

## FRANCHISE DISCLOSURE DOCUMENT

### FIT BODY BOOT CAMP, INC.

A California Corporation  
5867 Pine Avenue  
Chino Hills, California  
91709 (888) 638-3222

**E-Mail:**

**opportunity@fitbodybootcamp.com**

**URL: www.fitbodybootcamp.com**

# FIT BODY BOOT CAMP

As a Fit Body Boot Camp franchisee, you will operate a group personal training and fitness services business in both a virtual and retail outlet setting to retail customers using designated or authorized "Fit Body Boot Camp" fitness programs and methods.

The total investment necessary to begin operation of a single Fit Body Boot Camp outlet is \$211,850 to \$388,800 USD. This includes \$54,600 USD which must be paid to the franchisor or its affiliates.

We may offer qualified candidates the right to open and operate three (3) Fit Body Boot Camp outlets in a designated development area by entering into an Area Development Agreement ("ADA"). The total initial investment necessary to begin operating under the ADA will range from \$271,450 to \$448,400 USD. This includes a development fee of \$114,200 USD which must be paid to us or our affiliates.

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 governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Sales Administrator at 5867 Pine Avenue, Chino Hills, California 91709; telephone (888) 638-3222.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, such as 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, DC 20580. You can also visit the

FTC's homepage at [www.ftc.gov](http://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 15, 2025**

## How to Use This Franchise Disclosure Document

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

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits D and E.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s discretion. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit C include financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Fit Body Boot Camp business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchise have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a Fit Body Boot Camp franchisee?</b>	Item 20 or Exhibits D and E list current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

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

**Out-of-State Dispute Resolution.** The franchise agreement requires that most disputes with us be submitted to arbitration and litigation in Orange County, California. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitration or litigate with us in California than in your home state.

**Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement, even if your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

**Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from us, our affiliates or suppliers that we designate, at prices that we or the supplier set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

**Mandatory Minimum Payments.** You must make minimum royalty payments and advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise agreement and loss of your investment.

**Financial Statements.** The franchisor's financial condition, as reflected in its financial statements (see Item 21, exhibit C), calls into question the franchisor's financial ability to provide services and support to you.

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

**THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY  
MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:  
State of Michigan  
Consumer Protection Division  
Attn: Franchise  
670 G. Mennen Williams Building  
525 West Ottawa  
Lansing, Michigan 48933  
Telephone Number: (517) 373-7117

Note: Despite paragraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions.

**FIT BODY BOOT CAMP  
FRANCHISE DISCLOSURE DOCUMENT**

**TABLE OF CONTENTS**

<b>ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES</b>	<b>8</b>
<b>ITEM 2: BUSINESS EXPERIENCE</b>	<b>11</b>
<b>ITEM 3: LITIGATION</b>	<b>12</b>
<b>ITEM 4: BANKRUPTCY</b>	<b>12</b>
<b>ITEM 5: INITIAL FEES</b>	<b>12</b>
<b>ITEM 6: OTHER FEES</b>	<b>14</b>
<b>ITEM 7: ESTIMATED INITIAL INVESTMENT</b>	<b>19</b>
<b>ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES</b>	<b>22</b>
<b>ITEM 9: FRANCHISEE'S OBLIGATIONS</b>	<b>26</b>
<b>ITEM 10: FINANCING</b>	<b>27</b>
<b>ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING</b>	<b>27</b>
<b>ITEM 12: TERRITORY</b>	<b>39</b>
<b>ITEM 13: TRADEMARKS</b>	<b>41</b>
<b>ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION</b>	<b>42</b>
<b>ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS</b>	<b>42</b>
<b>ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL</b>	<b>43</b>
<b>ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION</b>	<b>43</b>
<b>ITEM 18: PUBLIC FIGURES</b>	<b>47</b>
<b>ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS</b>	<b>47</b>
<b>ITEM 20: OUTLETS AND FRANCHISEE INFORMATION</b>	<b>48</b>
<b>ITEM 21: FINANCIAL STATEMENTS</b>	<b>53</b>
<b>ITEM 22: CONTRACTS</b>	<b>53</b>
<b>ITEM 23: RECEIPTS</b>	<b>54</b>

Exhibits

"A"	Franchise Agreement <i>Exhibits to Franchise Agreement:</i> Exhibit 1: Territory, Location of Outlet Exhibit 2: Names and Addresses of Principal Equity Owners Exhibit 3: Sample Assignment & Assumption and Sample Release Exhibit 4: Lease Rider and Collateral Assignment of Lease
"B"	Area Development Agreement
"C"	Financial Statements
"D"	List of Franchise Outlets
"E"	List of Former Franchises
"F"	Optional Program Addenda <i>F-1: Fit Body Forever Addendum</i> <i>F-2: Fitness Mastermind Addendum</i>
"G"	State Franchise Administrators and Agents for Service of Process
"H"	Pre-Closing Questionnaire
"I"	State Specific Addenda
"J"	State Effective Dates
"K"	Receipts



## **ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

The Franchisor is Fit Body Boot Camp, Inc. and is referred to in this disclosure document as “we,” “us,” or “our”. The person who buys the franchise is referred to in this disclosure document as “you” or “your”. If you are a corporation, limited liability company, partnership or other type of legal entity, the provisions in the franchise agreement described in this disclosure document also apply to your owners by virtue of our requirement that your owners personally guarantee and be personally bound by your obligations under the franchise agreement.

### **The Franchisor, Parents and Affiliates**

We are the franchisor of the Fit Body Boot Camp system. Our principal business address is 5867 Pine Avenue, Chino Hills, California 91709.

Our parent is Empire Master Holdings, LLC (“EMH”), a Delaware limited liability company formed on March 25, 2019. Our parent shares our principal business address.

### **Affiliates**

Empire TM Holdings, LLC (“ETH”), a Delaware limited liability company whose principal business address is 5867 Pine Avenue, Chino Hills, California 91709, owns the trademarks that are licensed to you under the Franchise Agreement, including “Fit Body Boot Camp”. ETH does not offer franchises in any line of business. ETH never offered franchises in this or any other line of business and presently has no other business activities.

ENP Ventures, LLC (“ENP”), a Delaware limited liability company formed on January 24, 2019, whose principal business address is 5867 Pine Avenue, Chino Hills, California 91709, offers and sells supplements to Fit Body Boot Camp franchisees, and may offer and sell other products to Fit Body Boot Camp franchisees at any time in the future. ENP never offered franchises in this or any other line of business and presently has no other business activities.

Go Inspire Fitness, LLC. (“Marketing Machine”), a California limited liability company formed on November 18, 2024, whose principal business address is 5867 Pine Avenue, Chino Hills, California 91709, offers and sells Fit Body Boot Camp franchisees email broadcasting and lead nurturing software services. Franchisees are required to use the Marketing Machine email broadcasting services. Marketing Machine has never offered franchises in this or any other line of business.

Other than as disclosed above, we are not controlled by, controlling, or under common control with any other entity that provides goods or services to our franchisees or that offers franchises in any line of business.

### **Predecessors**

We have no direct predecessor. Our affiliate, Fitness Mastermind, LLC (“FMM”), a Delaware limited liability company with a principal business address at 5867 Pine Avenue, Chino Hills, California 91709, operated a physical fitness and exercise retail business under the Fit Body Boot Camp marks between 2009 and 2011. FMM does not offer franchises in this or any other line of business and presently has no business activities.

## **Name Used by the Franchisor**

We conduct business under the name “Fit Body Boot Camp” (the “Brand”). We do not conduct business under any other name.

## **Agent for Service of Process**

Our agents for service of process are listed in Exhibit G of this Disclosure Document.

## **Business Organization Used by the Franchisor**

We are a corporation incorporated in California on March 2, 2011.

## **The Franchisor’s Business**

We act as the franchisor of Fit Body Boot Camp franchises. We began offering franchises in October 2011. We do not own or operate a business of the type you will operate. We also offer and sell optional “mastermind” business coaching services to Fit Body Boot Camp franchisees. We and our affiliates reserve the right to offer, sell and provide mastermind business coaching services to third parties outside of the Fit Body Boot Camp system in the future. As of the issuance date of this Disclosure Document, we do not engage in any other business activities.

## **The Business the Franchisee Will Conduct**

### Single Unit Franchise Agreement

Our franchise is a license to independently own and operate a (i) virtual fitness training business (the “Virtual Fit Body Boot Camp Business”) providing authorized virtual fitness classes (the “Virtual Fit Body Boot Camp Sessions”), and (ii) a single retail outlet (“Outlet”) providing authorized fitness programs and services to retail customers, each using designated or authorized Fit Body Boot Camp workout procedures, methods, training techniques and formats (the “Franchised Business”). In connection with the operation of the Outlet, we may require you to sell to retail customers of the Outlet a variety of fitness products and accessories which may be supplied by us, our affiliated entities, designated vendors and/or approved suppliers, as we designate, for use and resale by you at your Outlet (collectively, “Fit Body Boot Camp Products”). You are not permitted to sell any Fit Body Boot Camp Products in connection with the Virtual Fit Body Boot Camp Business. The services and products you are authorized or required to offer and sell under the Franchise Agreement are referred to as the “Fit Body Boot Camp Services and Products.”

### Area Development Agreement

In addition to our single-unit offering, we grant qualified individuals the right to own and operate three (3) Fit Body Boot Camp Businesses through an Area Development Agreement (the “ADA”). If you sign an ADA, you are required to develop three (3) Fit Body Boot Camp Franchised Businesses in the area designated in the ADA as the “Development Area” in accordance with the development schedule attached to the ADA (the “Development Schedule”). A copy of the ADA is attached to this Disclosure Document as Exhibit B. You must sign our then-current form of Franchise Agreement before you open each Fit Body Boot Camp Franchised Business. The then-current Franchise Agreement may contain materially different terms as compared to the form of Franchise Agreement attached to this FDD as Exhibit A. We also have the right

to require you to sign a general release as a condition to our granting you the right to enter into your second and each subsequent Franchise Agreement. A sample release is attached to our Franchise Agreement as Exhibit 3.

### **General Market for Franchised Products and Services**

The general market for the products and services you will offer consists of (i) individuals who reside in close proximity to your Outlet who are interested in engaging in physical fitness training activities remotely, via virtual sessions ; and (ii) individuals who reside in close proximity to your Outlet. The market for fitness services and related products is fully developed, does not involve sale primarily to a certain group and is not seasonal.

### **Industry Specific Laws or Regulations**

The franchised business is subject to local, state and federal laws, rules and regulations that apply to businesses generally, in addition to laws pertaining to the regulation of fitness centers. The fitness industry is highly regulated. It is your obligation to develop, open and operate the franchised business in compliance with all applicable laws, rules and regulations. You will need a business license and reseller's permit, and you must comply with federal, state and local laws applicable to the operation and licensing of a physical fitness and organized exercise business, including obtaining all applicable licenses, permits, inspections and approvals by any applicable municipal, county or state agencies that regulate physical fitness and organized exercise operations. If your Outlet is in a jurisdiction (such as the District of Columbia or the states of Georgia, Maryland, New York, Oklahoma, South Carolina, Texas or Utah) with laws regulating and licensing "health spas" (defined as businesses which sell memberships in facilities providing physical exercise programs), you will need to comply with these laws. State laws and regulations may require registration with the state and filing of a corporate surety bond or letter of credit and may regulate the language of your Outlet membership agreements. Your Outlet must meet applicable municipal, county, state and federal handicap access codes. You are also subject to employment laws such as the Fair Labor Standards Act and various state laws governing matters including minimum wages, overtime and working conditions. These laws, rules and regulations may change over time. We strongly suggest that you consult with an attorney, consultant and/or financial advisor regarding all laws and regulations applicable to your Outlet before you buy a franchise from us.

### **Competition**

This market is well developed and highly competitive. There are various independent and national fitness chains in operation and developing throughout the country. All Fit Body Boot Camp franchisees will compete with fitness centers, health clubs and other retail businesses that offer services and products comparable to the Franchised Business and Fit Body Boot Camp Services and Products. The market can change based on local, regional and national economic conditions, changes in consumer tastes and increases in the number and types of personal fitness facilities.

### **Prior Experience of Franchisor, Predecessors and Affiliates**

We have been operating since March 2011 and we began offering Fit Body Boot Camp franchises in October 2011. We have not previously offered franchises providing the type of business you will operate. Nor have we ever offered franchises in other lines of business.

The Fit Body Boot Camp concept was developed in Chino Hills, California by Bedros Keuilian, and a business partner who is no longer associated with us. Between 2009 and 2011, our affiliate FMM, formerly known (until March 2, 2011) as Fit Body Boot Camp, LLC, conducted a business equivalent to the business you will be providing. Since 2001, Bedros Keuilian has trained and coached individuals and entities in fitness techniques that are equivalent to those that are used by Fit Body Boot Camp franchisees. Some of these individuals and entities were licensed by our affiliate, FMM, to use the name “Fit Body Boot Camp” on a royalty free basis, but they were not licensed to engage in their business under a marketing plan or system prescribed in substantial part by FMM.

FMM has not previously offered franchises providing the type of business you will operate or in other lines of businesses.

## **ITEM 2: BUSINESS EXPERIENCE**

### **Bryce Henson: CEO & Executive Director of Marketing**

Mr. Henson was named our CEO in July 2021. Prior to that, Mr. Henson was our Vice President from July 2018 to July 2021. Previously from 2012 to July 2018, he was Chief Executive Officer and Founder of Henson Fitness Systems, Inc. which owns and operates a Fit Body Boot Camp franchise in California. Before taking on the CEO role, Mr. Henson owned and operated a total of three Fit Body Boot Camp locations in California and one in Michigan.

### **Bedros Keuilian: President**

Mr. Keuilian is our President and has held this position since July 2021. Mr. Keuilian previously served as our CEO from May 2012 through July 2021. Mr. Keuilian also serves as President, Chief Executive Officer and Director of ENP (since January 2019), ESI, Chino Hills, California (since 2005) and President and Manager of FMM, Chino Hills, California (since 2009).

### **Brittany Carter: Executive Director**

Ms. Carter was named our Executive Director in February 2022. Prior to that, Ms. Carter previously served as our Director of Operations from February 2019 to January 2022. Ms. Carter previously served as our (a) Operations Manager from July 2018 to February 2019, (b) Operations Coach from December 2016 to July 2018, and (c) Business Development Manager from September 2016 to December 2016. Prior to that time, Ms. Carter was an Assistant Store Manager for Office Depot, located in Temple City, California, from April 2014 to September 2016.

### **Jessica Waldheim: Finance Director**

Ms. Waldheim was named our Director of Finance in January 2022. Prior to that she served as our Internal Human Resources from January 2018 to January 2022.

### **Barrett Henson: Director of Franchise Partner Development**

Mr. Henson was named our Director of Coaching and Profitability in September 2019. Mr. Henson also serves as the Owner of Berkley Fit Body Boot Camp located in Berkley, Michigan since December 2014.

### **Blake Garcia: Director of Operations**

Mr. Garcia is our Director of Operations and has held this position since January 2024. Before joining us, Mr. Garcia was self-employed as an Operations Consultant from February 2018 to December 2024 based out of Escondido, California.

Max Phillips: Executive Director of Sales

Mr. Phillips was named our Executive Director of Sales in January 2024 . From September 2020 to December 2023 , Mr. Phillips served as Franchise Business Advisor . From November 2017 to September 2020, Mr. Phillips worked as the Key Account Manager for Silver Basis Technology based out of Rochester Hills, MI .

**ITEM 3: LITIGATION**

In March 2014, we entered into a franchise agreement with a resident of Rhode Island for an Outlet to be operated in Providence, Rhode Island. At the time of the sale, our franchise was neither registered in Rhode Island nor exempt from registration. When we filed our initial franchise registration in Rhode Island in July 2016, we were asked by the examiner about this unregistered sale. In August 2016, we told the regulator we had inadvertently made an unregistered sale to a Rhode Island franchisee and we would promptly offer rescission, pay any monetary penalties and undertake not to make any future sales of franchises in Rhode Island that had not been registered or exempt from registration in that state. On September 6, 2016, the Rhode Island Department of Business Regulation (“RIDBR”) issued a Consent Order Making Findings and Imposing Remedial Actions In the Matter of Fit Body Boot Camp, Inc. Respondent (a regulatory action brought by the RIDBR, File No. FR.9900509), in reaction to an Admission and Offer of Settlement Order under Section 18 of the Rhode Island Franchise Investment Act, Section 19-28.1, *et. seq.*, of the Rhode Island General Laws. Under the terms of the Consent Order Making Findings and Imposing Remedial Actions, we made a rescission offer to one Rhode Island Fit Body Boot Camp franchisee, agreed not to violate the Rhode Island Retail Franchising Act in the future and paid to the RIDBR \$4,000 in monetary penalties. The Rhode Island franchisee elected to decline the rescission offer. On September 19, 2016, the RIDBR issued its Final Order (i) acknowledging that Fit Body Boot Camp, Inc. had fulfilled its obligations under the Settlement Order and (ii) dismissing the matter.

Other than the actions listed above, no litigation is required to be disclosed in this Item.

**ITEM 4: BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5: INITIAL FEES**

**Franchise Agreement**

**Initial Franchise Fee**

You must pay a lump sum initial franchise fee of \$54,600 USD(the “Initial Franchise Fee”) when you sign the Franchise Agreement. For clarity, even if you are acquiring an existing Franchised Business, you must pay the Initial Franchise Fee.

We currently allocate the Initial Franchise Fee for newly opening Outlets (inapplicable to existing, operational Outlets) as follows: (a) \$600 is allocated towards two free months of the Marketing Machine Pro Account to utilize during the Grand Opening Launch Program ; (b) \$30,000 is allocated towards your attendance at a four-day in-person and seventeen hours of online training Fit Body Boot

Camp Onsite Experience Training within six months of the FA Effective Date; (c) \$6,000 is allocated towards our costs and expenses associated with assistance in the site selection process during the six month period following the FA Effective Date; (d) \$100 is allocated towards purchasing your location domain (e ) \$4,000 is allocated towards grand opening marketing expenditures to be allocated within the demographic marketing area in which the Outlet is located within six months from the FA Effective Date; and (f ) \$10,000 is allocated towards our costs in connection with grand opening delivery to be provided within six months from the FA Effective Date.

### **Veteran & First Responder Discount**

If you (or if you are a legal entity, an individual who owns at least a 51% interest in the legal entity) are: (a) a member of the U.S. Armed Services; (b) a veteran of the U.S. Armed Services who was honorably discharged (“Veteran”); or (c) if you are currently serving as an emergency medical technician, firefighter, or police officer (each a “First Responder”), we will discount the Initial Franchise Fee for your initial Outlet by 25% (and you would pay \$40,950).

### **Non-Refundable Initial Fees**

The entire initial franchise fee is fully earned by us when paid, and not refundable.

### **Range of Initial Fees Received During the 2024 Fiscal Year**

The Initial Franchise Fees paid to us during the fiscal year ended December 31, 2024 ranged from \$24,000 to \$54,600 USD .

### **Area Development Agreement**

If you acquire rights under an ADA, you must pay an Area Development Fee to us equal to \$114,200 USD (the “Development Fee”), which includes: (a) \$54,600 USD for the first location to be developed under the ADA, plus (b) \$54,600 USD for the second location to be developed under the ADA, plus (c) \$5,000 USD for the third location to be developed under the ADA.

If you are a First Responder, you must pay a discounted Area Development Fee equal to \$86,900 USD, which includes: (a) \$40,950 USD for the first location to be developed under the ADA, plus (b) \$40,950 USD for the second location to be developed under the ADA, plus (c) \$5,000 USD for the third location to be developed under the ADA.

The Development Fee is uniform and non-refundable upon payment.

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

**ITEM 6: OTHER FEES**

Type of Fee	Amount	Due Date	Remarks (Note 1)
<p>Royalty (See Note 2 and 3)</p>	<p>\$997 USD per month for the first 12 months; thereafter the greater of 5% of Gross Revenue or \$997 per month.</p>	<p>Paid monthly on the 17<sup>th</sup> day of the month, unless we specify otherwise. <sup>2</sup></p>	<p>The Royalty is payable beginning on the 270<sup>th</sup> day after the Effective Date of your Franchise Agreement. If you sign a Franchise Agreement for an existing Outlet that is already in operation, your obligation to pay the Royalty commences on the Effective Date. We may require you to pay the Royalty on a weekly, bi-weekly, monthly or other basis on thirty (30) days’ prior notice to you. We may change the method by which you pay the Royalty at any time on thirty (30) days’ prior notice to you.</p>
<p>Marketing and Promotion Fund Contribution (See Note 2 and 3)</p>	<p>Currently \$500 USD</p>	<p>Paid monthly on the 1st business day of the month<sup>2</sup></p>	<p>The Marketing and Promotion Fund Contribution obligation begins on the earlier to occur of: (a) the date on which you open the Outlet; or (b) the 270<sup>th</sup> day after the Effective Date of your Franchise Agreement. If you sign a Franchise Agreement for an existing Outlet that is already in operation, your obligation to pay the Marketing and Promotion Fund Contribution commences on the Effective Date. We may require you to pay the Marketing and Promotion Fund Contribution on a weekly, bi-weekly, monthly or other basis on thirty (30) days’ prior notice to you. We may change the method by which you pay the Marketing and Promotion Fund Contribution at any time on thirty (30) days’ prior notice to you.</p>
<p>Software Reimbursement (See Note 3)</p>	<p>Varies. Currently \$400 USD per month.</p>	<p>Paid monthly on the 10<sup>th</sup> day of each month.</p>	<p>You must pay us a “Software Reimbursement” each month, unless we designate otherwise. Your obligation to pay this monthly payment begins on the earlier to occur of: (a) the date on which you begin using the software, including in connection with the operation of the Virtual Fit Body Boot Camp Business; or (b) the 270<sup>th</sup> day after the Effective Date of your Franchise Agreement, unless we designate otherwise. If you sign a Franchise Agreement for an existing Outlet that is already in operation, your obligation to pay the Software Reimbursement commences on the Effective Date. This payment reimburses us for the software fees we pay directly to our designated vendor on your behalf. As of the issuance date of this disclosure document, you must pay us the monthly software reimbursement of \$400, which covers the cost of the POS system software fees. The monthly software reimbursement may increase based on vendor</p>

Type of Fee	Amount	Due Date	Remarks (Note 1)
			increases in the future effective on written notice to you.
Technology Fee	Our then-current technology fee (Currently, \$0)	Monthly	We reserve the right to charge a monthly technology fee to cover present or future technology used now or in the future. This fee may include, in addition to amounts we impose, pass through fees we pay to technology vendors. We reserve the right to change the amount, manner and scope of payment of the Technology Fee at any time by providing reasonable notice to you (which need not exceed 30 days).
Local Marketing Expenditure Deficiency	\$500 per month	Upon demand	You are required to expend a minimum of \$500 per month on local marketing and advertising under the terms of your Franchise Agreement. If you do not comply with this obligation, we have the right to require you to pay the amount you failed to expend to us, in which case we will have the right to expend the amount directly for local marketing and advertising purposes in your area. This payment is only due to us if you do not comply with your obligations to expend the amount directly, locally, and we elect to require you to pay the deficiency amount to us.
Additional Training Fee	Up to \$997 USD <sup>3</sup> (per day)	At time of training <sup>2</sup>	After the Outlet opens, and upon reasonable notice, we may require attendance of you and your Principal Equity Owners (all owners holding more than 20% interest in the franchisee entity) and other designated personnel at training courses, seminars, conferences or other programs. We may, at our discretion, charge an additional training fee of up to \$997 USD per day for Fit Body Boot Camp training courses, seminars, conferences or other programs that (a) we require you, your Principal Equity Owners and/ or your representatives to attend, or (b) you request and we agree to provide. You are responsible for the cost of travel, hotel and meal expenses incurred by you and your attendees in attending and participating in additional training.



Type of Fee	Amount	Due Date	Remarks (Note 1)
Renewal Fee	\$5,000 USD	Upon signing the renewal franchise agreement	Payable upon signing your renewal franchise agreement, which may include materially different terms.
Transfer Fee	\$7,500 <sup>3</sup>	Before completion of the transfer <sup>2</sup>	Payable if you transfer your franchise. The events that are considered a “transfer” are explained in more detail in the Franchise Agreement. In addition to the transfer fee, the buyer or transferee will be required to pay our then-current initial franchise fee to us. There is a transfer fee of \$750 if the franchise is transferred to (a) an entity (corporation or limited liability company) owned solely by you, or (b) an heir, conservator or personal representative upon your death or legal disability.
Administration Fee	\$500 USD per occurrence	Due and payable at the time you submit your request.	You must pay us an Administration Fee of \$500 to cover our administrative costs in connection with your request to: (a) remove an owner; (b) add an owner; or (c) relocate your Outlet. This fee is due at the time you submit your request.
Interest & Late Payment Penalty (See Note 4)	5% of the delinquent amount plus interest <sup>2</sup>	Immediately upon demand for payment <sup>2</sup>	The late payment penalty is due each time you fail to make a required payment and is in addition to interest on the unpaid amount. Interest is assessed at an annual percentage rate (“APR”) of 18% (or the highest APR permitted in your state, if that is lower). You must also reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts.
Cure Period Extension Fee	\$1,000 USD	Upon demand	If we issue you a notice of default for a default that is capable of being cured, and you do not cure the default before the expiration of the cure period stated in the Franchise Agreement for that default, then you may send us a written request for an extension to the cure period and pay to us, along with your written request, a Cure Period Extension Fee of \$1,000 USD. We do not have to grant you any extensions. The decision will be in our business judgment.
Increased Royalty Fee  <i>Only applicable if you do not cure a noticed default before the expiration of the cure period.</i>	\$2,000 USD	Upon demand	If we issue you a notice of default for failure to pay continuing fees under the Franchise Agreement, including Royalty, Software Reimbursement and Marketing and Advertising Fund Contributions, and you do not cure the default before the expiration of the cure period stated in the Franchise Agreement for that default, then we have the right to increase your monthly royalty fee to \$2000 USD per month for each month the noticed default(s) remains uncured.

Type of Fee	Amount	Due Date	Remarks (Note 1)
Non-Compliance Fee	Up to \$2,000 USD per violation	Upon demand	If we determine that you have not complied with any of your obligations under the Franchise Agreement, including any failure to comply with any Standards set forth in the Manuals, then we may send you a notice of such non-compliance and require you to pay us up to \$2,000 USD per violation ("Non-Compliance Fee"). You will have ten (10) calendar days to correct all violations, which will run concurrently with any other cure period we may provide, before the Non-Compliance Fee must be paid. If the violation(s) is not corrected within the ten (10) day period, then the Non-Compliance Fee must be paid within ten (10) days after you receive notice of your failure to correct such violation(s). The Non-Compliance Fee applies to each notice of non-compliance that we provide to you, even if you have received one or more previous notifications of such non-compliance, and whether or not the notification is for the same or a different instance of non-compliance. We reserve all other rights and remedies available to us under this Agreement and applicable law, including but not limited to exercising our right to terminate the Franchise Agreement.
Inspection & Compliance Costs and Expenses	Actual costs (estimated at \$750 USD per inspection)	Upon demand	If we inspect your Outlet and we determine that your Outlet is not in compliance with the Franchise Agreement or the Manual, and we conduct a follow up inspection (the "Follow Up Inspection") to confirm that you cured the items of non-compliance, and during this Follow Up Inspection we determine that the items were not sufficiently cured, you will be required to reimburse us for our costs and expenses incurred in connection with the Follow Up Inspection and any subsequent re-inspections.
Insurance	Will vary under the circumstances.	As incurred	If you do not obtain and maintain the insurance you are required to obtain and maintain, then we have the option, but not the obligation, to obtain coverage for you at your expense.
Indemnification	Will vary depending on the circumstances	On demand	If your indemnification obligation under the Franchise Agreement is triggered, you must pay us all amounts arising out of your indemnification obligations on demand.
Costs of Enforcement, Attorneys' Fees	Actual costs	On demand	You must reimburse us for the fees and costs we incur in enforcing this agreement, including attorneys' fees. If we are the prevailing party in any dispute with you, you must reimburse us for all attorneys', accounting, arbitrator, mediator, and other related fees and costs we incur.

Type of Fee	Amount	Due Date	Remarks (Note 1)
Supplier Evaluation Fee	\$1,500 USD	Upon submission of the supplier evaluation request	Covers the cost of testing new products or inspecting new suppliers you propose.
Conference Fee (currently held annually)	<p>Currently, \$1,000 USD For unlimited tickets</p> <p>We reserve the right to increase our annual conference attendance fee to an amount not to exceed \$2,000 per attendee</p>	Upon registration for the Conference (currently held annually)	We require you to attend a franchisee conference (currently held annually). You must pay a fee per attendee. We reserve the right to modify the fee in our discretion to a higher amount, which shall not exceed \$2,000 per attendee.
Liquidated Damage Fee	An amount equal to 3 years of Royalty Fees & Marketing & Promotion Fund Contribution	On termination.	Only payable if we terminate your agreement due to your default before the end of the term.
Fit Body Forever (Optional)	We do not currently charge a fee if you elect to add the Fit Body Forever Program (unless you are an existing franchisee and your franchise agreement requires you to pay flat monthly	Paid monthly on the 24 <sup>th</sup> day of the month, unless we specify otherwise. <sup>2</sup>	The Fit Body Forever Program is an optional, supplemental program that qualifying franchisees may elect to participate in and offer in connection with the operation of the Outlet. To qualify for participation in this program, your Outlet must be open and in operation, you must be in compliance with your obligations under the Franchise Agreement (and you and your affiliates must be in compliance with any other agreement entered into by and between you (and/or any of your affiliates) and us, you must meet our minimum liquidity requirements, and you must sign our then-current form of Fit Body Forever Addendum to the Franchise Agreement (the "FBF Addendum"), a current copy of which is attached to the Franchise Agreement as Exhibit F-1. If you qualify and elect to participate, you must sign our then-current form of FBF

Type of Fee	Amount	Due Date	Remarks (Note 1)
	royalty fees instead of a percentage royalty fee, in which case, the Fit Body Forever Fee is \$397 per month)		Addendum, which requires, among other terms, you to include the Gross Revenues generated in connection with the Fit Body Forever Program in your Gross Revenues for purposes of calculating the royalty fee. If you are an existing franchisee and your franchise agreement requires you to pay flat monthly royalty fees instead of a percentage royalty fee, then you must pay a \$397 USD monthly fee to us or our designee. The current term of the FBF Addendum is equal to the shorter of: (a) three years from the date of signing; or (b) the remainder of time left under the initial term of your Franchise Agreement.
Fit Body Boot Camp Elite Mastermind Coaching Fee (Optional)	\$1,297 USD per month	Paid monthly on the 21 <sup>st</sup> day of the month, unless we specify otherwise. <sup>2</sup>	The Fit Body Boot Camp Elite Mastermind Coaching Program is an optional, supplemental program that qualifying franchisees may elect to join. To qualify for participation in this program, you must meet our then current qualifications, be in compliance with your obligations under the Franchise Agreement (and you and your affiliates must be in compliance with any other agreement entered into by and between you (or any of your affiliates) and us, be current with all payments due to us and our affiliates, and you must sign our then-current form of Fit Body Boot Camp Elite Mastermind Coaching Addendum to the Franchise Agreement (the “Elite MM Addendum”), a current copy of which is attached to the Franchise Agreement as Exhibit F-2. If you qualify and elect to participate, you must sign our then-current form of Elite MM Addendum and pay the \$1,297 monthly fee to us or our designee. The current term of the Elite MM Addendum is equal to the shorter of: (a) three years from the date of signing; or (b) the remainder of time left under the initial term of your Franchise Agreement.
Hold-Over Royalty Fee	The greater of \$2,000 USD per month, or 8% of Gross Revenues	Paid monthly on the 17 <sup>th</sup> day of the month, unless we specify otherwise. <sup>2</sup>	If you continue to operate the Outlet after the initial term expires, and you do not execute the Renewal Franchise Agreement and otherwise comply with the conditions of renewal set forth in Section 5.2 of the Franchise Agreement within 30 days of the date on which the Term expires, then, in addition to any and all rights and remedies available to us under the Franchise Agreement and applicable law, at our option, to be exercised in our sole and absolute discretion, we may extend the Franchise Agreement on a month-to-month basis by notifying you we are doing so. In this event, the monthly Royalty Fee during the “Hold-Over Period” will be increased to the

Type of Fee	Amount	Due Date	Remarks (Note 1)
			greater of \$2,000 USD per month, or 8% of Gross Revenues. Said month-to-month extension will commence on the date the initial term expires and end 30 days after we give notice to you that the extension will expire (the "Hold-Over Period").

Note 1. Except as otherwise disclosed in this Item, all fees described in this Item 6 are paid to us and are uniformly imposed for all franchises offered under this disclosure document. All fees are non-refundable. Existing franchisees and existing developers may be entitled to lower fees, different fees, or varying fee structures. We reserve the right to waive or reduce some or all of these fees for a particular franchisee depending on the circumstances.

Note 2. The term "Gross Revenues", as defined in the Franchise Agreement, means any and all revenue derived from the sale or lease of any and all services and products, and all income of every kind and nature, related in any way to the franchised business, whether for cash or credit (and regardless of collection in the case of credit) and whether or not such sales are made at or by the franchised business, including revenue generated from the sale of memberships, goods, products, merchandise, services and advertising; except that "Gross Revenues" does not include any sales tax collected from your customers and tendered to any taxing authority.

Through our designated reporting software, we may have direct access to your financial information, including Gross Revenue information. Under the terms of the Franchise Agreement, we have the right to continuous, unrestricted access to your financial information, including all data and financial reports and we have the right to use any or all of this information for any purpose we deem appropriate, including in connection with Financial Performance Representations including in Item 19 of our franchise disclosure documents. If we change the method through which we collect financial information, we have the right to require you to prepare and send us Gross Revenues Reports (the "Gross Revenue Reports") in the manner and frequency we designate.

Note 3. All payments, unless we designate otherwise, are processed through an electronic funds transfer system ("EFT"). You must sign and deliver to us and our designees all of the documents, forms and information we require to authorize automatic payments to us for the Royalty, Marketing and Promotion Fund Contribution, Software Reimbursement Fees and other amounts due under the Franchise Agreement and any related agreement (the "Recurring Fees"). Currently, you must use the commercial billing service and its supplied computer program to process your member fees (including enrollment, monthly fees, and other payments) as we designate. You must instruct and authorize the commercial billing service to credit and transfer to our bank account the Recurring Fees, and all other fees you are required to pay to us under the Franchise Agreement. You are obligated to sign any and all consents and agreements we or our designee requires to implement our designated payment method. We reserve the right to change this payment method at any time, effective on 30 days' prior written notice to you, and we may require you to pay the Recurring Fees through any method and manner we designate. You must allow the POS provider and any commercial billing service provider to grant us access to all of your records, including databases and receivables. We will have full access to all of your data, system and related information by means of direct access, whether in person or by telephone/modem installed and maintained at your sole cost and expense. If you pay any ongoing fees, including, without limitation, the Royalty Fee, Marketing and Promotion Fund Contribution, and/or Software Reimbursement Fees with a credit card, you will be responsible for paying our designated processing fees, which fees are currently set at 3%.

Note 4. If any payment is not paid when due, you must pay interest on the unpaid amount at an APR of 18% (or the highest rate permitted in your state, if that is lower), and you must reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts, including court costs,

investigator fees, expert witness fees and attorneys' fees. Interest begins to accrue from the date payment was due.

Note 5. These fees are subject to adjustment based on changes since the effective date of the Franchise Agreement in the annual average of the Consumer Price Index for All Urban Consumers ("CPI"), published by the Bureau of Labor Statistics of the United States Department of Labor, or the highest similar future index if these figures become unavailable.

