deletions from, and modifications and variations of the components of the System and the other systems and methods of operations which Franchisor employs now or in the future; all other knowledge, trade secrets, or know-how concerning the methods of operation of your Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of operation under the terms of the Franchise Agreement; and all other information, knowledge, and know-how which either Franchisor or its Affiliates, now or in the future, designate as “Confidential Information.”

“**Controlling Interest**” means: **(a)** if you are a corporation or a limited liability company, that the Owners, either individually or cumulatively **(i)** directly or indirectly own ~~at least 50%~~ **more than 20%** of the shares of each class of the developer entity’s issued and outstanding capital stock or membership units, as applicable; and **(ii)** are entitled, under its governing documents and under any agreements among the Owners, to cast a sufficient number of votes to require such entity to take or omit to take any action which such entity is

required to take or omit to take under this Agreement; or **(b)** if you are a partnership, that the Owners **(i)** own ~~at least 51%~~ more than 20% interest in the operating profits and operating losses of the partnership as well as ~~at least 51%~~ more than 20% ownership interest in the partnership (and ~~at least 51%~~ more than 20% interest in the shares of each class of capital stock of any corporate general partner); and **(ii)** are entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.

“Copyrighted Works” means works of authorship which are owned by Franchisor and fixed in a tangible medium of expression including, without limitation, the content of the Manual, the design elements of the Proprietary Marks, Franchisor’s product packaging and advertising and promotional materials, and the content and design of Franchisor’s Web site and advertising and promotional materials.

“Development Area Name,” as defined on the Summary Page, shall mean the general identifying name for the Developer’s Development Area, and does not endow any greater area than the Development Area map identified in Attachment B.

“Development Period” means each of the time periods indicated on Attachment B during which you shall have the right and obligation to construct, equip, open and thereafter continue to operate The Little Gym businesses.

“Force Majeure” means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which you could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with you by any lender, landlord, or other person shall be an event of Force Majeure under this Agreement, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. Your financial inability to perform or your insolvency shall not be an event of Force Majeure under this Agreement.

“Franchise Agreement” means the form of agreement prescribed by Franchisor and used to grant to you the right to own and operate a single The Little Gym business, including all attachments, exhibits, riders, guarantees or other related instruments, all as amended from time to time. A current form of Franchise Agreement is attached to the current franchise disclosure document, which shall be used for the first Unit. Franchisor reserves the right to modify this form and issue then-current form of franchise agreement under its then-current franchise disclosure document at the time you are ready to develop the second and any subsequent Units.

“Owner” means you if you are an individual, or each individual or entity holding more than a ten percent or greater equity interest in you if you are a Business Entity (regardless of voting rights), and the individual(s) or entity(ies) that enter into the Development Agreement if you are a Business Entity. It includes all officers, directors, and shareholders of a corporation, all managers and members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust. If any Owner is a Business Entity, then the term “Owner” also includes the Owners of that Business Entity.

EXHIBIT H
TO THE LITTLE GYM
FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

Unaudited Balance Sheet of Unleashed Brands, LLC as of March 31, 2024 and Unaudited Profit and Loss Statement for the period from January 1, 2024 to March 31, 2024

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION TO THE CONTENT OR FORM.

UNLEASHED BRANDS, LLC AND SUBSIDIARIES
BALANCE SHEET (Unaudited)
AS OF MARCH 31, 2024
(In thousands)

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 19,495
Investments—At fair value	6,645
Accounts receivable—Net	21,713
Inventory	1,307
Deferred attraction costs	15,637
Deferred initial franchise fee costs—Current	1,122
Deferred income taxes	181
Prepays and other current assets	8,344
Total current assets	74,444
DEFERRED INITIAL FRANCHISE FEE COSTS—Net of current maturities	19,399
OPERATING LEASE RIGHT-OF-USE ASSET—Net	38,283
PROPERTY AND EQUIPMENT—Net	8,245
GOODWILL—Net	4,030
INTANGIBLE ASSETS—Net	2,737
OTHER ASSETS—Net	845
RECEIVABLE FROM AFFILIATED ENTITIES—Net	100,599
TOTAL ASSETS	\$ 248,582
 LIABILITIES AND MEMBERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable	\$ 4,071
Accrued liabilities	15,722
Operating lease liability—Current	5,473
Marketing funds	484
Deferred attractions revenues	10,458
Deferred franchise fee revenues—Current	7,132
Unpaid insurance losses and loss adjustment expenses	9,275
Unearned insurance premium	58
Total current liabilities	52,673
OPERATING LEASE LIABILITY—Net of current portion	41,733
CONTRACT LIABILITIES—Net of current portion	54,036
Total Liabilities	148,442
 MEMBERS' EQUITY	
Cumulative earnings	100,140
Total members' equity	100,140
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 248,582

UNLEASHED BRANDS, LLC AND SUBSIDIARIES
 STATEMENTS OF OPERATIONS (Unaudited)
 For the Three Months Ended March 31, 2024
 (In Thousands)

REVENUES	
Royalty revenues	\$ 19,414
Attraction revenues	8,079
Merchandise revenues	2,327
Company-owned unit revenues	4,728
Franchise fee revenues	1,267
Marketing fund revenues	7,047
Net earned insurance premiums	91
Other revenues	<u>4,869</u>
Total revenues	<u>47,822</u>
OPERATING EXPENSES	
Attraction costs	5,142
Company-owned unit costs	4,243
Marketing fund costs	7,047
Salaries and wages	7,707
Incurred insurance losses and loss adjustment expenses	84
Selling, general, and administrative	6,076
Depreciation and amortization expense	<u>490</u>
Total operating expenses	<u>30,789</u>
INCOME FROM OPERATIONS	17,033
OTHER INCOME—NET	<u>313</u>
INCOME BEFORE FEDERAL TAX (EXPENSE)	17,346
Federal tax (expense)	<u>(33)</u>
Net income	<u><u>\$ 17,313</u></u>

**EXHIBIT I
TO THE LITTLE GYM
FRANCHISE DISCLOSURE DOCUMENT**

**CURRENT FRANCHISEES AND DEVELOPERS, FORMER FRANCHISEES AND
DEVELOPERS, AND AFFILIATE OWNED LOCATIONS**

CURRENT LIST OF OPEN OPERATING FRANCHISED LOCATIONS
AS OF DECEMBER 31, 2022/2023

Franchise Name	Address	City, State, Zip	Gym Phone	Owner
The Little Gym of Huntsville	3030 South Memorial Parkway, Suite A106	Huntsville, AL 35802	256-883-9484	Corey & Ivy Hernandez
The Little Gym of Cave Creek	29455 North Cave Creek Road, Suite 102	Cave Creek, AZ 85331	480-581-1202	MarDan Gym, LLC
The Little Gym of Gilbert	538 South Gilbert Road, Suite 109	Gilbert, AZ 85296	480-855-7766	Little Stars, LLC
The Little Gym of Litchfield Park	319 North Litchfield Road., Suite 104B	Goodyear, AZ 85338	623-535-5222	Our Special Place, LLC
The Little Gym of Paradise Valley	4225 East Windrose Drive, Suite 110	Phoenix, AZ 85032	480-381-6683	Alstroemeria, LLC
The Little Gym of Queen Creek	20736 East Victoria Lane, Suite 106	Queen Creek, AZ 85142	480-406-3009	SCFoust, LLC
<u>The Little Gym of Scottsdale</u>	<u>14891 N. Northsight Blvd, Suite 127</u>	<u>Scottsdale, AZ 85260</u>	<u>480-687-7859</u>	<u>MarDan TLG, Inc.</u>
<u>The Little Gym of North Fayetteville</u>	<u>745 E. Joyce, Suite 110</u>	<u>Fayetteville, AR 72703</u>	<u>479-485-1223</u>	<u>Brantley Bear, LLC</u>
The Little Gym of Little Rock	1121 South Bowman Road, Suite C-1	Little Rock, AR 72211	501-512-1021	Something Big, Inc.
The Little Gym of Rogers	2603 West Pleasant Grove Road, Suite 118	Rogers, AR 72758	479-262-9059	Travis & Autumn Mitchell & Chris Trout
The Little Gym of Anaheim Hills	5573 East Santa Ana Canyon Road	Anaheim Hills, CA 92807	657-282-0048	OC Kids Movement, LLC
The Little Gym of Brentwood	3850 Balfour Road, Suite K	Brentwood, CA 94513	925-634-0034	L3 Fitness Made Fun, Inc
The Little Gym of Clovis	3711 Shaw Avenue, Suite 102	Clovis, CA 93619	559-663-8594	WTG Unlimited, Inc.
The Little Gym of Fresno (Northeast)	9525 North Summerville Drive, Suite 109	Fresno, CA 93720	559-663-8611	Jami & Todd Graham
The Little Gym of La Canada/La Crescenta	2196 Foothill Boulevard, Suite A	La Canada, CA 91011	818-249-4496	Super Kids Fitness, Inc -
The Little Gym of Lakewood	4042 Hardwick Street	Lakewood, CA 90712	562-239-4416	Fitness for Kids, Inc
The Little Gym of Millbrae	1395 El Camino Real, Suite C	Millbrae, CA 94030	650-244-9466	Coccola, Corp - <u>Lisa Chuang and Alessio Lisi</u>
The Little Gym of Morgan Hill	15750 Vineyard Boulevard, Suite 190	Morgan Hill, CA 95037	408-776-8125	KFG Franchise Management, LLC
The Little Gym of Mountain View	1910-F West El Camino Real	Mountain View, CA 94040	650-961-8100	Verann, Inc
The Little Gym of Riverside	9900 Indiana Avenue, #12	Riverside, CA 92503	951-785-5966	E & C Zomalt, Inc