## **ITEM 7: ESTIMATED INITIAL INVESTMENT**

### **YOUR ESTIMATED INITIAL INVESTMENT**

#### **Franchise Agreement**

<b>Type of Expenditure</b>	<b>Amount</b>		<b>Method of Payment</b>	<b>When Due</b>	<b>To whom payment is to be made</b>
Initial Franchise Fee <sup>1</sup>	\$54,600.00	\$54,600.00	Lump sum; non-refundable	When you sign the Franchise Agreement	Us
Travel and Living Expenses While Training <sup>2</sup>	\$1,500.00	\$4,000.00	As incurred	During training	Travel and lodging vendors
Lease Negotiator <sup>3</sup>	\$0.00	\$3,000.00	As incurred	Before opening	Lease negotiator
Security Deposit <sup>4</sup>	\$10,000.00	\$16,000.00	As incurred	Before opening	Landlord
Rent <sup>5</sup>	\$10,000.00	\$16,000.00	As incurred	As required by landlord	Landlord
Architect <sup>5</sup>	\$6,000.00	\$8,000.00	As incurred	Before opening	Architect
Permitting <sup>5</sup>	\$1,000.00	\$2,500.00	As incurred	Before opening	Government Authorities
Construction <sup>5</sup>	\$50,000.00	\$150,000.00	As incurred	Before opening	Approved suppliers and other vendors
Computer System and Recommended Software <sup>7</sup>	\$1,500.00	\$4,000.00	Lump sum	Before opening	Approved suppliers and other vendors
Furnishings <sup>8</sup>	\$500.00	\$1,500.00	Lump sum	Before opening	Approved suppliers and other vendors
Workout Equipment <sup>9</sup>	\$12,000.00	\$20,000.00	Lump sum	Before opening	Approved suppliers and other vendors
Mats <sup>10</sup>	\$6,000.00	\$8,000.00	Lump sum	Before opening	Approved suppliers and other vendors
Inbody <sup>11</sup>	\$0.00	\$6,700.00	Lump sum	Before opening	Supplier
Interior Signage <sup>12</sup>	\$1,200.00	\$6,000.00	Lump sum	Before opening	Designated vendor
Exterior Signage <sup>13</sup>	\$6,000.00	\$10,000.00	Lump sum	Before opening	Approved suppliers and other vendors
AED <sup>14</sup>	\$50.00	\$1,500.00	Lump sum	Before opening	Approved suppliers and other vendors
Payroll <sup>15</sup>	\$3,500.00	\$10,500.00	As incurred	As incurred	Employees
Opening Inventory <sup>16</sup>	\$0.00	\$2,000.00	Lump sum	Before opening	Approved suppliers and other vendors
Business insurance (including workers' compensation) <sup>17</sup>	\$1,000.00	\$2,500.00	Lump sum	As required by insurance policy	Insurer
Grand Opening Launch Advertising <sup>18</sup>	\$17,000.00	\$17,000.00	As incurred	Immediately before, during and just after opening	Designated third party suppliers
Additional Funds (3 months) <sup>19</sup>	\$30,000.00	\$45,000.00	As incurred	After opening	Employees, suppliers, utilities, etc.
<b>Total</b>	<b>\$211,850.00</b>	<b>\$388,800.00</b>			

All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. The above table reflects the estimated initial investment to commence operation of the Virtual Fit Body Boot Camp Business, as well as the subsequent opening of the physical Outlet for the Fit Body Boot Camp franchised location, based on our current model and updated standards and specifications in effect as of the issuance date of this disclosure document. You will commence operation of the Virtual Fit Body Boot Camp Business after you complete the initial training program.

(1) The Initial Franchise Fee is \$54,600 USD and is described in greater detail in Item 5 of this Franchise Disclosure Document. This fee is fully earned and non-refundable upon payment.

(2) As of the issuance date of this Disclosure Document, the initial training program for the Fit Body Boot Camp Business is conducted both in person and remotely. The in-person training will either be held in California or Michigan, based on the month you attend. After you commence operation of the Virtual Fit Body Boot Camp Business, you will complete the training program for the operation of the physical Outlet. The range in the chart is based upon two persons attending the initial training program in Chino Hills, California or at a designated Fit Body Boot Camp® location, as we designate. This range increases if you choose to bring additional persons to attend the initial training program.

(3) You are encouraged to work with an attorney or other professional lease negotiator to negotiate the terms of your lease agreement. This includes estimates for fees paid to an attorney or lease negotiator in connection with lease negotiation services.

(4) This includes estimates for security deposits payable under your lease agreement when you sign your lease.

(5) You must operate the retail Outlet in a stand-alone facility that can either be a free-standing building or an in-line located in a retail strip center. Our current model requires a facility with a minimum of 2,500 square feet and up to 3,000 square feet. Rent for your training facility will vary based on several factors, including square footage, location and condition of the space and lease arrangements. A security deposit and first month's rent are standard requirements for a commercial lease, but these requirements may vary. The Outlet must conform to our standards and specifications for appearance, layout and design. We may provide you our specifications for construction, remodeling and decorating the Outlet and general floor plans and interior layout and design. You must submit to us for approval all construction and design plans for adapting our specifications to your Location. It is your responsibility to ensure that all design, construction and remodeling work is performed in a competent and professional manner, in accordance with all applicable laws, rules, regulations and codes at your sole cost and expense. Architect fees, permitting fees and other costs and expenses incurred in connection with the design, remodeling, decorating and/or construction of the Outlet will vary greatly depending on a number of factors, including the size and location, as well as the amount of construction or remodeling needed and the prior use of the premises. At our option, you must employ any design, construction and remodeling professionals we designate. The cost of your build-out may be reduced by a Tenant Improvement ("TI") allowance or rebate from the landlord, which varies depending on the terms of each lease agreement. The figures above include the estimates for initial lease deposits, pre-paid rental amounts, and build-out and construction costs. If you obtain financing from a third party for some or all of the construction costs, you will also have to pay interest on the amount borrowed. You are strongly advised to consult with a business advisor to determine a more appropriate estimate of the real estate rental fees, costs and expenses you are likely to incur in the area in which you wish to open a franchised business before you sign the franchise agreement or a lease.



(6) This is an estimate of the costs associated with obtaining necessary business licenses to operate the Outlet. You are strongly encouraged to consult with an attorney or business advisor to determine the required licenses and permits, and costs associated therewith, in the area in which you are looking to open an Outlet as part of your due diligence.

(7) You must purchase and use our designated Computer System and POS System, including the commercial billing service and its supplied computer program. This estimate includes fees related to our software reimbursement of \$400 USD per month (which currently includes Fit Body Marketing Machine standard account, Fit Pro Tracker, Fit Body Booking App all of which may be changed or modified at any time as we designate), system hardware (inclusive of the following components: either: (A) desktop computer, and an iPad Pro 10.5 / 64 GB or an iPad 9.7 / 32 GB; or (B) MacBook Pro, iPad Pro; and (C) a bar scanner ) and the Fit Pro Tracker POS System.

(8) You must purchase or lease fixtures, furniture and equipment necessary for the Outlet from our designated suppliers. Leasing these items may significantly reduce your initial investment expense by spreading out the costs over time. The estimate in the table assumes that you purchase, rather than lease, the furniture, fixtures and equipment.

(9) This figure includes an estimate for purchasing our required initial inventory of the following items: dumbbells, kettlebells, slam balls, resistance bands, AED unit, first aid kit, battling ropes, battling rope mounts, suspension straps and suspension training rig, small cones, speakers, equipment and Plyo-boxes. Shipping costs may vary.

(10) This figure includes an estimate for purchasing floor mats for the Outlet. Shipping costs may vary.

(11) This represents the estimated cost for the InBody 270 Composition Analyzer you are required to purchase and use in connection with the operation of the Outlet.

(12) This represents the estimated expenses of acquiring interior signage for the Outlet. The quantity, size, type and cost of signs will vary substantially per lease space and in accordance with stipulations of each landlord and local governmental regulation.

(13) This represents the estimated expenses of acquiring the exterior signage for the Outlet. The quantity, size, type and cost of signs will vary substantially per lease space and in accordance with stipulations of each landlord and local governmental regulations. These figures include the estimated filing fees for obtaining the necessary sign permits. All signs containing the Fit Body Boot Camp proprietary marks must be created to our specifications and must be designed and fabricated by vendors designated or approved by us.

(14) This represents the estimated cost of one AED device for the Outlet.

(15) This represents an estimate of payroll expenses for two to three team members for the first three months of operating the Outlet, assuming you open the Outlet within the time period required under your Franchise Agreement. Labor costs and expenses vary significantly from area to area. You are strongly encouraged to investigate these costs and expenses in your area as part of your due diligence.

(16) This includes estimates for your initial inventory of posters, bulletin boards and brochures.

(17) The range of premiums anticipates an annual payment. As an independently owned and operated franchisee, you are responsible for all costs or liabilities arising from the operation of your Outlet, and it

is imperative you carry adequate insurance to protect yourself. The currently required *minimum* coverage and limits of insurance are (i) General Liability at minimum limits of \$1,000,000 per occurrence / \$3,000,000 annual aggregate, (ii) Auto Liability at minimum limits of \$1,000,000 combined single limit covering all owned, hired and non-owned vehicles, (iii) Workers' Compensation to meet the statutory coverage of the state where your Outlet is located; and (iv) employment practices liability insurance. To the extent permissible under law, these insurance requirements may be satisfied with a combination of primary, umbrella and/or excess policies. All insurance policies will name you as named insured and, except for Workers' Compensation policies, will name us and any of our subsidiaries and affiliates of these companies now existing or which may hereafter exist as additional insureds, including their employees, officers and directors on additional insured endorsement forms. All required insurance must be purchased from insurance companies of good reputation with a rating of "A VII" or better by A. M. Best Company. You must provide us with a Certificate of Insurance evidencing this coverage on an ongoing basis. The costs of premiums will vary based on location of the Outlet and any prior claim history.

(18) You must conduct a Grand Opening Launch advertising and marketing campaign in accordance with our requirements and specifications. If you deviate from our requirements and specifications, in addition to being in default of your obligations under the Franchise Agreement. Your costs may vary depending on the area in which your franchised business is located and the extent of your marketing campaign.

(19) Although we do not require minimum funds for you to start your business, there are some expenses you will incur when you begin operation of the Outlet, such as expenses associated with inventory, supplies and employees. It is always a good idea to have sufficient cash reserves available to cover initial operating expenses. The range in the chart estimates the additional funds you will need for your first 3 months of operation. The estimate of additional funds is based on an owner-operated franchised business. It includes payroll costs but does not include any allowance for owner's draws. We strongly encourage you to reach out to system franchisees to discuss their initial investment expenditure experiences for additional information.

(20) General Note. This estimates your initial startup expenses. These figures are estimates, and we do not guarantee that you will not have additional expenses starting the business. If you are operating an existing fitness facility and converting it to a Fit Body Boot Camp franchised location, or if you are purchasing an existing Fit Body Boot Camp franchised location, you may incur a greater or smaller investment than the estimated disclosed in the chart, depending on the circumstances and the condition of the facility.

All fees and payments due to us or any of our affiliates are non-refundable. The terms you negotiate with outside suppliers or third parties govern the refundability of all payments due to them. We do not finance any part of the initial investment. This estimate is based on the experience of our affiliates, certain franchised outlets, and principal officers in opening and operating Outlets. We strongly encourage you to reach out to system franchisees to discuss their initial investment expenditures for additional information and to review these figures carefully with a business advisor before making any decision to purchase the franchise, as system franchisees do not always share their investment cost experiences with us.

## **YOUR ESTIMATED INITIAL INVESTMENT UNDER AN ADA**

If you sign an Area Development Agreement you should review both the above tables of estimated initial investment expenses applicable to Franchise Agreements as well as the following table of fees.

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is to Be Made</b>
Development Fee <sup>2</sup>	\$114,200 USD	Lump sum, non-refundable	When you sign the ADA	Us
Initial Investment for the <b>First Fit Body Boot Camp Franchised Business</b>	\$157,250 – \$270,900	See Chart 7(A) above. The low range is equal to the low range of the total from Chart 7(A) minus the Initial Fee, and the high range is equal to the high range of the total from Chart 7(A) minus the Initial Franchise Fee. See Note 3.		
<b>Total Initial Investment</b>	<b>\$271,450</b> <b>\$448,400</b>	In addition to the Development Fee, you will incur initial investment expenses for the development and opening of each Facility you are obligated to open under the development schedule. The current estimated initial investment range for the development of a Facility is disclosed in the above tables and is subject to adjustment and increase in the future.		

Note 1. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee.

Note 2. The Development Fee is described in greater detail in Item 5 of this FDD. If you are a First Responder, your Development Fee will be discounted to \$86,900 USD. The Development Fee is due and payable in full upon signing the ADA.

Note 3. This estimated initial investment for each Fit Body Boot Camp Franchised Business you are obligated to develop under the ADA is subject to change and is likely to increase for the development of the second and third Fit Body Boot Camp Franchised Business you are obligated to develop under the ADA, based on our then current offer at the time of sale, and costs associated with the types of expenditures listed in the first chart included in this Item 7.

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

### **General**

You must develop and operate the Franchised Business in strict conformance with our methods, standards and specifications which we prescribe in our Manual and various other writings, all of which we may change at our sole discretion at any time (the “Manual”). As a System franchisee, you will be required to purchase or lease certain goods and services from suppliers and vendors that we designate in connection with the establishment, construction and build-out of the Franchised Business, and also on an ongoing basis in

connection with the operation of the Franchised Business. We and/or our affiliates may become an approved supplier, and/or the only supplier, for any item, product, good and/or service at any time. We have the right to change our designations, including supplier designations, at any time.

We communicate these requirements and changes to you through the Manual or other written communications. We anticipate that our standards and specifications will change over time and you will be required to adhere to these changes. You may incur increased costs and expenses to comply with these changes.

You may only offer and sell the services and goods we designate or otherwise approve in writing, and only in the format and manner we authorize or designate. You must offer and participate in all programs, including promotional programs, we designate at your sole cost and expense. You must immediately discontinue offering for sale any item, product and/or service we disapprove in writing at any time. You must participate in all “new client lead generation programs”, incentive programs, challenges, and similar programs we designate, including programs set up with third parties, in accordance with the standards, specifications and procedures we designate (the “New Client Lead Generation Programs”). You must strictly adhere to our designated processes and procedures relating to the methods used to offer, market and/or promote any and all New Client Lead Generation Programs, including use of designated marketing funnels, and restrictions on marketing funnels and methods not expressly approved by us in writing. We may retain up to 100% of the one-time upfront fees paid by the prospect for these New Client Lead Generation Programs and “low barrier offers”, which are designed to drive traffic and prospects into your business. Your goal is to convert prospects originated through the New Client Lead Generation Programs and low barrier offers to become a formal member of your Franchised Business. You must also participate in any other Fit Body Boot Camp website promotions we designate, including those hosted and managed by us on your Fit Body Boot Camp webpage. You must participate in any and all challenges we designate, including System-wide member challenges, and permit your members to join the challenge. We reserve the right to collect and retain registration fees from each participating member and we are not required to remit any of the revenues generated from such registration fees to you.

### **Required Purchases of Goods or Services, including Computer System**

As stated above, you are only permitted to offer and sell the services, products and items we designate or approve for sale in connection with the operation of the Franchised Business (the “Fit Body Services and Products”). The Fit Body Services and Products must meet our standards and specifications. We have the right to require you to purchase some or all of the Fit Body Services and Products from us, our affiliates and/or other suppliers or distributors approved or designated by us. We have the right to require you to sell designated services, products and items in connection with the operation of the Franchised Business and you must comply with all such requirements.

You are not permitted to install or permit to be installed at the Outlet or in connection with the operation of the Franchised Business, any fixtures, furnishings, equipment, décor items, signs or other items that we have not designated or approved unless you first obtain our prior written consent. You must devote your full time and best efforts to the operation of the Franchised Business and you may not, under any circumstances, engage in any other business activities, including engaging in the sale of any products or services to Fit Body Boot Camp franchisees or licensees. If you do not follow these requirements, you will be in breach of your Franchise Agreement, which may result in a termination.

Without limiting these broad rights, we may require you to sell only the supplement products we specify, and we may require you to purchase the supplement products from our designated vendor, at any time in the future by providing written notice to you. We also have the right to directly or indirectly, including through our affiliates and licensees, offer and sell supplements, meals, and any other products and items

through any means, including alternative channels of distribution. You are not entitled to any compensation or consideration on account of any such sales, including sales made to you members or customers located in your Territory.

### **POS and Computer System Requirements**

You must purchase or lease our designated POS system from our designated supplier unless we designate otherwise in writing. You must enter into the agreements and licenses this supplier requires. You are responsible for all ongoing maintenance and repairs and upgrades. Currently, you must pay us a monthly Software Reimbursement to cover the ongoing costs of the POS system and other designated software and technology programs. We reserve the right to require you to pay these fees directly to the POS system provider or our designee at any time in the future effective on written notice to you.

In addition to the POS system, you must purchase, use and maintain a personal computer system for use at the Outlet (the “Computer System”). We may designate certain computer software and hardware be used in the operation of the Franchised Business. You must always maintain an e-mail account, connect the Computer System and POS system to a dedicated telephone line (or other communications medium specified by us), and have access to the Internet via a third-party network designated by us in the Manual or otherwise in writing. You must comply with our rules, regulations and specifications relating to the Virtual Fit Body Boot Camp Business, which may include an obligation to purchase, maintain and use designated software from our designated supplier.

We have the right, in our sole discretion, to change these requirements, including POS System and/or Computer System, at any time on notice to you. You must comply with all changes within 30 days of your receipt of written notice of the change.

Neither we nor any of our affiliated entities are required to provide you with the POS System, Computer System, designated computer software, or communications media.

### **Branded Materials/Items**

Any and all items bearing our marks (including signs) must be purchased by you only from vendors and suppliers designated or approved by us. Also, you must use in the development and operation of your Franchised Business those fixtures, equipment, supplies and signs we have approved as meeting our specifications and standards for appearance, function, design, quality and performance. You must place or display at the premises of your Outlet (interior and exterior) only such signs, emblems, lettering, logos, and display materials we approve in writing. All equipment leases will be between you and the lessor. Under no circumstances are you permitted to sign any lease as if you were us, or on behalf of us.

Again, you are not permitted to offer and sell any products, including supplements, through the Internet, mobile applications, or any other means.

Our affiliate derives revenue from franchisees’ purchases of supplement products. We may also require you to purchase any and all branded products from us, our affiliate or our designee (as we designate) and to offer and sell these products for sale at your Franchised Business effective on notice to you. We and/or our affiliates may, but are not contractually obligated to, share revenues derived through the sale products, which may include meals and/or branded supplement products, with participating System franchisees who are in compliance with their franchise and other agreements.

### **Franchisor or its Affiliates Acting as Approved Suppliers**

Except as otherwise stated in this Disclosure Document, we do not currently sell or lease any goods, services, supplies or equipment related to establishing or operating the Franchised Business. We and our affiliates reserve the right to become an approved supplier, including an exclusive supplier, of any item, good, product, or service, at any time without restriction.

Our affiliate ENP offers and sells Trulean supplements. As of the issuance date of this Disclosure Document, we do not require our franchisees to purchase Trulean supplements from ENP, but such purchases are optional. Our affiliate entity Go Inspire Fitness, LLC. (“Marketing Machine”) provides email broadcasting and lead nurturing software programs to our franchisees.

Except as disclosed in this Item, as of the issuance date of this disclosure document, neither we nor any of our affiliated entities are currently the approved suppliers of any other products or services you are required to purchase or lease in connection with your Outlet, but this may change at any time in the future.

One of our officers owns an indirect interest in each of our affiliates, including ENP, ETH, Marketing Machine and FitPro Tracker. Otherwise, as of the issuance date of this disclosure document, there are currently no other suppliers in which any of our officers owns an interest.

### **Approved Suppliers**

In addition to the restrictions disclosed above, you must, at your own cost and expense, enter into agreements with suppliers we require or approve. You will receive a list of required and approved suppliers and required products and services through the Manual, as listed on the Fit Body Boot Camp Membership website, through later updates e-mail, or in any other manner of communication we designate. We will also notify you of any additions to or deletions from this list through any of these methods. We may change approved and required suppliers at any time. Without limiting this broad right, we may revoke our approval of any required product or service, or of any approved or designated supplier, at any time for any reason. If disapproved, you must immediately discontinue the offer and/or sale of the disapproved product or service, and you must immediately stop purchasing the item or service from the disapproved supplier immediately after receiving written notification of disapproval from us.

As of the issuance date of this disclosure document, in addition to the products and services you must purchase from our affiliates, we have designated exclusive suppliers for the following items and services: (i) Dollamur Sports Surfaces to provide our franchisees with sports mats, (ii) QuickBooks reporting software, (iii) Fit Pro Tracker to provide our franchisees with the POS System, (iv) NASM (the official nationally accredited personal and group training certification partner); (v) Fit Body Marketing Machine standard account ; (vi) indoor LED lighting; (vii) interior lobby wood wall supplier; (viii) print and promotional materials and interior signage and expression wall ; (ix) InBody composition analyzers; (x) designated nutrition app; and (xi ) branded fitness equipment (currently Torque and TRX); (xii) HR and payroll services (currently Gusto); (xiii) music licensing services (currently Rock my World Media). We reserve the right to change any or all of these requirements at any time.

We may designate single or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers. We may permit you to contract with alternate suppliers who meet our criteria, but we are not obligated to grant such permission.

### **Alternative Suppliers**

If you want to purchase any product, service, good, equipment or supplies from a supplier or distributor that is not on our approved list, you may submit a written request for our approval of the supplier or distributor (except in instances where we have designated a sole supplier of any product, item, good, equipment, service or supplies), which we may grant or deny in our sole and absolute discretion. The proposed supplier's or distributor's product or service, as applicable, must conform to our designated standards and specifications, which may include the ability of the supplier to provide sufficient quantities of the product to the System. The supplier or distributor must also provide us with any information we request in order to analyze the supplier's or distributor's suitability, and the composition and conformity of the product and/or service to our standards and specifications. We will have the right to require our representative to be permitted to inspect the supplier's facility and samples from the supplier to be delivered for evaluation and testing, either to us or to an independent testing facility we designate. You must pay us an evaluation and testing fee of \$1,500 USD. Our criteria for supplier approvals have been developed by us, our affiliates and/or principals through the expenditure of extensive work and time and are considered confidential information. Therefore, we do not make our standards and specifications or our other criteria for supplier or distributor approval available to our franchisees or suppliers. Within approximately 30 days after our receipt of the completed request, all information we require, and completion of the evaluation and testing (if required by us), we will notify you in writing of our approval or disapproval of the proposed supplier. Approval of a proposed supplier may be conditioned on meeting criteria we determine, including performance relating to frequency of delivery, standards of service, and payment or other consideration to us or parties designated by us. You or the proposed supplier will be responsible for all costs and expenses associated with the testing and approval process. As disclosed above, we may, at any time, terminate or withhold approval of any products or services, or any supplier of such items, on written notice to you.

You must not use in your Outlet, provide, display, sell or offer for sale any products or services from a proposed supplier until you receive our written approval of the proposed supplier and of the proposed product or service, as applicable. We may revoke our approval of specific products, services or suppliers at any time in our sole discretion, including if we determine in our sole discretion the products, services or suppliers no longer meet our standards. We may also consider the impact of an additional supplier (and consequent reductions in supplier volume and increase in distribution expense) on the overall supply chain being utilized by the system.

Upon receipt of written notice of such revocation, you must cease purchasing or selling any disapproved product or service, as applicable.

### **Issuance of Specifications and Standards**

We issue specifications and standards regarding authorized Fit Body Services and Products to franchisees through the Manual and other communications in writing or by email. We also issue specifications and standards regarding authorized Fit Body Services and Products to our designated and approved suppliers in writing or by email. We may modify these specifications and standards at any time but only after delivering written notification of the modifications and providing System franchisees or suppliers a reasonable amount of time, which need not be more than 30 days, to implement the modifications.

You must obtain and maintain insurance coverage according to our specifications, as disclosed in more detail in Items 7 and 11. All marketing and promotional materials must be approved by us in writing before use. You must find a site that meets our standards and specifications for each Outlet you develop.

### **Revenue from Franchisee Purchases**

We and/or our affiliates, may derive income, consideration, payments and other benefits on account of your purchase or lease of any products, services, supplies and/or other items from us or any supplier, including approved suppliers, affiliates, and/or designated suppliers. This income may be derived in any form, including as a rebate from various suppliers based on the quantity of System franchisee purchases. These amounts and considerations are subject to change without restriction. We and our affiliates may use these benefits for any purpose we deem appropriate. We and our affiliates are not obligated to remit any benefits to you and reserve the right to retain all such benefits. We and our affiliates may charge a mark-up on any products and/or services sold or leased to you by us and/or our affiliates and/or any system supplier. There are no contractual limits on our ability to impose mark-ups.

### **Derived Revenue**

In our last fiscal year ended December 31, 2024, we derived \$83,372, or 1.03% of our total revenue of \$8,098,665 from required purchases and leases. As of its fiscal year ended December 31, 2024, our affiliate ESI, derived \$37,422 from required purchases and leases.

Purchases from us, designated vendors and approved suppliers (i) in establishing your Outlet will range from 21% to 26% of your total initial investment, and (ii) in operating your Outlet will range from 5% to 10% of your total monthly expenses.

### **Cooperatives; Purchasing Programs**

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

We do not guarantee the availability of independent sources of supply for any particular product, item or service required to establish or operate your Outlet.

Currently, there are no purchasing or distribution cooperatives.

### **Negotiated Purchase Arrangements**

We have negotiated equipment discounts with our designated suppliers for the following: sports mats, suspension trainers, battling ropes, supplements, meals, body composition analyzers as an optional affiliate revenue program (20% to 30% depending on products) for the benefit of Fit Body Boot Camp franchisees. We negotiated an arrangement with the System suppliers of body composition analyzers, nutrition application services, branded fitness equipment and supplements under which the suppliers pay us rebates ranging from 5% to 10% of the invoice price. We reserve the right to modify these arrangements and amounts paid to us at any time without restriction.



Except as disclosed in this Item, as of the issuance date of this Disclosure Document, we have not established any purchasing arrangements with designated suppliers and do not currently receive payments on the basis of required franchisee purchases. We reserve the right to establish purchasing arrangements and vendor agreements and to receive payments on account of franchisee purchases at any time.

## **Insurance**

You must purchase and maintain the types and amounts of insurance that we designate in our Brand Standards Manual or otherwise in writing (or such greater amounts of insurance as may be required by the terms of any lease or mortgage related to the Outlet. As an independently owned and operated franchisee, you are responsible for all costs or liabilities arising from the operation of your Outlet, and it is imperative you carry adequate insurance to protect yourself. The currently required minimum coverage and limits of insurance are (i) General Liability at minimum limits of \$1,000,000 per occurrence \$3,000,000 annual aggregate, (ii) Auto Liability at minimum limits of \$1,000,000 combined single limit covering all owned, hired and non-owned vehicles, (iii) Workers' Compensation to meet the statutory coverage of the state where your Outlet is located; and (iv) employment practices liability insurance. To the extent permissible under law, these insurance requirements may be satisfied with a combination of primary, umbrella and/or excess policies. All insurance policies will name you as named insured and, except for Workers' Compensation policies, will name us and any of our subsidiaries and affiliates of these companies now existing or which may hereafter exist as additional insureds, including their employees, officers and directors on additional insured endorsement forms. All required insurance must be purchased from insurance companies of good reputation with a rating of "A VII" or better by A. M. Best Company. You must provide us with a Certificate of Insurance evidencing this coverage on an ongoing basis. The costs of premiums will vary based on location of the Outlet and any prior claim history.

## **Material Benefits Based on Franchisee Purchases**

We do not provide any material, special benefits to franchisees for particular products or services or using 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.**

	<b>Obligation</b>	<b>Section in franchise agreement</b>	<b>Disclosure document item</b>
a	Site selection and acquisition/lease	7.1, 7.2	,11
b	Pre-opening purchases/leases	7.2, 7.3	8
c	Site development and other pre-opening requirements	7.1, 7.2	7, 8, 11
d	Initial and ongoing training	6.1-6.4	11

e .	Opening	4.2, 7.1, 7.2, 7.3; Section 1.2 of ADA	11
f .	Fees	4.1-4.8, 6.1-6.3; Section 2.1 of ADA	5, 6, 7
g .	Compliance with standards and policies/ operating manual	8.1-8.3	11
h .	Trademarks and proprietary information	8.8, 9.1-9.5	11,13,14
i .	Restrictions on products/services offered	3.2, 3.4, 8.1, 8.13	16
j .	Warranty and customer service requirements	8.1	11
k .	Territorial development and sales quotas	Not applicable; Section 1.2 of ADA	12
l .	Ongoing product/service purchases	7.3	8
m .	Maintenance, appearance and remodeling requirements	5.2, 7.2, 7.3, 8.5	7,
n .	Insurance	8.10	6, 7, 8
o .	Advertising	4.2, 4.3, 7.4, 8.8, 8.13,10.1, 10.2	6, 7,11
p .	Indemnification	16.2; Section 9.4 of ADA	6
q .	Owner's participation/management/st affing	3.6, 6.1, 6.2, 6.3, 8.1, 9.2,, 18.1(m)	11,15
r .	Records and reports	8.7	6
s .	Inspections and audits	8.7, 8.11	1,6,11
t .	Transfer	12.1-12.7; Section 6 of ADA	17
u .	Renewal	5.2, 5.3	17
v .	Post-termination obligations	11.2, 15.1, 15.2; Section 5.3 of ADA	17
w .	Non-competition covenants	11.1-11.3; Section 7.1 of ADA	17
x .	Dispute resolution	14.1-14.6; Section 8 of ADA	17
y .	Compliance with anti-terrorism and other federal laws	16.12	Not applicable
z .	Personal Guarantee	Appendix 1	Not applicable

## **ITEM 10: FINANCING**

Neither we nor any agent or affiliate offers direct or indirect financing to you, guarantees any note, lease or obligation of yours, or has any practice or intent to sell, assign or discount to a third party all or any part of any financing arrangement of yours.

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

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

### **Franchise Agreement**

#### **Our Pre-Opening Obligations and Assistance**

Before you commence operation of the Virtual Fit Body Business, we will do the following:

- (1) Provide you with an online initial training program designed to train you to operate the Virtual Fit Body Business; and
- (2) Will provide to you, on loan, one copy of the confidential Manual (see section 8.2 of the Franchise Agreement). We may provide this copy electronically, including through email or intranet access, or any other method we designate.

Before you open your physical Outlet, we will do the following:

- (1) Designate your franchise territory (see section 3.1 and Exhibit 1 of the Franchise Agreement).
- (2) Provide your Initial Training Team (as defined below) with our then-current initial training program for the physical Outlet at the place we designate (see section 6.1 of the Franchise Agreement and the Training Program described below in this Item 11). Your Initial Training Team must successfully complete initial training to our satisfaction before you can open your Outlet.
- (3) Provide you with a sample general plan for a prototypical layout at your request; furnishing and equipping of your Outlet (see section 7.2(a) of the Franchise Agreement). You must, at your expense, adapt the suggested specifications to the Outlet premises and construct and build-out the Outlet in accordance with our standards and specifications and all applicable laws, rules and regulations. You must perform all necessary construction of the Outlet and you must purchase and install all fixtures, equipment and signs designated by us at your expense. Regarding necessary equipment, signs, fixtures, opening inventory and supplies, we do not provide any of these items directly nor do we deliver or install these items, but we do provide the names of approved suppliers of these items and we do provide written specifications for these items.
- (4) Provide you with site selection guidelines and communicate our acceptance or rejection of your proposed site for your Outlet (see section 7.2(b) of the Franchise Agreement). You and your landlord may be required to complete and sign a rider or addendum to the lease that: (i) restricts the use of the premises solely to the operation of the franchised Outlet; (ii) prohibits you from subleasing or assigning all or any part of your rights or extending the term of or renewing the lease agreement without our prior

consent; (iii) provides us with the right to enter the premises to make modifications necessary to protect the marks or the System, or to cure any default under your Franchise Agreement or the lease agreement; (iv) grants us an option to assume your position as lessee under the lease for the Outlet premises if you are in material default of either the lease for the Outlet premises (including an obligation of the landlord to notify us if you are in default) or the Franchise Agreement; (v) requires the landlord to fully cooperate with us in completing de-identification of the Outlet if the Franchise Agreement is terminated or expires without being renewed; and (vi) includes any other provision we believe is necessary to protect our interests. You have 90 days after signing the Franchise Agreement to locate an acceptable site for your Outlet. We will notify you of our consent to or disapproval of the proposed site for your Outlet within 10 business days after you have identified this location to us. If you are unable to locate an acceptable site within 90 days after signing the Franchise Agreement or opened the Outlet within 270 days after signing the Franchise Agreement, we can cancel the Franchise Agreement (see section 7.2(a) of the Franchise Agreement). The factors that we consider in consenting to a site for the Outlet include general location and neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings and lease or rental terms. We do not typically own and lease to you the premises on which the Outlet will be located. We do not assist you in conforming the premises of the Outlet to local ordinances and building codes or obtaining any required permits.

### **Length of Time to Open the Outlet**

We estimate the typical length of time between the signing of the Franchise Agreement and the opening of your Outlet will be approximately 215 days. Factors that may affect this length of time include the satisfactory completion of initial training by your designated attendees, location of an acceptable site, ability to obtain an appropriate lease, financing arrangements, compliance with zoning and local ordinances, weather conditions, shortages, the contractor's ability to complete construction of the Outlet, and delivery and installation of equipment, fixtures and signs. If you have not located a site for your Outlet that is acceptable to us within 90 days after the effective date of your Franchise Agreement (required by section 7.1(a) of the Franchise Agreement), we may cancel the Franchise Agreement. If we do so, we are not obligated to refund your Franchise Fee or any other amounts you have paid us up to the date of cancellation.

### **Our Obligations during the Operation of the Franchise**

During the operation of the Franchised Business, we:

- (1) Will provide you with access to, and integrate information about your physical Outlet into, the Fit Body Boot Camp website (see section 6.2 of the Franchise Agreement).
- (2) Will be reasonably available by phone and e-mail for guidance to provide you with advisory assistance in the operation of your Outlet (see section 6.2 of the Franchise Agreement). We do not provide you with assistance in hiring, supervising or discharging employees and we do not exercise direct or indirect control over your employment practices. It is entirely your responsibility to handle employment matters and you are strongly advised to consult with an employment attorney to advise you on appropriate and legally compliant employment practices.
- (3) May visit you periodically to provide additional sales and administrative review and assistance. If you request additional assistance and we agree to provide it, you must reimburse us for the cost of our representative's transportation and lodging. We may, at our discretion, charge an additional training fee of up to \$750 USD per person per day for Fit Body Boot Camp training courses, seminars, conferences or other programs that we require you or your representatives to attend. The nature, frequency and

duration of this assistance by our representatives will be in our sole discretion (see section 6.2 of the Franchise Agreement).

(4) Will notify you if the general state of repair, appearance or cleanliness of your Outlet or its fixtures, equipment or signs do not meet our standards, and specify the action you must take to correct the deficiency (see section 8.11 of the Franchise Agreement).

(5) May conduct a system-wide mandatory meeting (or annual convention) not more than once a year (typically no more than 2 days in duration). As of the issuance date of this Disclosure Document, we anticipate offering an annual system-wide meeting or conference. Attendance of the General Manager at these meetings will be mandatory (and is highly recommended for all your Principal Equity Owners). You must pay the cost of travel, hotel and meal expenses for your attendees at these mandatory meetings (see section 6.3 of the Franchise Agreement). We reserve the right to charge an attendance fee for your attendance at the meetings, which will not exceed \$2,000 USD per person. As of the issuance date of this Disclosure Document, the attendance fee is \$1,000 USD per attendee.

(6) We have no contractual obligation to assist you in establishing prices. However, we may recommend and reserve the right to set minimum and maximum retail prices for Fit Body Services and Products and other products and services we authorize for sale at your Outlet (to enhance uniformity in the delivery of goods and services to retail customers by our franchises and the strength of our Marks in inter-brand competition), and if we do so, you may not advertise or promote (whether by telephone, printed materials or any other media, including, without limitation, social media) retail prices that are inconsistent with these recommended prices.(see section 8.1(c) of the Franchise Agreement).