CURRENT LIST OF OPEN OPERATING FRANCHISED LOCATIONS
AS OF DECEMBER 31, 2022

The Little Gym of Evergreen	4878 San Felipe Road, Ste. 130	San Jose, CA 95135	408-728-8384	Kurt & Carol Kromer
The Little Gym of San Jose (South)	1375 Blossom Hill Road, Suite 36	San Jose, CA 95118	408-915-5872	Liliana's Gym, Inc— Janice & Dave Morreira
The Little Gym of Stevens Creek	5128 Stevens Creek Blvd.	San Jose, CA 95129	408-479-9647	Jauregui Family Gymnastics, Inc.
The Little Gym of Simi Valley	1778 Erringer Road	Simi Valley, CA 93065	805-527-7367	Evan Clause
The Little Gym of Torrance	21203A Hawthorne Boulevard	Torrance, CA 90503	310-543-2333	Fitness for Kids, Inc
The Little Gym of Colorado Springs	9625 Prominent Point	Colorado Springs, CO 80924	719-447-9153	TLG of Colorado Springs, LLC
The Little Gym of Park Meadows	8600 Park Meadows Drive, Suite 750	Lone Tree, CO 80124	303-285-0104	The William Stuart Company, Inc
The Little Gym of Fort Collins/Timnath	4650 Signal Tree Drive, Building A, Unit 1500	Timnath, CO 80547	970-364-9942	Unicorn Magic Enterprises, LLC
The Little Gym of Westminster	10141 Wadsworth Parkway, Unit 300	Westminster, CO 80021	303-427-6688	Gym Dandy, LLC
The Little Gym of Wilmington	4758A Limestone Road	Wilmington, DE 19808	302-998-5422	Sahaz Kids, LLC
The Little Gym of Boca/Delray	15280 Jog Road Suite E Village Center	Delray Beach, FL 33446	561-637-9992	MHMLTG, Inc
The Little Gym of Fort Myers	13211 McGregor Blvd., Suite 103-104	Fort Myers, FL 33919	239-362-0335	KidzStrong, LLC
The Little Gym of Fruit Cove	2570 Race Track Road, Suite F	Fruit Cove, FL 32259	904-640-9804	TLG St. Johns LLC
The Little Gym of Lake Nona	14152 Narcoossee Road, Suite 350	Orlando, FL 32832	(407)- 772-6662	Nana Gym Lake Nona, LLC
The Little Gym of Ocoee	11119 West Colonial Drive	Ocoee, FL 34761	407-395-3495	Sing Play Love, LLC
The Little Gym of Pensacola	10437 Sorrento Road	Pensacola, FL 32507	850-495-1734	Two Munchkinz
The Little Gym of Buford	3310 Buford Drive, Suite 206	Buford, GA 30519	770-904-1806	The Little Gym of North Georgia, LLC
The Little Gym of Decatur	100 Pine St, Suite 106	Avondale Estates, GA 30002	404- 907-4512	J & S Kids, LLC
The Little Gym of Alpharetta/Johns Creek	11585 Jones Bridge Road	John's Creek, GA 30022	404-600-4894	Serious Fun in Alpharetta, LLC
The Little Gym of Snellville	1250 Scenic Highway, Suite 1248	Lawrenceville, GA 30045	770-982-0901	CATAMA Enterprises, Inc
The Little Gym of Smyrna	1290 West Spring Street, Suite 110	Smyrna, GA 30080	770-434-6661	LeafMills, LLC

CURRENT LIST OF OPEN OPERATING FRANCHISED LOCATIONS
AS OF DECEMBER 31, 2022/2023

The Little Gym of Eagle/Meridian	3210 West Chinden, Boulevard, Suite 120	Eagle, ID 83616	(208) 352-6709	TLGID, LLC
The Little Gym of Idaho Falls	3406 South 25th East	Idaho Falls, ID 83404	208-449-1807	TKTLG, LLC—Tori Cain
The Little Gym of Chicago	3216 North Lincoln Avenue	Chicago, IL 60657	773-525-5750	The Little Gym of Chicago, Inc
The Little Gym of Glenview	1368 Patriot Boulevard	Glenview, IL 60026	847-724-4929	TLG Glenview, LLC
The Little Gym of Springfield	3043 Hedley	Springfield, IL 62704	217-516-3651	Kids in Motion of Springfield, LLC
The Little Gym of Carmel	271 Merchants Square Drive., A-106	Carmel, IN 46032	317-401-6493	Kaleidoscope Investments, Inc.
The Little Gym of Kansas City Prairie Village	6931 Tomahawk Road	Prairie Village, KS 66208	913-259-7175	KC Triple H, LLC
The Little Gym of Lexington East	3101 Richmond Road, Suite 309	Lexington, KY 40509	859-266-2266	JMMT Enterprises, Inc.
The Little Gym of Baton Rouge	5735 Essen Lane, Suite 100	Baton Rouge, LA 70809	225-427-9019	Erin Ely
The Little Gym of Lafayette	4422F Ambassador Caffery Parkway	Lafayette, LA 70506	337-595-2978	Segura's Prosperity Investments, Inc
The Little Gym of Lake Charles	1301 East McNeese Street, Suite 201	Lake Charles, LA 70607	337-419-1903	JC Savant Enterprises LLC
The Little Gym of Columbia	10101 Twin Rivers Road, Suite 112	Columbia, MD 21044	410-910-6618	Shylo, LLC
The Little Gym of Gaithersburg at Downtown Crown	116 Ellington Blvd	Gaithersburg, MD 20878	301-216-0465	ForKids Enterprises, LLC
The Little Gym of Olney	18217 Village Center Drive	Olney, MD 20832	301-570-9310	Blue Zone Yoga, LLC
The Little Gym of Cherry Hill	5 Cherry Hill Drive	Danvers, MA 01923	978-777-7977	Jonathan & Amy Selley
The Little Gym of Littleton	222 Great Road, Suite 1	Littleton, MA 01460	978-952-6600	David & Leslie Smith
The Little Gym of Medway	74 Main Street	Medway, MA 02053	508-213-8432	Medway TLG, LLC—
The Little Gym of West Boylston	342 West Boylston Street, Suite #342b	West Boylston, MA 01583	508-232-7678	BeFree Enterprises, LLC
The Little Gym of Westborough	400 Union Street, Suite 101	Westborough, MA 01581	508-444-5053	Roaring Twenties Enterprises, LLC
The Little Gym of Woburn	260 West Cummings Park	Woburn, MA 01801	781-933-3388	Jamswin, Inc
The Little Gym of Kalamazoo	408 W. Centre Street, Suite B	Portage, MI 49024	269-321-8799	Hailey Bug, LLC
The Little Gym of Fenton	18 Fenton Plaza	Fenton, MO 63026	636-343-5169	Peather, LLC—Heather & Peter Maurer
The Little Gym of South County	434 South County Center Way	St. Louis, MO 63129	314-487-1993	Leslee & Daniel Martin
The Little Gym of St. Charles	7347 Mexico Road	St. Peters, MO 63376	636-203-8249	BREJ, LLC

CURRENT LIST OF OPEN OPERATING FRANCHISED LOCATIONS
AS OF DECEMBER 31, 2022/2023

The Little Gym of Kansas City North Parkville	6120 NW 63rd Terrace, Unit 23	Kansas City, MO 64151	816-287-4602	K&R Fitness, LLC
The Little Gym of Aberdeen	1121 Route 34, Suite O	Aberdeen, NJ 07747	732-772-0060	MKJ Ventures, Inc
The Little Gym of East Greenwich	121 Berkley Road	Clarksboro, NJ 08020	856-322-2040	Total Kids, Inc
The Little Gym of Hamilton	410 Marketplace Boulevard	Hamilton, NJ 08691	609-585-0594	Bear Walks & Back Flips Enterprise
The Little Gym of Montgomery/Hillsborough	133 Stryker Lane	Hillsborough, NJ 08844	908-420-9440	Joyful Kids, LLC
The Little Gym of Jersey City	380 Newark Avenue, Units 101 & 102	Jersey City, NJ 07302	201-222-6209	Serious Fun Sporecies, LLC
The Little Gym of Roxbury	470 Rte 10 West	Ledgewood, NJ 07852	973-537-0990	DMC Dancers, LLC - Danielle & George Mikolay
The Little Gym of Marlton	117B Route 73 South	Marlton, NJ 08053	856-810-0010	Happy Handstands, Inc
The Little Gym of Montclair	1 Greenwood Avenue, Suite 3	Montclair, NJ 07042	973-744-1002	FitKids, LLC
The Little Gym of Scotch Plains	1766 Route 22 East	Scotch Plains, NJ, 07076	908-367-3614	Bob Greenberg
The Little Gym of Sea Girt	2100 Hwy 35, Unit 8	Sea Girt, NJ 08750	732-292-9750	BMC Fitness, LLC
The Little Gym of Summit	545 Morris Avenue	Summit, NJ 07901	908-367-3708	Summit Skills Corp
The Little Gym of Washington Township	5501 Route 42	Turnersville, NJ 08012	856-228-2818	MAB Fitness, Inc
The Little Gym of Waldwick	28 Franklin Turnpike	Waldwick, NJ 07463	201-445-4444	Freeman Fitness, Inc
The Little Gym of Wayne	1659 Route 23 South	Wayne, NJ 07470	973-305-0600	R Monacelli Group, LLC
The Little Gym of West Windsor	217 Clarksville Road	West Windsor, NJ 08550	609-799-7776	Fun & Fitness, Inc
The Little Gym of Albuquerque	8201 Golf Course Road NW, Suite B-1	Albuquerque, NM 87120	505-897-0496	Deidra & Jonathan Gallegos
The Little Gym of Bay Ridge Bensonhurst	8681 18th Avenue	Brooklyn, NY 11214	718-260-6152	LMMB Enterprises Corp
The Little Gym of Brooklyn Heights	221 Atlantic Avenue	Brooklyn, NY 11201	718-488-7744	Pierrepont Playground, Inc
The Little Gym of Dumbo	75 Front Street	Brooklyn, NY 11201	718-722-7110	Choong & Kimberly Kim
The Little Gym of Perinton Pittsford	6720 Pittsford - Palmyra Road	Fairport, NY 14450	585-223-6680	With a Y Enterprises, LLC
The Little Gym of Huntington	38 Gerard Street	Huntington, NY 11743	631-676-9444	Jack & Ruby Enterprises, Inc
The Little Gym of Kingston	1200 Ulster Avenue, Kings Mall	Kingston, NY 12401	845-382-1020	Sadies Babies, LLC
The Little Gym of Levittown	2890 Hempstead Turnpike	Levittown, NY 11756	516-520-4455	TJC Group, LLC
The Little Gym of Colonie	471 Albany Shaker Rd.	Loudonville, NY 12211	518-729-3230	Sadies Babies 2, LLC
The Little Gym of Tribeca	124 Hudson Street	New York, NY 10013	212-941-9300	Pierrepont Partners Corp

CURRENT LIST OF OPEN OPERATING FRANCHISED LOCATIONS
AS OF DECEMBER 31, 2022/2023

The Little Gym of Upper Westside	2121 Broadway, Between 74 th and 75 th Street, 2 nd Floor	New York, NY 10023	212-799-1225	Kid Fit IV, LLC
The Little Gym of Port Washington	979 Port Washington Boulevard	Port Washington, NY 11050	516-513-0600	Annie & Garriek Young
The Little Gym of Saratoga	9 Hampstead Place, Suite 102	Saratoga Springs, NY 12866	518-801-9139	Kathryn & Jim Pellett
The Little Gym of Searsdale	777 White Plains Road	Searsdale, NY 10583	914-722-0072	Kid Fit, Inc
The Little Gym of Smithtown	70 East Main Street	Smithtown, NY 11787	631-360-7777	LG Huntington, Inc
The Little Gym of Williamsville	8175 Sheridan Drive, Building 2 Suite 500	Williamsville, NY 14221	716-475-4433	PJD Development, LLC
The Little Gym of Asheville	10 Crispin Court, Suite 104	Asheville, NC 28803	828-747-2239	SWLC, LLC
The Little Gym of Raleigh/Cary	958 High House	Cary, NC 27513	919-481-6701	Fit Tator Tots III, LLC
The Little Gym of Charlotte on Providence	2935 Providence Rd., Ste. 206	Charlotte, NC 28211	704-702-2898	Tuck and Roll, LLC
The Little Gym of Fayetteville	4011 Sycamore Dairy Rd., Suite 105	Fayetteville, NC 28303	910-223-3496	Verigo Holdings of Tampa, Inc
The Little Gym of Greensboro	3369 Battleground Avenue	Greensboro, NC 27410	336-545-1117	Bright Mor, LLC
The Little Gym of Huntersville/Lake Norman	9810 Gilead Road, Suite A-101	Huntersville, NC 28078	704-948-7665	Lake Norman Kids Roll, LLC
The Little Gym of Jacksonville	1092 Hampton Inn Way, Suite 00	Jacksonville, NC 28546	910-358-7260	Fox Family, LLC
The Little Gym of North Raleigh/Wake Forest	8320 Litchford Road, Ste. 166	Raleigh, NC 27615	919-846-9760	Park Mor, LLC
The Little Gym of Wilmington	132 Racine Drive, Unit 1	Wilmington, NC 28403	910-799-3771	Fit Tator Tots, LLC
The Little Gym of Avon	37450 Colorado Avenue (Route 611)	Avon, OH 44011	440-934-0494	Katie & Ante Tomicic and Kyle & Jerry Sloan
The Little Gym of Polaris	8645 Sancus Boulevard	Columbus, OH 43240	614-430-3355	Francie & Kevin Fields
The Little Gym of Mason	8201 Arbor Square Drive	Mason, OH 45040	513-204-1400	JMMT Enterprises, Inc
The Little Gym of Rocky River	19885 Center Ridge Road	Rocky River, OH 44116	440-331-5151	BKM Management Company, LLC
The Little Gym of Brecksville/Sagamore	419 West Aurora Road	Sagamore Hills, OH 44067	330-467-5050	BKM Management Company, LLC
The Little Gym of Shaker Heights	20707 Chagrin Boulevard	Shaker Heights, OH 44122	216-752-9049	Children's Fun Fitness, Inc
The Little Gym of SE Tulsa	6556 East 91st Street	Tulsa, OK 74133	918-492-2626	Aaron & Terry Kindred
The Little Gym of Corvallis	958 NW Circle Boulevard, Suite A	Corvallis, OR 97330	541-753-0950	DKTAYLORS, LLC
The Little Gym of Lake Oswego	5820 Jean Road	Lake Oswego, OR 97035	503-595-9702	COMTaylor, LLC