(7) “The 100 Lives Changed Conditions”. You must comply with the 100 Lives Changed Conditions during the period commencing 8 weeks prior to the scheduled Grand Opening Date and ending at the earlier to occur of: (a) the date on which you have 100 clients signed up for the Launch Programs offered by your Franchised Business; or (b) the 12-month anniversary of your Grand Opening Date (the “100 Lives Changed Period”). The “100 Lives Changed Conditions” are as follows: For the duration of the 100 Lives Changed Period, you must: (i) spend at least \$10,000 on ad spend before your doors are open ; (ii) participate in every scheduled sales coaching call; (iii) send to us at least one of your recorded sales calls before each of the sales coaching calls; and (iv) you must submit a weekly “sales call scorecard” in the form and manner we designate. Provided that you: (i) are in compliance with your obligations under the Franchise Agreement; and (b) complied with the 100 Lives Changed Conditions during the 8 week period leading up to your scheduled Grand Opening Date, if you do not have 100 clients signed up for the Launch programs offered by your Franchised Business by your Grand Opening Date, then, during the period beginning on the Grand Opening Date and ending on the expiration of the 100 Lives Changed Period, you must spend at least \$100 per day on ad spend in accordance with our specifications and we will continue to run social media ads in the form and manner and at the frequency we designate..

### **Advertising Program for the Franchise System**

We are not required to spend any amount on advertising in your area or Territory. You must pay to us or our designee a monthly Marketing and Promotion Fund Contribution of \$500 USD per month (section 4.3(a) of the Franchise Agreement). Fit Body Boot Camp retail outlets owned by entities affiliated with us (if applicable) will contribute Marketing and Promotion Fund Contribution at the same rate that Fit Body Boot Camp franchisees do. While we are not contractually required to spend any Marketing and Promotion Fund Contribution in or near your Outlet, we strive to expend amounts in the area near or surrounding your Outlet. None of the Marketing and Promotion Fund Contributions paid to us are refundable at any time, including upon termination or expiration of the Franchise Agreement.

Marketing and Promotion Fund Contribution collected from Fit Body Boot Camp franchisees and any earnings on any such fees collected are used to meet the costs of producing, maintaining, administering, directing, conducting, and preparing of national, regional and local advertising, marketing, and related programs, materials and services, including, without limitation, digital and traditional media, public relations services and materials, network advertising, market research, printing costs, and promotional campaigns, and any other activities which we believe will enhance the image of the System. We will determine, in our sole discretion, the cost, form or media, content, format, production and timing, including regional or local concentration and seasonal exposure, location and all other matters involving advertising, public relations and promotional campaigns.

Marketing and Promotion Fund Contribution are deposited into a separate bank account. This account will not be subject to audit, and no interest on the amounts on deposit will be imputed for your benefit or paid to you. Administration of the Marketing and Promotion Fund Contribution may result in either a surplus or a deficit. In any given year, we may expend an amount that is greater than or less than the aggregate contributions collected during that year. We have the right to borrow from lenders, including from us or affiliated lenders. We or our designee will administer the expenditure of Marketing and Promotion Fund Contribution and we will have the sole right to determine all aspects of the programs and materials financed by the Marketing and Promotion Fund Contribution, including national, regional and/or local media, materials, concepts, sponsorships, endorsements and programs. Without limiting this broad discretion, we may engage third party or related party agencies to administer or otherwise provide services in connection with the expenditure of Marketing and Promotion Fund Contribution. While our goal is to maximize general brand recognition, awareness and goodwill associated with the Marks for the entire System, we cannot assure you that you or any particular franchisee will benefit directly or pro-rata from any expenditures of Marketing and Promotion Fund Contribution. We have no obligation to spend any amount on advertising, marketing or promotional activities in your area. We and/or our designee will have the right to receive a fee in administering Marketing and Promotion Fee expenditures of up to 15% of the annual aggregate Marketing and Promotion Fund Contribution, and we will have the right to recover our costs and expenses incurred in administering the fund expenditures. Marketing and Promotion Fund Contributions may be used to pay salaries, travel and other expenses of our or our designee's employees whose services are provided in connection with the use, administration, collection and expenditure of Marketing and Promotion Fund Contribution. We do not act as a trustee or in any other fiduciary capacity.

We intend to use digital media (Internet), social media (Facebook, Instagram, Twitter, *etc.*), and targeted print media in our marketing and advertising efforts, but we are not limited to these types of media. In the future, we may use local radio and television advertising, and we reserve the right to use other media to market and promote the Brand. We may be using in-house advertising personnel to do this, and we may hire advertising and public relations firms to assist us in these efforts.

We may provide general advertising programs and sales promotion, campaign and sample advertising materials. You may develop advertising materials for your own use, at your own cost, however, before you use any such materials, you must provide to us, in advance of use, your proposed materials for our prior approval, which we may grant or deny in our sole discretion. You grant us the right to use the name, image and likeness of you, all Principal Equity Owners and any of your affected employees, for commercial purposes in connection with the marketing and promotion of the Marks, Fit Body Boot Camp Services and Products, any Fit Body Boot Camp Outlet and the Fit Body Boot Camp system (see section 9.1(d) of the Franchise Agreement).

We also intend to work with third party promotional companies (e.g., Groupon) to develop New Client Lead Generation Programs to develop new clients for Fit Body Boot Camp franchisees. We may use in-house personnel to set up and administer the New Client Lead Generation Programs and we will incur expenses to do so. We will retain up to 100% of the revenues generated from any New Client Lead Generation Program, including as reimbursement for set up and administrative expenses. You should follow the sales conversion program described in the Manual for new client leads generated from the applicable program to convert leads into new clients of yours, thereby generating additional revenues paid to you from those clients (see section 4.4 of the Franchise Agreement). We may require you to purchase and use our designated or approved suppliers for member and client lead generation and/or lead conversion services. We may disapprove any supplier of these types of services. You are not permitted to purchase any product or service from any disapproved supplier.

During our fiscal year ended December 31, 2024, we expended Marketing and Promotion Fund Contribution funds as follows: (a) 6.3% on PR Advertising and Promotional Expenses, (b) 28.24% on Production, (c) 4% on Marketing Consultancy, (d) 3.1% on Online and Social Media Marketing, (e) 38.22% on Search Engine Optimization (SEO), (f) 14.84% on Administrative Fees, (g) 5.29% of Fund Reserved for 2025.

If we do not expend all Marketing and Promotion Fund Contribution collected for one year, the amount remaining would be retained for future advertising, marketing and promotion. If you request in writing in January or February an accounting of Marketing and Promotion Fund Contribution, we will provide you with an unaudited statement generally describing the annual receipts and expenditures of Marketing and Promotion Fund Contribution during the calendar year that just ended within 45 days following the completion and issuance of such unaudited statement.

None of the Marketing and Promotion Fund Contribution will be used primarily for the solicitation for new franchise sales, although we may generally expend funds to promote the Fit Body Boot Camp brand in such ways, methods and using the media as we may decide in our sole discretion. We reserve the right to include a notation in any and all advertising and materials created through use of Marketing and Promotion Fund Contribution that indicates franchise opportunities are available.

### **Advertising Councils**

We do currently have a franchisee advisory council that provides us with advisory input on advertising policies. Members are franchisees who are either nominated or appointed by fellow franchisees, with final appointment by our executive team. The council serves in an advisory capacity only, and we have the right in our sole discretion to dissolve the council.

### **Advertising Cooperatives**

We do not have the right to establish local or regional advertising cooperatives for Fit Body Boot Camp franchised businesses in your local or regional area.

### **Grand Opening Marketing and Advertising Expenditure Requirement**

You must conduct a Grand Opening Launch Campaign in accordance with our standards, specifications and requirements, to promote the opening of your franchised business and you must expend between \$10,000 and \$17,000 in connection with this campaign, as we designate. Within three months after the date you open the Outlet, you must send us evidence as we require to verify your compliance with

the Grand Opening Launch Campaign and expenditure requirements. (see section 4.3(c) of the Franchise Agreement).

### **Local Advertising Requirements**

Beginning on the date the Outlet opens for business, we require that you spend each month, \$500 on the local advertising and promotion of your Outlet (see section 4.3(d) of the Franchise Agreement).

On a national or regional basis, we may impose an additional assessment on all affected Fit Body Boot Camp franchisees for special advertising or promotional activities if 2/3 of all affected franchised Outlets agree to this additional assessment, confirmed in writing by each franchisee (see section 4.3(e) of the Franchise Agreement).

You may not establish or maintain any website, social media site or presence and/or mobile or internet-based applications (or any comparable future developed technology). We have the right to establish and implement social media guidelines and policies at any time, and we have the right to discontinue, modify and supplement any social media guidelines and policies as we determine in our discretion. You must comply with any and all established social media guidelines and policies, and you are responsible for ensuring that your managers and employees comply with the guidelines and procedures.

### **Pricing and Promotion Requirements**

We reserve the right to require you to offer services, memberships, and products at prices not to exceed the prices we publish from time to time, to the fullest extent permitted under applicable law. We reserve the right to require you and other System Outlets to offer and participate in all promotions we designate at any time, including charitable promotions, at your sole cost and expense. We may require you to promote and offer one or more awards to challenge winners in accordance with our specifications. You are responsible for ensuring compliance with all applicable laws, rules and regulations.

### **POS System and Computer Hardware and Software Requirements**

You must use the web-based management software and electronic cash register system provided by our designated vendor, currently, FitPro Tracker. We reserve the right to change our designated vendor at any time and you will be required to comply with any such changes. Currently, the monthly Software Reimbursement covers FitPro Tracker's current ongoing fees for licensing and support services. This fee currently includes upgrades and system maintenance and technical support. The fees and costs are subject to change and may increase. You must purchase a credit card processor and digital signature pad compliant with the then-current web-based management software system. FitPro Tracker currently provides software support through its helpdesk and software upgrades, which is subject to change in the future. You are responsible for hardware repairs and replacements of components and software that are not covered under warranty. The software licensed by FitPro Tracker is FitPro Tracker's proprietary property. As of the issuance date of this Disclosure Document, the FitPro Tracker POS system is the only approved POS system for use for franchisees purchasing a franchise under this disclosure document, however we reserve the right to change this requirement at any time following the issuance date without restriction.

FitPro Tracker currently maintains customer data for purposes of billing the customers' enrollment and monthly membership fees. We have independent access to this data via the FitPro Tracker system. We have the independent right to access the data on your POS System and Computer System throughout the



term of your franchise agreement without restriction. We may use this information for any and all other lawful purposes. There are no contractual limitations on our right to access this data.

In addition to the POS System, you must purchase, use and maintain a Computer System (including all related hardware and software) as specified in the Manual or otherwise by us in writing for use at the Outlet. We anticipate the expense for you to purchase or lease the Computer System and the POS System will be approximately \$3,000. You must always maintain an email account, connect the Computer System to a dedicated telephone line (or other communications medium specified by us), and have access to the Internet via a third-party network designated in the Manual or otherwise by us in writing. We estimate that the annual cost for you to provide maintenance, repairs or updates to the Computer System will not exceed \$1,000, but this is just an estimate as these costs are controlled by third parties and factors outside of our control. We have no contractual obligation for maintenance, repairs, updates and upgrades to your Computer System or related hardware and software. If we update the Computer System requirements, we will provide you with written notice of the update requirements and you must incorporate the updates at your sole cost and expense when you receive the notification or within the time period we designate in the notification. You must allow us and/or our designated affiliate independent access to the Computer System on a daily or other basis at such times and in such manner as established by us or our designated affiliate, with or without notice, and to retrieve transaction information including sales, sales mix, usage and other operations data as we or our designated affiliate deems appropriate. You must always have and maintain adequate anti-virus software in any computer you use to communicate with us directly or through our master web site (see section 8.4(b) of the Franchise Agreement).

We may identify and designate additional and/or updated computer software that must be used in the operation of the POS system and/or Computer System. When we do so, you must license or sublicense such software from our designated vendor and enter into a software license agreement on the designated vendor's then-current form (see section 8.4(c) of the Franchise Agreement).

We reserve the right to change the computer system requirements, electronic cash register systems, the POS system and the designated suppliers for any of these items and/or services at any time. We will provide you with advance notice of any required changes. You will not be required to update or replace a POS system any more frequently than once each year.

Regardless of any changes in the computer and/or POS System, we must always have independent access to your POS system and there are no contractual limits on our independent access to the information and data stored on your POS system. You are responsible for all ongoing maintenance and repairs and upgrades.

## **Brand Standards Manual**

We will loan you a copy of our Manual, which may be provided in electronic format. As of the issuance date of this disclosure document, our Manual contains a total of 88 pages (see section 8.2 of the Franchise Agreement). The Manual contains mandatory and suggested specifications, standards and procedures for operation of your Outlet.

We expect to modify the Manual, and you must comply with any changes when you receive them. The Manual is confidential and remains our property.

The following is the Table of Contents of the Manual as of the date of this disclosure document:

<b>Topic</b>	<b>Number of Pages</b>
<p>SECTION 1 - GENERAL INFORMATION</p> <ol style="list-style-type: none"> <li>1. The Purpose of the Manual (page 11)</li> <li>2. How to Use This Manual (page 11-12)</li> <li>3. The Fit Body Boot Camp Story (page 12-13)</li> </ol>	13
<p>SECTION 2 - THE FRANCHISE RELATIONSHIP</p> <ol style="list-style-type: none"> <li>1. The Franchisee/Franchisor Relationship (page 14-15)</li> <li>2. Our Responsibilities (page 15-20)</li> <li>3. Your Obligations (page 20-37)</li> <li>4. Establishing Your Business Entity (page 37-38)</li> <li>5. Transfer Your Franchise Agreement (page 38-41)</li> <li>6. Additional Programs (page 41-42)</li> </ol>	29
<p>SECTION 3 - OPERATIONAL STANDARDS</p> <ol style="list-style-type: none"> <li>1. FBBC Code of Conduct/Best Practices (page 42-43)</li> <li>2. The Importance of Standards (page 43)</li> <li>3. The Standards (page 43-50)</li> </ol>	8
<p>SECTION 4 - PERSONNEL</p> <ol style="list-style-type: none"> <li>1. Overview and Disclaimer (page 50)</li> <li>2. Laws and Requirements (page 50-51)</li> <li>3. Job Descriptions (page 51-52)</li> <li>4. Lead Sources for Hiring (page 53)</li> </ol>	4
<p>SECTION 5 - FACILITY OPERATIONS BEST PRACTICES</p> <ol style="list-style-type: none"> <li>1. Overview (page 54)</li> <li>2. Fit Body Boot Camp Sessions (page 54)</li> <li>3. Fit Body Boot Camp Service (page 54-56)</li> <li>4. Successful Coaching Techniques (page 56-58)</li> <li>5. Retail (page 63)</li> <li>6. Daily Activities (page 64)</li> </ol>	15

Topic	Number of Pages
<p>SECTION 6 - SALES</p> <p>1.1. Who Is the Competition (page 69)  2. Pre-Sale (page 70)  3. Membership Rates (page 70)  4. Sales Objections (page 70-71)  5. Sign Them Up (page 72)  6. Retention (page 72)</p>	4
<p>SECTION 7 - CRISIS MANAGEMENT</p> <p>1. Defining a Crisis  2. Crisis Communication</p>	3
<p>SECTION 8 - FACILITY ADMINISTRATION</p> <p>1. Key Performance Indicators (KPI) &amp; Profitability  2. Managing the Numbers  3. Inventory Control  4. Risk Management  5. PCIDSS Compliance</p>	13

### TRAINING PROGRAM

The initial training program we currently offer as of the issuance date of this disclosure document, which is subject to modification at any time, consists of the following:

#### **Virtual Fit Body Boot Camp Business Training**

Subject	Hours of classroom training	Hours of on-the-job training	Location
Virtual Fit Body Academy Platform	17	0	Virtual Training accessible via remote access (or, at our option, at our HQ in Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate)
<b>TOTAL</b>	17	0	

We provide you an initial training program that covers material aspects of the operation of the Franchised Business. The topics covered under our current program are listed in the chart below.

<b>Subject</b>	<b>Hours* of classroom training</b>	<b>Hours* of on-the-job training</b>	<b>Location***</b>
<b>Day 1</b>			
Observe and experience Fit Body workout experience	0	4.5	FBBC HQ in Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate; Coaching Call
Role play New Client Onboarding process	2	0	FBBC HQ in Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate; Coaching Call
Role play mock sessions	3	0	FBBC HQ in Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate; Fit Body Boot Camp Membership Website; Coaching Call; Manual
Observe and practice “off the mic coaching” and “on the mic coaching”	0	2	FBBC HQ in Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate; Fit Body Boot Camp Membership Website; Coaching Call; Manual
Software Overview	1	0	FBBC HQ in Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate; Fit Body Boot Camp Membership Website; Coaching Call; Manual
<b>Day 2</b>			
Practice running sessions with in-person clients	0	4	FBBC HQ in Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate
Business operations training	3	0	FBBC HQ in Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate; Coaching Call
Software training	0	1	FBBC HQ in Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate, Coaching Call
Team Expectations / Duties	2	0	FBBC HQ in Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate, Manual, Coaching Call

<b>Subject</b>	<b>Hours* of classroom training</b>	<b>Hours* of on-the-job training</b>	<b>Location***</b>
<b>Day 3</b>			
Coaching & Workout Expectations	1	4.5	On-site at a FBBC Location nearby Chino Hills, CA , Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate; Fit Body Boot Camp Membership Website; Coaching Call; Manual
Creating Culture & Community with Clients	1	0	On-site at a FBBC Location near Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate; Fit Body Boot Camp Membership Website; Coaching Call; Manual
Strategy Session Script Review & Roleplay	2	0	On-site at a FBBC Location near Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate; Fit Body Boot Camp Membership Website; Coaching Call; Manual
Overcoming Sales Objections	1	0	On-site at a FBBC Location near Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate; Fit Body Boot Camp Membership Website; Coaching Call; Manual
<b>Day 4</b>			
EOS (Entrepreneurial Operating System) Overview	1	0	FBBC HQ in Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate; Fit Body Boot Camp Membership Website; Coaching Call
Debrief & Feedback with HQ Team	1	0	FBBC HQ in Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate; Fit Body Boot Camp Membership Website; Coaching Call
Launch Marketing training and expectations	1.5	0	FBBC HQ in Chino Hills, CA, Berkley, Michigan, or at another Fit Body Boot Camp® location, as we designate; Fit Body Boot Camp Membership Website; Coaching Call
<b>TOTAL</b>	<b>19.5</b>	<b>16</b>	

\* Note: These are estimated hours and we have the right to change the initial training program at any time.  
\*\*\*We may require that all initial training, including Virtual Fit Body Boot Camp Business Training, be held in-person, virtually, or through a combination of both virtual and in-person training, at our discretion and as we designate.

As of the issuance date of this Disclosure Document, we offer the initial training program, Fit Body Boot Camp Onsite Experience (“OSE”), on a monthly basis. The initial training program is typically offered each month in Chino Hills, California, or Berkley, Michigan. You (if you are a legal entity, one of your Principal Equity Owners) must attend and successfully complete the initial training program that is offered in the calendar quarter immediately following the date you signed the Franchise Agreement. Additionally, one of your managers must, and one of your fitness trainers may, attend a one-day training session on the day we designate during the Fit Body Boot Camp Onsite Experience. If you bring more than two (2) people to the Fit Body Boot Camp Onsite Experience (and we authorize you to bring such additional attendees), you must purchase a ticket for each additional person at our then-current rates. Except as disclosed in this Item, we do not charge for the initial training program. You must, however, pay for all travel costs, salaries (if applicable) and living expenses for yourself, your manager and your trainers incurred in attending training. These costs (not inclusive of salaries) are estimated in Item 7. You are responsible for training your own employees and management personnel.

You must complete the initial training to our satisfaction. The failure of your Initial Training Team to successfully complete the initial training program may result in the termination of your Franchise Agreement; provided however that if your designated General Manager fails to complete initial training satisfactorily, you will have the option of designating a replacement approved by us to complete initial training. You must then reimburse us for our costs in providing this replacement training plus a training fee of \$997 USD per day per person of training.

The instructional materials used in initial training may include content on any platform we designate and may include documents, training videos and webinars, content that may exist on the Fit Body Boot Camp Academy website, and content from the Manual. Live multi day training is provided by Fit Body Boot Camp Business Coaches at a Fit Body location, either in Mission Viejo, California or Berkley, Michigan, as we designate and we reserve the right to provide the training virtually. Our principal Business Coaches are Barrett Henson and Bryce Henson. Barrett Henson has been with us for 7 years and has 11 years of experience in the industry and Bryce Henson has been with us for 8 years and has 14 years of experience in the industry. The principal Business Coaches are assisted by our operations staff, Coaching and Profitability (CAP) Coaches and other employees.

In addition to the initial training program described above, you will also be required to complete all onboarding training courses in the first 180 days after you sign the Franchise Agreement to review all the initial business and training concepts available on our Fit Body Academy online training platform and in the Manual to support the launch and operations of your Fit Body Boot Camp location, thus completing your Initial Training.

### Additional Training

All Fitness Trainers must also obtain and maintain in good standing fitness certifications provided through Fit Body Boot Academy and on-line at [www.fitbodybootcamp.learnupon.com](http://www.fitbodybootcamp.learnupon.com). Details and costs of Fit Body Boot Academy courses and fitness certifications are contained in the Manual.

Additional on-site training at your Outlet may be provided when you open your Outlet, subject to our availability. We may provide you with proprietary information and related materials for use in training your staff. These materials are our sole property and must be returned to us when you are finished with them.

We may require you to attend additional training programs or refresher courses in person, or virtually (as we designate), at any time during the term of your Franchise Agreement. Additionally, you can request additional on-site training and/or assistance at any time. We may provide additional training at our option and subject to our availability, but the Franchise Agreement does not require us to do so. We have the right to charge you for additional training we require or that you request. Currently, our additional training fees are assessed on a daily basis at a rate of \$750 USD per day per person trained. Additionally, if you decide to attend the additional training at our headquarters, currently Chino Hills, California, or at another training center we designate or approve, you must pay all travel and living expenses for each person you send to the additional training.

Not more often than once each year, we may conduct a system-wide meeting or series of regional meetings to discuss Fit Body Boot Camp business activities or other matters relating to the Franchised Business. We anticipate holding these system-wide meetings or conferences on an annual basis but reserve the right to hold it bi-annually. Attendance of the General Manager at these meetings will be mandatory (and is highly recommended for all your Principal Equity Owners). We may limit the number of your attendees at these meetings. You must pay the cost of travel, hotel and meal expenses for your attendees at these mandatory meetings. We reserve the right to charge a registration fee for your attendance at the annual meeting or convention, which will not exceed \$2,000 USD per person. As of the issuance date of this Disclosure Document, the attendance fee is \$1,000 USD for unlimited tickets

You must pay all the expenses (including transportation costs, meals, lodging and other living expenses) incurred by your trainees who attend the Initial Training Program and any other training, conferences, conventions or other meetings (see sections 6.1(e), 6.2(f) and 6.3 of the Franchise Agreement).

## **ITEM 12: TERRITORY**

### **Franchise Agreement**

#### *Virtual Fit Body Boot Camp Business*

You are not granted any territory rights or protections in connection with your operation of the Virtual Fit Body Boot Camp Business. We have the right to directly or indirectly, including through our affiliates, licensees and other franchisees, to market, promote, offer, sell and provide virtual fitness classes and other products and services through the Internet, remote access media, social media platforms and any other future developed channel without restriction. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We may restrict your advertising, promotional and marketing activities relating to the operation of the Virtual Fit Body Boot Camp Business and we may limit your ability to offer Virtual Fit Body Boot Camp Classes to customers residing in your Territory (as defined below). To the fullest extent permissible under applicable law, we may designate minimum and maximum pricing for virtual membership and online training services.

### *Physical Outlet*

Each Franchise granted is for one Outlet only, at a location we approve. We do not select your site, it is your obligation to find and secure a site that meets our standards and specifications, and to obtain our approval of the site and the lease or other agreement to secure the site. Once you secure an approved location for your Outlet, it will be listed in Exhibit 1 of the Franchise Agreement and we will designate your approved territory (“Territory”).

We will determine the size and boundaries of the Territory, within our discretion, based upon factors including geographic area, population density, location and the number of competing businesses in the surrounding area, and other factors. A typical approved Territory will cover an area varying from ¼ mile to 3 miles surrounding your Outlet location. We may grant a Territory of less than a ¼ mile to 3-mile radius based on the demographics of the area in which your Outlet is located.

If you do not commit a default that remains uncured beyond all applicable notice and cure periods, we will not license another person or entity the right to open a physical Fit Body Boot Camp franchised outlet within your Territory, nor will we or any of our affiliated entities operate an Outlet, within your Territory. Except for this limited protection, your franchise is not-exclusive. You are not granted any options, rights of first refusal or similar rights to acquire additional Outlets.

You may face competition for customers from other Fit Body Boot Camp franchisees located near your Territory or from other channels of distribution for Fit Body Boot Camp Services and Products.

We have the unlimited right to establish Outlets anywhere outside of your Territory, regardless of proximity. We will describe your Territory in Exhibit 1 when we approve your proposed location for the Outlet.

You may relocate your Outlet with our written consent, which will not be unreasonably withheld. Not less than 90 days before the desired date of relocation (unless prior notice is impractical because of a required relocation in which event your notice must be given as soon as possible), you must make a written request for consent to relocate, describing the reasons for the relocation and providing complete written details respecting any proposed new location. Within 20 business days after we receive your request, we will either approve or disapprove in writing such closure or relocation in our sole discretion. If we disapprove of a proposed relocation, you may request an alternative proposed new location. If we approve the relocation request, you must pay us a relocation administration fee of \$500 USD.

### **Area Development Agreement**

Under the terms of the ADA, we grant you the right to establish, according to a schedule, three Fit Body Boot Camp Franchised Businesses within a designated geographical territory (“Development Area”). A Development Area is usually defined by zip codes or other boundaries such as streets, city, county, or state limits or by other reasonable boundaries. In designating a Development Area, we take into consideration the demographics and other characteristics of a Development Area, including population density, income and other characteristics of the surrounding area, natural boundaries, extent of competition and whether the proposed Development Area is urban, suburban or rural in nature. You have no option, right of first refusal or similar contractual right to acquire additional Fit Body Boot Camp Franchised Businesses within your Development Area or in contiguous areas.

Each of the three (3) Fit Body Boot Camp Franchised Businesses must be open according to the following Development Schedule: (a) you must open the first Franchised Business within 270 days of signing the ADA (the “1<sup>st</sup> Opening Deadline”); (b) you must open the second Franchised Business within 270 days after signing the Franchise Agreement for Franchised Business #2 under the ADA (the “2<sup>nd</sup> Opening Deadline”); and (c) you must open the third Franchised Business within 270 days after



signing the Franchise Agreement for Franchised Business #3 under the ADA (the “3rd Opening Deadline”) . If you fail to meet the mandatory Development Schedule and the ADA is terminated, you will retain your rights to any individual Franchised Businesses previously developed pursuant to the ADA, including the territorial rights described in the Franchise Agreement for such Franchised Businesses, provided that the ADA was not terminated as a result of your failure to comply with the terms of your existing Franchise Agreement(s). Thereafter, we will have the right to develop the Development Area on our own and/or through third parties.

### **Reservation of Rights under the Franchise Agreement and ADA**

We retain all rights that are not expressly granted to you under the Franchise Agreement. If you sign an ADA, we retain all rights that are not expressly granted to you under the ADA. Without limiting this broad retention, and without granting you any rights therein, we and our direct or indirect affiliates reserve the right to:

(a) use other channels of distribution, such as the Internet, social media outlets, catalog sales, telemarketing or other direct marketing sales, to make sales of any product or service anywhere including within your Territory, and if you sign an ADA, within your Development Area, using our principal trademarks and under trademarks differ from the ones you will use under the Franchise Agreement. If we solicit or accept orders from inside your Territory (and if you sign an ADA, within your Development Area) through other channels of distribution, we are not obligated to pay you any compensation; and

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

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

As stated above, we may restrict your advertising, marketing and promotional activities relating to the Virtual Fit Body Boot Camp Business, including within your Territory. You must comply with our specifications, rules and regulations relating to advertising, marketing and promoting the Virtual Fit Body Boot Camp Business.

With respect to your physical Outlet, although you are not restricted from providing Fit Body Boot Camp Services and Products to customers of your Outlet who reside outside your Territory, you are restricted from advertising outside your Territory (and if you sign an ADA, outside your Development Area) unless you obtain our prior written consent. We understand that many forms of advertising (such as radio and print ads in publications) may reach into territories of other Fit Body Boot Camp franchisees. We may condition our approval on, among other things, your agreement to offer other Fit Body Boot Camp franchisees who are operating franchised locations in the area encompassed by the circulation base of the proposed advertising the opportunity to participate in and share the expense of your solicitation and/or advertising. You may not engage in any mail order solicitations, catalog sales, telemarketing or television solicitation programs, or use any other advertising media outside of your territory without our prior written approval.

You may not offer or sell Fit Body Boot Camp products or services directly or indirectly through other channels of distribution, including the Internet, except as authorized by us in the Manual or otherwise in writing, and then, only in accordance with our designated standards, specifications and procedures.


We or our designee will publish all website content and we may provide you with a presence on our master web site (www.fitbodybootcamp.com) and if we do this, you must participate in this website. We or our designee will maintain the “Uniform Resource Locator” (or “URL”) and you may never own any Internet domain name that contains any of the Marks. Under no circumstances are you authorized to establish your own personal websites (including social media sites) for the purpose of advertising your Franchised Business or our principal trademarks.


We have not established and do not intend to establish company-owned, physical retail outlets selling Fit Body Boot Camp services and products in your Territory. Although we have no current plans to do so, we and our affiliated companies reserve the right to offer and sell other types of franchises that are not directly competitive with the Fit Body Boot Camp franchise and to develop other systems involving similar or dissimilar services or goods, under dissimilar service marks, trademarks and trade names belonging to us, without granting you any rights in those systems.

**ITEM 13: TRADEMARKS**

We grant you the right to operate a franchised business using the System, which is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin (the “Marks”) as are designated by us in writing for use in connection with the System.

The current marks you are licensed to use to identify and operate the Outlet are provided below:

REGISTRATION NO.	EFFECTIVE DATE OF REGISTRATION	MARK
3852206	September 28, 2010	FIT BODY BOOT CAMP
5329068	November 7, 2017	

5061091	October 11, 2016	FIT BODY FOREVER
5190109	April 25, 2017	

There are presently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending interference, opposition or cancellation proceedings involving our trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of trademarks listed in this Item in a manner material to the franchise. There is no pending material federal or state court litigation regarding our use or ownership rights in the trademarks. All required affidavits have been filed. No trademark registration has been renewed yet.

All trademarks are owned by our affiliated company ETH, which granted us a trademark license (the "Trademark License") and exclusive right to use and franchise the principal trademark and associated trade names, trademarks, service marks, logotypes and other commercial symbols and copyrights and proprietary materials in the United States by and to operators of Fit Body Boot Camps. The Trademark License does not contain any significant limitations on our right to use or license the trademarks to you, and will continue for a term of 25 years, with the right to renew the Trademark License for additional consecutive periods of 25 years. If the Trademark License were to be terminated, (i) we would have the right to change the name under which we and our franchisees operate and continue to operate and license the existing Fit Body Boot Camps under a different name, or (ii) Fit Body Boot Camp franchisees would have the right to continue to use the Marks while operating their franchised Outlets for not less than the existing term of their Franchise Agreements. Except as described above, no agreements limit our rights to use or license the use of the trademarks.

You must follow our rules when you use the trademarks. You cannot use a name or mark as part of a corporate or legal entity name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks to offer or sell any unauthorized product or service, or in any manner we have not authorized in writing. You may not register or own any domain name containing any of the Marks. The Marks licensed to you may only be used by you for the purpose of operating the Outlet in accordance with the Franchise Agreement.

We have the right to control any administrative proceedings or litigation involving a trademark licensed to you by us. You must notify us promptly if you learn about an alleged infringement, unfair competition, unauthorized third-party use of or challenge to your use of the trademarks. We then will promptly take the action we think appropriate. We will indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition or similar claims about the Marks. But we have no obligation to defend or indemnify you if the claim against you relates to your use of the Marks in violation of the Franchise Agreement.

If you learn that any third-party whom you believe is not authorized to use the Marks is using them or any variant of them, you must promptly notify us. We will determine whether we wish to take any action against the third party. You will have no right to make any demand or to prosecute any claim against an alleged infringer for the infringement of our Marks.

You must modify or discontinue the use of a Mark if we modify or discontinue it. You must not directly or indirectly contest our rights to the Marks, trade secrets or business techniques that are part of our business.

There are no infringing uses or superior previous rights known to us that can materially affect your use of the Marks in this state or any other state in which the franchised business is to be located.

## **ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

### **Patents and Copyrights**

We do not own rights in, or licenses to, patents or registered copyrights that are material to the franchise and you do not receive the right to use any item covered by a patent or registered copyright. However, we assert a common law copyright on the contents of the Manual and only you or your authorized employees can have access to and use the proprietary information in the Manual.

Our intellectual property, whether the subject of a patent, copyright or not, also is protected by common law principles which limit the use of our confidential proprietary information, except as we have licensed it. We will enforce those rights as we determine.

### **Confidential Information**

You may never reveal any of our confidential proprietary information to another person or use it for another person or business. You may not copy any of our confidential proprietary information or disclose it to a third party except as we authorize. You must also promptly tell us when you learn about unauthorized use of any of our confidential proprietary information. We are not obligated to take any action but will respond to your notification of unauthorized use as we think appropriate.

## **ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

We are seeking franchisees whose principal owner plans to actively participate in the direct management and operation of the Outlet (we don't require but we do recommend this active participation). Additionally, you must employ at least one designated "General Manager" (if you are a sole proprietor, this could be you) who has successfully completed our initial training program. You must disclose the identity of the General Manager to us and if he or she is for any reason no longer acting as General Manager, you must notify us immediately and in writing.

The General Manager cannot have an interest or business relationship with any of our business competitors. The General Manager must devote his or her full time during normal business hours to the management, operation and development of the Franchised Business. We do not require your General Manager to have any ownership interest in your business, although he or she may do so. If the General Manager does not own an equity interest in your franchisee entity, he or she may be required to sign a confidentiality and non-competition agreement including restrictions and covenants like those contained in the non-competition clauses and confidentiality clauses contained in your Franchise Agreement. You must give us the name, phone number and email address of your Principal Equity Owner (may be the same person) who (i) will be your primary contact person when interacting with us about the Franchise Agreement and (ii) will be guaranteeing the lease or rental agreement for your Outlet.

If you are, or at any time during the term of the Franchise Agreement, you become, a legal entity, at least one of your equity owners must own at least 51% of the entity, and such owner must be designated as the "Responsible Owner". The Responsible Owner must have the authority to accept all notices from us and must be granted the authority to legally bind the legal entity with respect to all contracts, agreements and commercial documents related to your franchised business. This person must have attended and successfully completed our initial training program.

**ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer and sell only those goods and services that we have expressly approved in writing. We may regulate minimum and maximum pricing to the fullest extent permitted under applicable law, membership transfer policies and programs, promotional events and challenges, and other programs. You must comply with all of these regulations, policies, procedures and programs. You must participate fully in any reciprocal membership access program, challenges and any other customer loyalty program we specify or establish in accordance with our policies, procedures, rules and regulations. You may not be entitled to any compensation or reimbursement for membership fees or the cost of goods or services provided to any reciprocal access member using your Outlet under the reciprocity program or applicable customer loyalty program.

We have the right to add other authorized goods and services that you will be required to offer. There are no limits on our right to do so.