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The Little Gym of Abington	821 Homestead Rd.	Jenkintown, PA 19046	215-886-3300	MAKOAB, LLC
The Little Gym of Vermillion Square	8919 New Falls Road	Levittown, PA 19054	215-741-1001	TLG Langhore LLC
The Little Gym of Hatfield	2333 Welsh Road, Suite C8	Lansdale, PA 19446	215-839-8949	Fun & Skills, Inc
The Little Gym of Pittsburgh South Hills	3909 Washington Road, Suite 205	McMurray, PA 15317	724-941-0100	The Kids Are Alright, Inc
The Little Gym of Spring House	909 North Bethlehem Pike, P.O. Box 804	Spring House, PA 19477	215-793-4883	Nittany Hearts, Inc. – Mitchell & Toby Kantrowitz
The Little Gym of Florence	1945 West Palmetto Street, Suite 115	Florence, SC 29501	843-676-9001	Shaan Properties, LLC
The Little Gym of Greenville	1607 Laurens Road, Suite 102	Greenville, SC 29607	864-772-3887	Kartwheels & Moonbeams, Inc.
The Little Gym of Charleston – Mt. Pleasant	624 E Long Point Road	Mt. Pleasant, SC 29464	843-881-8988	Scoot Mor, LLC
The Little Gym of Summerville	1201 Old Trolley Road, Suite C	Summerville, SC 29485	843-851-2950	Carolina Fitness Group, LLC
The Little Gym of W. Knoxville – Farragut	215 Brooklawn Street	Farragut, TN 37934	865-966-4386	Huds Mor, LLC – Gerald, Martha & Richard Moore and Karalyne Ley
The Little Gym of Germantown	6645 Poplar Avenue, Unit 103	Germantown, TN 38138	901-755-1323	FGK Enterprises, Inc
The Little Gym of Alamo Heights	5320 Broadway	Alamo Heights, TX 78209	210-822-9252	Natalie Russell
The Little Gym of South Austin	2716 West William Cannon Drive	Austin, TX 78745	512-899-3456	South Austin TLG, LLC – Cindy & Billy Baschnagel
The Little Gym of Mockingbird/Abrams	6465 E. Mockingbird Lane, Suite 410	Dallas, TX 75214	214-515-0800	TKJB, Inc
The Little Gym of Preston & Forest	11909 Preston Road, #1442	Dallas, TX 75230	972-644-7333	TKJB, Inc
The Little Gym of El Paso	6351 South Desert Boulevard, Bldg A, Suite 215	El Paso, TX 79932	915-224-1577	Adventure Land, LLC
The Little Gym of Ft. Worth (Southwest)	6080 South Hulen Street, Suite 100	Fort Worth, TX 76132	817-346-9655	CHK Management Company, LLC
The Little Gym of Friendswood	400 West Parkwood, Suite 108	Friendswood, TX 77546	281-895-1597	TLG of Friendswood, LLC
The Little Gym of Houston Bellaire	8415 Stella Link	Houston, TX 77025	713-714-2990	K2 Gym, Inc
The Little Gym of Houston Copperfield	8488 Highway 6 N	Houston, TX 77095	281-547-2527	Little Gym Copperfield LLC
The Little Gym of Houston Memorial	14090 B Memorial Drive	Houston, TX 77079	281-558-9500	KWC Enterprises, LLC
The Little Gym of Houston Heights	1501 West 18th Street	Houston, TX 77008	713-909-3642	Four K Gym Ventures, Inc
The Little Gym of Katy	23010 A Highland Knolls	Katy, TX 77494	281-545-7864	Little Gym Katy East, LLC
The Little Gym of Keller	859 Keller Parkway	Keller, TX 76248	817-562-4466	Wandering Funny Bug, LLC

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The Little Gym of Lubbock	5217 98th Street	Lubbock, TX 79424	806-318-5084	Doof, LLC
The Little Gym of Arlington/Mansfield	1724 East Broad Street, Unit 108	Mansfield, TX 76063	817-465-9296	Song and Dance, LLC
The Little Gym of Midland	4400 W Loop 250 N, Suite 103	Midland, TX 79707	432-201-4605	TLG of Midland Texas, LLC
The Little Gym of Pearland	9607 Broadway, Suite 105	Pearland, TX 77584	713-936-9780	Little Gym Pearland, LLC
The Little Gym of Plano	5813 Preston Road, Suite 574	Plano, TX 75093	972-985-4545	GiaSa, LLC; Avinash Gulati
The Little Gym of Rockwall	2881 Market Center Drive	Rockwall, TX 75032	469-769-1190	Melissa & Russell English
The Little Gym of Round Rock	3203 South I 35 Frontage Road, Suite 590	Round Rock, TX 78664	512-522-4539	Little Gym Round Rock, LLC
The Little Gym of North Fort Worth	900 N. Bluemound Rd. Ste 100	Saginaw, TX 76131	817-996-3691	Alliance TLG, LLC
The Little Gym of North San Antonio	12730 NW Military Highway, Suite 106	San Antonio, TX 78231	210-545-3770	Arael "Adi" & Magdalena Mata
The Little Gym of The Woodlands	17947 I 45 Frontage Road, #214	Shenandoah, TX 77385	281-262-3573	Little Gym The Woodlands LLC
The Little Gym of Spring	8714 Spring Cypress, Suite 110	Spring, TX 77379	281-547-2508	Squared K Investments, Inc
The Little Gym of Sugar Land/Missouri City	3571 Highway 6	Sugar Land, TX 77478	281-277-5470	Munchkin Ent., LLC
The Little Gym of Tomball	28469 Tomball Parkway, Suite 8	Tomball, TX 77375	281-318-1654	Little Gym Tomball, LLC
The Little Gym of Waxahachie	1107 Ferris Avenue, Suite 100	Waxahachie, TX 75165	469-716-4829	Little Gym Waxahachie LLC
The Little Gym of Draper	12332 South 450 E	Draper, UT 84020	801-797-0021	JH Industries, Inc
The Little Gym of Cottonwood Heights	7813 South Highland Drive	Cottonwood Heights, UT 84121	801-448-6981	Smith 22, LLC
The Little Gym of Salt Lake City	1400 South Foothill Drive, Suite 250	Salt Lake City, UT 84108	801-876-5323	Fitkids, LLC—Betsy Miller
The Little Gym of Alexandria at Huntley Meadows	6911 Telegraph Road	Alexandria, VA 22310	703-971-4386	Pelosi, LLC
The Little Gym of Arlington	2209 N. Pershing Drive	Arlington, VA 22201	703-201-1058	Kid Power Clarendon, LLC
The Little Gym of Chesapeake	237 Hanbury Road E, Suite 27	Chesapeake, VA 23322	757-919-4451	Barefoot Tumbling of Chesapeake, LLC
The Little Gym of Dulles Landing	24570 Dulles Landing Drive	Dulles, VA 20166	703-327-3800	Kid Power Arlington, LLC
The Little Gym of Virginia Beach	3312 Princess Anne Rd, Suite 825	Virginia Beach, VA 23456	757-919-4396	Barefoot Tumbling of VB, LLC
The Little Gym of Winchester	3107 Valley Avenue, Suite 102	Winchester, VA 22601	540-824-3851	Serious Fun, Inc
The Little Gym of Alderwood	19312 60 th Avenue West, Suite D	Lynnwood, WA 98036	425-776-7121	RBCH Ventures, LLC
The Little Gym of	1800 130th	Bellevue, WA 98005	425-885-3866	Lucky Gym, LLC

CURRENT LIST OF OPEN OPERATING FRANCHISED LOCATIONS
AS OF DECEMBER 31, 20222023

Bellevue-Redmond	Avenue NE			
The Little Gym of Everett	7207 Evergreen Way, Suite R	Everett, WA 98203	425-348-4848	Charlene & Matthew Riechenburg and Brittany Stermer
The Little Gym of Federal Way	1414 South 324th Street B110	Federal Way, WA 98003	253-529-0309	Sarah & Will Whittington
The Little Gym of Issaquah	82 Front Street South	Issaquah, WA 98027	425-837-1414	Gym Kids Co.
The Little Gym of Maple Valley	27317 Maple Valley Black Diamond Rd, Ste A106	Maple Valley, WA 98038	425-584-7415	Sarah & Will Whittington
The Little Gym of Olympia	3315 Pacific Avenue Southeast, A2	Olympia, WA 98501	360-865-5793	Little Adventures, LLC
The Little Gym of Puyallup	10404 156th Street E, #104	Puyallup, WA 98374	253-435-7400	8 Wonders, LLC
The Little Gym of Kent	290 Southwest 43rd Street	Renton, WA 98057	425-656-0737	Sarah & Will Whittington
The Little Gym of Seattle at Interbay	2213 15th Avenue West	Seattle, WA 98119	206-397-3794	Interbay Kids Fitness, Inc.
The Little Gym of Seattle at Maple Leaf	8830 Roosevelt Way NE	Seattle, WA 98115	206-524-2623	Total Child Development, Inc.
The Little Gym of West Seattle	7025 California Avenue SW	Seattle, WA 98136	206-937-0311	Gym Stars Co.
The Little Gym of Vancouver	3000 Southeast 164th Avenue, Unit 111	Vancouver, WA 98683	360-828-8492	Evergreen Futures, LLC
The Little Gym on Capitol Hill	625 Pennsylvania Ave SE	Washington, DC 20003	(202) 450-1175	Kid Power Capitol Hill, LLC
The Little Gym of Middleton	1920 Cayuga Street	Middleton, WI 53562	608-836-3028	Dorris Family Enterprises, Inc - Jackie & Matt Dorris

LIST OF CURRENT DEVELOPERS
AS OF DECEMBER 31, 20222023

NAME	CITY, STATE	CONTACT INFORMATION
<u>Deep Sutaria, Ejas Morabia and Mayur Nagarsheth</u>	<u>Dublin-Pleasanton, California</u>	<u>805-453-1162</u>
<u>Lilia Gharibian</u>	<u>Granada Hills, California</u>	<u>818-515-7988</u>
<u>John and Deena Murphy</u>	<u>Odessa, Florida</u>	<u>352-952-3062</u>
<u>Jeffrey and Christina Olson</u>	<u>Sarasota, Florida</u>	<u>773-230-8645</u>
<u>Brent Macon</u>	<u>Midtown, Georgia</u>	<u>404-281-2321</u>
<u>Madison Irlbeck and Matthew Wendel</u>	<u>Clive, Iowa</u>	<u>712-790-0511</u>
<u>Kylee Stef</u>	<u>Summerlin, Nevada</u>	<u>940-235-7541</u>
<u>Masha Lavie and Yaroslav Shkolnik</u>	<u>Englewood, New Jersey</u>	<u>917-822-4230</u>
<u>Joshua Runfola</u>	<u>Ballantyne, North Carolina</u>	<u>704-622-7619</u>
<u>Thomas and April Payne</u>	<u>Cincinnati East, Ohio</u>	<u>513-403-6462</u>

CURRENT LIST OF OPEN OPERATING FRANCHISED LOCATIONS
AS OF DECEMBER 31, ~~2022~~2023

NAME	CITY, STATE	CONTACT INFORMATION
<u>Joshua and Annette Hixson</u>	<u>Murfreesboro, Tennessee</u>	<u>615-751-7722</u>
Michael Seven	Nashville, Tennessee	503-869-2813
Mark Smith	Aledo, Texas	817-614-2946
<u>Nathan and Kelly Barrett</u>	<u>College Station, Texas</u>	<u>979-324-7039</u>
Cody Herndon	Dallas McKinney, Texas	972-903-9063
<u>Federico Carvallo</u>	<u>Richmond, Texas</u>	<u>713-822-4971</u>
<u>Casey Enders</u>	<u>Manassas, Virginia</u>	<u>571-251-6563</u>

LIST OF CORPORATE OR AFFILIATE-OWNED OUTLETS
AS OF DECEMBER 31, ~~2022~~2023

NAME	ADDRESS	PHONE
FM Snap TLGI, LLC	5801 Long Prairie Rd Suite 380, Flower Mound, TX 75028	(972) 325-6683
FM Snap TLGI, LLC ¹	5805 Buckeystown Pike, Frederick, MD 21704	(301) 696-1616

Note 1: This location has been temporarily closed since its acquisition.

**FRANCHISE AGREEMENT SIGNED BUT LOCATION NOT YET OPENED
AS OF DECEMBER 31, ~~2022~~2023**

Owner	City	State	Phone
Dan Michael Drummond and Marla Bradbury	Scottsdale	AZ	682-329-5455
Brantley Bear MKB 65, LLC – Travis <u>Meghan Bright</u> and Autumn Mitchell and Chris Trout – <u>Kenneth Bright Jr</u>	Fayetteville <u>Glendale at Arrowhead</u>	AR <u>AZ</u>	479-485-1223 <u>928-380-2843</u>
Super Kids Fun, Inc – Gina and Karl Jablinsky <u>Lift Your Wings LLC</u> – <u>Tiffany and Timothy Wing</u>	San Marino <u>Elk Grove</u>	CA	682-898-2054 <u>832-212-7900</u>
<u>Gina and Karl Jablinsky</u>	<u>Burbank</u>	<u>CA</u>	<u>682-898-2054</u>
<u>Tejas Morabia, Deep Sutaria, and Mayur Nagarsheth</u>	<u>Dublin-Pleasanton</u>	<u>CA</u>	<u>805-453-1162</u>
<u>Cedeno Family Gymnastics, Inc</u> – <u>Ceaset Jauregui</u>	<u>Hollister</u>	<u>CA</u>	<u>831-706-8412</u>
<u>Super Kids Fun, Inc</u> - <u>Gina and Karl Jablinsky</u>	<u>Monrovia</u>	<u>CA</u>	<u>682-898-2054</u>
<u>Keiki of Silicon Valley</u>	<u>Milpitas</u>	<u>CA</u>	<u>207-409-5169</u>
<u>The Giraffe Gym, LLC</u> – <u>Annie Kim, Sung Gon Kim and Christine Kim</u>	<u>Costa Mesa</u>	<u>CA</u>	<u>714-801-8777</u>
<u>5280 Cru LLC</u> – <u>Aida and Christopher Cruickshank</u>	<u>Cherry Creek</u>	<u>CO</u>	<u>720-323-2142</u>
<u>TLG of South Springs, LLC</u> – <u>Valerie and Andrew Prescott</u>	<u>South Colorado Springs</u>	<u>CO</u>	<u>719-660-9798</u>
<u>Mitchell S. and Mario B. Greenberg</u> <u>Tiny Tumblers, LLC</u> – <u>Kari Kirkendall</u>	South Boea <u>Raton</u> <u>Louisville</u>	FL <u>CO</u>	561-445-0145 <u>406-351-2331</u>
<u>Malex LWR, LLC</u> – Craig <u>Craig</u> and <u>Amanda Franco</u>	<u>Lakewood Ranch</u>	<u>FL</u>	<u>917-658-9150</u>
<u>The Little Gym South Tampa LLC</u> – <u>Jonathan and Yeon Kim</u>	<u>South Tampa</u>	<u>FL</u>	<u>917-816-4077</u>
<u>Jeffrey Olson and Christina Olson</u>	<u>Sarasota</u>	<u>FL</u>	<u>773-230-8645</u>
<u>John and Dena Murphy</u>	<u>Odessa</u>	<u>FL</u>	<u>352-952-3062</u>
<u>The Ozuna Company</u> – <u>Noelia and Johanna</u> <u>Johana Ozuna</u>	<u>Weston</u>	<u>FL</u>	<u>646-345-2550</u>
<u>TLG Naples LLC</u> – <u>Kara Kover and Patrick Morton</u>	<u>Naples</u>	<u>FL</u>	<u>941-330-7608</u>
<u>The Little Gym of Port Saint Lucie, LLC</u> – <u>Jessica and Jonathan Haffkoss</u>	<u>Port Saint Lucie</u>	<u>FL</u>	<u>727-804-2474</u>
<u>Move with Molly Inc.</u> – <u>Michael Mosby</u>	<u>Brookhaven</u>	<u>GA</u>	<u>312-505-9037</u>
<u>The Little Gym of North Atlanta, LLC</u> – <u>Maryam Emami, Nima Azad, Mehdi Hashemi and Proshat Mehdizad</u> Jane Mills	Decatur <u>East Cobb</u>	<u>GA</u>	567-377-7742 770-265-2097
<u>Darshil and Dhara Patel</u>	<u>Savannah</u>	<u>GA</u>	<u>912-574-9199</u>
The Little Gym of North <u>Marthasville Holdings, LLC</u> – Eric Hayes <u>Brent Macon</u>	Suwanee <u>Midtown</u>	<u>GA</u>	470-736-0001 <u>404-281-2321</u>
<u>Building Block Adventures, LLC</u> – <u>Christina and Donald Ballard</u>	<u>Evans</u>	<u>GA</u>	<u>251-518-1716</u>
<u>Goodwin Gym, LLC</u> – <u>Christopher and Tiffany Goodwin</u>	<u>Coeur d’Alene</u>	<u>ID</u>	<u>208-309-3158</u>
<u>Mavro Ventures LLC</u> – <u>William and Kathryn</u>	<u>Meridian</u>	<u>ID</u>	<u>208-420-3522</u>