Except for applicable laws restricting discrimination against customers based on public policy, there are no restrictions on the customers at your Outlet to whom you may sell Fit Body Boot Camp services and products and related products.

**ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

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

**Franchise Agreement:**

	<b>Provision</b>	<b>Section in franchise agreement</b>	<b>Summary</b>
a	Length of the franchise term	5.1	The initial term of the Franchise Agreement is 7 years from the date you sign your Franchise Agreement.
b	Renewal or extension of the term	5.2	You will have the option to renew the franchise for an additional 7-year renewal term if you satisfy the conditions of renewal. To exercise the option, you must deliver written notice to us not less than 120 days before the end of the existing Franchise Agreement term. We are not obligated to renew your Franchise if you fail to satisfy one or more of the conditions in section 5.2 of the Franchise Agreement. If you continue operation of the Franchised Business after your initial term expires and you have not yet executed our then-current form of Franchise Agreement for your renewal term, then the terms of your Franchise Agreement will continue to govern until you sign the then-current Franchise Agreement; provided that the monthly Royalty Fee will be increased to the greater of \$2,000 USD per month, or 8% of Gross Revenues.

	<b>Provision</b>	<b>Section in franchise agreement</b>	<b>Summary</b>
c.	Requirements for franchisee to renew or extend	5.2	Sign then current Franchise Agreement modified by addendum to apply to renewal (“Renewal Franchise Agreement”). You are qualified for renewal if you (a) pay us a renewal fee of \$5,000.00 USD, (b) are in full compliance your operating requirements, (c) all fees due to us and our affiliates are paid, and (d) you are not in breach of any term of your Franchise Agreement. The Renewal Franchise Agreement may have materially different terms and conditions than your original Franchise Agreement, including increased royalty and marketing and promotional fund contributions.
d.	Termination by franchisee	Not applicable	Not applicable (subject to state law).
e.	Termination by franchisor without cause	Not applicable	Not applicable.
f.	Termination by franchisor with cause	13.1-13.11	We can terminate the Franchise Agreement if: (a) you commit a non-curable default under the Franchise Agreement; (b) you commit a default that remains uncured beyond all applicable notice and cure periods; or (c) if you are in material default of the Franchise Agreement. It will be a material breach of the Franchise Agreement if you and your Principal Equity Owners (i) make any derogatory or disparaging statements to any other person or third parties or regulatory authorities about us, any of our officers, managers, employees or agents, or the Fit Body Boot Camp franchise system, or (ii) issue any public statement or otherwise cause to be disclosed any information that is designed, intended or might reasonably be anticipated to have a negative effect on the Fit Body Boot Camp franchise system, us, or any of our officers, managers, employees or agents.
g.	“Cause” defined – curable defaults	13.3	You have 30 days after notice to cure monetary defaults and other defaults (including defaults under a lease for your Outlet) that can be cured.

	<b>Provision</b>	<b>Section in franchise agreement</b>	<b>Summary</b>
h.	“Cause” defined – non-curable defaults	13.2	Non-curable defaults: your bankruptcy or insolvency; abandonment of the franchise; you engage in conduct that reflects materially and unfavorably upon the operation or reputation of Fit Body Boot Camp or our franchise system; you make material misrepresentations relating to your acquisition of the Franchise or you engage in conduct that reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the System; you fail, for a period of 10 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchise; after curing any default, you engage in the same noncompliance whether or not such noncompliance is corrected after notice; you repeatedly fail to comply with one or more material requirements of the Franchise Agreement, whether or not corrected after notice; the Franchised Business or your Outlet is seized, taken over, or foreclosed by a government official, creditor, lien holder or lessor, or that a final judgment against you remains unsatisfied for 30 days; you are convicted of a felony or any other criminal misconduct that is relevant to the operation of the Franchise; or we make a reasonable determination that your continued operation of the Franchise will result in an imminent danger to public health or safety.
i.	Franchisee’s obligations on termination or non-renewal	15.1	Obligations include removal of our Marks, compliance with non-competition covenants, return of all confidential and proprietary information and erasure of all copies of confidential and proprietary information, forwarding of telephone number and payment of amounts due (also see r, below).
j.	Assignment of contract by franchisor	12.1	No restriction on our right to assign.
k.	“Transfer” by franchisee – defined	12.2	Includes transfer of contract, transfer of assets, or ownership change.
l.	Franchisor’s approval of transfer by franchisee	12.2	You must secure our prior written approval before effectuating any transfer. We will not unreasonably withhold approval. We will not be considered to have unreasonably withheld our approval if the reason is your failure to meet the conditions of transfer specified in the Franchise Agreement.

	<b>Provision</b>	<b>Section in franchise agreement</b>	<b>Summary</b>
m .	Conditions for franchisor approval of transfer	12.2	New franchisee qualifies, transfer fee paid, purchase agreement approved, training arranged, release signed by you and our current form of Franchise Agreement signed by new franchisee (this also applies any time a majority equity interest in your franchised entity is transferred). Within 60 days after our receipt of all necessary information and documentation required under the Franchise Agreement, or as specified by written agreement between us and you, we will notify you of the approval or disapproval of the proposed transfer of the Franchise by you. This notice will be in writing and delivered to you by business courier.
n .	Franchisor's right of first refusal to acquire franchisee's business	12.3	We can match any legitimate offer for your business, but we have no right of first refusal if the transfer is (i) between or among individuals (including their immediate family members) who have guaranteed obligations under a Small Business Administration loan or (ii) a transfer of less than 100% of the equity interest of a franchisee entity).
o .	Franchisor's option to purchase franchisee's business	15.2(d)	Within 30 days after the termination, expiration or non-renewal of the Franchise Agreement, we have the option, but not an obligation, to purchase all or any portion of your reusable inventory, apparel containing the Marks, proprietary equipment, parts, fixtures and furnishings owned and used by you in your franchised operation.
p .	Death or disability of franchisee	12.6	Franchise must be assigned by estate to approved buyer within 270 days.
q .	Non-competition covenants during the term of the franchise	11.1, 11.3	No involvement in competing business anywhere (subject to state law).
r .	Non-competition covenants after the franchise is terminated or expires	11.2, 11.3	No competing business for 2 years: (a) at your Outlet location; (b) within 25 miles of your Outlet location; (c) within the Territory; (d) at the location of any other Fit Body Boot Camp franchised or affiliate-owned location; (e) within a 25 mile radius of any other Fit Body Boot Camp location (this obligation also applies to you if you assign your franchise), or (f) online or through any virtual or remote platform (subject to state law).



	<b>Provision</b>	<b>Section in franchise agreement</b>	<b>Summary</b>
s.	Modification of the agreement	8.2, 16.14(c)	No modifications unless signed by you and us, but Manual subject to change at our discretion.
t.	Integration/merger clause	16.14	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	14.1-14.5	The parties agree in the Franchise Agreement to submit disputes (not including your failure to pay us sums due under the Franchise Agreement, or an act of yours allowing us to immediately terminate the Franchise Agreement) initially to a meeting in person of our executive officers and your Principal Equity Owners at our principal executive office (without our respective legal counsel) within 5 business days after a dispute arises to conduct a good faith discussion and negotiation of the issues with a view to arriving at a settlement . If this meeting does not result in a settlement of the dispute (or the meeting does not take place), within 10 business days after the date the meeting took place, the parties may submit the dispute to non-binding mediation in California conducted by a mediator mutually agreeable to both parties; provided however the mediator must be an attorney who is a State Bar of California Board of Legal Specialization Certified Specialist in Franchise and Distribution Law. If a mediation takes place but does not resolve the dispute, the dispute will be resolved by arbitration by and before JAMS, Inc. in accordance with its Streamlined Arbitration Rules and Procedures (if the amount in controversy is less than \$250,000) or its Comprehensive Arbitration Rules and Procedures (if the amount in controversy is \$250,000 or more). Or if the parties mutually agree, the dispute may be submitted to arbitration by another arbitration organization providing arbitrators with experience in franchise disputes.
v.	Choice of forum	14.1- 14.3	Arbitration proceedings will take place in Orange County, California (or in the city of our then-current headquarters, if our headquarters is no longer in California), unless superseded by State law. Any mediation proceeding will take place at a mutually agreed location. Litigation proceedings will be filed in an appropriate court in California (or in the city of our then-current headquarters, if our headquarters is no longer in California), unless superseded by State law. However, litigation involving a claim arising under the Maryland Franchise Regulation and Disclosure Law may be brought in an appropriate court in Maryland. (subject to state law)

	<b>Provision</b>	<b>Section in franchise agreement</b>	<b>Summary</b>
W	Choice of law	16.13	The Federal Arbitration Act (9 U.S.C. §1 <i>et seq.</i> ) governs the arbitration of disputes under the Franchise Agreement. Otherwise, the law of state in which the franchised business is located or intended to be located governs the Franchise Agreement. (subject to state law)

### **AREA DEVELOPMENT AGREEMENT**

**This table lists important provisions of the Area Development Agreement. You should read these provisions in the Area Development Agreement attached to this FDD.**

	<b>Provision</b>	<b>Section in Development Agreement</b>	<b>Summary</b>
	a. Term of the franchise	Section 5.1	Commences on the date of the ADA is signed and ends on the opening deadline for your third Franchised Business.
	b. Renewal or extension of the term	Section 5.1	The ADA is not subject to renewal.
	c. Requirements for you to renew or extend	None	N/A
	d. Termination by you	None	N/A (Subject to state law. You may terminate under grounds permitted by applicable state law.)
	e. Termination by us without cause	None	N/A
	f. Termination by us with cause	Section 5.2	We can terminate you for cause.
	g. "Cause" defined – defaults which can be cured	Section 5.2	If you commit a default under the ADA (other than the type of default disclosed in (h) below, which defaults are non-curable), you have 15 days after you receive notice from us to cure the default identified in the notice.
	h. "Cause" defined – non-curable defaults	Section 5.2	We have the right to terminate the ADA effective immediately on notice to you if you commit a Material Default, including: (i) you fail to meet your Minimum Development Obligations; (ii) you commit any conduct that impairs the goodwill associated with the marks or otherwise causes harm to us or the reputation of the brand or the System; (iii) the termination of any Franchise Agreement entered into by you or any of your affiliates and us and any of our affiliates; (iv) uncured default under any such

Provision	Section in Development Agreement	Summary
		Franchise Agreement; (v) violation of the confidentiality and/or non-competition covenants; and (vi) failure to cure any other default within 15 days after notice.
i. Your obligations on termination/nonrenewal	Section 5.3, Section 7.1.2, 7.3	Comply with covenants and all post-term obligations of the Development Agreement.
j. Assignment of contract by us	Section 6.1	No restriction on our right to assign.
k. "Transfer" by you – definition	Section 6.2	Includes transfer of the ADA or your ownership change.
l. Our approval of transfer by you	Section 6.2	You are not permitted to assign or transfer the ADA.
m. Conditions for our approval of transfer	Not applicable	You have no right to transfer or assign the ADA.
n. Our right of first refusal to acquire your business	None	N/A
o. Our option to purchase your business upon termination or non-renewal	None	N/A
p. Your death or disability	None	N/A
q. Non-competition covenants during the term of the franchise	Section 7.1.1	You may not (a) own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any Competing Business (as defined in the franchise agreement), other than any other Fit Body Boot Camp Franchised Business; or (b) divert or attempt to divert any business or customer or prospect of the Franchised Business 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 Marks or the System.
r. Non-competition covenants after the franchise is terminated or expires	Section 7.1.2	During the two (2) year period after expiration or termination of this Agreement, you and your owners, officers and agents will not directly or indirectly participate as an owner, director, partner, officer, franchisee, employee, consultant, advisor, salesperson, distributor, or agent or serve in any other capacity in any Competitive Business that is located: (a) anywhere in the Development Area; (b) within a twenty-five (25) mile radius of the

Provision	Section in Development Agreement	Summary
		<p>Development Area; or (c) within a 25 mile radius of any Fit Body Boot Camp Franchised Business in operation, under lease, or under construction as of the date of termination or expiration, as applicable. During the two (2) year period after expiration or termination of this Agreement, you and your owners, officers and agents will not directly or indirectly participate as an owner, director, partner, officer, franchisee, employee, consultant, advisor, salesperson, distributor, or agent or serve in any other capacity in any franchise system that is offering or selling the right to develop, open or operate Competitive Businesses anywhere in the United States. The covenants not to compete are in addition to and not in lieu of your express agreements set forth above to not use any trade secrets, confidential information or personal contacts except as authorized by us.</p>
s. Modification of the agreement	Section 9.10	No modification except by written agreement signed by both parties.
t. Integration/merger clause	Section 9.10	Only the terms of the ADA are binding (subject to state law). Any representations made outside of the disclosure document and ADA may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 8	Except for certain claims, all disputes must be mediated and if not resolved through mediation, arbitrated (subject to state law).
v. Choice of forum	Section 8.1	<p>Arbitration proceedings will take place in Orange County, California (or in the city of our then-current headquarters, if our headquarters is no longer in California), unless superseded by State law. Any mediation proceeding will take place at a mutually agreed location. Litigation proceedings will be filed in an appropriate court in Orange County, California (or in the city of our then-current headquarters, if our headquarters is no longer in Orange County, California), unless superseded by State law. However, litigation involving a claim arising under the Maryland Franchise Regulation and Disclosure Law may be brought in an appropriate court in Maryland. (subject to state law)</p>
w. Choice of law	Section 8.3	The Federal Arbitration Act (9 U.S.C. §1 et seq.) governs the arbitration of disputes under the ADA. Otherwise, the law of state in which the Development Area is located or intended to be located governs the ADA (subject to state law)

## **ITEM 18: PUBLIC FIGURES**

We do not currently pay or provide any other benefit to a public figure for the right to use their name to promote the sale of Fit Body Boot Camp franchises.

## **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/or 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 particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with 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 our President, Mr. Bedros Keuilian, Fit Body Boot Camp, Inc., 5867 Pine Avenue, Chino Hills, California 91709, (888) 638-3222.

## **ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1  
**SYSTEM-WIDE (U.S.) OUTLET SUMMARY FOR YEARS 2022 TO 2024**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2022	286	270	-16
	2023	270	264	-6
	2024	264	202	-62
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
<b>Total Outlets</b>	<b>2022</b>	<b>286</b>	<b>270</b>	<b>-16</b>
	<b>2023</b>	<b>270</b>	<b>264</b>	<b>-6</b>
	<b>2024</b>	<b>264</b>		

Table No. 2

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2022 TO 2024**

State	Year	Number of Transfers
Arizona	2022	0
	2023	1
	2024	2
California	2022	3
	2023	0
	2024	1
Colorado	2022	0
	2023	0
	2024	0
Florida	2022	0
	2023	0
	2024	1
Georgia	2022	1
	2023	0
	2024	0
Illinois	2022	0
	2023	0
	2024	1
Maryland	2022	0
	2023	0
	2024	0
Michigan	2022	0
	2023	2
	2024	0
New Hampshire	2022	1
	2023	0
	2024	0
Oregon	2022	1
	2023	0
	2024	0
Pennsylvania	2022	0
	2023	0
	2024	0
Texas	2022	1
	2023	1
	2024	2
	2022	0

State	Year	Number of Transfers
Utah	2023	1
	2024	0
Virginia	2022	0
	2023	1
	2024	1
Washington	2022	0
	2023	0
	2024	0
Iowa	2022	0
	2023	0
	2024	0
<b>TOTAL</b>	<b>2022</b>	<b>8</b>
	<b>2023</b>	<b>8</b>
	<b>2024</b>	<b>8</b>

Table No. 3  
**STATUS OF FRANCHISED OUTLETS FOR YEARS 2022 TO 2024**

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	2022	6	1	0	0	0	0	7
	2023	7	0	1	1	0	0	5
	2024	5	0	0	0	0	2	3
Alaska	2022	1	0	0	1	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Arizona	2022	16	21	0	0	0	0	18
	2023	18	1	1	0	0	0	18
	2024	18	1	0	0	0	4	15
Arkansas	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
California	2022	53	5	2	6	0	2	48
	2023	48	1	2	2	0	0	45
	2024	45	3	2	8	0	11	27
Colorado	2022	3	0	1	1	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	1	1	0	0	0	2
Connecticut	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	1	0	0	3

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*
Delaware	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	17	4	2	0	0	0	19
	2023	19	1	0	0	0	0	20
	2024	20	0	2	3	0	5	10
Georgia	2022	12	4	0	0	0	1	15
	2023	15	3	1	1	0	1	15
	2024	15	1	0	4	0	2	10
Idaho	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	0	3
	2024	3	0	0	1	0	0	2
Illinois	2022	8	0	1	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	4	3
Indiana	2022	2	1	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	0	0	1	0	0	3
Iowa	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
Kansas	2022	4	0	2	0	0	1	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0		0	0	1
Kentucky	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Louisiana	2022	5	0	0	0	0	0	5
	2023	5	0	1	0	0	0	4
	2024	4	1	1	0	0	0	4
Maryland	2022	6	0	0	0	0	0	6
	2023	6	0	1	1	0	0	4
	2024	4	1	0	0	0	0	5
Massachusetts	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Michigan	2022	29	0	0	5	0	2	22
	2023	22	3	2	2	0	0	21
	2024	21	2	0	1	0	3	19
Minnesota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3



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*
Missouri	2024	3	1	0	0	0	1	3
Mississippi	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Montana	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0						
Nebraska	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nevada	2022	0	0	0	2	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New Hampshire	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
New Jersey	2022	7	0	1	0	0	0	6
	2023	6	0	0	1	0	0	5
	2024	5	0	0	1	0	3	1
New Mexico	2022	4	0	0	1	0	0	3
	2023	3	0	0	1	0	0	2
	2024	2	0	1	0	0	1	0
New York	2022	18	0	0	2	0	1	15
	2023	15	0	0	2	0	0	13
	2024	13	3	1	0	0	2	13
North Carolina	2022	6	0	0	1	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	1	0	1	0	2	3
North Dakota	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Ohio	2022	5	3	0	0	0	0	8
	2023	8	1	0	0	0	0	9
	2024	9	3	0	0	0	0	12
Oklahoma	2022	4	0	0	0	0	1	3
	2023	3	1	0	0	0	0	4
	2024	4	0	0	1	0	0	3
Oregon	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Pennsylvania	2022	4	0	0	0	0	0	4
	2023	4	1	0	2	0	0	3
	2024	3	0	0	0	0	1	2
	2022	1	0	0	0	0	0	1

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*
Rhode Island	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
South Carolina	2022	5	0	0	0	0	0	5
	2023	5	1	0	0	0	0	6
	2024	6	1	1	0	0	2	4
South Dakota	2022	1	0	0	0	0	0	1
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Tennessee	2022	2	0	0	1	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	1	2
Texas	2022	21	2	0	1	0	1	21
	2023	21	1	2	1	0	0	19
	2024	19	4	1	2	0	3	17
Utah	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
	2024	5	0	1	0	0	1	3
Vermont	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Virginia	2022	11	1	0	0	0	0	12
	2023	12	0	0	2	0	0	10
	2024	10	2	3	0	0	0	9
Washington	2022	4	0	0	2	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	1	0	1	1
Wisconsin	2022	5	0	0	2	0	0	3
	2023	3	0	1	1	0	0	1
	2024	1	0	0	1	0	0	0
Wyoming	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
<b>Totals</b>	<b>2022</b>	<b>286</b>	<b>25</b>	<b>9</b>	<b>23</b>	<b>0</b>	<b>9</b>	<b>270</b>
	<b>2023</b>	<b>270</b>	<b>25</b>	<b>13</b>	<b>17</b>	<b>0</b>	<b>1</b>	<b>264</b>
	<b>2024</b>	<b>264</b>	<b>28</b>	<b>15</b>	<b>26</b>	<b>0</b>	<b>49</b>	<b>202</b>

Table No. 4  
STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2022 TO 2024

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
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

California	2023	0	0	0	0	0	0
<b>Totals</b>	<b>2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table No. 5  
**PROJECTED OPENINGS AS OF DECEMBER 31, 2024**

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
Arkansas	1	0	0
California	4	0	0
Colorado	2	0	0
Connecticut	1	0	0
Florida	1	0	0
Georgia	1	0	0
Idaho	0	0	0
Indiana	1	0	0
Kentucky	2	0	0
Louisiana	0	0	0
Maryland	0	0	0
Massachusetts	0	0	0
Michigan	2	0	0
Minnesota	0	0	0
Nevada	1	0	0
New Jersey	2	0	0
New York	1	0	0
North Carolina	1	0	0
Ohio	2	0	0
Oklahoma	0	0	0
Pennsylvania	0	0	0
South Carolina	1	0	0
South Dakota	1	0	0
Tennessee	1	0	0
Texas	3	0	0
Vermont	0	0	0
Utah	0	0	0
Virginia	2	0	0
Washington	2	0	0
<b>Totals</b>	<b>32</b>	<b>0</b>	<b>0</b>

Exhibit D of this disclosure document lists the names, addresses and telephone numbers of all Fit Body Boot Camp franchise outlets that are open and operating in the United States.

Exhibit E lists the contact information of every franchisee that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement

during our most recently completed fiscal year or that has not communicated with us within the 10 weeks ending on the effective 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.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Fit Body Boot Camp. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you. During the last 3 fiscal years, we have signed agreements with certain current and former franchisees that included confidentiality clauses.

We have not created, sponsored or endorsed any trademark-specific franchisee organizations associated with the Fit Body Boot Camp franchise system being offered. There are no independent franchisee organizations that have asked to be included in this disclosure document.

### **ITEM 21: FINANCIAL STATEMENTS**

Exhibit C to the disclosure document contains our audited financial statements for our fiscal years ending December 31, 2024, December 31, 2023, and December 31, 2022. Our fiscal year end is December 31.

### **ITEM 22: CONTRACTS**

Exhibit A - Franchise Agreement  
Exhibit B – Area Development Agreement  
Exhibit F – Optional Program Addenda  
Exhibit H - Pre-Closing Questionnaire

### **ITEM 23: RECEIPTS**

You will find copies of a detachable receipt in Exhibit K at the very end of this disclosure document.

**EXHIBIT A TO THE FIT BODY BOOT CAMP, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FIT BODY BOOT CAMP, INC.**

**FRANCHISE AGREEMENT**

## TABLE OF CONTENTS

<b>RECITALS</b>	<b>3</b>
<b>I. 3II.</b>	<b>62.1</b>
Our Business.	5
2.2 The Franchise System.	5
<b>III. 63.1</b>	<b>Grant of Franchise.</b>
6	
3.2 Reserved Rights.	6
3.3 Promotion and Development of Your Outlet.	6
3.4 Extent of Grant.	7
3.5 Electronic Execution and Copies.	7
3.6 Obligations of Entity Franchisee.	7
<b>IV. 94.1</b>	<b>Initial Franchise Fee.</b>
8	
4.2 Royalty and Other Recurring Fees and Payments.	8
4.3 Marketing, Advertising and Promotion.	8
4.4 New Client Lead Generation Programs; Reciprocal Membership.	9
4.5 Electronic Funds Transfer.	10
4.6 Fees Fully Earned; No Setoff on Payments.	10
4.7 Late Fee; Interest on Delinquent Payments; Administrative Fee.	10
4.8 No Accord or Satisfaction.	10
<b>V. 135.1</b>	<b>Initial Term.</b>
11	
5.2 Renewal Terms.	11
5.3 Month to Month Extension; Longer Notice of Expiration Required by Law.	12
<b>VI. 156.1</b>	<b>Initial Training.</b>
12	
6.2 Training and Assistance after Opening.	13
6.3 Mandatory Meetings.	14
6.3 Proprietary Materials.	14
<b>VII. 197.1</b>	<b>Approved Location; Your Outlet.</b>
14	
7.2 Building Out Your Outlet.	15
7.3 Equipment, Furnishings, Fixtures, Signs, Decor and Initial Inventory.	16
7.4 Marketing and Advertising Boundaries.	16
<b>VIII. 228.1</b>	<b>Operational Requirements.</b>
17	
8.2 Brand Standards Manual.	18
8.3 Standards of Operation; Designated and Approved Suppliers.	19
8.4 Point of Sale System and Computer System.	19
8.5 Maintenance, Upgrades and Refurbishments to the Outlet.	20
8.6 Relocation of Your Outlet.	21
8.7 Record Keeping and Reporting Requirements.	21
8.9 Telephone Numbers.	22
8.10 Insurance.	22
8.11 Review and Inspection.	22
8.12 Compliance with Laws.	23
8.13 Web Site and Internet Marketing.	23
8.14 Intranet.	23
8.15 Franchise Advisory Council.	24
<b>IX. 329.1</b>	<b>License of the Marks.</b>
24	
9.2 Your Business Name.	25
9.3 Trade Secrets and Proprietary Information.	26
9.4 Modification of Marks and Trade Dress.	27
9.5 Mark Infringement Claims and Defense of Marks.	27

<b>X.</b>	3610.1	Use of Marketing and Promotion Fund Contribution.	
	27		
10.2	Advertising Content and Costs.		28
<b>XI.</b>	3711.1	Exclusive In-Term Dealing.	
	28		
11.2	Post Termination Non-Competition Covenants.		29
11.3	General Provisions regarding Non-Competition Covenants.		29
<b>XII.</b>	4012.1	Assignment by Us.	
	30		
12.2	Assignment by You.		30
12.3	Right of First Refusal.		31
12.4	Transfers to Certain Family Members.		32
12.5	Transfers to Affiliated Entities.		32
12.6	Transfers upon the Death or Incapacity of an Individual Franchisee or Majority Equity Owner.		32
12.7	Consent to Transfers.		33
<b>XIII.</b>	4513.1	General.	
	33		
13.2	Immediate Termination.		34
13.3	Termination After Notice.		34
13.4	Description of Default.		35
13.5	Statutory Limitations.		35
13.6	Extended Cure Period.		35
13.7	Our Right to Cure Your Defaults.		35
13.8	Waiver and Delay.		35
13.9	Recovery of Lost Royalty; Liquidated Damages.		36
13.10	Collection Costs.		36
13.11	Continuance of Business Relations.		36
<b>XIV.</b>	4914.1	Initial Steps to Resolve a Dispute; Mediation.	
	36		
14.2	Arbitration.		37
14.3	Injunctive Relief.		38
14.4	Legal Fees and Expenses.		38
14.5	Survival.		38
<b>XV.</b>	5215.1	Your Obligations.	
	39		
15.2	Our Rights as Franchisor.		40
<b>XVI.</b>	5416.1	Notices.	
	40		
16.2	Indemnity.		41
16.3	Your Relationship to Us as Franchisee.		42
16.4	No Third-Party Beneficiaries.		42
16.5	Survival of Covenants.		42
16.6	Successors and Assigns.		42
16.7	Joint and Several Liabilities.		42
16.8	Titles for Convenience Only.		42
16.9	Gender.		42
16.10	Severability; Partial Invalidity.		42
16.11	Counterparts.		43
16.12	Compliance with U.S. Anti-Terrorism and Other U.S. Federal Laws.		43
16.13	Governing Law.		43
16.14	Entire Agreement.		44
<b>XVII.</b>	59XVIII.	5918.1	
	Acknowledgments and Representations.		44
18.2	Additional Information Respecting You and Your Principal Equity Owners.		45

## FRANCHISE AGREEMENT

This Franchise Agreement (“Agreement”) is made and entered into as of \_\_\_\_\_, 20\_\_ (the “Effective Date”), by and among Fit Body Boot Camp, Inc., a California corporation (“we” or “us”), and

\_\_\_\_\_ with an address at \_\_\_\_\_ (“you”), and (if you are not a sole proprietorship) each person owning an interest your entity, who will sign and be a party to this Agreement (in such context, “Principal Equity Owner”), with reference to the following facts:

### RECITALS

An entity affiliated with us (the “Owner of the Marks”) owns the Fit Body Boot Camp trademarks, service marks and other intellectual property and all rights in respect thereof. The Owner of the Marks has authorized us to license them to Fit Body Boot Camp franchisees.

You have applied to us for a franchise to operate a Franchised Business (as defined in Article I below) and we have approved your application in reliance upon all of the representations you made therein.

You understand that adherence to the terms of this Agreement and the standards and specifications we designate are essential to the operation of the Franchised Business and to the System (as defined in Article I below).

### I. DEFINITIONS

**Abandoned.** The term “Abandoned” means cessation of operation of the physical Outlet without our prior written consent for a period of five consecutive business days, or for any shorter period of time where you also communicate to us or to your landlord for the Outlet premises your intention not to re-open the physical Outlet. A repeated pattern of inactivity at your Outlet for periods of less than five consecutive business days may also result in your Franchised Business being deemed Abandoned if in our judgment such inactivity adversely impacts the Franchised Business. However, your Outlet will not be deemed Abandoned if the inactivity is due to natural disasters or other matters reasonably beyond your control, provided that you give us notice of any such closure within five business days after the initial occurrence of the event resulting in such inactivity, and we acknowledge in writing that such inactivity is due to one of the foregoing causes, and provided further that you re-open the Outlet and be fully operational within 180 days after the initial occurrence of the event resulting in such inactivity or such longer period as we may permit.

**Anniversary Year.** The term “Anniversary Year” means the 12-month period between the “Outlet Opening Date” (as defined below in this Article I) and the first anniversary thereof and between each succeeding anniversary.

**Brand Standards Manual or “Confidential Operations Manual”.** The term “Brand Standards Manual” means the confidential operations manual or manuals (regardless of title) containing policies and procedures to be adhered to by you in performing under this Agreement, including all amendments and supplements thereto provided to you from time to time.



**Confidential Information.** The term “Confidential Information” means information, know-how, and materials, other than Trade Secrets, that is of value to us (or other third party, as applicable) and treated as confidential by any of the foregoing and is disclosed or made known or available to you or your employees or agents. Without limiting the generality of the foregoing, the term “Confidential Information” includes, without limitation: (i) the Confidential Operations Manual; (ii) all technical and non-technical information, including without limitation, information concerning finances, financing and capital raising plans, accounting or marketing, business opportunities, affiliate lists, business plans, forecasts, predictions, projections, recipes, products, research, development, and know-how; (iii) Intellectual Property, the Marks, Fit Body Boot Camp Services and Products, insignias, designs, and materials subject to copyright, patent, or trademark registration; (iv) any developments, inventions, improvements, additions, modifications, enhancements, derivatives, ideas, reports, analyses, opinions, studies, data or other materials or work product, whether prepared by us or otherwise, that contain or are based upon Proprietary Information; (v) information regarding members, customers and potential customers of the Franchised Business, including customer lists, names, needs or desires with respect to the products or services offered, contracts and their contents and parties, the type and quantity of products and services provided or sought to be provided to customers and potential customers of the Franchised Business and other non-public information relating to customers and potential customers; (vi) information regarding any of Franchisor’s business partners or affiliates and their services, including names, representatives, proposals, bids, contracts and their contents and parties, the type and quantity of products and services received by the discloser, and other non-public information relating to business partners; (vii) information regarding personnel, including compensation and personnel files; and (viii) any other non-public information that a competitor of ours could use to our competitive disadvantage.

**Control.** The term “Control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

**Consumer Price Index or CPI.** The term “Consumer Price Index” or “CPI” means the annual average of the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor (or the highest similar future index if these figures become unavailable).

**Fit Body Boot Camp Services and Products.** The term “Fit Body Boot Camp Services and Products” means (i) the services, products and accessories we require or authorize you to purchase, promote, offer and/or sell in connection with the operation of the Franchised Business, which services, products and/or accessories may be supplied by us, designated vendors and/or approved suppliers, and (ii) other goods and services that we specifically authorize or require you to offer and sell at your Outlet, in accordance with this Agreement and the Brand Standards Manual (as amended from time to time by us in our discretion).

**Fitness Trainer.** The term “Fitness Trainer” means an individual that has been designated by you as a provider of Fit Body Boot Camp training techniques to retail customers and who has successfully completed the portion of the initial training program we designate (as set forth more fully in section 6.1 hereof) or otherwise been certified by us as a qualified fitness trainer.

**Franchised Business.** The term “Franchised Business” means the operation of: (i) the Virtual FBBC Business; and (ii) a physical retail fitness outlet, which must be located at an approved premises secured by you in accordance with the terms of this Agreement, and which is exclusively dedicated to offering and providing Fit Body Boot Camp fitness programs and services under the Marks to retail customers using designated or approved Fit Body Boot Camp training techniques and formats in strict accordance

with the terms of this Agreement and the Brand Standards Manual (the “Outlet”). We may require or authorize you to sell products, goods and/or other services, as we designate, to retail customers of the Outlet in accordance with our designated business methods and procedures.

**General Manager.** The term “General Manager” means the individual (may be a Principal Equity Owner) that has been designated by you as the person responsible for the day-to-day operation of the Outlet, and who has successfully completed “Initial Training” (as required pursuant to section 6.1 hereof).

**Gross Revenues.** The term “Gross Revenues” means any and all revenue derived from the sale or lease of any and all services and products, and all income of every kind and nature, related in any way to the Franchised Business, whether for cash or credit (and regardless of collection in the case of credit) and whether or not such sales are made at or by the Franchised Business, including revenue generated from the sale of memberships, goods, products, merchandise, services and advertising and not modified for uncollected amounts; except that “Gross Revenues” does not include any sales tax collected from your customers and tendered to any taxing authority.

**Initial Training.** The term “Initial Training” means training in the Fit Body Boot Camp Onsite Experience provided by us, as described in section 6.1 hereof.

**Marks.** The term “Marks” means the proprietary marks that we designate for authorized use to identify the Franchised Business, which Marks may include marks for which registrations have been obtained from or applied for with the United States Patent and Trademark Office, as well as all common law trademarks and service marks, trade names, logos, insignias, designs and other commercial symbols which we now or hereafter designate.

**Outlet Opening Date.** The term “Outlet Opening Date” means the day you open your physical Outlet, furnished, inventoried and equipped in accordance with our requirements, and you begin operating the Franchised Business at your physical Outlet.

**Principal Equity Owners.** The term “Principal Equity Owners” means all persons and entities that own a direct or indirect interest in you, if you are a legal entity.

**Proprietary Information.** The term “Proprietary Information” means, refers to, and includes Trade Secrets and Confidential Information. We are not required to label information as “proprietary” or in any other formal format for it to be considered Proprietary Information. Without limiting the generality of the foregoing, Proprietary Information may take the form of documentation, drawings, specifications, software, technical or engineering data and other forms, and may be communicated orally, in writing, by electronic means or media, by visual observation and by other means.

**System.** The term “System” means comprehensive marketing and operational systems prescribed by us to be used in the conduct of the Franchised Business, as set forth in this Agreement and the Brand Standards Manual. The System includes (i) the Marks, (ii) know-how relating to Fit Body Boot Camp Services and Products, (iii) advertising, marketing and sales programs and techniques, (iv) training programs, and (v) related materials, artwork, graphics, layouts, slogans, names, titles, text and other intellectual property that we make available to you. In our sole discretion, we may improve or change the System from time to time (including but not limited to adding to, deleting or modifying elements of the System and amending the Brand Standards Manual) for the intended purpose of making the System more effective, efficient, economical or competitive; adapting to or taking advantage of competitive

conditions, opportunities, technology, materials or local marketing needs and conditions; enhancing the reputation or public acceptance of the System; or better serving the public.

**Territory.** The term “Territory” means the geographical area we designate surrounding your Outlet. The Territory, once identified, will be identified in Exhibit 1 attached hereto.

**Trade Dress.** The term “Trade Dress” means the unique and distinctive layout, design and color schemes relating to the Outlet, and the textures, sizes, designs, shapes, and placements of words, graphics, and decorations on products and packaging related to Fit Body Boot Camp Services and Products.

**Trade Secret.** The term “Trade Secret” means information constituting a trade secret within the meaning of the Uniform Trade Secrets Act, as amended from time to time.

**Transfer.** The term “Transfer” means a sale, assignment, transfer, conveyance, pledge, mortgage, encumbrance, abandonment, elimination or giving away, voluntarily or involuntarily, by operation of law or otherwise.