<u>Mavromichalis</u>			
<u>Tiny Tumblers, LLC - Stephanie Schwendt</u>	<u>La Grange</u>	<u>IL</u>	<u>269-330-7293</u>
<u>926 Group LLC – Ronald and Kendele Hickombottom</u>	<u>Naperville</u>	<u>IL</u>	<u>847-571-3599</u>
<u>DMC Squared Inc - Mekashia Chenault</u>	<u>Orland Park</u>	<u>IL</u>	<u>847-858-2380</u>
<u>Hadley's Place, LLC – Rylea and Jacob Anderson</u>	<u>Cedar Rapids</u>	<u>IA</u>	<u>402-320-9096</u>
<u>Kids Venture, LLC – Matthew Wendl and Madison Irlbeck</u>	<u>Clive</u>	<u>IA</u>	<u>712-790-0511</u>
<u>Joshua and Colleen Luckey</u>	<u>North Liberty</u>	<u>IA</u>	<u>404-944-0014</u>
<u>KC Triple H, LLC – Carolyn Huggins</u>	<u>Overland Park</u>	<u>KS</u>	<u>913-219-7184</u>
<u>Adventure Bean, LLC - Jodi Williams, Acacia Lamb and Wesley Williams</u>	<u>Portland</u>	<u>ME</u>	<u>256-783-6768</u>
<u>TLG MD LLC – Casey Enders, Kevin Nolan and Rita Cook</u>	<u>Olney/Silver Spring</u>	<u>MD</u>	<u>571-251-6563</u>
<u>Kid Power Capitol Hill KidsFitMD, LLC -- Chad and Tiffany Musson</u>	<u>Washington Bethesda</u>	<u>DCMD</u>	<u>703-795-4111</u>
<u>Three for Three, LLC – Amy and Dennis Reid</u>	<u>Leominster</u>	<u>MA</u>	<u>508-667-0175</u>
<u>Juanita Ray and Dashawn Stewart</u>	<u>Rochester</u>	<u>MI</u>	<u>248-229-6067</u>
<u>Skol Kids, LLC - Jennifer and Brandon Conard</u>	<u>Maple Grove/Otsego</u>	<u>MN</u>	<u>763-291-7852</u>
<u>Bert Tong PNG LLC - Paras Gandhi</u>	<u>Eagan St. Louis Park</u>	<u>MN</u>	<u>612-695-1412 237-9968</u>
<u>Durbin Family Gymnastics, LLC – Kayla and Trinity Durbin Bold Grace Enterprises LLC – Kylee Stef</u>	<u>Chesterfield Summerlin</u>	<u>MO NV</u>	<u>636 940-235-6212 7541</u>
<u>Jodi Williams, Acacia Lamb, Alexander Dornstauder, and Wesley Williams</u>	<u>Nashua</u>	<u>NH</u>	<u>256-783-6768</u>
<u>KidCraze LLC - Masha Lavie and Yaroslav Shkolnik</u>	<u>Englewood</u>	<u>NJ</u>	<u>443-527-1048</u>
<u>LFTF Holdings, LLC - Travis Falli and Lisa Varisco</u>	<u>Newton</u>	<u>NJ</u>	<u>845-551-5582</u>
<u>ZAG TLG LLC</u>	<u>Union</u>	<u>NJ</u>	<u>216-409-2635</u>
<u>Freeman Fitness II Inc. - Jeffrey Freeman</u>	<u>East Bergen County</u>	<u>NJ</u>	<u>201-819-4702</u>
<u>Andrew and Shannon Daoud Four Pack Enterprises LLC – Deanna Caso</u>	<u>Freehold Toms River</u>	<u>NJ</u>	<u>732 310 6350 973-303-2973</u>
<u>E-&C Making Waves LLC – Danielle and George Mikolay</u>	<u>Hasbrouck Heights/Lodi</u>	<u>NJ</u>	<u>201-739-7687</u>
<u>Two Forward Rolls LLC – Judy Danielle and Andrew Otero Timothy Sporic, Catherine Christ, Lori Testa and Jesus and Dana Rios Jessica Caster</u>	<u>Rio Rancho Florham Park</u>	<u>NM NJ</u>	<u>505 730 9008 973-507-6069</u>
<u>Princeton Staerk LLC – Tim and Aviva Steenstrup</u>	<u>West Windsor</u>	<u>NJ</u>	<u>646-425-4144</u>
<u>ABQ TLG, LLC - Brian Garcia</u>	<u>East Albuquerque</u>	<u>NM</u>	<u>979-324-4606</u>
<u>Jeffrey Freeman Phizzy Gymnasium Corp - Glen Rosenthal</u>	<u>Mamaroneck Auburndale</u>	<u>NY</u>	<u>201 819 4702 718-530-2481</u>
<u>Murphdera, K&A Growth Consulting LLC - Alexandra Murphy – Antonio Saltalamacchia and Miguel Madera Kayla Morales</u>	<u>Lynbrook West Hempstead</u>	<u>NY</u>	<u>516 459 1083 718-666-2244</u>
<u>Confident Explorers LLC – Amanda and Eric Stockholm</u>	<u>Clifton Park</u>	<u>NY</u>	<u>570-419-5878</u>
<u>TLG South, LLC</u>	<u>Ballantyne</u>	<u>NC</u>	<u>704-622-7619</u>
<u>Gerald, Martha and Richard Moore and Karalyne</u>	<u>Leesville Brier</u>	<u>NC</u>	<u>843-735-8402 980-</u>

<u>Ley Power Kid Planet LLC – Vivian and Cristian Rodriguez</u>	<u>Creek Concord</u>		<u>307-0359</u>
<u>Powell Business Management, Inc – Dawn Powell-Reid</u>	<u>Indian Trail</u>	<u>NC</u>	<u>908-963-6959</u>
<u>Daniel Box Somersault Operating, Inc – Griffin Gordon and Kevin Condon</u>	Durham	NC	713-303-3885
<u>Izzytin, LLC – Thomas and April Payne</u>	<u>East Cincinnati</u>	<u>OH</u>	<u>513-403-6462</u>
JMMT Enterprises, Inc - Thomas R. and Jacqueline M. Miller	Liberty Township	OH	513-535-8573
<u>Gifted Giggles, LLC – Belinda Gest</u>	<u>Highland Heights</u>	<u>OH</u>	<u>216-956-0975</u>
<u>Aekom, Taybros LLC – Katie Taylor and Brad Donaldson</u>	<u>Bend & Redmond</u>	OR	541-829-1169
<u>Amy and Craig Martin Happy Time Gym LLC – William Goldsborough and Dena Patel-Goldsborough</u>	<u>Pittsburg North Hills King of Prussia</u>	PA	<u>724 288 7711 334-332-7473</u>
<u>Mitchell & Toby Kantrowitz</u>	<u>Philadelphia</u>	PA	<u>215 768 8902</u>
<u>O’Shea Gyms Coastal Kids Athletics, LLC – Kris and Brian O’Shea Henry Lewandowski</u>	<u>Mainline Myrtle Beach</u>	<u>PA SC</u>	<u>717 968 6513 631-796-2051</u>
<u>NineSixOne, Inc – Lauren and Michael Bomhoff</u>	<u>Forest Acres</u>	<u>SC</u>	<u>949-290-6626</u>
<u>Cul de Sac Paek Kicking Butler Studios LLC – Sean Lindsay and Jessica Williams Scott Butler</u>	<u>West Ashley Rock Hill</u>	SC	<u>813 385 4177 607-592-4999</u>
Play 5678, LLC – Camille and Michael Seven	West Nashville	TN	858-699-9516
<u>PLS Enterprises LLC - David Smith</u>	<u>Mt. Juliet</u>	<u>TN</u>	<u>205-283-8161</u>
<u>Hixson-Brian Ventures LLC – Joshua and Annette Hixson, Jenna and Caleb Brian</u>	<u>Murfreesboro</u>	<u>TN</u>	<u>615-751-7722</u>
TLG of Odessa Texas, LLC - Armando & Ginamarie Soto	Odessa	TX	432-257-1178
<u>EraGar Investments Inc. – Lucia and Luis Erana</u>	<u>Drippings Springs</u>	<u>TX</u>	<u>512-919-9996</u>
<u>Nathan Barrett and Kelly Barrett</u>	<u>College Station</u>	<u>TX</u>	<u>979-324-7039</u>
<u>TLG of League City Webster RoBar Group, LLC – Stephanie Oriana and Ryan Gregory Jorge Rodriguez</u>	<u>League City Forney</u>	TX	<u>832 277 5042 469-258-8376</u>
<u>Big Smiles LLC – R. Shane and Buket Campbell Blue Horizon Family Group LLC - Hina Momin, Ayaz Ali, Noman Momin and Sibnish Ali</u>	<u>Roanoke Houston</u>	TX	<u>817 492 1294 832-790-9860</u>
<u>Little Gym Cedar Park AD ASTRA HTX LLC – William Alstrin Clena Abuan and Nicole Stiles Stuart Fenton</u>	<u>Cedar Park Houston Southeast</u>	TX	<u>817 233 3977 281-253-7918</u>
<u>Secure Trade LLC – Rodrigo Larios</u>	<u>Prosper</u>	<u>TX</u>	<u>915-345-9160</u>
Little Gym Katy West, LLC - William Alstrin and Nicole Stiles	Katy West	TX	817-233- 3977
<u>JGB, LLC - Jana Duplechin</u>	<u>Frisco West</u>	<u>TX</u>	<u>214-532-3654</u>
<u>The Little Gym McKinney LLC – Cody and LeAnn Herndon and Mark and Jenny Cheves TLG Frisco LLC - Brooke and Gregory Herron</u>	<u>McKinney Frisco East</u>	TX	<u>972 903 9063 413-1292</u>
XYZ Boerne Gym, LLC – Arael Mata	Boerne	TX	956-279-1853
Charlottes LG LLC – Kiehl and Karen Green	Mont Belview	TX	832-457-6593
<u>Nikita Ventures LLC – Nikita Shah</u>	<u>Cypress</u>	<u>TX</u>	<u>832 253 4636</u>
<u>Monita Ventures, Blue Horizon Family Group LLC – Justin Hina Momin, Ayaz Ali, Noman Momin and Katherine Monita Sibnish Ali</u>	<u>Stone Oak New Caney</u>	TX	<u>214 875 1833 832-790-9860</u>

M.E.H.E.R. TX LLC - Aakanksha Samir Patel	San Antonio (<u>East</u>)	TX	862-371-8300
MHS TLG LLC – Mark and Heather Smith	Aledo	TX	817-614-2946
Nathan’s Indoor Playground, LLC – Nathan Renken TLG Tyler, LLC – Patrick and Monique Hammond	Las Colinas Tyler	TX	214-235-3933 240-329-1053
Carmej LLC – Federico A. Carvallo	Richmond	TX	713-822-4971
Betsy Miller Mocoisposecoelli LLC - Mandy and Christopher Zeschke	West Valley Farmington	UT	801-674-8808 510-4900
J. Ruskin Adams	Bountiful	UT	23704 N. 114 th St., Scottsdale, AZ 85255
TLG Birch and Broad, KidsFit Fairfax LLC – Chad and Tiffany Mussson	Falls Church Fairfax	VA	703-795-4111
Simpson Littles LLC – Cameron Simpson	Tri Cities	WA	509-554- 2257
SBB Enterprises LLC – Celeste Hofto-Beall and Robert Beall	Millcreek	WA	206-861-2646
Deja Vu Ridgefield, LLC – Laurie and Kevin Hanalan and Chrstine and Andrew Dunbar	Ridgefield	WA	774-232-7499
Parkers Little Gym Kid Power Capitol Hill, LLC - Robert– Chad and Monae Wiles Tiffany Mussson	Gig Harbor Washington	WADC	253-682-8650 703-795-4111
LaMoon Enterprises, Inc - Indhira Lapuma and Andrew Moon	Green Bay	WI	402-215-3019

FRANCHISES WHOSE AGREEMENTS WERE TERMINATED, CANCELLED, TRANSFERRED, NOT RENEWED, OR WHO CEASED DOING BUSINESS AS OF DECEMBER 31, 2022 OR WHO HAS NOT COMMUNICATED WITH THE FRANCHISOR WITHIN 10 WEEKS OF THE DISCLOSURE DOCUMENT ISSUANCE DATE

Franchisee Name and Contact Information— <u>as of end of 2022</u>	Outlet City and State
<u>Alstroemeria, LLC</u> <u>Gwendolyn Whitfill</u> <u>602-617-5640</u>	<u>Paradise Valley, AZ</u>
<u>Nicholas A. and Nikki Rae Cavalero</u> <u>602-451-6707</u>	<u>Greeley, CO</u>
<u>Nicholas A. and Nikki Rae Cavalero</u> <u>602-451-6707</u>	<u>Loveland, CO</u>
<u>Team Chambers, LLC</u> <u>Melissa and Thomas Chambers</u> <u>303-862-2581</u>	<u>Washington Park, CO</u>
<u>CE Chadwell Enterprises, LLC</u> <u>Michael and Elizabeth Chadwell</u> <u>480-785-6276</u>	<u>Georgetown, DE</u>
<u>Sahaz Kids LLC</u> <u>Pravesh Gada, Avni Pravesh Gada, and</u> <u>Manesh Makwana</u> <u>302-521-9931</u>	<u>Wilmington, DE</u>
<u>Two Munchkinz, LLC</u> <u>Amy Dodd</u> <u>805-495-1734</u>	<u>Pensacola, FL</u>
<u>Mitchell S. and Marlo B. Greenberg</u>	<u>S. Boca Raton, FL</u>

<u>561-445-0145</u>	
<u>Serious Fun in Alpharetta, LLC</u> <u>Jane Mills</u> <u>770-265-2097</u> <u>Here We Grow, Inc.</u> <u>Janice and David Morreira</u> <u>408-687-2407</u>	<u>Stevens</u> <u>Alpharetta/Johns</u> <u>Creek, GA</u>
<u>BNC GymKids in Motion of Springfield, LLC</u> <u>Brooke Condie</u> <u>918-230-7063</u> <u>Patricia and Rodney Naylor</u> <u>618-292-0678</u>	<u>Prairie Village,</u> <u>KSSpringfield, IL</u>
<u>FitKidz, LLC</u> <u>Lori Testa</u> <u>973-280-2974</u>	<u>Caldwell, NJ</u>
<u>JolevieForKids Enterprises, LLC</u> <u>TiffanyRichard and Ryan CianciKristin Swick</u> <u>5500 Buckeystown Pike #479,</u> <u>Frederick, MD 21703</u> <u>301-526-8329</u>	<u>Frederick</u> <u>Gaithersburg,</u> <u>MD</u>
<u>Double J Enterprises, LLC</u> <u>Richard and Kristin Swick</u> <u>301-526-8239</u>	<u>Germantown, MD</u>
<u>Daoud VenturesKidz Fun and Fitness, LLC</u> <u>AndrewLia and Shannon DaoudPhilip Arnold</u> <u>732-310-6350</u> <u>410-382-2133</u>	<u>Bridgewater, NJ</u> <u>Hunt</u> <u>Valley, MD</u>
<u>Naturally Kids, LLC</u> <u>Claudia Hollander</u> <u>908-451-8945</u>	<u>Livingston, NJ</u>
<u>TJC GroupBlue Zone Yoga, LLC</u> <u>JoeSo and Tina LopanoAlex Couloumbis</u> <u>Jlopano813@gmail.com</u> <u>443-803-4645</u>	<u>Levittown, NY</u> <u>Olney, MD</u>
<u>All Grace, LLC</u> <u>Dru Davis</u> <u>dmdavis08@gmail.com</u>	<u>Durham-Chapel Hill, NC</u>
<u>EKMAbeya Enterprises, IncLLC</u> <u>JenniferAmanda Abeya and Michael McKeownEdwin Abeya</u> <u>856-382-0692</u> <u>301-529-5248</u>	<u>Narberth, PA</u> <u>Silver</u> <u>Spring, MD</u>
<u>OCBhouse, Inc.</u> <u>Jennifer and Michael McKeown</u> <u>856-382-0692</u>	<u>Newtown Square, PA</u>
<u>Yesmar Play, LLC</u> <u>Natasha Ardoin</u> <u>nhanbarry@hotmail.com</u>	<u>Copperfield, TX</u>
<u>Tizzy Play, LLC</u> <u>Natasha Ardoin</u> <u>nhanbarry@hotmail.com</u>	<u>Cypress, TX</u>
<u>Joel Bozarth</u> <u>214-801-2243</u>	<u>Frisco, TX</u>
<u>EWA Enterprises, LLC</u> <u>Angela Saunders—Thacker</u>	<u>East Katy, TX</u>