**Virtual Fit Body Boot Camp Business.** The term “Virtual Fit Body Boot Camp Business” means a virtual fitness training business offering and providing authorized Fit Body Boot Camp classes through a virtual platform under the Marks in accordance with the rules, regulations, specifications and procedures designated by us, as we determine in our sole discretion and as communicated to you through writing and/or through video and audio specifications and/or the Brand Standards Manual. The virtual classes offered through the Virtual Fit Body Boot Camp Business are hereinafter referred to as the “Virtual Fit Body Boot Camp Classes”. Notwithstanding anything contained in this Agreement to the contrary, you are not authorized or permitted to offer and /or sell any item, product or service other than the Virtual Fit Body Boot Camp Classes in connection with your operation of the Virtual Fit Body Boot Camp Business. Without limiting the foregoing, you are not permitted to offer, sell, or distribute any products, apparel or items (including meals and/or supplements) to customers of your Virtual Fit Body Boot Camp Classes, unless we designate otherwise in writing.

## II. THE FRANCHISED BUSINESS

### 2.1 Our Business.

We are engaged in the administration, development, and licensing of businesses that operate Outlets offering the Franchised Business, using the Marks, operational techniques, service concepts and proprietary information owned or authorized to be used by and identified with us and our affiliated companies. Our activities in general, and our system (including proprietary products and services; logos; equipment and operations; designs and layouts for the Outlets; marketing and advertising, specialty retail items and promotional activities) are undertaken to develop, maintain and enhance the Marks and our business reputation.

### 2.2 The Franchise System.

After our expenditure of time, skill, effort and money, we have developed and supervise the franchise System under the Marks operated in accordance with the provisions of the applicable franchise agreement and our Brand Standards Manual, as amended from time to time.

## III. GRANT OF FRANCHISE

### 3.1 Grant of Franchise.

(a) By our respective signatures below, we hereby grant to you, and you hereby accept, a license (“Franchise”) to participate in and use the System by developing, owning and operating the Franchised Business in strict accordance with this Agreement and the Brand Standards Manual, from the Effective Date until the end of the term, unless sooner terminated. Except as otherwise expressly set forth in this Agreement, so long as you comply with this Agreement, we will not authorize another Fit Body Boot Camp franchisee to operate, or operate ourselves, a physical Fit Body Boot Camp Outlet in your Territory. You are not granted any exclusive or other protected territorial rights whatsoever in connection with the operation of the Virtual Fit Body Boot Camp Business. We, our affiliates and our licensees, including other System franchisees, may offer, sell and provide virtual fitness products and/or services, including Virtual Fit Body Boot Camp Classes, without restriction, including to customers located in the Territory and you will not be entitled to any compensation on account of any such activity.

(b) You further acknowledge that we may have granted and may in the future operate or grant other licenses and franchises for other retail and wholesale fitness businesses outside the Territory.

(c) You may not use the Marks, operational techniques, service concepts, Proprietary Information or any other information, methods or techniques you learn or are privy to by virtue of your development, ownership and /or operation of the Franchised Business in any manner or for any purpose not expressly authorized under this Agreement.

### **3.2 Reserved Rights.**

(a) Nothing contained herein accords you any right, title or interest in or to the Marks, System, marketing and operational techniques, service concepts, Proprietary Information or goodwill of ours. **THIS AGREEMENT ONLY GRANTS YOU THE RIGHT TO OPERATE THE VIRTUAL FIT BODY BOOT CAMP BUSINESS, AND THE OUTLET AT THE LOCATION APPROVED BY US IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT. YOU ARE NOT PERMITTED TO OPERATE THE FRANCHISED BUSINESS FROM ANY OTHER LOCATION OR PLATFORM UNLESS WE SPECIFICALLY ALLOW YOU TO DO SO IN A WRITTEN AMENDMENT TO THIS AGREEMENT SIGNED BY BOTH PARTIES. ALL OTHER RIGHTS ARE RETAINED BY AND RESERVED TO US.**

(b) Without limiting this broad retention of rights, we reserve the right to:

- (i) use any and all alternative channels of distribution, including the Internet, social media outlets, mobile applications, catalog sales, telemarketing or other direct marketing sales, to make sales of any product and/or service anywhere in the world including within your Territory using our principal trademarks and under trademarks that differ from the ones you will use under this Agreement. If we solicit or accept orders from inside your Territory through other channels of distribution, we are not obligated to pay you any compensation; and
- (ii) merge with, acquire, or be acquired by any business of any kind under other systems and/or other marks, which businesses may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute, goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside of the Territory. We also reserve the right to develop other systems involving similar or dissimilar services or goods, under dissimilar service marks, trademarks and trade names belonging to us, without granting you any rights in those systems. We reserve all rights

to market and sell Fit Body Boot Camp Services and Products at venues other than Outlets and through other channels of distribution anywhere, including within your Territory.

(c) You acknowledge that, in addition to the rights reserved to us under this Agreement, we and our affiliates and licensees are not restricted in any way in directly or indirectly marketing, advertising, offering, selling and/or providing virtual fitness classes, meals, products and/or services through alternative channels of distribution, including the Internet and mobile applications and any future invented or developed medium or distribution method.

### **3.3 Promotion and Development of Your Outlet.**

You must diligently and effectively promote, market and engage in the Franchised Business; develop, to the best of your ability, the potential for future members of the Franchised Business within your Territory; and devote and focus full time and best efforts to the operation of the Franchised Business.

### **3.4 Extent of Grant.**

(a) You understand and agree that you are licensed hereby only for the operation of (i) the Virtual Fit Body Boot Camp Business, which must be operated in strict accordance with our prescribed rules, regulations, specifications and procedures, and (ii) the Outlet within your Territory (unless we specifically agree otherwise on a case-by-case basis).

(b) You may not sublicense, sublease, subcontract or enter any management agreement, concession agreement, partnership agreement or joint venture agreement providing for, the right to operate the Franchised Business or to use the System granted pursuant to this Agreement.

(c) You are not permitted to offer any products or services in connection with the operation of your Franchised Business other than those we expressly approve or designate. Without limiting the foregoing, you shall not offer or sell, directly or indirectly, any products or services to any System franchisee or licensee at any time during the term of this Agreement.

### **3.5 Electronic Execution and Copies.**

(a) An executed counterpart of this Agreement (or any portion of this Agreement) may be delivered by any of the parties by fax, electrical, digital, magnetic, optical, electromagnetic, or similar capability regardless of the medium of transmission (any such medium is referred to in this and the following section as “electronic”), and such delivery will be effective and binding upon such party, and will not in any way diminish or affect the legal effectiveness, validity or enforceability of this Agreement.

(b) You acknowledge and agree that we may create an electronic record of any or all agreements, correspondence or other communication between us or involving third parties, and those we may thereafter dispose of or destroy the original of any such document or record. Any such electronic record may be inscribed on a tangible medium or stored in an electronic or other medium, retrievable in perceivable form, and maintained in and readable by hardware and software generally available. You agree that, notwithstanding any statute, regulation or other rule of law to the contrary, any such electronic version of this or any other agreement or correspondence between the parties will have the same legal effect, validity and enforceability as an original of any such document, even if the original of such document has been disposed of or intentionally destroyed.

### 3.6 Obligations of Entity Franchisee.

(a) If you are an entity, you must provide us at the Effective Date with a copy of your entity's organizational document and by-laws, shareholders' agreement, operating agreement or other agreement between the owners, along with a breakdown of ownership of the entity specifying each owner's name, address and percentage ownership interest (or number of shares held by each owner, as applicable).

(b) If you are an entity, the owners of the entity are not permitted to transfer, sell or assign any ownership interest without complying with the transfer provisions set forth in this Agreement. Additionally, any person or entity that at any time after the Effective Date becomes a Principal Equity Owner of your entity will automatically be subject to all the obligations and covenants of a Principal Equity Owner under this Agreement at the time such person or entity becomes a Principal Equity Owner. Before approving and entering into any transaction that would make any person or entity a Principal Equity Owner, you must notify such person about the content of this section 3.6(b) and the restrictions on transfer set forth in this Agreement. Any and all Principal Equity Owners must sign our designated form of personal guaranty agreement, a current copy of which is attached to this Franchise Agreement as Appendix 1.

(c) If you are an entity, you must place the following legend on all certificates evidencing an equity interest:

“THE TRANSFER OF THE EQUITY INTEREST IN THE ENTITY REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A FRANCHISE AGREEMENT DATED

---

20\_\_\_\_, BETWEEN THIS ENTITY AND FIT BODY BOOT CAMP, INC. REFERENCE IS MADE TO SUCH FRANCHISE AGREEMENT AND THE RESTRICTIVE PROVISIONS CONTAINED THEREIN AND AS MAY BE OTHERWISE SET FORTH IN THE ORGANIZATIONAL DOCUMENTS AND OPERATING AGREEMENTS OF THIS ENTITY.”

## IV. PAYMENTS BY YOU

### 4.1 Initial Franchise Fee.

(a) The “Initial Franchise Fee” is \$54,600 USD .

(b) Veteran & First Responder Discount. If you (or if you are a legal entity, an individual who owns at least a 51% interest in the legal entity) are: (a) a member of the U.S. Armed Services; (b) a veteran of the U.S. Armed Services who was honorably discharged (“Veteran”); or (c) if you are currently serving as an emergency medical technician, firefighter, or police officer (each a “First Responder”), we will discount the Initial Franchise Fee for your initial Outlet by 25% (and you would pay \$40,950 USD ).

(c) You must pay us the Initial Franchise Fee in full, by cashier's check, money order, or wire transfer to our bank account, when you sign this Agreement. **The Initial Franchise Fee is fully earned by us as of the Effective Date. The Initial Franchise Fee is not refundable.**

## **4.2 Royalty and Other Recurring Fees and Payments.**

(a) Beginning on the 270<sup>th</sup> day after the Effective Date, you must pay us a monthly “Royalty” of: (a) \$997 USD per month until the twelve (12) month anniversary of the Effective Date; and (b) thereafter, and continuing through the remainder of the Term, the greater of \$997 USD per month or 5% of your Gross Revenues. Royalties are due and payable monthly on the 17th day of each calendar month via automatic withdraw from your bank account or through such other payment method as we may designate or approve in writing. You must execute our designated form of ACH or EFT agreement and any and all other documents required to implement automatic payments due to us under this Agreement. We reserve the right to change the day of the month on which you are required to pay your monthly Royalty effective on written notice to you.

(b) Software Reimbursement. Beginning on the earlier to occur of: (a) the date on which you begin using the software, or (b) 270<sup>th</sup> day after the Effective Date, you must pay us a “Software Reimbursement” each month in the amount we designate via automatic withdraw from your bank account or through such other payment method as we may designate or approve in writing. You must execute our designated form of ACH or EFT agreement and any and all other documents required to implement automatic payments due to us under this Agreement. As of March 2022, the Software Reimbursement amount is \$400 USD per month, due and payable to us on or before the 10<sup>th</sup> day of each month, unless we designate a different date in a written notice to you. We have the right to increase this payment requirement and you are obligated to pay any such increased amount effective on your receipt of written notice.

(c) Technology Fee. We reserve the right to charge you a monthly technology fee in the amount we designate (the “Technology Fee”) to cover currently existing and/or future developed technology and technology platforms, effective on notice to you, which notice will designate the monthly due date and required method of payment. This fee may include, in addition to amounts we impose, pass through fees we pay to technology vendors. We reserve the right to change the amount, payment method and scope of payment of the Technology Fee at any time by providing reasonable notice to you (which need not exceed 30 days).

## **4.3 Marketing, Advertising and Promotion.**

(d) Beginning on the earlier to occur of: (a) the date on which you open the Outlet; or (b) the 270<sup>th</sup> day after the Effective Date, you must pay to us a monthly “Marketing and Promotion Fund Contribution” of \$500 USD.

(e) The Marketing and Promotion Fund Contribution is due and payable monthly on the first business day of each calendar month, unless we designate a different date in a written notice to you via automatic withdraw from your bank account or through such other payment method as we may designate or approve in writing. You must execute our designated form of ACH or EFT agreement and any and all other documents required to implement automatic payments due to us under this Agreement.

(f) You must conduct a “Grand Opening Launch Campaign” that strictly complies with our standards, specifications and requirements, which we may communicate to you electronically or otherwise in writing, to promote the opening of your Franchised Business within the time period we designate. You must spend in your Territory at least \$10,000 , as we designate, in connection with the Grand Opening Launch Campaign. You acknowledge and agree that we may require you to use specific designated vendors and suppliers in connection with the Grand Opening Launch Campaign and you must comply with all such requirements. Within three months after the date you open the Outlet, you must

send us evidence as we require to verify your compliance with the Grand Opening Launch Campaign and expenditures. Not later than 90 days after the Outlet Opening Date, you must provide us with a report itemizing your expenditures on the Grand Opening Launch Campaign.

(g) Commencing on the Outlet Opening Date, you must spend \$500 each calendar month on the local marketing, advertising and promotion of your Outlet, using marketing and promotional materials pre-approved or otherwise authorized in writing by us (“Local Advertising”). Within five business days after we ask for it, you must report to us all details of your Local Advertising for the previous 30 days. If you do not comply with this obligation, we have the right to require you to pay the amount you failed to expend to us, in which case we will have the right to expend the amount directly for local marketing and advertising purposes in the area surrounding your Franchised Business. This payment is only due to us if you do not comply with your obligations to expend the amount directly, locally, and we elect to require you to pay the deficiency amount to us.

(h) On a regional or system-wide basis, we may impose an additional assessment upon affected franchisees for special designated advertising or promotional activities if two-thirds of all affected Fit Body Boot Camp franchised outlets agree to such additional assessment by affirmative vote.

(i) With respect to regional or system-wide advertising, including without limitation advertising paid from Marketing and Promotion Fund Contributions, we determine the cost, form of media, content, format, production, timing (including regional or local concentration and seasonal exposure), location and all other matters relating to advertising, public relations and promotional campaigns.

#### **4.4 New Client Lead Generation Programs; Reciprocal Membership.**

(a) You must participate in any “New Client Lead Generation Program”, incentive programs, System-wide challenges, and similar programs, as we designate, including programs set up with third parties, all in accordance with our rules, regulations, standards, specifications and procedures (each a “New Client Lead Generation Program” and collectively, “New Client Lead Generation Programs”). You must strictly adhere to our designated processes and procedures relating to the methods used to offer, market and/or promote any and all New Client Lead Generation Programs, including use of designated marketing funnels, and restrictions on marketing funnels and methods not expressly approved by us in writing. We may retain up to 100% of the one-time upfront fees paid by the prospect for these New Client Lead Generation Programs and “low barrier offers”, which are designed to drive traffic and prospects into your business. Your goal is to convert prospects originated through the New Client Lead Generation Programs and low barrier offers to become a formal member of your Franchised Business.

(b) You must fully participate with any other gift card, customer loyalty, referral and other contests, and promotions we designate, require or authorize Fit Body Boot Camp franchisees to participate in. Details regarding such contests and promotions may be set forth in the Brand Standards Manual or other written communications.

(c) You must also participate in any other Fit Body Boot Camp website promotions we designate, including those hosted and managed by us, our affiliates or our designees, on the Fit Body Boot Camp webpage for the Outlet. You must participate in any System-wide member challenge we designate and permit your members to join the challenge. We reserve the right to collect registration fees from each participating member and we are not required to remit any of the revenues generated from such registration fees to you.



(d) You must participate fully in any reciprocal membership access program and/or any other customer loyalty program we specify or establish in accordance with our designated policies, procedures, rules and regulations. You may not be entitled to any compensation or reimbursement for membership fees or the cost of goods or services provided to any reciprocal access member using your Outlet under the reciprocity program or applicable customer loyalty program.

(e) You must participate in all challenges, including System-wide member challenges, as we designate and permit your members to join the challenge. We reserve the right to collect registration fees from each participating member and are not required to remit any of the revenues generated from such registration fees to you.

(f) It is your obligation and responsibility to ensure that your operations, including participation in New Client Lead Generation Programs, customer loyalty, referral and other contest and promotions, reciprocal membership programs, and any and all other activities in connection with the operation and/or promotion of the Franchised Business are conducted in compliance with all applicable laws, rules and regulations.

#### **4.5 Electronic Funds Transfer.**

Unless we designate otherwise in writing, all payments you are obligated to make to us under this Agreement and otherwise, including, without limitation, the monthly Royalty, Marketing and Promotion Fund Contributions, and Software Reimbursement must be paid by electronic funds transfer (“EFT”). All payments are to be made in U.S. Dollars. You must sign and deliver to us and our designees all of the documents, forms and information we require to authorize EFT and automatic payments to us. Unless we designate otherwise in writing, you must use the commercial billing service and its supplied computer program to process your member fees (including enrollment, monthly fees and other payments) as we designate. You must instruct and authorize the commercial billing service to credit and transfer to our bank account all Royalty, Marketing and Promotion Fund Contributions, Software Reimbursement payments and all other fees you are required to pay to us under this Agreement. You must also, in addition to those terms and conditions set forth in the Brand Standards Manual, maintain a single bank account for such payments (with overdraft protection from your operating account) and must maintain such minimum balance in such account as we may reasonably specify from time to time. You must not alter or close such account except upon our prior written approval. If you pay any ongoing fees, including, without limitation, the Royalty Fee, Marketing and Promotion Fund Contribution, and/or Software Reimbursement Fees with a credit card, you will be responsible for paying to us our then-current processing fees, which fees are currently (as of April 2025) 3% of the amount charged. You acknowledge and agree that you will not be permitted to pay any fees due to us under this Agreement via credit card unless we authorize you to do so in writing. Any failure of yours to comply with your obligations under this Section 4.5 in strict accordance with our instructions will constitute a material default of this Agreement. We reserve the right to change this payment method at any time, effective on 30 days’ prior written notice to you, and we may require that you pay any and all fees due to us through any method and manner we designate. You hereby authorize the commercial billing service provider to grant us access to all of your records, including databases and receivables. We will have full access to all of your data, system and related information by means of direct access, whether in person or by telephone/modem installed and maintained at your sole cost and expense.

#### **4.6 Fees Fully Earned; No Setoff on Payments.**

All payments made by you to us under this Agreement are fully earned and non-refundable when paid. All payments to be made by you to us will be without setoff, deduction, defense, counterclaim or claims in recoupment.

#### **4.7 Late Fee; Interest on Delinquent Payments; Administrative Fee.**

(a) Any payment, including any payment of Royalty, Software Reimbursement and/or Marketing and Promotion Fund Contribution not received by us when due will be a material breach of this Agreement and will be subject to a late charge of 5% of the amount past due. In connection therewith, you and we agree that the late charge is a reasonable and good faith estimate by you and us of such costs because (i) we will incur certain costs and expenses including, without limitation, administrative costs, collection costs, loss of interest, and other direct and indirect costs in an uncertain amount; and (ii) it would be impractical or extremely difficult to fix the exact amount of such costs in such event.

(b) All delinquent amounts will bear interest from the date payment was due at an annual percentage rate ("APR") of 18% (unless interest rates on delinquent payments in the state in which your Outlet is located are limited by law to a lesser percentage, in which case that APR will apply), and you must reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts.

(c) In addition to any other applicable fee due to us under this Agreement, you must pay us an Administration Fee of \$500 USD to cover our administrative costs in connection with your request to: (a) remove an owner; (b) add an owner; or (c) relocate your Outlet. This fee is due at the time you submit your request.

(d) You agree not to dispute any payment you make to us via credit card. If you pay any fee due to us under this Agreement by credit card, and you subsequently dispute any such payment, in addition to any and all rights and remedies available to us under this Agreement and applicable law, you must pay to us the fee due, plus all charges, costs, expenses, and fees we incur as a result of any such dispute, including attorneys' fees and all reasonable costs of collection.

#### **4.8 No Accord or Satisfaction.**

If you pay, or we otherwise receive, a lesser amount than the full amount provided for under this Agreement for any payment due hereunder, such payment or receipt will be applied against the earliest amount due us. We may accept any check or payment in any amount without prejudice to our right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere will constitute or be construed as an accord or satisfaction.

### **V. INITIAL TERM AND RENEWAL TERMS**

#### **5.1 Initial Term.**

The initial term of this Agreement (applicable solely to the Franchised Business licensed hereunder) commences on the Effective Date and expires on the 7th anniversary of the Effective Date, unless sooner terminated pursuant to the provisions of this Agreement.

#### **5.2 Renewal Terms.**

(a) Upon written notice delivered to us not less than 120 days before the end of the existing term hereof, you may renew your Franchise for successor seven-year terms commencing on the expiration date of the previous term, subject to the provisions of sections 5.2(a) through 5.2(i) below.

(b) At the time of renewal, you must (i) then be solvent (which means that you are able to pay your debts as and when promised by you and you have assets that are greater than your debts), (ii) have not abandoned the Franchise, (iii) not be operating the Franchise in a manner endangering public health or safety or materially harming the Fit Body Boot Camp brand or reputation, and (iv) not have knowingly submitted false or incomplete reports to us during the initial term.

(c) Notwithstanding section 5.2(a) above, we are not obligated to renew your rights granted under this Agreement for an additional term if one or more of the following applies or occurs:

(i) You give us written notice of your intention not to renew this Agreement at least 180 days before the expiration of the initial term or any successor term.

(ii) During the 180 days prior to expiration of the Franchise, we permit you to sell your Franchised Business to a purchaser meeting our then current requirements for granting new Franchises or (if we are not granting a significant number of new Franchises) the then current requirements for granting renewal Franchises.

(iii) Termination of this Agreement would be permitted pursuant to sections 13.1 or 13.2 hereof.

(iv) You and we agree not to renew the Franchise.

(v) We withdraw from distributing our products or services through Franchises in the geographic market you serve, provided that:

(A) Upon expiration of the Franchise, we agree not to seek to enforce any covenant of the non-renewed franchisee not to compete with us or our franchisees; and

(B) The failure to renew is not because we are converting the business conducted by you pursuant to this Agreement to an operation by our employees or agents for our own account.

(vi) At the time of renewal, you or any Principal Equity Owner has been convicted of a felony or a crime involving moral turpitude, consumer fraud or any other offense that is reasonably likely, in our reasonable judgment, to have a materially adverse effect on the Marks, the System or the goodwill associated with the Marks or System.

(d) As a condition to renewing your Franchise rights, (i) you must sign our then-current form of Franchise Agreement (which may contain materially different terms); and (ii) you must sign a mutual general release in the form we designate releasing us from any and all claims through the effective date of the release. **IN ADDITION TO NOT GRANTING ANY ADDITIONAL RIGHTS BEYOND THOSE GRANTED IN THIS AGREEMENT, THE THEN-CURRENT RENEWAL FRANCHISE AGREEMENT MAY CONTAIN OTHER TERMS THAT ARE SUBSTANTIALLY DIFFERENT FROM THOSE IN THIS AGREEMENT, INCLUDING DIFFERENT OR HIGHER ROYALTY FEES AND OTHER RECURRING FEES.** The then-current Renewal Franchise Agreement, when executed, will supersede this Agreement.

(e) At the time of renewal, you must have satisfied all monetary obligations owed by you to us and to our affiliates and all other material obligations under this Agreement, and we may examine your books and records to verify compliance with this requirement anytime during normal business hours within 60 days of your renewal date.

(f) At the time of renewal, you and your Principal Equity Owners may be required to execute a release, in the form prescribed by us, of all actual or potential claims you or they may have against us, our affiliates and our respective officers, directors, agents and employees as of the effective date of the Renewal Franchise Agreement.

(g) Before or not later than 90 days after your execution of a Renewal Franchise Agreement for an additional term, you must make such physical modifications to your Outlet as are reasonably necessary so that they are consistent with the then current System requirements, and so that they can accommodate new Fit Body Boot Camp Services and Products, if any. You must also bring your Outlet and equipment, materials and supplies into compliance with the standards then applicable to new Fit Body Boot Camp franchises.

(h) You must pay us a renewal fee of \$5,000 USD at the time you sign the Renewal Franchise Agreement.

### **5.3 Month to Month Extension; Longer Notice of Expiration Required by Law.**

(a) If you continue to operate the Outlet after the initial term expires, and you do not execute the Renewal Franchise Agreement and otherwise comply with the conditions of renewal set forth in Section 5.2 within 30 days of the date on which the Term expires, then, in addition to any and all rights and remedies available to us under this Agreement and applicable law, at our option, to be exercised in our sole and absolute discretion, we may extend this Agreement on a month-to-month basis by notifying you we are doing so; provided, however the monthly Royalty Fee during the Hold-Over Period (as defined below) will be increased to the greater of \$2,000 USD per month, or 8% of Gross Revenues. Said month-to-month extension (the “Hold-Over Period”) will continue until we give you at least a 30-day notice that the Franchise rights must be formally renewed in accordance with section 5.2 or the Agreement will expire and be terminated.

(b) If applicable law requires us to give a longer period of notice to you than herein provided prior to the expiration of the initial term or any successor term, we will give such additional required notice. If we do not give such required additional notice, this Agreement will remain in effect on a month-to-month basis only until you have received such required additional notice.

## **VI. TRAINING AND ASSISTANCE**

### **6.1 Initial Training.**

(a) Virtual Fit Body Boot Camp Training. You must attend and complete to our satisfaction, our Virtual Fit Body Boot Camp Training Program before you commence operation of the Virtual Fit Body Boot Camp Business. We may provide the Virtual Fit Body Boot Camp Training Program through any medium we designate, including online platforms accessible remotely. You must complete the Virtual Fit Body Boot Camp Training Program within the 60 day period following the Effective Date, unless we designate or agree in writing to a different time period. You acknowledge that the Virtual Fit Body Boot Camp Training may not include any in-person training and may be conducted entirely remotely, at our discretion. We will be deemed to have completed our “pre-opening” obligations, and you will be deemed to have commenced operation of the Franchised Business on the date you launch your first Virtual Fit Body Boot Camp Class.

(b) Outlet Training. It is of paramount importance that you, your General Manager, your Fitness Trainers, the Principal Equity Owners, and your other key employees and representatives understand the Franchised Business and the System, that your General Manager has been trained how to operate the Franchised Business, and that your Fitness Trainers have been trained how to provide Fit Body Boot Camp fitness techniques to retail customers. Accordingly, we will provide to your General Manager, Fitness Trainers and your Principal Equity Owners an Initial Training program, including the Fit Body Boot Camp Onsite Experience and the online training courses we designate, in the format and including the content that we designate (the "Initial Training"). You are permitted to bring a total of two (2) people to Initial Training free of charge. If you wish bring more than two (2) people to Initial Training, and we authorize you to do so, you must pay for each additional person you bring at our then-current rates. You acknowledge that the level of training required, and time devoted to each level of training, may vary depending on the position held. For instance, Fitness Trainers may not be required or permitted to attend those portions of Initial Training that are applicable to owners and General Managers. We reserve the right to require some or all of the Initial Training to take place at our designated facility (currently in Chino Hills, California), at another designated Fit Body Boot Camp® location, through the Fit Body Boot Camp Membership site, content in your Brand Standards Manual, and/or through any other electronic medium we designate, which may include virtual classes and/or scheduled webinars with a member of the Fit Body Boot Camp Coaching Team. We reserve the right to conduct the entire Initial Training remotely through virtual training sessions at our discretion. The program is intended to provide an orientation to the System and instruction on how to operate the Franchised Business. As mutually agreed upon by you and us, and subject to our availability, you and/or your General Manager may also attend additional training at or near our headquarters in Chino Hills, California, or at another training center designed by us. Unless there are extenuating circumstances that in our reasonable determination justify a delay, your required trainees (your "Training Team") must attend the next Initial Training that we offer in the calendar quarter immediately following the Effective Date. Your Training Team must complete Initial Training to our satisfaction and you may not open the physical Outlet until your Training Team has satisfactorily completed Initial Training. You acknowledge and agree that we will solely determine whether the individual members of your Training Team have satisfactorily completed Initial Training. As part of your Initial Training, unless we designate otherwise in writing to you, you must: (a) attend a four -day Fit Body Boot Camp Onsite Experience training program within the first calendar quarter from the Effective Date; and (b) complete all online training courses within 180 days of the Effective Date.

(c) The failure of your Training Team to complete Initial Training to our satisfaction (this is typically completed within the calendar quarter immediately following the Effective Date) will be grounds for termination of this Agreement; provided, however, that your General Manager and Fitness Trainer who fails to successfully complete Initial Training will have the opportunity to either retake the Initial Training or you may designate one replacement for the Initial Training program.

(d) After you open your Outlet, we may require you to attend and complete additional training as we determine in our sole discretion, which may be conducted electronically (including online through [www.fitbodybootcamp.learnupon.com](http://www.fitbodybootcamp.learnupon.com)) or at a location we designate. All Fitness Trainers must also obtain and maintain in good standing fitness certifications provided through Fit Body Boot Camp University and on-line at [www.fitbodybootcamp.learnupon.com](http://www.fitbodybootcamp.learnupon.com)

(e) We will determine the contents and manner of conducting the Initial Training program in our discretion (which may include instruction through the Fit Body Boot Camp Membership Site, Brand Standards Manual, and/or coaching calls with members of the Fit Body Boot Camp Coaching Team), which is structured to provide practical training in the implementation and operation of the Franchised

Business and may include such topics as Fit Body Boot Camp standards, marketing and customer service techniques, reports and equipment maintenance.

(f) There is no separate fee payable to us for the Initial Training program provided to the two (2) people you bring to Initial Training. As set forth above, you must pay our then-current fee for each additional person we authorize you to bring to Initial Training.

(g) All costs and expenses (including travel, hotel and meal) of your Training Team and any other of your attendees of Initial Training will be your sole responsibility. All persons attending Initial Training on your behalf must have a demonstrable relationship to the management and operation of your Franchised Business and must execute an approved form of Restrictive Covenant Agreement including confidentiality and non-disclosure covenants.

## **6.2 Training and Assistance after Opening; The 100 Lives Changed Program.**

(a) After you open your Franchised Business, (i) we or our designee will provide you with access to, list your Outlet on, and integrate other information, as we designate, about your Outlet into, the Fit Body Boot Camp website, which may include access to a password protected, digital copy of the Brand Standards Manual (any future updates or modifications to your presence on the Fit Body Boot Camp website may be at your cost and expense) and (ii) you shall, on an ongoing and regular basis throughout the term, continue to access the Fit Body Boot Camp Membership website or such other platform as we designate, for workout and marketing content, and continue to schedule coaching calls or webinars.

(b) After you open your Franchised Business, at your request and subject to our availability, we will be reasonably available by phone or email for guidance to provide you with advisory assistance in the operation of your Franchised Business. We do not, and are not required to, provide you with any assistance related to your employment matters, including, hiring, supervising or discharging employees. We do not exercise any direct or indirect control over your employment practices. You hereby acknowledge and agree that it is entirely your responsibility to handle employment matters and that you are strongly advised to consult with an employment attorney to assist you on appropriate, responsible and legally compliant employment practices. Our representatives may visit your Outlet and Territory from time to time, but the frequency and duration of any such visits by our representatives is in our sole discretion.

(c) After you commence operation of your Franchised Business, and upon reasonable notice, we may require attendance of your designated personnel at training courses, seminars, or other programs other than Initial Training or mandatory meetings (described in section 6.3 below) that are deemed by us to be relevant or appropriate to the operation of your Franchised Business. You specifically agree that only persons trained by us or under our supervision will have overall responsibility for the operation of the Outlet and Franchised Business, and that you will send your General Manager to us for additional training if we request this. You acknowledge and agree that the nature, frequency and duration of any additional training or assistance by us or our designated representatives will be in our sole discretion. We may, at our discretion, charge you an additional training fee of up to \$997 USD per day for Fit Body Boot Camp training courses, seminars, conferences or other programs that we require you and/or your representatives to attend. We may also charge you and each person you are permitted to bring to our annual conference our then-current registration fee.

(d) We may but are not required to offer you optional staff training courses, coaching and business mentoring programs, seminars, conferences, or other programs, in a suitable location we select. We may, at our discretion charge you a separate fee of up to \$997 USD per day for this optional training.

(e) In addition to updates to the Brand Standards Manual, we may provide you with additional materials relating to the Franchised Business on our Fit Body Academy resource and training portal. We may also from time to time make available to you for purchase other materials relevant to the System and the Franchised Business.

(f) All costs and expenses (including travel, hotel and meal) of your attendees at any post-opening training, conferences or meetings will be your sole responsibility. All persons attending post-opening training, conferences or meetings on your behalf must have a demonstrable relationship to the management and operation of your Franchised Business and must execute a confidentiality and nondisclosure agreement in the form we designate or approve before attending any training, conference or meeting at which Confidential Information will be disclosed.

(g) In the event of a Transfer of your Franchised Business (which must be done in full compliance with section 12.2 of this Agreement), the transferee must satisfactorily complete the training program we designate as a condition of our consent to such Transfer. The transferred Franchised Business may not be opened or re-opened by the transferee until we accept the transferee in writing as being qualified to operate the Franchised Business and we have otherwise consented to the Transfer in accordance with this Agreement.

(h) “The 100 Lives Changed Program & Conditions”. You must comply with the 100 Lives Changed Conditions during the period commencing 8 weeks prior to the scheduled Grand Opening Date and ending at the earlier to occur of: (a) the date on which you have 100 clients signed up for the Launch Programs offered by your Franchised Business; or (b) the 12-month anniversary of your Grand Opening Date (the “100 Lives Changed Period”). The “100 Lives Changed Conditions” are as follows: For the duration of the 100 Lives Changed Period, you must: (i) spend at least \$10,000 on ad spend before your doors open ; (ii) participate in every scheduled sales coaching call; (iii) send to us at least one of your recorded sales calls before each of the sales coaching calls; and (iv) you must submit a weekly “sales call scorecard” in the form and manner we designate. Provided that you: (i) are in compliance with your obligations under the Franchise Agreement; and (b) complied with the 100 Lives Changed Conditions during the 8 week period leading up to your scheduled Grand Opening Date, if you do not have 100 clients signed up for the Launch programs offered by your Franchised Business by your Grand Opening Date, then, during the period beginning on the Grand Opening Date and ending on the expiration of the 100 Lives Changed Period, (A) you must continue to comply with the 100 Lives Changed Conditions and you must spend at least \$100 per day on ad spend in accordance with our specifications; and (B) provided that you are in compliance with your obligations under this Agreement, we will continue to run social media ads in the form and manner and at the frequency we designate. As set forth above, you will still be responsible for the daily ad spend during this period and for complying with the 100 Lives Changed Conditions until the expiration of 100 Lives Changed Period.

### **6.3 Mandatory Meetings.**

Not more often than once each year, we may conduct a system-wide meeting or series of regional meetings to discuss Fit Body Boot Camp business activities or other matters relating to the Franchised Business. We anticipate holding these system-wide meetings or conferences on an annual basis. Attendance of the General Manager at these meetings will be mandatory (and is highly recommended for all your Principal Equity Owners). We may limit the number of your attendees at these meetings. You must pay the cost of travel, hotel and meal expenses for your attendees at these mandatory meetings. The mandatory meetings referenced in this section 6.3 are in addition to any voluntary convention or

sales conference that may be coordinated by us. We reserve the right to charge a registration fee for your attendance at the annual meeting or convention, which will not exceed \$2,000 USD per person.

### **6.3 Proprietary Materials.**

At Initial Training and other training programs and conferences, we may provide you with Proprietary Information, as well as training materials, training curricula and related materials for your use in the training of your staff. All these items are and will remain our sole and exclusive property. You must not yourself nor allow your employees or others, to copy, reproduce, disseminate or otherwise reveal to third parties any Proprietary Information or related materials without our express prior written consent.