<u>281-866-5072</u>	
<u>EWA Enterprises, LLC</u> <u>Angela Saunders—Thacker</u> <u>281-866-5072</u>	<u>West Katy, TX</u>
<u>MTCZ, Durbin Family Gymnastics LLC</u> <u>Tessa Kayla Durbin and Michael</u> <u>Pajestka Trinity Durbin</u> <u>Tms1127@yahoo.com 636-235-6212</u>	<u>Pearland, TX Chesterfield,</u> <u>MO</u>
<u>CHK Management Company, LLC</u> <u>Wendy Leslee and Kyle McGehee Daniel</u> <u>Martin</u> <u>kylemcgehee@hotmail.com 314-632-6342</u>	<u>Weatherford, TX South</u> <u>County, MO</u>
<u>Jivana Living, LLC</u> <u>Denis and Lina Singleton</u> <u>Single77@gmail.com</u>	<u>Park City, UT</u>
<u>Kid Power Clarendon, LLC</u> <u>Chad Mussmon</u> <u>ehad@thelittlegym.com</u>	<u>Falls Church, VA</u>
<u>Hicks Academy, LLC</u> <u>Steve and Linda Hicks</u> <u>253-850-8817</u>	<u>Alderwood, WA</u>

<u>Fun for Kids, Inc.</u> <u>Robert Greenberg</u> <u>215-431-009</u>	<u>Cranford, NJ</u>
<u>Andrew and Shannon Daoud</u> <u>732-310-6350</u>	<u>Freehold, NJ</u>
<u>Ronald J. and Kathleen Monacelli</u> <u>201-306-3024</u>	<u>The Pomptons, NJ</u>
<u>Fun & Fitness, Inc.</u> <u>Robert Greenberg</u> <u>215-431-0009</u>	<u>West Windsor, NJ</u>
<u>Scoot-Mor, LLC</u> <u>Gerald Moore, Martha Moore, Richard</u> <u>Moore and Karalyne Ley</u> <u>843-735-8402</u>	<u>Charleston/Mt. Pleasant,</u> <u>SC</u>
<u>Cordan, LLC</u> <u>Daniel Box</u> <u>713-303-3885</u>	<u>Durham, NC*</u>
<u>Vertigo Holdings of Tampa, Inc</u> <u>Conderlear and Neil Tator</u> <u>910-224-4059</u>	<u>Fayetteville, NC</u>
<u>Bright-Mor, LLC</u> <u>Gerald Moore, Martha Moore, Richard</u> <u>Moore and Karalyne Ley</u> <u>843-735-8402</u>	<u>Greensboro, NC</u>
<u>Gerald, Martha and Richard Moore and</u> <u>Karalyne Ley</u> <u>843-735-8402</u>	<u>Leesville-Briar Creek,</u> <u>NC*</u>
<u>Park-Mor, LLC</u> <u>Gerald Moore, Martha Moore, Richard</u> <u>Moore and Karalyne Ley</u> <u>843-735-8402</u>	<u>North Raleigh/Wake</u> <u>Forest, NC</u>
<u>Fit Tator Tots III, LLC</u> <u>Conderlear and Neil Tator</u> <u>910-224-4059</u>	<u>Raleigh/Cary, NC</u>
<u>Fit Tator Tots, LLC</u> <u>Conderlear and Neil Tator</u> <u>910-224-4059</u>	<u>Wilmington, NC</u>
<u>Craig and Amy Martin</u> <u>724-413-8353</u>	<u>Pittsburgh-North Hills,</u> <u>PA*</u>
<u>Garnet Partners II, LLC</u> <u>Susan Bucci and Lynn Grissom</u> <u>401- 640-6000</u>	<u>Smithfield, RI</u>

<u>Kinder Gym, LLC</u> <u>Victoria and Sean Ryan and Terry and John Ryan</u> <u>843-364-0054</u>	<u>West Ashley, SC</u>
<u>Huds-Mor, LLC</u> <u>Gerald Moore, Martha Moore, Richard Moore and Karalyne Ley</u> <u>843-735-8402</u>	<u>W. Knoxville/Farragut, TN</u>
<u>South Austin TLG, LLC</u> <u>Cindy and William Baschnagel</u> <u>512-750-9545</u>	<u>South Austin, TX</u>
<u>J. Ruskin Adams</u> <u>Av. Maria e Oliveira, no.21, 2nd Andar</u> <u>Alcobaca, Portugal 2460-064</u>	<u>Bountiful, UT*</u>
<u>Elizabeth A. Briggs</u> <u>801-674-8808</u>	<u>West Valley, UT*</u>
<u>Kid Power Clarendon, LLC</u> <u>Chad and Tiffany Mussmon</u> <u>703-795-4111</u>	<u>Gainesville, VA</u>

*These locations never opened

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

STATE EFFECTIVE DATES

The following states require that the disclosure document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This disclosure document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	May 5, 2023 Pending
Illinois	May 26, 2023 Pending
Indiana	May 1, 2023 2024
Maryland	Pending
Michigan	April 28, 2023 May 1, 2024
Minnesota	July 3, 2023 Pending
New York	May 30, 2023 Pending
North Dakota	Pending
Rhode Island	May 31, 2023 Pending
South Dakota	May 12, 2023 Pending
Virginia	June 14, 2023 Pending
Washington	May 15, 2023 Pending
Wisconsin	May 1, 2023 2024

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.

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 TLGI, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable law.

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 agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration.

If TLGI, 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state regulatory agency listed in Exhibit B. Franchisor authorizes the respective state agencies identified on Exhibit C to receive service of process for it in a particular state.

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Joshua Wall	2350 Airport Freeway, Suite 505, Bedford, TX 76022	877.958.9716

Issuance Date: April ~~28, 2023~~ 30, 2024.

I received a disclosure document dated April ~~28, 30, 2024~~ 2023. (or the date reflected on the State Effective Dates Page), that included the following Exhibits:

State-Specific Appendix; Exhibit A - Operations Manual Table of Contents; Exhibit B - List of State Administrators; Exhibit C - List of Agents for Service of Process; Exhibit D - Franchise Agreement, Attachments and State-Specific Amendments; Exhibit E - Franchise Disclosure Questionnaire; Exhibit F-- Sample Form of General Release; Exhibit G - Development Agreement, Attachments, and State Specific Amendments; Exhibit H - Financial Statements; Exhibit I - List of Current Franchisees and Former Franchisees; Exhibit J – Sample Form of Assignment and Assumption Agreement; Exhibit K – State Effective Dates; and Exhibit L – Receipts.

Print Name

Signature

Date

If signing on behalf of a company in addition to individually, please complete the following:

Company Name

Authorized Signatory and Signature

Keep this copy for your records.

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 TLGI, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable law.

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The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Joshua Wall	2350 Airport Freeway, Suite 505, Bedford, TX 76022	877.958.9716

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Print Name

Signature

Date

If signing on behalf of a company in addition to individually, please complete the following:

Company Name

Authorized Signatory and Signature

**Please sign this copy of the receipt, date your signature, and return it by mail or email to
Joshua Wall, 2350 Airport Freeway, Suite 505, Bedford, Texas, 76022.**