## **VII. OPENING OF OUTLET AND FRANCHISED BUSINESS**

### **7.1 Approved Location; Your Outlet.**

(a) If you have not secured an approved location for the Outlet as of the Effective Date, you shall, at your sole cost and expense, (i) find a location within the Designated Area identified on Exhibit 1 for the Outlet, which location shall be subject to our prior approval, which may be granted or withheld in our sole and absolute discretion, (ii) enter into a binding lease agreement for the location within 90 days of the Effective Date, in accordance with the terms and conditions of this Agreement, and (iii) begin constructing and equipping the Outlet in strict accordance with our then-current standards, procedures, plans and specifications. If you do not secure an approved location for the Outlet within the 90 days after the Effective Date, we have the right to immediately terminate this Agreement. We will communicate our approval or disapproval of the proposed site within 15 business days of the date you submit all information we require regarding the proposed location. We will assist you in the site selection process and we reserve the sole right of final review and consent to any location of the Outlet. We may use available demographic information to help you evaluate the site and the area in which it is located, and analyze area income figures, traffic patterns, visibility, population density, competition, zoning, parking, accessibility and other related, relevant circumstances. Our final review and consent to the location of your Outlet is not a guarantee that a Fit Body Boot Camp business can be successfully operated there or anywhere else.

(b) You must provide a copy of the proposed lease agreement for the Outlet location before you sign any letter of intent or binding agreement. You are not permitted to sign a lease agreement for the Outlet unless and until we approve the lease agreement. You agree that we do not guarantee that the terms, including rent, will represent the most favorable terms available in the market. We require the inclusion of the terms set forth in the Lease Rider attached to this Agreement as Exhibit 4. You shall ensure that the terms of the Lease Rider are incorporated in the lease. You shall provide us with a copy of your fully executed lease agreement immediately after signing.

(c) You acknowledge that the location, selection, procurement and development of the site for the Outlet are your responsibilities. You further acknowledge that our approval of a site and/or rendering of assistance in the selection of any site does not constitute a representation, promise, warranty or guarantee, express or implied, by us or our officers, employees, directors, attorneys or agents, as to the potential sales volume, profits or success of the Franchised Business to be developed, opened and operated by you at the location. We will not have any liability to you with respect to any assistance we or our designees provided to you in making your selection, and in our recommendation or approval of any location. Once the location for the Outlet is secured in accordance with the terms of this Agreement, we will issue an amended Exhibit 1 to identify the approved location as the Outlet from which you will operate the Franchised Business and the Territory.



(d) To promote the orderly and timely service of Fit Body Boot Camp customers, you may not deliver Fit Body Boot Camp Services and Products outside your Territory without our prior written consent.

## **7.2 Building Out Your Outlet.**

(a) You must build out your Outlet (and commence operation of the Franchised Business there) within 270 days after the Effective Date, using architects, project managers, contractors, subcontractors, architectural plans and key equipment suppliers designated by us (or one of our affiliated companies) or otherwise reasonably acceptable to us. You must commence operation of the Franchised Business at your Outlet as soon as practicable after your receipt of a certificate of occupancy (or equivalent document) from the responsible local government authority. If you have not commenced operation of the Franchised Business within 270 days after the Effective Date, we may terminate this Agreement effective on written notice, and if we do so, you will not be entitled to receive any refund of your Initial Franchise Fee. We may give you an extension of time to open the Outlet beyond the mandatory dates specified above in this section 7.2(a) if we deem in our sole discretion that you have made a diligent effort to open but were unable to do so due to reasons beyond your reasonable control.

(b) Upon receipt of written request from you, we will provide you with a sample prototype layout for your Outlet. You acknowledge that such plans and specifications will 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), nor will such plans contain the requirements of, or be used for, construction drawings or other documents necessary to obtain permits or authorization to build the Outlet. It is your sole and absolute responsibility to construct the Outlet in accordance with all applicable laws, including the ADA and local laws, rules and regulations governing public accommodations. Without limiting the foregoing, at your sole expense, you must employ architects, designers, engineers or others designated or approved by us to complete, adapt, modify or substitute the sample plans and specifications for the Outlet. The architect must submit a complete set of final plans and specifications to us for approval before commencing construction of the Outlet. We will review these plans and specifications promptly and either approve them as stated or provide you with our comments on the plans and specifications. You may not commence construction of the Outlet until we approve, in writing, the final plans, specifications and contractors to be used in constructing the Outlet. We will consult with you, to the extent we deem necessary, on the construction and equipping of the Outlet, but it is and will remain your sole responsibility to diligently construct, equip and otherwise make ready, and then open the Outlet. You are responsible, at your expense, for obtaining all zoning classifications, permits, clearances, certificates of occupancy and center clearances which may be required by governmental authorities and for complying with all covenants, conditions, easements, and restrictions of record.

(c) You must use licensed general contractors, designers, vendors and architects approved by us before performing construction work at your Outlet. We expressly disclaim any representation or warranty of the quality of any goods or services provided by architects, contractors, or any other persons or entities which we may refer to you, including, but not limited to any warranty as to merchantability or fitness for any specific purpose. We will not be responsible for delays in the construction, equipping or decoration of the Outlet or for any loss resulting from the Outlet design or construction since we have no control over the landlord or developer and numerous construction or related problems which could occur, and consequent delay in the opening of your Outlet. We must approve in writing all changes in the Outlet plans prior to construction of the Outlet or the implementation of such changes.

(d) We must have access to your Outlet while work is in progress. We may make video records of construction in process and may require such reasonable alterations to or modifications in the construction of the Outlet as we deem necessary to bring your Outlet into compliance with then-current brand standards. Your failure to promptly commence the design, construction, inventorying, equipping and opening of the Outlet with due diligence will be grounds for the termination of this Agreement. And if you do not complete the build out of the Outlet in a reasonable time, we have the right, but not the obligation, to complete the build out, all expenses of which will then be paid or reimbursed by you. Before opening of the Outlet and prior to final inspections by any governmental agency, we will complete a final “walk through” inspection of the Outlet and issue a written consent to open. Any deficiencies noted by us during this inspection must be corrected by you within 30 days or this Agreement may be terminated without any liability to us.

(e) We have the right to regularly inspect your Outlet and any other site where you conduct the Franchised Business.

### **7.3 Equipment, Furnishings, Fixtures, Signs, Decor and Initial Inventory.**

(a) You must install and use in connection with the operation of the Franchised Business and in and about the Outlet only such equipment, fixtures, furnishings, interior and exterior signage and other property and items which strictly conform to the appearance, uniform standards, specifications and procedures of Fit Body Boot Camp and the System, as we may revise from time to time in our sole and absolute discretion. Within the timeframes that we specify before the Outlet Opening Date, you must order from (and if necessary pre-pay to) designated or approved suppliers the recommended number of pieces of equipment, proprietary items, other items and accessories as specified in the “Outlet Development Materials” section of the Brand Standards Manual, or such other section as we designate, with delivery scheduled for not later than two business days before the Outlet Opening Date. Thereafter, you must buy replacement or additional designated fitness equipment and accessories, and other authorized items only from vendors designated by us or suppliers approved by us. We and/or our affiliates have the right to retain any and all rebates, incentives and consideration offered or provided by any and all vendors and suppliers. We and our affiliates reserve the right to be one of, or the sole, supplier of any item and/or service and may derive revenue, benefits and other material consideration from such purchases and leases.

(b) You must also purchase non-proprietary fixtures, furnishings, equipment, POS System, computer hardware, software, modems and peripheral equipment as we designate, including as specified in the development materials and the Brand Standards Manual, in adequate quantities and sufficiently in advance to allow you to fully operate your Outlet on the Outlet Opening Date and on an ongoing basis.

(c) You must buy interior and exterior signs, other materials containing the Marks, and apparel containing the Marks only from suppliers approved by us.

(d) You must also purchase uniforms, supplies, paper goods, services, packaging, forms and other products and supplies to constitute your complete initial inventory of such items as specified in the Outlet Development Materials section of the Brand Standards Manual, or such other section as we designate, with delivery scheduled for not later than three business days before the Outlet Opening Date.

### **7.4 Marketing and Advertising Boundaries.**

(a) You may not directly promote, advertise or otherwise market your Franchised Business outside the boundaries of the Territory or other advertising boundary that we designate, without our prior

written consent. We may condition our approval on, among other things, your agreement to offer other Fit Body Boot Camp franchisees who are operating franchised locations in the area encompassed by the circulation base of the proposed advertising the opportunity to participate in and share the expense of your solicitation and/or advertising. The marketing and advertising boundaries are determined by us and may be changed by us or overlap with the territories of other Fit Body Boot Camp Outlets as market conditions or type of media warrant, all in our sole discretion. Such marketing and advertising boundaries may exceed the Territory provided herein, in our sole discretion.

## **VIII. OPERATION OF FRANCHISED BUSINESS**

### **8.1 Operational Requirements.**

(a) At all times you must be, or employ, a General Manager who will devote his or her entire time during normal business hours, as defined in the Brand Standards Manual, to the management, operation and development of the Franchised Business. The General Manager must ensure that you fulfill your obligations to your customers in a timely and professional manner and he or she may not engage in any other business requiring his or her active participation during normal business hours. If you are, or at any time during the term of the Franchise Agreement, you become, a legal entity, one of your equity owners must own at least a 51% ownership interest in the legal entity and such owner must be designated as the “Responsible Owner”, which individual shall be listed on Exhibit 2 to this Agreement. The Responsible Owner must have the authority to accept all notices from us and must be granted the authority to legally bind the legal entity with respect to all contracts, agreements and commercial documents related to your franchised business. This person must have attended and successfully completed our initial training program.

(b) You must construct, open, maintain and operate the Franchised Business for the entire Term in strict accordance with this Agreement, the requirements and procedures set forth in the Brand Standards Manual, and any other specification provided to you by us in writing. You must offer the products, items and services that we designate through the channels, form and manner we designate or authorize in writing. You must cease offering any product, item and/or service we disapprove upon receipt of written notice from us. You must strictly adhere to our requirements in connection with the advertisement, offer, sale and delivery of any and all products and services, including the Fit Body Boot Camp Services and Products. You may not advertise, market or promote the Franchised Business outside the Territory. You are only authorized to operate the Outlet at the physical location approved pursuant to this Agreement and at no other location. Unless we designate otherwise in writing, you are not permitted to offer, sell or provide supplements, meals, apparel, retail product or any other product or service other than the Fit Body Boot Camp Services and Products, in connection with the operation of the Franchised Business.

(c) With respect to the Virtual Fit Body Boot Camp Business, you agree to operate the Virtual Fit Body Boot Camp Business and to offer and provide the Virtual Fit Body Boot Camp Classes in strict accordance with the rules, regulations, specifications and procedures we designate, as communicated to you through the Brand Standards Manual, written communications and/or through video and/or audio specifications, as we designate, throughout the term of this Agreement. Without limiting the foregoing, you must comply with any and all restrictions and requirements we designate relating to the advertisement, marketing and promotion of the Virtual Fit Body Boot Camp Business. We have the right to restrict your operation, marketing and/or advertising of the Virtual FBBC Business to individuals residing in your Territory at any time. You acknowledge that, to the fullest extent permissible under applicable law, we may designate minimum and maximum pricing in connection with the Virtual Fit Body Boot Camp Business and the Virtual Fit Body Boot Camp Classes. You further acknowledge

that the Virtual Fit Body Boot Camp Business and Virtual Fit Body Boot Camp Classes may evolve in the future and you agree to cooperate with us in implementing any and all changes and modifications relating to the Virtual Fit Body Boot Camp Business, as we designate. You acknowledge that we, our affiliates and our licensees (including other franchisees) may offer, sell, promote, advertise and provide virtual fitness products and services, including Virtual Fit Body Boot Camp Classes, without restriction, including to individuals who reside in or are otherwise located in the Territory. You are not permitted to offer, sell, provide or market any product or service other than Virtual Fitness Classes in connection with the Virtual Fit Body Boot Camp Business.

(d) To protect and maintain the integrity, reputation and goodwill of the System and the Marks, we require that you comply with the methodology we prescribe in providing Fit Body Boot Camp Services and Products to customers. To enhance uniformity in the delivery of goods and services to retail customers by our franchises and the strength of our Marks in inter-brand competition, and subject to applicable antitrust laws, we may recommend prices for Fit Body Boot Camp Services and Products and other products and services we authorize for sale at your Outlet. If we do so, you may not advertise or promote (whether by telephone, printed materials or any other media, including, without limitation, social media) retail prices that are inconsistent with these recommended prices. Also, to the extent permitted by federal and state law applicable to the Outlet, we may designate maximum and minimum retail prices to be charged for Fit Body Boot Camp Services and Products.

(e) Your Outlet must be open on a full-time basis in accordance with the hours of operation as designated in the Brand Standards Manual. You shall use the approved Outlet location solely for the operation of the Franchised Business and no portion of the premises may be used for any other purpose, or assigned, subleased or otherwise transferred except as part of a sale of the Franchised Business in accordance with the conditions of transfer set forth in this Agreement.

(f) You must promptly satisfy as and when due any *bona fide* indebtedness that you incur in operating your Franchised Business.

(g) You must notify us in writing within 10 days after you receive actual notice of the commencement of any investigation, action, suit, or other proceeding, or the issuance of any order, writ, injunction, award, or other decree of any court, agency, or other governmental authority that pertains to your owners or the Franchised Business or that may adversely affect your operations in the Territory or your ability to meet your obligations hereunder.

(h) Upon the occurrence of any event, including any event that occurs at the Outlet or in the Territory, that has caused or may cause harm or injury to customers or employees, or that may damage the System, Marks, or image or reputation of the Franchised Business or us or our affiliates, you must immediately inform our designated contact person as instructed in the Brand Standards Manual by telephone, e-mail, text or other electronic messaging medium authorized by us for this purpose. You must cooperate fully with us with respect to our response to an incident described in this section 8.1(g).

(i) If there is any *bona fide* dispute as to any liability for taxes assessed or other indebtedness, you may contest the validity of the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. However, you may not permit a tax sale or seizure by levy or similar writ or warrant, or attachment by a creditor to occur against the premises of the Franchised Business or any of its improvements.

(j) You may not engage in any co-branding in the Outlet or relating to the Franchised Business except with our prior written consent, which we may grant or withhold in our sole and absolute

discretion. We are not required to approve any co-branding chain or arrangement except in our discretion, and only if we recognize that co-branding chain as an approved co-brand for operation within the System. “Co-branding” includes the operation of an independent business, product line or operating system owned or licensed by another entity (not us) that is featured or incorporated within your Outlet or the Franchised Business you operate in your Territory or is adjacent to your Outlet and operated in a manner which is likely to cause the public to perceive it to be related to the Outlet and Franchised Business licensed and franchised hereunder.

## **8.2 Brand Standards Manual.**

(a) You must operate the Franchised Business in accordance with the Brand Standards Manual, a copy of which will be provided to you in the manner we designate, which may be in electronic format. We have the right to modify the Brand Standards Manual at any time by the addition, deletion or other modification of the provisions thereof. All such additions, deletions or modifications are effective on the next business day after the earlier to occur of (a) the day on which the addition, deletion and / or modification is communicated to you, or (b) the day on which the electronic copy is accessible to you through the electronic access method we designate.

(b) As modified by us from time to time, the Brand Standards Manual will be deemed to be an integral part of this Agreement and references to the Brand Standards Manual made in this Agreement, or in any amendments or exhibits hereto, are deemed to mean the Brand Standards Manual. However, the Brand Standards Manual, as modified or amended by us from time to time, will not alter your fundamental rights under this Agreement. If there is any discrepancy or dispute about the version of the Brand Standards Manual that you may have printed and maintain, the master copy of the Brand Standards Manual that we maintain at our headquarters and available on our website or through such other electronic means we designate, will be the controlling version and will supersede all prior versions.

(c) Upon the expiration or termination of this Agreement for any reason whatsoever, you must immediately return to us any and all copies of the Brand Standards Manual, including, without limitation, printed portions of the Brand Standards Manual then in your possession. Except as specifically permitted by us, at no time may you, or your employees or agents, (i) make, or cause to be made, any copies or reproductions of all or any portion of the Brand Standards Manual, (ii) give online access to the Brand Standards Manual to any person that has not signed a confidentiality and non-disclosure agreement in the form we designate or approve or otherwise to any unauthorized persons, or (iii) disclose any part of the Brand Standards Manual to any other person except your authorized employees and agents when required in the operation of the Franchised Business. Unless we designate otherwise, you must also permanently erase anything relating to our trade secrets or other proprietary information from any computers and other media storage devices you retain after expiration, cancellation or termination of this Agreement.

## **8.3 Standards of Operation; Designated and Approved Suppliers.**

(a) You agree that we, you and everyone else involved in the System benefits from the maintenance of the highest standards of uniformity, quality, similar appearance and prominent display of the Marks at your Outlet and elsewhere in your Territory. Therefore, you agree to maintain the uniform standards of quality, appearance and display of the Marks in strict accordance with this Agreement and the Brand Standards Manual as it may be revised from time to time, and as we may otherwise direct in

writing. In order that we may establish and maintain an effective network of franchisees, you specifically agree that you must not display or use the Marks except in the manner we authorize.

(b) You acknowledge that you are only permitted to offer and sell Fit Body Services and Products, as we designate, and such other services and products that we designate or approve in writing, in connection with the operation of your Outlet. We have the right to require you to purchase some or all of the Fit Body Services and Products from us, our affiliates, or other suppliers or distributors approved or designated by us. You acknowledge that, without limiting these broad rights, we may require you to sell only the supplement products we specify, and we may require you to purchase the supplement products from our designated vendor (which may be us or our affiliate) at any time in the future. We may designate single or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers. If you wish to purchase any product, service, good, equipment, or supplies from a supplier or distributor that is not on our approved list, you may submit a written request for our approval of the supplier or distributor (except in instances where we have designated a sole supplier of any product, item, good, equipment, service or supplies), which we may grant or deny in our sole and absolute discretion. The proposed supplier's or distributor's product or service, as applicable, must conform to our designated standards and specifications, which may include the ability of the supplier to provide sufficient quantities of the product or services, as applicable, to the entire System. The supplier or distributor must also provide us with any information we request in order to analyze the supplier's or distributor's suitability, and the composition and conformity of the product and/or service to our standards and specifications. We will have the right to require our representative to be permitted to inspect the supplier's facility and samples from the supplier to be delivered for evaluation and testing, either to us, our affiliate, or an independent testing facility, as we designate. You must pay us an evaluation fee of \$1,500 USD at the time you submit your request for approval. You or the proposed supplier will be responsible for all costs and expenses associated with the testing and approval process.

(c) You acknowledge that we may revoke our approval of any supplier, product or service at any time in our sole discretion. Upon your receipt of written notification of such revocation, you must cease purchasing and selling any disapproved product and/or service.

(d) You acknowledge that we and /or our affiliates have the unrestricted right to derive income, consideration, payments and other benefits on account of your purchase or lease of any products, services, supplies and/or other items from us, any supplier, including approved suppliers and/or designated suppliers. This income may be derived in any form, including as a rebate from various suppliers based on the quantity of System franchisee purchases. These amounts and considerations are subject to change without restriction. We and our affiliates may, without restriction, charge mark-ups on any products and/or services sold or leased to you by us and/or our affiliates and/or system suppliers.

#### **8.4 Point of Sale System and Computer System.**

(a) You must purchase, use and maintain a computer system (the "Computer System") and point of sale system (the "POS System"), as we designate, to be used in the operation of the Outlet and for reporting purposes from the suppliers we designate. If applicable, the Computer System and POS System must always be connected to a dedicated broadband connection, digital subscriber line ("DSL") or other high-speed communications medium specified by us, with access to the Internet to implement software, transmit and receive data, in the manner designated by us, including through the Brand Standards Manual or otherwise by us in writing. You must obtain and maintain agreements, including software and annual maintenance agreements with the designated suppliers, which may include the manufacturer or distributor of the Computer System and/or POS System. You must record all sales at or from the Franchised Business at the time of sale, in accordance with our procedures and specifications through

the POS System. You shall comply with all requirements we designate regarding the maintenance, training, storage and safeguarding of data, records, reports and other matters relative to the Computer and the POS System. The POS System must be electronically linked to and accessible us and our designees without restriction in the manner we designate. We have the unrestricted right to independently access any and all information on your Computer and POS System at any time, without first notifying you. Without limiting the foregoing, you shall, at your sole cost and expense, permit us immediate access to your POS System and Computer System in any manner we determine, including through a third-party designee. We have the right to use any and all information accessed on the POS System or Computer System in any manner we determine, including the right to use any and all such information in our Franchise Disclosure Documents, to share financial statements, including profit and loss statements, with third parties including system franchisees and prospective franchisees. Without limiting the generality of the foregoing, we may poll the POS System on a daily or other basis at such times and in such manner as determined by us, with or without notice, and to retrieve such transaction information including sales, sales mix, usage and other operations data as we deem appropriate. You must ensure that only adequately trained employees, can conduct transactions using the POS System. Within a reasonable time upon our request, you must apply for and maintain debit cards, credit cards or other non-cash systems existing or developed in the future to enable customers to access and purchase Fit Body Boot Camp Services and Products via such procedure, as specified or designated by us. We may require you to update, upgrade, modify or replace the Computer System and/or the POS System, including hardware and/or software, at any time without restriction upon written notice to you.

(b) You must maintain an e-mail account and always connect the Computer System to a dedicated broadband connection, DSL or other high-speed communications medium specified by us, with access to the Internet to implement software, transmit and receive data, in the manner designated by us in the Brand Standards Manual or otherwise by us in writing. You must obtain all software and hardware, including digital still and video cameras, as we may specify to enable you to provide ample security against viruses, send and receive e-mail, contact and track customers, perform accounting functions, perform marketing and access and transmit digital photos and streaming video or other multimedia signals and information to and from the Outlet, and you must, from time to time, upon our request transmit digital photos and real time video and audio signals of the Outlet to us, and in the form and manner prescribed by us.

(c) As stated above, we may designate that certain computer software must be used in the operation of the POS System and/or Computer System (“Designated Software”). You must license or sublicense such Designated Software from our designee and enter into a software license agreement on the software licensor’s then-current form and pay any related license or maintenance fees. We have the right to require you to pay any and all such fees directly to us or to our designee, including mark-ups we impose in connection with such fees and payments. You must purchase, use and install any and all upgrades, enhancements or replacements to the Designated Software, as we designate and within the time periods we specify.

(d) You may not install, and must prohibit others from installing, unauthorized software on the POS System and the Computer System. You must take all commercially reasonable measures to ensure no malicious code, malware or other unauthorized code or software is installed on, or transmitted by, the POS System or the Computer System. You must from time to time communicate to us all passwords, access keys and other security devices or systems necessary to permit us or our designee to access the POS System and Computer System and obtain the data we are permitted to obtain under this Agreement, including accounting, sales, marketing, client and other information.

(e) All information on the POS System and Computer System, including but not limited to customer data and contact information, is our property and you consent to our using this information in any way we see fit, including to market other products and services, including those not constituting Fit Body Boot Camp Services and Products.

(f) We may disclose information relating to your operation of the Franchised Business, including, but not limited to, Gross Revenues, customer counts, and other related data, to future prospective franchisees.

### **8.5 Maintenance, Upgrades and Refurbishments to the Outlet.**

(a) You shall repair and maintain the Outlet in a clean and orderly condition and in good repair in accordance with the System, the Manual, and this Agreement. We require that you maintain, and from time to time refurbish, the Outlet to conform to the then-current building design, Trade Dress, and color schemes then applicable for an Outlet. Such maintenance and refurbishment may require expenditures by you on, among other things, structural changes, installing new equipment, remodeling, redecoration and modifications to existing improvements and such modifications as may be necessary to comply with System-wide standards then in effect for Outlets or to accommodate new Fit Body Boot Camp Services and Products. In this regard, the following requirements are applicable:

(i) You must maintain all equipment used at the Outlet on an as needed basis. And you must immediately and completely resolve to our satisfaction any maintenance deficiencies we identify.

(ii) You must make all upgrades and replacements to equipment and any technology used in connection with the operation of your Franchised Business, as we designate.

(iii) We may periodically require you to update the Trade Dress used at your Outlet. Such updates will be contained in the Brand Standards Manual or otherwise provided to you in writing. Such updates may require you to install new color schemes, logos, signage or other visual elements.

### **8.6 Relocation of Your Outlet.**

(a) You are not permitted to relocate your Outlet unless you obtain our prior written approval. If you desire to relocate your Outlet, you must submit a written relocation request to us not less than 90 days prior to the desired date of relocation (unless prior notice is impractical because of a required relocation in which event notice must be given as soon as possible). In your relocation request, you must describe the reasons for the relocation and provide complete written details with respect to any proposed new location.

(b) Within 20 business days after receiving your request, we will either approve or disapprove in writing such closure or relocation in our reasonable discretion. In the event of disapproval of a proposed relocation, you may request an alternative proposed new location pursuant to the provisions of this section 8.6. If we approve your request to relocate, you must pay to us a \$500 USD administrative fee, which is due immediately upon your receipt of our approval.

(c) You and the landlord for the new premises must incorporate the Lease Rider in our then-current form into your lease agreement. You acknowledge that the Lease Rider may, among other things: (i) grant us an option to assume your position as lessee under the lease for the relocated Outlet premises if you are in material default of either the lease for the relocated Outlet premises (including an obligation of the landlord to notify us if you are in such default) or this Agreement, (ii) grant us the right to assign



the lease to a *bona fide* franchisee of the System after assuming the lease, and (iii) require the landlord to fully cooperate with us in completing de-identification of the relocated Outlet if this Agreement is terminated or expires without being renewed and we do not exercise our option to assume the lease for the relocated Outlet premises.

### **8.7 Record Keeping and Reporting Requirements.**

(a) You agree to implement and thereafter use specific accounting software and tools as we designate, including to track, account for and report on the financial performance and other details of the Franchised Business. Not later than 10 business days after the end of each month, you must submit to us an unaudited profit and loss statement, as well as other financial or statistical reports, records, statements or information that we reasonably deem to be required or desirable as stated in the Brand Standards Manual or otherwise in writing.

(b) Within 90 days after the end of each of your fiscal years (or any permitted extension for filing same), you must submit to us a copy of the Schedule C or equivalent portion of your federal tax return relating to the Outlet and your operation of the Franchised Business. On the Effective Date (and any time thereafter that this date changes), you must notify us of your fiscal year end date.

(c) All financial or statistical information you provide to us must be accurate and correct in all material respects.

(d) We have the right to use any financial or statistical information that you provide us, as we deem appropriate.

(e) We or our designated agents have the right, at all reasonable times, to examine, copy and audit the books, records and applicable Schedules C (or equivalent portion) of your tax returns that relate to the Outlet and your operation of the Franchised Business.

(f) You must maintain and preserve all books, records and accounts of or relating to the Franchised Business for at least five years after the expiration or earlier termination of this Agreement

(g) You must provide to us any and all reports and information we request in connection with your operation of the Virtual Fit Body Boot Camp Business or otherwise relating to the Virtual Fit Body Boot Camp Business.

### **8.8 Signs and Display Materials.**

(a) All signs, display materials and other materials containing the Marks must be in full compliance with our designated specifications, including the specifications provided in the Brand Standards Manual and must be purchased from our designated or approved suppliers.

(b) Subject to applicable governmental ordinances, regulations and statutes, you agree to post and maintain, at the Outlet, entirely at your expense, any minimum signage recommended by us.

### **8.9 Telephone Numbers.**

At your sole expense, you must list the telephone number for your Outlet in accordance with procedures prescribed by the Brand Standards Manual. At the time of termination or expiration of this Agreement, for any reason, you must transfer the telephone numbers for your Outlet to us or cancel them and de-list them from any applicable telephone directory or other telephone number listing service.

#### **8.10 Insurance.**

(a) You must obtain and maintain, throughout the term of the Franchise Agreement, all insurance coverage we require, which requirements may be set forth in the Brand Standards Manual. Without limiting the foregoing, you must have in effect on the date you commence operation of the Franchised Business and maintain during the term of this Agreement comprehensive general liability insurance, automobile insurance, and other insurance that is legally required for you to operate your business (*i.e.*, workers' compensation insurance) or that is reasonably prudent for your type of business. Policy coverage limitations and other terms relating to insurance will be set forth in the Brand Standards Manual and are subject to modification, at our discretion. Any policies of insurance that you maintain must contain a separate endorsement naming us and the Owner of the Marks (and our other affiliated companies identified by us in writing), and their respective shareholders, members, managers, directors, officers, employees, and agents as additional insureds to the full extent of coverage provided under the insurance policies. Your insurance coverage will be primary as respects us and other affiliated companies we identify in writing, and our respective shareholders, members, managers, directors, officers, employees, and agents. Any insurance or self-insurance maintained by us and other affiliated companies we identify in writing, and our respective shareholders, members, managers, directors, officers, employees, and agents will be excess of your insurance and will not contribute with it. You must provide us a copy of the policy and endorsement upon issuance and upon renewal. You hereby grant us a waiver of any right of subrogation which any insurer of yours may acquire against us resulting from payment of any loss under such insurance. This provision applies regardless of whether we received a waiver of subrogation endorsement from the insurer. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII or better and authorized to do business in the state where your Outlet is located, unless otherwise approved in writing by us.

(b) You must promptly notify us of all claims against you or us under said policies of insurance and deliver to us certificates evidencing that such insurance is in full force and effect within 30 days after the Outlet Opening Date and each succeeding anniversary of the Outlet Opening Date. Such insurance certificate must contain a statement that the certificate cannot be canceled without 30 days (10 days for non-payment) prior written notice to you and to us. You must notify us in writing immediately regarding any cancellation, non-renewal or reduction in coverage or limits.

(c) Your failure (for any reason) to procure and maintain the insurance coverage required under this Agreement will be deemed a material breach of this Agreement.

#### **8.11 Review and Inspection.**

(a) We have the right to send representatives at reasonable intervals at any time during normal business hours, to your Outlet or other offices to review and inspect your operations, business methods, service, management and administration relating to the Franchised Business or its equivalent, to determine the quality thereof and the faithfulness of your compliance with the provisions of this Agreement and the Brand Standards Manual. We have the right to inspect your Virtual Fit Body Boot Camp Business through any means we designate, including through viewing your Virtual Fit Body Boot Camp Classes.

(b) You must permit our representatives to access your Franchised Business and any other facility from which you sell Fit Body Boot Camp Services and Products at any time during normal business hours to conduct reviews and inspections. You must cooperate with such reviews and inspections by rendering such assistance as our representatives may reasonably request and upon notice from us or our representatives, immediately begin such steps as may be necessary to correct any deficiencies noted during any such inspection. Within 10 business days after any such inspection, our representatives may re-inspect your Outlet (or other facility, if applicable) to ensure noted deficiencies have been corrected. If the deficiencies have not been corrected by the time of the initial re- inspection, our representatives may make additional re-inspections every five business days thereafter until noted deficiencies have been corrected and you must reimburse us the travel and lodging expenses of our representatives who conduct the additional re-inspection.

(c) If we determine that you have not complied with any of your obligations under this Agreement including any failure to comply with any standards set forth in the Manuals, then we may send you a notice of such non-compliance and require you to pay us up to \$2,000 USD per violation ("Non-Compliance Fee"). You will have ten (10) calendar days to correct all violations, which will run concurrently with any other cure period we may provide, before the Non-Compliance Fee must be paid. If the violation(s) is not corrected within the ten (10) day period, then the Non-Compliance Fee must be paid within ten (10) days after you receive notice of your failure to correct such violation(s). The Non-Compliance Fee applies to each notice of non-compliance that we provide to you, even if you have received one or more previous notifications of such non-compliance, and whether or not the notification is for the same or a different instance of non-compliance. We reserve all other rights and remedies available to us under this Agreement and applicable law, including but not limited to exercising our right to injunctive relief and to terminate the Franchise Agreement.

#### **8.12 Compliance with Laws.**

You must (i) operate the Franchised Business in compliance with all applicable laws, rules and regulations of all governmental authorities, (ii) comply with all applicable wage, hour and other laws and regulations of the federal, state or local governments, (iii) comply with all music licensing laws, rules and regulations, (iv) prepare and file all necessary tax returns and (v) pay promptly all taxes imposed upon you or upon your business or property. You represent and warrant that you will obtain and always maintain the permits, certificates or licenses necessary to conduct the Franchised Business in the locality within which the Outlet is situated. You must immediately notify us of any litigation, arbitration, disciplinary action, criminal proceeding, or any other legal proceeding or action brought against or involving you, or any entity affiliated with you, or any agent, employee, owner, director or partner of yours, which notification must include all relevant details in respect thereof, according to the procedures set forth in the Brand Standards Manual.

#### **8.13 Web Site, Social Media and Internet Marketing.**

(a) You are not permitted to register, use or otherwise own your own website, mobile application, and/or social media site in connection with the Franchised Business. You must strictly adhere to our rules, regulations, guidelines and policies regarding use of the Internet, websites, social media sites and/or platforms, mobile applications and any comparable existing or future developed technology or platform. You are responsible for ensuring that your managers and employees comply with the guidelines and procedures. Failure to comply with the restrictions and requirements set forth in this paragraph will constitute a material breach of your obligations under this Agreement. Without limiting the foregoing, you may not (i) establish or maintain an independent website, or social networking media outlet in

connection with the Franchised Business, or (ii) register an Internet domain or social networking media outlet name containing any of the Marks. We have the right to discontinue, modify and supplement any and all rules, regulations, guidelines, and policies related to use of the Internet, websites, social media sites and/or platforms, mobile applications and any comparable existing or future developed technology or platform at any time and you must comply with all such changes.

(b) You are not permitted to use any alternative distribution methods and/or programs, including e-commerce, web sites, Internet sub-dealers, tele-sales and telemarketing, or any other non-retail method of distribution, without first obtaining our prior written approval, which approval will be granted or withheld in our sole and absolute discretion.

(c) You must purchase, install and use the software and other technology we designate in connection with the operation of the Virtual Fit Body Boot Camp Business and in connection with the provision of the Virtual Fit Body Boot Camp Classes. You acknowledge and agree that you may be required to pay initial and ongoing fees for such software, technology and related services, as we designate, which fees we may require you to pay to us, our affiliate or designated suppliers.

#### **8.14 Intranet.**

(a) We may, at our option, establish and maintain an “Intranet” through which Fit Body Boot Camp franchisees may communicate with each other, and through which we and you may communicate with each other and through which we may disseminate the Brand Standards Manual, updates thereto and other confidential information. We will have discretion and control over all aspects of the Intranet, including the content and functionality thereof. We will have no obligation to maintain the Intranet indefinitely and may dismantle it at any time without liability to you.

(b) You may use the Intranet, but only if you are in strict compliance with the standards and specifications, protocols and restrictions that we may establish from time to time regarding such use. Such standards and specifications, protocols and restrictions may relate to, among other things, (i) the use of abusive, slanderous or otherwise offensive language in electronic communications, (ii) communications between or among franchisees that endorse or encourage default of any Fit Body Boot Camp franchise agreement, or other agreement with us or our affiliates, (iii) confidential treatment of materials that we transmit via the Intranet, (iv) password protocols and other security precautions, including limitations on the number and types of employees that may be granted access to the Intranet, (v) grounds and procedures for our suspending or revoking a franchisee’s access to the Intranet, and (vi) a privacy policy governing our access to and use of electronic communications that franchisees post to the Intranet. You acknowledge that, as administrator of the Intranet, we can technically access and view any communication that any person posts on the Intranet. You further acknowledge that the Intranet facility and all communications that are posted to it will become our property, free of any claims of privacy or privilege that you or any other person may assert.

(c) You must establish and continually maintain (during all times that the Intranet is operational and until the termination of this Agreement) an electronic connection (the specifications of which will be specified in the Brand Standards Manual) with the Intranet that allows us to send messages to and receive messages from you, subject to the standards and specifications.

#### **8.15 Franchise Advisory Council.**

We may, at our option, establish a franchise advisory council (the “FAC”), which will be composed of franchisees of the System. The FAC will, among other functions requested by us, serve as a representative committee for franchisees of the System and facilitate and coordinate the sharing of information and ideas between franchisees of the System and us. If appointed or elected to do so, you (or your designee) must, at your own expense, participate as a member of the FAC. We reserve the right to set reasonable standards for appointment or election to the FAC and you acknowledge that if we establish the FAC, you may be required to pay a fee or otherwise contribute to the FAC, as the FAC leadership or we may require. You acknowledge that the role of the FAC is advisory only, and we are not obligated to implement the FAC’s recommendations. Neither you nor your designee will have the right to be appointed, elected, and if appointed or elected, to continue to serve on the FAC if you are in material default of this Agreement, or are not current in your financial obligations to us, and your landlord (if any), suppliers and vendors.

## **IX. PROPRIETARY MARKS**

### **9.1 License of the Marks.**

(a) We hereby grant you the right during the term hereof to use and display the Marks in accordance with the provisions and restrictions contained in this Agreement and in the Brand Standards Manual, solely in connection with your operation of the Franchised Business. Neither you nor any Principal Equity Owner nor any employee, agent, or representative thereof may use, display or permit the use or display of trademarks, trade names, service marks, insignias or logo types other than the Marks and other trademarks and service marks approved for use by us with the Franchised Business. Neither you nor any of your owners, nor any employee, agent, or representative thereof may use or display the Marks in the operation of any business or other activity that is outside the scope of the Franchised Business. You may only use the Marks on the Internet or other electronic media in the manner and as specifically authorized by us in the Brand Standards Manual or otherwise in writing. You agree to be responsible for and supervise all your employees and agents to insure the proper use of the Marks in compliance with this Agreement.

(b) You acknowledge that the Marks have been licensed to us by our affiliate, the Owner of the Marks (the “Owner”), to use in the franchised System. You acknowledge and agree your use of the Marks is a temporary authorized use under this Agreement and that the Owner of the Marks retains all ownership interests in the Marks and that the Owner of the Marks, we and the Owner of the Marks retain all ownership of the goodwill generated by the Marks. You acknowledge that the use of the Marks outside the scope of the terms of this Agreement without our written consent is an infringement of the Owner of the Marks’ and our exclusive rights, title and interest in and to the Marks. You agree that as between you and us, all rights to use the Marks within the franchised System are our exclusive property. You now assert no claim and will hereafter assert no claim to any goodwill, reputation or ownership thereof resulting from your franchised use thereof or otherwise. It is expressly understood and agreed that ownership and title of the Trade Dress, Brand Standards Manual and our other manuals, bulletins, instruction sheets, forms, methods of operation and goodwill are and, as between you and us, remains vested solely in us, and the use thereof is only co-extensive with the term of this Agreement.

(c) You agree that during the term of the Franchise, and after the repurchase, expiration or termination of the Franchise, you will not, directly or indirectly, commit an act of infringement or contest or aid others in contesting the validity, distinctiveness, secondary meaning, ownership or enforceability of the Marks or take any other action in derogation of the Marks, and that no monetary amount will be assigned as attributable to any goodwill associated with your use of the System or the Marks.

(d) You hereby grant us the right at any time to use the name, image and likeness of you and your owners for commercial purposes in the marketing and promotion of the Marks, Fit Body Boot Camp Services and Products, any Fit Body Boot Camp Outlet, and the System, without any form of compensation or remuneration. You also agree (i) to have any affected employee of yours who is not a Principal Equity Owner sign a release in the form contained in the Brand Standards Manual authorizing us to also use his or her name, image and likeness for the purposes described in this section 9.1(d), without compensation or remuneration, and (ii) to provide us with a copy of such signed release. The terms of this section 9.1(d) survive termination or expiration of this Agreement.

[Your Initials: \_\_\_\_\_ Principal Equity Owners' Initials: \_\_\_\_\_]

(e) You acknowledge that we prescribe uniform standards respecting the nature and quality of Fit Body Boot Camp Services and Products provided by you when the Marks are used. Nothing herein gives you any right, title or interest in or to any of the Marks, except a mere privilege and license during the term hereof to display and use the same and you agree that all your use of the Marks under this Agreement inures to our benefit and the benefit of the Owner of the Marks.

(f) You and all of your owners agree that all materials associated with us, Fit Body Boot Camp Services and Products or other services, artwork, graphics, layouts, slogans, names, titles, text or similar materials incorporating, or being used in connection with, the Marks which may be created by you, your employees, agents and subcontractors and any other party with whom you may contract to have such materials produced pursuant to this Agreement will become the sole property of the Owner of the Marks, including copyright and trademark rights. In furtherance thereof, you hereby and irrevocably assign to us all such materials, artwork, graphics, layouts, slogans, names, titles, text or similar materials, whether presently or hereafter existing. Furthermore, you agree on behalf of yourself, your employees, your agents, your subcontractors and any other party with whom you may contract to have such materials produced, to promptly execute any and all appropriate documents in this regard.

(g) If necessary, you agree to join with us and share the expenses in any application to enter you as a registered or permitted user, or the like, of the Marks with any appropriate governmental agency or entity. Upon termination of this Agreement for any reason whatsoever, we may immediately apply to cancel your status as a registered or permitted user and you hereby consent to the cancellation and agree to join in any cancellation petition. You will bear the expense of any cancellation petition.

## **9.2 Your Business Name.**

(a) During the term of this Agreement, you shall hold yourself out to the public as an independent contractor operating the franchised business pursuant to a license from us. You must take all action as may be necessary to do so, including, without limitation, exhibiting a notice in a conspicuous place at the Outlet premises, the content of which we reserve the right to specify, providing that you are a franchisee and independent contractor. Without limiting the foregoing, you shall display the following notice, unless we designate otherwise in writing, at a prominent place visible to customers of your Outlet with your name inserted where indicated: "This Fit Body Boot Camp business is a franchised location and is independently owned and operated by [INSERT Franchisee name]". Additionally, in connection with your operation of the Outlet, you agree that at all times and in all advertising, promotions, signs and other display materials, on your letterheads, business forms, and at the Outlet and other authorized business sites, in all of your business dealings related thereto and to the general public, you will identify the Franchised Business as an "INDEPENDENTLY OWNED AND OPERATED" franchised business on your letterhead, contract agreements, invoices, advertising and other written materials containing the Marks as we may direct. You must provide written notification to each person you intend to hire as an

employee advising such person that Fit Body Boot Camp, Inc. is NOT and will under no circumstances be construed as their employer.

(b) You must file and keep current a fictitious business name statement, assumed name certificate or similar document with respect to your Business Name in the county or other designated jurisdiction in which you are conducting business and at such other places as may be required by law. Before you commence engaging in the Franchised Business under the Marks, you must supply evidence satisfactory to us that you have complied with relevant laws regarding the use of fictitious or assumed names.

(c) On expiration or sooner termination of this Agreement, we may, if you do not do so, execute in your name, and on your behalf, all documents necessary, in our judgment, to end and cause a discontinuance of the use by you of the Marks and Business Name registrations and we are hereby irrevocably appointed and designated as your attorney-in-fact to do so.

(d) You further agree that you will not identify yourself as (i) us, (ii) a subsidiary, parent, division, shareholder, partner, agent or employee of ours or the Owner of the Marks or (iii) any of our other franchisees.

(e) If you are an entity and not an individual proprietor, you cannot use any of the Marks in your entity's legal name.

### **9.3 Trade Secrets and Proprietary Information.**

(a) Under this Agreement, we are licensing you access to our Proprietary Information and other confidential data and information. You acknowledge that the material and information now and hereafter provided or revealed to you pursuant to this Agreement (including without limitation, the contents of the Brand Standards Manual) are our confidential trade secrets and are revealed in confidence, and you expressly agree to keep and respect the confidences so reposed, both during the term of this Agreement and thereafter. We expressly reserve all rights with respect to the Marks, Proprietary Information, methods of operation and other proprietary information, except as may be expressly granted to you hereby or in the Brand Standards Manual. We may disclose to you certain Trade Secrets as reasonably needed for the operation by you of your Franchised Business by loaning to you, for the term of this Agreement, the Brand Standards Manual and other written materials containing the Trade Secrets, through training and assistance provided to you hereunder, and by and through the performance of our other obligations under this Agreement.

(b) You acknowledge that we are the sole owner of all Proprietary Information, including our Trade Secrets; that such information is being imparted to you only because of your special status as a franchisee of the System; and that our Proprietary Information are not generally known to our industry or the public at large and are not known to you except by reason of such disclosure. You further acknowledge that you will acquire no interest in the Proprietary Information disclosed to you, other than the right to use them in the development and operation of the Franchised Business during the term of this Agreement.

(c) You agree that you will not do or permit any act or thing to be done in derogation of any of our rights in the Marks, either during the term of this Agreement or thereafter, and that you will use these only for the uses and in the manner franchised and licensed hereunder and as herein provided.

Furthermore, you and your employees and agents will not engage in any act or conduct that impairs the goodwill associated with the Marks.

(d) You agree to indemnify us and hold us harmless from all “Losses” (as defined in section 16.2 of this Agreement), which we may sustain because of any unauthorized use or disclosure of Proprietary Information or Marks by you or your employees and agents. You further agree and acknowledge that the disclosure or use of Proprietary Information or Marks in a manner not authorized by this Agreement will cause immediate and irreparable damage to us that would be impossible or inadequate to measure and calculate and could not be fully remedied by monetary damages. Accordingly, we have the right to specifically enforce this Agreement and seek injunctive or other equitable relief as may be necessary or appropriate to prevent such unauthorized disclosures or use without the necessity of proving actual damages resulting from any such breach or threatened breach of this Agreement. You further agree that no bond or other form of security is required to obtain such equitable relief and you hereby consent to the issuance of such injunction and to the ordering of specific performance. You further agree and acknowledge that such remedies are in addition to any other rights or remedies, whether at law or in equity, which may be available to us, including monetary damages.

(e) 18 USC Section 1833(b) states: “An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.” Accordingly, you and we will each have the right to disclose in confidence Trade Secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. You and we also have the right to disclose Trade Secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. Section 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. Section 1833(b).

#### **9.4 Modification of Marks and Trade Dress.**

We may add to, substitute or modify any of the Marks or Trade Dress from time to time, by directive in the Brand Standards Manual. You must accept, use, display, or cease using, as may be applicable, the Marks and Trade Dress, including but not limited to, any such modified or additional trade names, trademarks, service marks, logo types and commercial symbols, and must within 30 days of receiving notification, commence to implement such changes and use your best efforts to complete such changes as soon as practicable.

#### **9.5 Mark Infringement Claims and Defense of Marks.**

(a) If you receive notice or otherwise become aware of any claim, suit or demand, threatened or pending, against you by any party other than us, the Owner of the Marks or any of our affiliates on account of any alleged infringement, unfair competition or similar matter arising from your use of the Marks in accordance with the terms of this Agreement, or any misuse of the Marks by third parties on the Internet or otherwise, you must promptly notify us of any such claim, suit, demand or misuse. You will have no power, right or authority to settle or compromise any such claim, suit or demand by a third party or to intervene to stop misuse, without our prior written consent. We will defend, compromise or settle at our discretion any such claim, suit or demand and take steps to stop misuse at our cost and expense, using attorneys selected by us or the Owner of the Marks, and you agree to cooperate fully in such matters.



(b) We will indemnify you and hold you harmless from and against all judgments resulting from any claim, suit or demand arising from your authorized and proper use of the Marks in accordance with the terms of this Agreement. We have the sole discretion to determine whether a similar trademark or service mark that is being used by a third party is confusingly like the Marks being used by you or constitutes a misuse of the Marks, and whether and what subsequent action, if any, should be undertaken with respect to such similar trademark or service mark or misuse.

## **X. MARKETING AND PROMOTION**

### **10.1 Use of Marketing and Promotion Fund Contribution.**

(a) You must pay to us the Marketing and Promotion Fund Contribution on a monthly basis, unless we designate otherwise. Marketing and Promotion Fund Contributions collected from you and other Fit Body Boot Camp franchisees, and any earnings on any such fees collected, are used to meet the costs of producing, maintaining, administering, directing, conducting, and preparing of national, regional and local advertising, marketing, and related programs, materials and services, including, without limitation, digital and traditional media, public relations services and materials, network advertising, market research, printing costs, and promotional campaigns, and any other activities which we believe will enhance the image and goodwill of the System. We will determine, in our sole discretion, the cost, form or media, content, format, production and timing, including regional or local concentration and seasonal exposure, location and all other matters involving advertising, public relations and promotional campaigns.

(b) Marketing and Promotion Fund Contribution are deposited into a separate bank account. This account will not be subject to audit, and no interest on the amounts on deposit will be imputed for your benefit or paid to you. Administration of the Marketing and Promotion Fund Contribution may result in either a surplus or a deficit. In any given year, we may expend an amount that is greater than or less than the aggregate contributions collected during that year. We have the right to borrow from lenders, including from us or affiliated lenders. We or our designee will administer the expenditure of Marketing and Promotion Fund Contribution and we will have the sole right to determine all aspects of the programs and materials financed by the Marketing and Promotion Fund Contribution, including national, regional and/or local media, materials, concepts, sponsorships, endorsements and programs. Without limiting this broad discretion, we may engage third party or related party agencies to administer or otherwise provide services in connection with the expenditure of Marketing and Promotion Fund Contribution. While our goal is to maximize general brand recognition, awareness and goodwill associated with the Marks for the entire System, we cannot assure you that you or any particular franchisee will benefit directly or pro-rata from any expenditures of Marketing and Promotion Fund Contribution. We have no obligation to spend any amount on advertising, marketing or promotional activities in your area.

(c) We and/or our designee will have the right to receive a fee in administering Marketing and Promotion Fee expenditures of up to 15% of the annual aggregate Marketing and Promotion Fund Contribution, and we will have the right to recover our costs and expenses incurred in administering the fund expenditures. Administrative expenses may include amounts equivalent to salaries, travel and other expenses of our or our designee's employees whose services are provided in connection with the use, administration, collection and expenditure of Marketing and Promotion Fund Contribution. We do not act as a trustee or in any other fiduciary capacity.

(d) We intend to use digital media (Internet), social media (Facebook, Instagram, Twitter, etc.), and targeted print media in our marketing and advertising efforts, but we are not limited to these types

of media. In the future, we may use local radio and television advertising, and we reserve the right to use other media to market and promote the Brand. We may be using in-house advertising personnel to do this, and we may hire advertising and public relations firms to assist us in these efforts.

(e) We may provide general advertising programs and sales promotion, campaign and sample advertising materials. You may develop advertising materials for your own use, at your own cost, however, before you use any such materials, you must provide to us, in advance of use, your proposed materials for our prior approval, which we may grant or deny in our sole discretion. You grant us the right to use the name, image and likeness of you, all Principal Equity Owners and any of your affected employees, for commercial purposes in connection with the marketing and promotion of the Marks, Fit Body Boot Camp Services and Products, any Fit Body Boot Camp Outlet and the Fit Body Boot Camp system.

(f) If we do not expend all Marketing and Promotion Fund Contributions collected for one year, the amount remaining would be retained for future advertising, marketing and promotion. If you submit a written request in January or February an accounting of Marketing and Promotion Fund Contribution expenditures for the immediately preceding calendar year, we will provide you with an unaudited statement generally describing annual receipts and expenditures of Marketing and Promotion Fund Contributions during the preceding calendar year within 45 days after the completion of the statement.

(g) The Marketing and Promotion Fund Contribution will not be used primarily for the solicitation for new franchise sales, although we may generally expend funds to promote the Fit Body Boot Camp brand in such ways, methods and using the media as we may decide in our sole discretion. We reserve the right to include a notation in any and all advertising and materials created through use of Marketing and Promotion Fund Contribution that indicates franchise opportunities are available.

## **10.2 Advertising Content and Costs.**

With respect to local, regional or system-wide advertising, we determine the cost, form of media, content, format, production, timing (including regional or local concentration and seasonal exposure), location and all other matters relating to advertising, public relations and promotional campaigns.

# **XI. NON-COMPETITION COVENANTS**

## **11.1 Exclusive In-Term Dealing.**

(a) You acknowledge that you will receive valuable specialized training and access to Proprietary Information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of the System and our Trade Secrets. In consideration for the use and license of such valuable information, you agree and covenant that, during the Term, except as otherwise approved in writing by us, neither you, nor any of your officers, directors, members, managers, shareholders, partners or owners, nor your spouse or the spouse of any of the aforementioned individuals (each a "Bound Party" and collectively, the "Bound Parties") will, directly or indirectly, for him or herself, or through, on behalf of, or in conjunction with any person, persons, partnership, limited liability company or corporation: (i) operate, manage, own, assist or hold an interest in (direct or indirect as an employee, officer, director, shareholder, manager, member, partner or otherwise), or engage in, any "Competing Business". The term "Competing Business" means any business operating or granting franchises or licenses to others to operate (a) a business offering virtual fitness instruction; and/or (b) a fitness business or business offering or selling goods or services equivalent to Fit Body Boot Camp Services and Products or similar to the Franchised Business. The term Competing Business does not

include any other Outlet operated by you or any other Bound Party, pursuant to a valid, binding franchise agreement by and between you, or the Bound Party, as applicable, and us.

(b) It is the intention of both you and us that you maximize the Franchised Business within the Territory, and any action of yours that diverts business to another entity or diminishes the Franchised Business being conducted in the Territory will be a material breach of this Agreement. Accordingly, neither you nor any Bound Party may, either directly or indirectly, for yourself or themselves, or through, on behalf of, or in conjunction with, any person, persons, partnership, corporation or other entity, (i) divert or attempt to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or (ii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.

### **11.2 Post Termination Non-Competition Covenants.**

(a) For a period of two continuous, uninterrupted years commencing upon the expiration, transfer or termination of this Agreement (regardless of the cause for termination), you agree that neither you nor any Bound Party will, either directly or indirectly, for yourself or themselves, or through, on behalf of, or in conjunction with, any person, persons, partnership, corporation or other entity) operate, manage, own, assist or hold an interest in (direct or indirect as an employee, officer, director, shareowner, partner or otherwise), or engage in, any Competing Business (1) through any virtual platform, or (2) that is, or is intended to be, located: (a) at your Outlet location; (b) within 25 miles of your Outlet location; (c) within the Territory; (d) at the location of any other Fit Body Boot Camp business; or (e) within a 25 mile radius of any other Fit Body Boot Camp location (this obligation also applies to you if you assign your franchise), without our express prior written consent, which consent may be withheld in our sole and absolute discretion. Following termination or expiration of this Agreement, you must always refrain from any use, direct or indirect, of any of our Proprietary Information. Following termination or expiration of this Agreement, you may not offer or sell any products, services or items to any Fit Body Boot Camp® franchisee.

### **11.3 General Provisions regarding Non-Competition Covenants.**

(a) You acknowledge that the restrictions contained in this Article XI are reasonable and necessary in order to protect our legitimate interests, and in the event of violation of any of these restrictions, we are entitled to recover damages including, without limitation, Royalties, Marketing and Promotion Fund Contribution and other fees that would have been payable if such business were included in the Franchised Business, and an equitable accounting of all earnings, profits and other benefits arising from such violation, which rights and remedies will be cumulative and in addition to any other rights or remedies to which we are entitled at law or in equity.

(b) You agree to indemnify us and hold us harmless from all Losses (as defined in section 16.2 of this Agreement) which we may sustain because of any breach of this Article XI by you, any Principal Equity Owner, or your General Manager. You further agree that a breach of the non-competition covenants set forth above will cause immediate and irreparable damage to us that would be impossible or inadequate to measure and calculate and could not be fully remedied by monetary damages. Accordingly, we have the right to specifically enforce this Agreement and seek injunctive or other equitable relief as may be necessary or appropriate to prevent such breach or continued breach without the necessity of proving actual damages resulting from any such breach or threatened breach of this Agreement. You and each Principal Equity Owner further agree that no bond or other security will be required in obtaining such equitable relief and hereby consent to the issuance of such injunction and to the ordering of specific performance. You and each Principal Equity Owner further acknowledge that

such remedies are in addition to any other rights or remedies, whether at law or in equity, which may be available to us, including, but not limited to, monetary damages.

(c) This Article XI applies to your General Manager, your owners, and each of your other managers, directors, officers, general partners and affiliates.

(d) Each provision of this Article XI is independent of each other provision of this Agreement. If any provision of this Article XI is held unreasonable or unenforceable by any court, agency or other tribunal of competent jurisdiction, you agree to be bound by the maximum duty permitted by law with respect to that provision, which will be deemed restated accordingly, and agree to be bound by all other provisions of this Article XI.

## XII. ASSIGNMENT

### 12.1 Assignment by Us.

We have the right to Transfer this Agreement, and all of our rights and privileges hereunder (“Assignment by Us”) to any other person, firm or corporation (“Our Assignee”).

### 12.2 Assignment by You.

(a) This Agreement is being executed in reliance upon and in consideration of the singular personal skills and qualifications of you and your owners and the trust and confidence we repose in you and them. Therefore, neither your interest in this Agreement and the Franchise granted hereunder, nor all or substantially all of the assets of the Franchised Business, nor a controlling or non-controlling interest in you (if you are a legal entity) or the Franchised Business, may be assigned, transferred, shared or divided, voluntarily or involuntarily, in whole or in part, by operation of law or otherwise, in any manner (collectively, “Assignment by You”), without our prior written consent and subject to our right of first refusal provided for in section 12.3 hereof (except that our right of first refusal will not apply to any transfer of a non-controlling interest in you if you are a legal entity). Our consent to a specific Assignment by You is not cumulative and will not apply to any subsequent assignments, in respect of each of which you must comply with this section 12.2.

(b) Prior to any Assignment by You, you must notify us of your intent to sell, transfer or assign the Franchise, all or most of the assets of the Franchised Business, or a controlling or non-controlling interest in your and/or the Franchised Business. The notice must be in writing, delivered to us in accordance with section 16.1 hereof and include the following:

(i) The name and address of the proposed assignee (“Your Assignee”);

(ii) A copy of all agreements related to the sale, assignment, or transfer of the Franchise, the assets of the Franchised Business, or the interest in the Franchised Business; and

(iii) Your Assignee’s application for approval to become the successor franchisee. The application must include all forms, financial disclosures and related information we designate, including those generally utilized by us when interviewing prospective new franchisees, if those forms are made available to you. If the forms are not readily available, you must request that we deliver the forms to you by business courier in accordance with section 16.1 hereof within 15 calendar days. As soon as practicable after the receipt of Your Assignee’s application, we will notify you and Your Assignee, in writing, of any additional information or documentation necessary to complete the transfer application. If our then-existing standards for the approval of new or renewing franchisees are not readily available to you when you notify us of your intent to sell, transfer, or assign the Franchise, all or most of the assets of the Franchised Business, or the controlling or non-controlling interest in the Franchised Business, we will communicate the standards to you within 15 calendar days.

(c) Within 60 days after the receipt of all the necessary information and documentation required pursuant to section 12.2(b) above, or as specified by written agreement between we and you, we will notify you of the approval or disapproval of the proposed Assignment by You. The notice will be in writing and delivered to you by business courier in accordance with section 16.1 hereof. Should we elect not to exercise our right of first refusal, or should such right of first refusal be inapplicable, as herein provided, the proposed Assignment by You will be deemed approved, unless disapproved by us in writing and for reasons permitted by the law governing this Agreement. If the proposed sale, assignment

or transfer is disapproved, we shall include in the notice of disapproval a statement setting forth the reasons for the disapproval. We may impose, among other things, the following conditions precedent to our consent to any such Assignment by You:

(i) Your Assignee must complete our application for a franchise, and in connection therewith, you and Your Assignee must fully disclose in writing all terms and conditions of the Assignment by You;

(ii) Your Assignee and its principal equity owners demonstrate that they have the skills, qualifications and economic resources necessary, in our sole judgment, to conduct the business contemplated by this Agreement;

(iii) Your Assignee and each of its principal equity owners expressly assume in writing for our benefit all of your obligations under this Agreement;

(iv) Your Assignee executes the then current form of Franchise Agreement being used by us for the remainder of the term of this Agreement or, in our sole discretion, for the initial term of the then current form of Franchise Agreement and the Assignee pays to us the initial franchise fee required under our then-current form of Franchise Agreement;

(v) You must have complied fully as of the date of any such Assignment by You with all your material obligations to us, whether under this Agreement or any other agreement, arrangement or understanding with us;

(vi) Your Assignee agrees that our Initial Training program described in section 6.1 hereof and any other training or orientation programs then required by us will be satisfactorily completed by Your Assignee's General Manager and other necessary personnel within 30 days after the execution by Your Assignee of a Successor Franchise Agreement, provided, however, that Your Assignee must agree to pay for all of their expenses incurred in connection therewith, including any fee we charge for training (at the rate in effect at the time of transfer), travel, hotel and meal expenses;

(vii) You or the Assignee shall upgrade the Outlet to conform to our then-current standards and specifications and shall complete the upgrading and other requirements within the time period specified by us;

(viii) Not later than 10 days before the transfer, you must pay us a non-refundable "Transfer Fee" of \$7,500 USD. The Transfer Fee is subject to adjustment in our discretion based on corresponding changes in the CPI since the Effective Date. Notwithstanding the foregoing, you must pay a transfer fee of \$750 USD if the franchise agreement is being transferred by the individuals who signed this agreement as franchisee to a legal entity wholly owned by such individual(s), or to an heir, conservator or personal representative upon the individual's death or legal disability. You acknowledge that in addition to the Transfer Fee you are required to pay to us, the transferee will be required to pay the Initial Franchise Fee (as defined in the transferee's franchise agreement) to us at or prior to closing under the sale or assignment transaction, as applicable.

(d) You do not have a right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever (except that with our consent, which will not be unreasonably withheld, you may pledge a security interest in this Agreement in connection with a Small Business Administration loan), nor subfranchise or otherwise transfer, or attempt to subfranchise or otherwise transfer the Franchised Business, or to transfer or subfranchise a portion but not all of your rights hereunder without our express prior written consent, which may be withheld for any reason in our sole discretion.

(e) Any attempt by you to assign or any purported Assignment by You in violation of this section 12.2 is void and will (i) constitute a material breach of this Agreement, (ii) cause this Agreement (and in our sole discretion any or all other agreements between you and us, or between you and our affiliates) to be subject to immediate termination without further notice, and (iii) confer no rights or interest whatsoever under this Agreement upon any other party.

(f) Upon our consent to any Assignment by You, you must bring all accounts with us current and, together with us, execute a mutual release.

(g) You, the Principal Equity Owners, the Assignee and all of its Principal Equity Owners execute our then-current form of Consent to Transfer and Release Agreement and/or Assignment and Assumption of Franchise Agreement, as we designate. A sample form of Assignment and Assumption Agreement, which may be amended in the future, is attached to this Agreement as Exhibit 3.

### **12.3 Right of First Refusal.**

(a) Any party holding any interest in you (if you are a legal entity) or in the franchise granted pursuant to this Agreement and who desires to accept any bona fide offer from a third party to purchase such interest or the Franchised Business (including any sale of substantially all of the assets of the Franchised Business) shall notify us in writing of each such offer and shall provide such information and documentation relating to the offer as we may require. Except for a transfer to your heirs, personal representatives or conservators in the case of death or legal incapacity as provided in section 12.6 hereof, any proposed transfer shall be subject to our right of first refusal, which will be exercised in accordance with the terms of this section 12.3.

(b) You must deliver to us a written notice setting forth (i) all the terms and conditions of any *bona fide* offer relating to a proposed Assignment by You, and (ii) all available information concerning your Assignee including a detailed summary of how the proposed assignee meets our qualifications for a new Fit Body Boot Camp franchisee, and any other related information requested by us. If the specified terms and conditions include consideration of a non-monetary nature, such consideration must be expressed in reasonably equivalent monetary terms, and if it involves matters that cannot be stated in monetary terms, such consideration will not be applicable to our right of first refusal.

(c) Within 15 days after our receipt of such notice (or if we request additional information, within 10 days after receipt of such additional information), we may either (i) consent or withhold our consent to such Assignment by You, in accordance with section 12.2 hereof, or (ii) at our option, accept the Assignment by You ourselves or on behalf of our nominee upon the terms and conditions specified in the notice.

(d) If we elect not to exercise our right of first refusal and consent to the Assignment by You, you will for a period of 60 days, and subject to the provisions of section 12.2 hereof, be free to assign this Agreement to such proposed Assignee upon the terms and conditions specified in said notice. If, however, these terms are modified in any material manner (as determined by us), or if said 60-day period expires, we will again have such right of first refusal with respect thereto and you will again be required to comply with section 12.3(b) above. Detailed terms of assignment must be delivered to us no later than 72 hours following the close of escrow or other consummation of the transaction.

### **12.4 Transfers to Certain Family Members.**

You or a principal owner, if a natural person, may with our consent, which will not be unreasonably withheld, transfer the Franchised Business or an equity interest in your franchised entity to such person's spouse or person having equivalent rights under applicable federal or state law, parent, sibling, niece, nephew, descendant or spouse's descendant provided that adequate provision is made for the management of the Franchised Business and the transferor guarantees, in form and substance satisfactory to us, the performance of the transferee's obligations under this Agreement. No transfer under this section 12.4 will be subject to our right of first refusal set forth in section 12.3 hereof. However, you must comply with section 12.2(b)(i) through (vi) and (to the extent applicable) section 12.2(c) above, as well



as provide full disclosure of the terms of said transfer and deliver to us no later than three business days prior to the close of the transaction. In addition, copies of fully executed paperwork must be delivered to us no less than three business days following the close of the transaction.

### **12.5 Transfers to Affiliated Entities.**

You or a Principal Equity Owner may without our consent, upon 30 days prior written notice to us, Transfer the Franchised Business or an equity interest in your franchised entity to an entity that is (i) organized for the purpose of operating the Franchised Business and (ii) owned in the same proportionate amount of ownership as prior to such Transfer, provided that adequate provision is made for the management of the Franchised Business. No Transfer under this section 12.5 will be subject to our right of first refusal set forth in section 12.3 hereof or the Transfer Fee set forth in section 12.2(b)(vii) hereof. However, you must comply with section 12.2(b)(i) through (vi) above, as well as provide full disclosure of the terms of said transfer and deliver to us no later than three business days prior to the close of the transaction. In addition, copies of fully executed paperwork must be delivered to us no less than three business days following the close of the transaction. Also, you acknowledge and agree that any Transfer to an affiliate will not relieve you from your obligations under this Agreement.

### **12.6 Transfers upon the Death or Incapacity of an Individual Franchisee or Majority Equity Owner.**

(a) Notwithstanding the foregoing, in the event of your death or legal incapacity, if you are an individual, or the death or legal incapacity of a Principal Equity Owner holding a majority equity interest (“Majority Equity Owner”) if you are a corporation, limited liability company or partnership, the transfer of your or the deceased Majority Equity Owner’s interest in this Agreement to his or her heirs, personal representatives or conservators, as applicable, will not be deemed an Assignment by You provided that a responsible management employee or agent of yours that has been satisfactorily trained by us will be responsible for the Franchised Business.

(b) In the event of your death (if you are an individual) or the death of a Majority Equity Owner, such person’s interest in this Agreement or its equity interest in the franchise entity must Transfer as soon as practicable (but not more than 270 days) after the date of death in accordance with such person’s will or, if such person dies without a will, in accordance with laws of intestacy governing the distribution of such person’s estate, provided that adequate provision is made for the management of the Franchised Business at all times. If we determine (i) there is no imminent sale to a qualified successor or (ii) there is no heir or other Principal Equity Owner capable of operating the Franchise, we may (but are not obligated to) immediately commence operating the Outlet on your behalf for a period of up to 90 days, renewable as necessary for up to one year and we will periodically discuss the status with your representatives or your heirs. For such management assistance, you or the successor in interest must pay us a reasonable *per diem* management fee/charge for serving as the interim manager.

(c) No Transfer under this section 12.6 will be subject to (i) our right of first refusal set forth in section 12.3 hereof or (ii) the Transfer Fee set forth in section 12.2(b)(vii) above, although such refusal right and Transfer Fee will be applicable to any subsequent Transfer by your (or a Majority Equity Owner’s) heirs, personal representatives or conservators. However, you must comply with section 12.2(b)(i) through (vi) above, as well as provide full disclosure of the terms of said transfer and deliver to us no later than three business days prior to the close of the transaction. In addition, copies of fully executed paperwork must be delivered to us no less than three business days following the close of the transaction.

## **12.7 Consent to Transfers.**

Except as otherwise provided in this Agreement and subject to our right of first refusal provided in section 12.3 hereof, you or an Principal Equity Owner may consummate any Transfer of a direct or indirect interest in this Agreement, the Franchised Business or the economic benefits derived therefrom, or any equity interest in your franchised entity, not permitted by the preceding sections 12.4, 12.5 and 12.6, only after written notice to us and only with our written consent, which will not be unreasonably withheld, and your compliance with all conditions precedent. We will exercise our good faith business judgment in determining whether to give or withhold our consent to a Transfer under this section 12.7. Such exercise of good faith business judgment may include our consideration of certain skills and qualifications of the prospective transferee which are of business concern to us, including without limitation, the following: experience in businesses similar to the Franchised Business, financial and operational skills and qualifications, economic resources, reputation and character of such prospective transferee; the ability of such prospective transferee to fully and faithfully conduct the Franchised Business as contemplated by this Agreement; and the effect that the Transfer and the prospective transferee will have or may reasonably be expected to have on the reputation or business operations of the Franchised Business, the System or us or any of our affiliates.

## **XIII.DEFAULT AND TERMINATION**

### **13.1 General.**

(a) If you commit any act of default under this Agreement, and you fail to cure the default after any required notice and cure periods, as applicable, we shall have the right to immediately terminate this Agreement on notice to you. If any applicable law requires a longer period not notice, or longer cure period than is provided in this Agreement, then the period required by law shall be substituted for the time period provided in this Agreement.

(b) Notwithstanding anything contained herein to the contrary, in those circumstances under which we have the right to terminate this Agreement, we also have (i) the option, to be exercised in our sole discretion, to choose alternative remedies to our right to terminate the entire Agreement and (ii) the right to exercise all remedies available to us at law or in equity, including without limitation specific performance and damages (including punitive damages). All rights and remedies provided herein are in addition to and not in substitution of all other rights and remedies available to a party at law or in equity. Without limiting the foregoing, if we issue you a notice of default for failure to pay continuing fees due pursuant to this Agreement, including Royalty, Software Reimbursement and/or Marketing and/or Advertising Fund Contributions, and you do not cure such default before the expiration of 30 calendar days after your receipt of a notice of default, we may, in lieu of exercising our right to terminate this Agreement, exercise any or all of the following alternative remedies: (a) disable your access to and use of any and all software and any and all other services available to you or that you otherwise use in connection with the operation of the Franchised Business for the duration of the period during which your default remains uncured, (b) restrict you or any of your staff's attendance (whether virtual or in person) at any training, meetings, workshops and/or conventions, (c) refuse to sell or furnish to you any advertising or promotional materials, (d) permanently reduce the size of your Territory, (e) increase your continuing monthly Royalty to \$2,000 USD for the duration of the period during which your default remains uncured, and/or (f) prohibit you from engaging in the Virtual Fit Body Boot Camp Business and otherwise offering Virtual Fit Body Boot Camp Classes for the duration of the period during which your default remains uncured.

You agree that our exercise of any right set forth in this Section 13.1 will not be deemed a constructive termination of this Agreement or any other agreement between us and you and will not be deemed a breach of any provision of this Agreement. We may, in our business judgment, reinstate any services or benefits removed, curtailed or limited under this Section 13.1, and you agree to accept immediately any such reinstatement of services or benefits. You must continue to timely pay all fees and other amounts due to us as required under this Agreement or any other agreement between us and you at all times.

### **13.2 Immediate Termination.**

(a) We have the right to terminate this Agreement immediately upon notice to you without an opportunity to cure:

(i) You or the business to which the Franchise relates has been the subject of an order for relief in bankruptcy, is judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or you admit your inability to pay your debts as they come due;

(ii) You Abandon the Franchise by failing to operate the Outlet for five consecutive days during which you are required to operate the business under the terms of this Agreement, or any shorter period after which it is not unreasonable under the facts and circumstances for us to conclude that you do not intend to continue to operate the Franchise, unless such failure to operate is due to fire, flood, earthquake or other similar causes beyond your control;

(iii) You make any material misrepresentations relating to the acquisition of the Franchise or you engage in conduct that reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the System;

(iv) You fail, for a period of 10 days after notification of noncompliance, to comply with any federal, state or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the Franchise;

(v) After curing any failure in accordance with section 13.3 below, you engage in the same noncompliance whether such noncompliance is corrected after notice;

(vi) You repeatedly fail to comply with one or more material requirements of this Agreement, whether corrected after notice;

(vii) The Franchised Business or the business premises of the Franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lien holder or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless an appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in the Franchised Business, and it is not discharged within five days of such levy;

(viii) You are convicted of a felony or any other criminal misconduct which is relevant to the operation of the Franchise; or

(ix) We make a reasonable determination that your continued operation of the Franchise will result in an imminent danger to public health or safety.

(b) If your rights under this Agreement are terminated by us because of an event described in section 13.2(a) above, section 14.1 below is not applicable, and we may immediately commence an action under section 14.2 or 14.3 below, as applicable, to collect damages or otherwise enforce our rights.

### **13.3 Termination After Notice.**

(a) Except as provided in section 13.2 hereof, we may terminate this Agreement only for good cause (as defined in section 13.1(a) above) after giving you prior written notice setting forth the asserted breach of this Agreement and giving you 30 days in which to cure the default. Upon receipt of a notice of default, you must immediately commence diligently to cure said breach, and if you cure said breach within 30 days, our right to terminate this Agreement will cease. If because of the nature of the breach, it would be unreasonable for you to be able to cure the default within 30 days, you will be given additional time (up to 15 additional days) as is reasonably necessary in our determination to cure said breach, upon condition that you must, upon receipt of such notice from us, immediately commence to cure such breach and continue to use your best efforts to do so.

(b) If your rights under this Agreement are terminated by us for material breach, we may, at our option, (i) declare you in default of all franchise agreements or other agreements you have with us, and (ii) terminate your rights under those franchise agreements or other agreements as well.

(c) If your rights under this Agreement are terminated by us for your failure to make any payment due under this Agreement, section 14.1 below is not applicable, and we may immediately commence an action under section 14.2 below to collect damages or otherwise enforce our rights.

(d) The description of any default in any notice served by us hereunder upon you in no way precludes us from specifying additional or supplemental defaults in any action, arbitration, mediation, hearing or suit relating to this Agreement or the termination thereof.

### **13.4 Description of Default.**

The description of any default in any notice served by us hereunder upon you in no way precludes us from specifying additional or supplemental defaults in any action, arbitration, mediation, hearing or suit relating to this Agreement or the termination thereof.

### **13.5 Statutory Limitations.**

Notwithstanding anything to the contrary in this Article XIII, in the event any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement or the parties hereto limits our rights of termination hereunder or requires longer notice periods than those set forth herein, and in the event the parties are prohibited by law from agreeing to the shorter periods set forth herein, then this Agreement will be deemed amended to conform to the requirements of such laws and regulations, but in such event the provisions of the Agreement thus affected will be amended only to the extent necessary to bring it within the requirements of the law or regulation.

### **13.6 Extended Cure Period.**

Notwithstanding anything contained herein to the contrary, including, without limitation, section 13.3(c) hereof, in those circumstances under which we have the right to terminate this Agreement, we also have the right, to be exercised in our sole discretion, to grant to you in writing only, in lieu of termination of this Agreement, an extended period of time to cure the breach which gave rise to our right to terminate, but in no event may such extended cure period exceed six months from the last day of the cure period otherwise applicable to such breach. You acknowledge that our election to grant an extended cure period to you will not operate as a waiver of any of our rights hereunder. Further, if we issue you a notice of default for a default that is capable of being cured, and you do not cure the default before the expiration of the cure period stated in the Franchise Agreement for that default, then you may send us a written request for an extension to the cure period and pay to us, along with your written request, a Cure Period Extension Fee of \$1,000 USD. We do not have to grant you any extensions. The decision will be in our sole and absolute discretion.

### **13.7 Our Right to Cure Your Defaults.**

In addition to all other remedies herein granted, if you default in the performance of any of your obligations or breach any term or condition of this Agreement or any related agreement involving third parties, we may, at our election, immediately or at any time thereafter, without waiving any claim for breach hereunder and without notice to you, cure the default for your account and on your behalf, and all costs or expenses including attorney's fees incurred by us on account thereof are due and payable by you to us on demand.

### **13.8 Waiver and Delay.**

No waiver by us of any breach or series of breaches or defaults in performance by you and no failure, refusal or neglect of ours either to exercise any right, power or option given to us hereunder or to insist upon strict compliance with or performance of your obligations under this Agreement or the Brand Standards Manual, constitutes a waiver of the provisions of this Agreement or the Brand Standards Manual with respect to any subsequent breach thereof or a waiver by us of our right at any time thereafter to require exact and strict compliance with the provisions thereof.

### **13.9 Recovery of Lost Royalty; Liquidated Damages.**

The parties agree that, if this Agreement is terminated as a result of your default before the expiration of the term, it would be impossible to calculate with reasonable precision, the losses that we would incur because of the unpredictability of future business conditions, inflationary prices, the impact on our and the System's reputation from having a closed location, our ability to replace the Franchised Business in the same market, and other factors. Accordingly, if this Agreement is terminated as a result of any default by you, we shall be entitled to recover as liquidated damages and not as a penalty, an amount equal to the (a) aggregate monthly Royalty fees and Promotional and Marketing Fund Contributions you are required to pay to us under this Agreement; multiplied by (b) 36 months.

### **13.10 Collection Costs.**

We are entitled to reimbursement from you upon our demand of all costs we have incurred (including reasonable attorneys' fees and investigators' fees) to enforce our rights under this Agreement, including actions to collect any amounts due and delinquent hereunder.

### **13.11 Continuance of Business Relations.**

Any continuance of business relations between you and us after termination of this Agreement will not be construed as a renewal, extension or continuation of this Agreement.

### **13.12 Post-Term Member Communications.**

If this Agreement expires or is terminated, regardless of the cause for termination, we and our designees may, without restriction, contact members of your Franchised Business, including for the purpose of notifying such members of the termination or expiration of your right to operate the Franchised Business, and to inform them of other franchised business locations nearby. You are responsible for compliance with any and all applicable laws relating to notifying members of the closing and/or de-branding of the Franchised Business, as applicable.

## **XIV. DISPUTE RESOLUTION**

### **14.1 Initial Steps to Resolve a Dispute; Mediation.**

(a) We and you have entered into a long-term franchise relationship which gives rise to an obligation, subject to and consistent with the terms of this Agreement, to endeavor to make the relationship succeed, considering the overall best interests of the System, and as contemplated by this Agreement. To that end, you and we acknowledge that you and we need to attempt to resolve disagreements or disputes before such disagreements or disputes negatively impact the relationship. Good faith communications between you and us are an important aspect of that obligation. The parties hereby pledge and agree that they will resolve any dispute, claim or controversy (a) arising out of or relating to this Agreement or any alleged breach hereof, including any claim that this Agreement or any part hereof is invalid, illegal or otherwise voidable or void, and / or (b) related to the parties' relationship; and/or (c) events occurring prior to the entry into this Agreement, and/or (d) the Franchised Business, and/or (e) any System standard (collectively, "Dispute"), in accordance with the dispute resolution procedures set forth in this Agreement. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any arbitration or legal action, including any action to interpret or enforce this Agreement. The parties pledge and agree that they will first attempt to resolve any Dispute by first having our executive officers and your Principal Equity Owners meet in person within five business days (or such longer period as the parties may mutually agree) after a party notifies the other party that a Dispute has arisen at our principal executive office (without our respective legal counsel) to conduct a good faith discussion and negotiation of the issues with a view to resolving the Dispute. Notwithstanding anything contained in this paragraph or otherwise in this Agreement to the contrary, we may proceed to terminate this Agreement in either of the following two situations without a settlement meeting or mediation proceeding: (i) if there is any breach of this Agreement by you that may result in an immediate termination of this Agreement pursuant to section 13.2 above, or (ii) if you fail to pay any sums due us under this Agreement which may result in termination of this Agreement pursuant to section 13.3 above. Also, if a party refuses to participate in the settlement meeting or mediation within the respective time frames set forth in this section 14.1, the other party may immediately commence an arbitration proceeding pursuant to section 14.2 below.

**(b)** If we are unable to settle the Dispute at the settlement conference described in section 14.1 above, 10 business days after the date this conference took place (or should have taken place), you and we may submit the dispute to non-binding mediation conducted by a mediator, and at a location, mutually agreeable to both parties. If the Dispute is not resolved through mediation, then within 10 business days after the conclusion of the mediation, the Dispute may be immediately submitted to binding resolution through arbitration proceedings pursuant to section 14.2 below. Any mediation proceeding should be completed within 45 days following the date either party first gives notice of mediation. The fees and expenses of the mediator will be shared equally by the parties. The mediator will be disqualified as a witness, expert or counsel for any party with respect to the Dispute and any related matter. Mediation is a compromise negotiation and will constitute privileged communications under the law governing this Agreement. The entire mediation process will be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the parties will not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible will not be excluded from discovery or admission because of its use in the mediation.

#### **14.2 Arbitration.**

**(a)** Except as specifically provided in sections 13.2(b) and 13.3(c) above, or in Section 14.3 below regarding injunctive relief, any Dispute between us (and/or our affiliated entities) and you (and/or your Principal Equity Owners or affiliated entities) not settled through the procedures described in section 14.1 above will be resolved through binding arbitration by and before JAMS, Inc. in accordance with its Streamlined Arbitration Rules and Procedures (if the amount in controversy is less than \$250,000) or its Comprehensive Arbitration Rules and Procedures (if the amount in controversy is \$250,000 or more), or if the parties in dispute mutually agree, through binding arbitration by any other mutually agreeable arbitration organization. It is explicitly agreed by each of the parties hereto that no arbitration of any Dispute may be commenced except in accordance with this section 14.2.

**(b)** All hearings and other proceedings will take place in Orange County, California, or other county where our headquarters is then located, or if we so elect, at the JAMS business location nearest in the county where your (or an applicable Principal Equity Owner's) principal place of business is then located.

**(c)** Either party may present briefs and affidavits of witnesses who are unable to attend hearings. A limited amount of discovery is permitted within the discretion of the arbitrator (including affidavits, interrogatories and depositions). The arbitrator will have the right to award or include in the award any relief that the arbitrator deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance and injunctive relief, provided that the arbitrator will not have the right to declare any Mark generic or otherwise invalid or to award punitive damages. If either party fails to appear or participate in the arbitration proceeding, the other party will be entitled to a default judgment award. The arbitration award will be final and binding on the parties, and judgment on the award may be entered in any federal or state court having jurisdiction.

**(d) TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALL CLAIMS BROUGHT UNDER THIS AGREEMENT WILL BE BROUGHT IN AN INDIVIDUAL CAPACITY. THIS AGREEMENT MAY NOT BE CONSTRUED TO ALLOW OR PERMIT THE CONSOLIDATION OR JOINDER OF OTHER CLAIMS OR CONTROVERSIES INVOLVING**

ANY OTHER FRANCHISEES OR PERMIT SUCH CLAIMS OR CONTROVERSIES TO PROCEED AS A CLASS ACTION, CLASS ARBITRATION, COLLECTIVE ACTION, OR ANY SIMILAR REPRESENTATIVE ACTION. NO ARBITRATOR WILL HAVE THE AUTHORITY UNDER THIS AGREEMENT TO ORDER ANY SUCH CLASS OR REPRESENTATIVE ACTION. BY SIGNING BELOW, YOU ACKNOWLEDGE YOU ARE AGREEING TO WAIVE ANY SUBSTANTIVE OR PROCEDURAL RIGHTS THAT YOU MAY HAVE TO BRING AN ACTION ON A CLASS, COLLECTIVE, REPRESENTATIVE OR OTHER SIMILAR BASIS. ACCORDINGLY, YOU EXPRESSLY AGREE TO WAIVE ANY RIGHT YOU MAY HAVE TO BRING AN ACTION ON A CLASS, COLLECTIVE, REPRESENTATIVE OR OTHER SIMILAR BASIS.

(e) TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES WAIVE ALL RIGHTS THEY MAY HAVE TO SEEK PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES FROM ONE ANOTHER, EXCEPT THIS WAIVER AND LIMITATION SHALL NOT APPLY WITH RESPECT TO (A) YOUR OBLIGATION TO INDEMNIFY US PURSUANT TO ANY PROVISION OF THIS AGREEMENT; OR (B) ANY CLAIMS WE BRING AGAINST YOU OR ANY OF YOUR OWNERS FOR UNAUTHORIZED USE OF THE MARKS, UNAUTHORIZED DISCLOSURE OR USE OF CONFIDENTIAL INFORMATION, UNFAIR COMPETITION, BREACH OF YOUR NON-COMPETITION COVENANTS AND/OR ANY CAUSE OF ACTION BROUGHT BY US OR ANY OF OUR AFFILIATES UNDER THE LANHAM ACT. ACCORDINGLY, THE ARBITRATOR WILL HAVE NO POWER TO ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY.

(f) This arbitration provision is deemed to be self-executing and will remain in full force and effect after expiration or termination of this Agreement. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party by default or otherwise notwithstanding said failure to appear.

(g) The provisions of this section 14.2 are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect notwithstanding any expiration or termination of this Agreement. Furthermore, this section 14.2 will be construed as independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of such provisions are unlawful in any way, the court is respectfully requested to modify or interpret such provisions to the minimum extent necessary to comply with the law.

[Our Initials: \_\_\_\_\_ Your Initials: \_\_\_\_\_ ]  
[Principal Equity Owners' Initials: \_\_\_\_\_ ]

### 14.3 Injunctive Relief.

Any party has the right in a situation where there is an imminent threat of harm to the legal rights of a party and damages would not be adequate relief to seek a temporary restraining order and temporary or preliminary injunctive relief from a court of competent jurisdiction, without the necessity of first complying with sections 14.1 and 14.2 above or posting any bond, and if bond is nevertheless required by a court of competent jurisdiction, the parties agree that the sum of \$1,000 will be a sufficient bond (this amount may be adjusted by changes in the Consumer Price Index since the Effective Date). If an arbitration proceeding has already commenced pursuant to section 14.2 above when a party seeks injunctive relief, then the party seeking such injunctive relief agrees to contemporaneously submit the



merits of its dispute to the arbitrator. The existence of a proceeding commenced under section 14.1 or 14.2 above will in no event abate or otherwise affect the ability of party to seek injunctive relief under this section 14.3. You acknowledge that failure on your part to comply fully with any of the terms of this Agreement respecting the obligations regarding examinations, audits and the Marks could cause irreparable damage to us or other affiliated persons or entities and we or our affiliates could seek injunctive relief to protect the Marks. This covenant is independent, severable and enforceable notwithstanding any other rights or remedies that any party may have.

#### **14.4 Legal Fees and Expenses.**

The prevailing party in any arbitration or litigation to resolve a dispute between any of the parties hereto will be entitled to recover from the losing party reasonable legal fees (and incurred costs of the prevailing party's counsel) and all other "Expenses" (as defined in section 16.2(e) below) incurred by the prevailing party in bringing or defending such arbitration, action or proceeding and/or enforcing any resulting award or judgment (including without limitation arbitration or court filing fees, expert and other witness fees, discovery expenses and compensation payable to the arbitrator), whether incurred prior to or in preparation for or in contemplation of the filing of the action or thereafter. The prevailing party will be determined by the arbitrator or court. This section 14.4 is intended to be expressly severable from the other provisions of this Agreement, is intended to survive any judgment and is not to be deemed merged into the judgment.

#### **14.5 Survival.**

The terms of this Article XIV survive termination, expiration or cancellation of this Agreement.

#### **14.6 Limitation of Action.**

Except for claims arising from your non-payment or underpayment of amounts you owe to us or our affiliates, or claims related to your unauthorized use of the Marks or violation of any non-competition covenant, any and all claims arising out of or related to this Agreement or the relationship of the parties will be barred unless a judicial or arbitration proceeding, as required under this Agreement, is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims, and that any action not so brought shall be barred, whether as a claim, counterclaim, defense or setoff. Without limiting the foregoing, you acknowledge and agree that you may not maintain any action against us or any of our owners, employees, directors, officers, shareholders, affiliates, parents, successors or assigns unless (a) you deliver written notice of any claim to the other party within one hundred eighty (180) days after the event complained of becomes known to you, and (b) you strictly adhere to the negotiation, mediation and arbitration procedures set forth in this Agreement.

### **XV. OBLIGATIONS AND RIGHTS UPON TERMINATION OR EXPIRATION**

#### **15.1 Your Obligations.**

(a) If there is a termination, cancellation or expiration of this Agreement (whether by reason of your breach, default, non-renewal, lapse of time or other cause), in addition to any other obligations provided for in this Agreement, you must forthwith discontinue the use or display of the Marks in any manner whatsoever, and you may not thereafter operate or do business under the Marks or any other Fit Body Boot Camp brand or any other name or in any manner that might tend to give the general public

the impression that you are in any way associated or affiliates with us, or any of the businesses conducted by us or the owner of the Marks, including without limitation repainting the business premises in a distinctively different color and removing or rearranging distinctive elements of the Fit Body Boot Camp trade dress. You must contact online business review sites and other online directories and websites and request the removal of all use of the trademarks relating to the former Fit Body Boot Camp Franchised Business (and the physical address of the former Fit Body Boot Camp Outlet) and all use of former reviews from the period you were a Fit Body Boot Camp franchisee. And, you also must comply with section 15.2 respecting the return to us of certain materials and must not thereafter use, in any manner, or for any purpose, directly or indirectly, any of our trade secrets, procedures, techniques, or materials acquired by you by virtue of the relationship established by this Agreement, including, without limitation, (i) any training or other materials, manuals, bulletins, instruction sheets, or supplements thereto, or (ii) any equipment, videotapes, videodiscs, forms, advertising matter, devices, insignias, slogans or designs used from time to time in connection with the Franchised Business.

(b) If there is a termination, cancellation or expiration as described in section 15.1(a) above, you must comply with section 11.2 of this Agreement respecting post-termination competition and promptly:

(i) Remove at your expense all signs erected or used by you and bearing the Marks, or any word or mark indicating that you are associated or affiliated with us;

(ii) Erase or obliterate from letterheads, stationery, printed matter, advertising or other forms used by you the Marks and all words indicating that you are associated or affiliated with us;

(iii) Permanently discontinue all advertising of yours that states or implies that you are associated or affiliated with us or the System;

(iv) If you engage in any business thereafter, you must use trade names, service marks or trademarks that are significantly different from those under which you had done business and must use sign formats that are significantly different in color and type face; and take all necessary steps to ensure that your present and former employees, agents, officers, shareholders and partners observe the foregoing obligations;

(v) Assign all interest and right to use all telephone numbers and all listings applicable to the Franchised Business in use at the time of such termination to us and take all action necessary to change all such telephone numbers immediately and change all such listings as soon as possible;

(vi) At our option, assign to us or our designee, any interest which you have in any lease for the Franchised Business. If we do not require you to assign the lease to us or our designee, you shall make all modifications, changes and alterations to the interior and exterior of the premises, as we may direct, so as to completely de-identify the premises from the System;

(vii) You shall immediately pay all sums owing to us and our subsidiaries and affiliates, including Royalty Fees and Marketing and Promotion Fund Contributions, interest on any of the foregoing, and all other amounts owed to us that are then unpaid.

(c) If you fail or omit to make or cause to be made any removal or change described in section 15.1(b)(i) through 15.1(b)(vi) above, then we will have the right within 15 days after written notice to enter your Outlet or other premises from which the Franchised Business is being conducted without being deemed guilty of trespass or any other tort, and make or cause to be made such removal and

changes at your expense, which expenses you agree to pay to us promptly upon demand; and you hereby irrevocably appoint us as your lawful attorney upon termination of this Agreement with authority to file any document in the name of and on our behalf for the purpose of terminating any and all of your rights in any trade name you have used that contains any of the Marks.

## **15.2 Our Rights as Franchisor.**

(a) The termination, cancellation, expiration or assignment of this Agreement will be without prejudice to any rights of us against you and such termination, cancellation, expiration or assignment will not relieve you of any of your obligations to us existing at the time of termination, cancellation, expiration or assignment or terminate those obligations of ours which, by their nature, survive the termination, cancellation, expiration or assignment of this Agreement.

(b) We may direct that all applicable suppliers immediately cease providing you with equipment, marketing materials, e-mail access, website access, accessories and other items comprising or to be used to provide Fit Body Boot Camp Services and Products.

(c) You are obligated to return, at no expense to us, any and all copies of the Brand Standards Manual and all other Fit Body Boot Camp proprietary materials and any other items that were supplied by us for your use without additional charge in connection with the operation of the Franchised Business. You must also permanently erase anything relating to us or the Franchised Business from any computers and other media storage devices you retain after expiration, cancellation or termination of this Agreement.

(d) Within 30 days after termination, expiration or non-renewal of this Agreement, we will have the option, but not the obligation, to purchase all or any portion of your reusable inventory, apparel containing the Marks, proprietary equipment, parts, fixtures and furnishings owned and used by you in your franchised operation. We will be permitted to deduct and withdraw from the purchase price to be paid to you all sums then due and owing to us. The purchase price for your inventory of apparel containing the Marks will be at your cost for said items. The purchase price for the proprietary equipment, parts, fixtures and furnishings will be the fair market value thereof as we mutually determine. In determining the fair market value of such items, you and we agree to exclude any factor or increment for goodwill or going concern value. The purchase price to be paid to you will be paid in cash at the closing of any purchase that will occur no less than 30 days from the date we exercise our option, unless you and we are unable to agree on the fair market value of the assets to be purchased. If you and we are unable to reach agreement within a reasonable time as to the fair market value of the items we have agreed to purchase, we will designate an independent appraiser, and the appraiser's determination will be binding. You and we must each pay 50% of the fee charged by the independent appraiser.

## **XVI. GENERAL TERMS AND PROVISIONS**

### **16.1 Notices.**

(a) All notices that the parties hereto are required or may desire to give under this Agreement will be in writing and (unless personally delivered by an agent of the sending party) must be sent by reliable overnight courier, for delivery on the next business day and addressed as follows:

(i) If to us:

FIT BODY BOOT CAMP,  
INC. 5867 PINE AVE  
CHINO HILLS CA 91709-  
6531 Phone: (888) 638-  
3222

If to you, the Outlet address or your most current principal business address of which you have notified us in writing.

(b) Unless previously delivered in person by an agent of the sending party, notices between you and us will be deemed given the next business day after deposit with a reliable overnight courier, properly addressed and marked for delivery on the next business day.

(c) Any change in the addresses listed in section 16.1(a) above must be sent to the other party as soon as practicable after the change occurs by reliable overnight courier.

(d) Any notices sent to you which include a statement of intent to terminate or not renew the Franchise must provide (i) the reasons why and (ii) the effective date of such termination or nonrenewal or expiration.

## **16.2 Indemnity.**

(a) You and your owners, jointly and severally, hereby agree to protect, defend and indemnify us, and all of our past, present and future owners, affiliates, officers, directors, shareholders, employees, attorneys and designees, and each of them, and hold them harmless from and against any and all Losses directly or indirectly arising out of, related to, or in connection with any "Proceeding" (as defined in section 16.2(f) below) concerning: (a) the Outlet; (b) your development, maintenance or operation of the Outlet; (c) any breach of this Agreement; and/or (d) the Franchised Business, except if caused by our intentional misfeasance or gross negligence. This indemnity will continue in effect after the expiration, transfer or termination of this Agreement. Under no circumstances will we or any other indemnified party under this paragraph, be required to seek recovery from any insurer or other third party, or otherwise to mitigate their or our losses or expenses, in order to maintain and fully recover a claim against you or any of your owners.

(b) For the indemnification to be effective, each indemnified party ("Indemnified Party") will give the indemnifying party ("Indemnifying Party") reasonable notice of each claim or loss for which the Indemnified Party demands indemnity and defense, except that failure to provide such notice will not release the Indemnifying Party from any obligations hereunder except to the extent that the Indemnifying Party is materially prejudiced by such failure. The Indemnifying Party will assume, at its sole cost and expense, the defense of such Proceeding through legal counsel reasonably acceptable to the Indemnified Party, except that the Indemnified Party may at its option and expense select and be represented by separate counsel. The Indemnifying Party will have control over the Proceeding, including the right to settle; provided, however, the Indemnifying Party will not, absent the written consent of the Indemnified Party, consent to the entry of any judgment or enter into any settlement that: (i) provides for any admission of liability on the part of the Indemnified Party or relief other than the payment of monetary damages for which the Indemnifying Party will be solely liable; or (ii) adversely affects the rights of the Indemnified Party under this Agreement, or (iii) does not release the Indemnified Party from all Proceedings and "Losses" (as defined in section 16.2(d) below) in respect thereof. In no

event will the Indemnified Party be liable for any Losses that are compromised or settled in violation of this section 16.2. The Indemnifying Party's duty to defend is independent of its duty to indemnify. Each indemnified party must submit all its claims to its insurers in a timely manner. Any payments made by an indemnified party will be net of benefits received by any indemnified party from insurance in respect of such claims.

(c) The term "Losses" means, refers to, and includes all "Expenses" (as defined in section 16.2(e) below), liabilities, obligations, losses, fines, penalties, costs, or damages including all reasonable out of pocket fees and disbursements of legal counsel in the investigation or defense of any of the same or in asserting any party's respective rights hereunder but excluding punitive damages (unless resulting from third party claims).

(d) The term "Expenses" means, refers to, and includes, all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding casts, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses will also include Expenses incurred from any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on the Indemnitee because of the actual or deemed receipt of any payments under this Agreements, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent.

(e) The term "Proceeding" means, refers to, and includes any threatened pending or completed suit, claim, demand, action, suit, arbitration, alternative dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether civil, criminal, administrative or investigative.

### **16.3 Your Relationship to Us as Franchisee.**

(a) It is expressly agreed that the parties intend by this Agreement to establish between you and us the relationship of franchisee and franchisor. It is further agreed that you have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on our behalf for any purpose whatsoever. Neither you nor we are the employer, employee, agent, partner, fiduciary or co-venturer of or with the other, each being independent. You agree that you will not hold yourself out as our agent, employee, partner or co-venturer or the Owner of the Marks. All employees or agents hired or engaged by or working for you will be only the employees or agents of yours and will not for any purpose be deemed employees or agents of ours or the Owner of the Marks, nor subject to our control; and in particular, we will have no authority to exercise control over the hiring or termination of these employees, independent contractors, or others who work for you, their compensation, working hours or conditions, or their day-to-day activities, except to the extent necessary to protect the Marks. You agree to diligently consider customer reviews and respond to customer indications of dissatisfaction with services rendered by you in a diligent and professional manner and agree to cooperate with representatives of ours or the Owner of the Marks in any investigation undertaken by us of complaints respecting your activities. You and we agree to file our own tax, regulatory and payroll reports with respect to our respective employees or agents and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

(b) During the term of this Agreement (and any renewals hereof), you and your Principal Equity Owners jointly and severally (i) covenant to refrain from making any derogatory and/or disparaging statements to any other person or third parties or regulatory authorities about us, any of our officers, managers, employees or agents, or the Fit Body Boot Camp franchise system, and (ii) agree not to issue any public statement or otherwise cause to be disclosed any information that is designed, intended or might reasonably be anticipated to have a negative effect on the Fit Body Boot Camp franchise system, us, or any of our officers, managers, employees or agents. Any violation of the terms of this section 16.3(b) by you or a Principal Equity Owner will be deemed a material breach of this Agreement.

**16.4 No Third-Party Beneficiaries.**

This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity (other than financing sources to whom we may have granted or consented to a collateral assignment of this Agreement) will be entitled to any rights hereunder due to so-called “third party beneficiary rights” or otherwise.

**16.5 Survival of Covenants.**

The covenants contained in this Agreement that by their terms require performance by the parties after the expiration or termination of this Agreement will be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

**16.6 Successors and Assigns.**

This Agreement is binding upon (i) us and inures to the benefit of our successors and assigns and (ii) you and inures to the benefit of your successors and assigns, subject to the restrictions on Assignment by You contained herein.

**16.7 Joint and Several Liabilities.**

If the entity that is the franchisee under this Agreement consists of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to us are joint and several.

**16.8 Titles for Convenience Only.**

Section titles used in this Agreement are for convenience only and do not affect the meaning or construction of any of the terms, provisions, covenants or conditions of this Agreement.

**16.9 Gender.**

All terms used in any one number or gender will extend to mean and include any other number and gender as the facts, context or sense of this Agreement or any section may require.

**16.10 Severability; Partial Invalidity.**

Nothing contained in this Agreement will be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between (i) any provisions of this Agreement or the Brand Standards Manual and (ii) any present or future statute, law, ordinance, regulation or judicial decision, contrary to which the parties have no legal right under this Agreement, the latter will prevail, but in such event the provision of this Agreement or the Brand Standards Manual thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, section, sentence or clause of this Agreement or the Brand Standards Manual is held to be indefinite, invalid or otherwise unenforceable, that specific language will be deemed deleted but the remaining parts thereof will continue in full force and effect.

**16.11 Counterparts.**

This Agreement may be executed in multiple copies, each of which will be deemed to be an original, and both of which together will be deemed to be one and the same instrument.

**16.12 Compliance with U.S. Anti-Terrorism and Other U.S. Federal Laws.**

(a) You and each of the Principal Equity Owners certify that none of you, the Principal Equity Owners, employees, or anyone associated with you is listed in the Annex to Executive Order 13224 (available at <http://treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>). You covenant not to hire or have any dealings with a person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, the Principal Equity Owners, employees or anyone associated with you being listed in the Annex to Executive Order 13224. You and each of the Principal Equity Owners will comply with and assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, you and each of the Principal Equity Owners certify, represent and warrant that none of your respective property or interests is subject to being “blocked” under any of the Anti-Terrorism Laws and that you and the Principal Equity Owners are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by you to comply with all such Anti-Terrorism Laws. You specifically acknowledge and agree that your indemnification responsibilities as provided in this Agreement pertain to your obligations under this section 16.12. Any misrepresentation by you under this section 16.12 or any violation of the Anti-Terrorism Laws by you, any of the Principal Equity Owners, or employees will constitute grounds for immediate termination of this Agreement and any other agreement you entered into with us or one of our Affiliates. “Anti- Terrorism Laws” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists, and any other requirements of any United States governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

(b) Neither you nor any Principal Equity Owner conducts any activity, or has failed to conduct any activity, if such action or inaction constitutes a money laundering crime, including any money laundering crime prohibited under any applicable Anti-Terror Legislation.

(c) Neither you nor any Principal Equity Owner nor any employee of either is named as a “Specially Designated National” or “Blocked Person” as designated by the U.S. Department of the Treasury’s Office of Foreign Assets Control, and published at [www.treas.gov/offices/enforcement/ofac/sdn/](http://www.treas.gov/offices/enforcement/ofac/sdn/). You acknowledge that you are not directly or indirectly owned or controlled by the government of any country that is subject to a United States embargo, nor do you or any Principal Equity Owner act directly or indirectly on behalf of the government of any country that is subject to a United States embargo. You and the Principal Equity Owners agree that you will notify us in writing immediately of the occurrence of any event that renders the foregoing representations and warranties of this section

16.12incorrect.

[Your Initials: \_\_\_\_\_ Principal Equity Owners’ Initials: \_\_\_\_\_]

**16.13Governing Law.**

The Federal Arbitration Act (9 U.S.C. §1 *et seq.*) governs the arbitration of disputes under this Agreement. Otherwise, the laws of the state in which the Outlet is located or intended to be located shall govern this Agreement and all related matters, documents and agreements, without regard to conflicts of laws. If any provision of this Agreement is impermissible under a governing law, the provision will be deemed amended to conform to that law while maintaining to the maximum extent possible the original intent of the provision, or if the provision as amended cannot substantially maintain the original intent, then the provision will be deemed deleted.

#### **16.14 Entire Agreement.**

(a) The parties to this Agreement each acknowledge and warrant to each other that they wish to have all terms of this business relationship defined solely in and by this written Agreement and the Brand Standards Manual. Recognizing the costs on all parties which attend uncertainty, the signatories to this Agreement each confirm that neither wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements or non-contract writings (which have been or may in the future be exchanged between them) serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, the signatories each agree and promise each other that this Agreement, the Brand Standards Manual, and the representations made by us in the Fit Body Boot Camp Franchise Disclosure Document (“FDD”) provided to you, supersede and cancel any prior and/or contemporaneous discussions or writings (whether described as representations, inducements, promises, agreements, understandings or any other term), by any of the parties or by anyone acting on his, her or their behalf, with respect to the rights and obligations of the parties to this Agreement or the relationship between them. Each signatory to this Agreement agrees and promises the other that they have placed, and will place, no reliance on any such discussions or writings.

(b) In accordance with the foregoing section 16.14(a), the parties to this Agreement agree that this Agreement, and the Brand Standards Manual, constitutes the entire agreement between the parties and contain all of the terms, conditions, rights and obligations of the parties with respect to the franchised business contemplated by this Agreement and any other aspect of the relationship between the parties; provided however, that nothing in this Agreement or in any related agreement or writing is intended to disclaim the representations made in the FDD that was provided to you.

(c) This Agreement cannot be modified or changed except by written instrument signed by all of the parties hereto.

### **XVII. EFFECTIVENESS OF AGREEMENT**

This Agreement will become effective only upon the execution thereof by you and by us, and only after you were furnished with an FDD. HOWEVER, THIS AGREEMENT IS NOT BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY US.

### **XVIII. ACKNOWLEDGMENTS AND REPRESENTATIONS**

#### **18.1 Acknowledgments and Representations.**

(a) You and each of your Principal Equity Owners represent and warrant that the following statements in this section 18.1 are true and accurate.



(b) You do not seek to obtain the Franchise for speculative or investment purposes and have no present intention to sell or transfer or attempt to sell or transfer the Franchised Business or the Franchise within 12 months after the Outlet Opening Date.

(c) You understand and acknowledge the value to the System of uniform and ethical standards of quality, appearance and service described in and required by the Brand Standards Manual and the necessity of operating the Franchised Business under the standards set forth in the Brand Standards Manual. You represent that you have the capabilities, professionally, financially and otherwise, to comply with our standards.

(d) If you are an entity, you are duly organized and qualified to do business in the state and any other applicable jurisdiction within which the Outlet is located.

(e) Your execution of this Agreement will not constitute or violate any other agreement or commitment to which you are a party.

(f) Any individual executing this Agreement on your behalf is duly authorized to do so and the Agreement constitutes a valid and binding obligation of yours and all of your Principal Equity Owners.

(g) You and your Principal Equity Owners (i) have carefully read this Agreement and all other related documents to be executed by you concurrently or in conjunction with the execution hereof, (ii) have conducted an independent investigation of the business contemplated by this Agreement, (iii) have obtained, or had the opportunity to obtain, the advice of counsel in connection with the execution and delivery of this Agreement, (iv) understand the nature of this Agreement, and (v) intend to comply herewith and be bound hereby. You also recognize that the Franchise involves significant risks, making the success of the Outlet largely dependent on your abilities and attention. We expressly disclaim the making of, and you agree that you have not received or relied on, any representation or warranty from us regarding the likelihood of your success at your Outlet or in your operating the Franchised Business.

(h) In entering into this Agreement, you have not relied on any representation by us, or any of our officers, managers, partners, shareholders, employees or agents concerning the Franchised Business that is contrary to (i) the terms of this Agreement, (ii) the documents incorporated into this Agreement (or attached to it), or (iii) or the FDD that was provided to you.

(i) You agree that complete and detailed uniformity among our franchisees under varying conditions may be inadvisable, impractical or impossible, and accordingly agree that we, in our sole discretion, may modify or vary aspects of the System as to any franchisee or group of franchisees based on, for example, local sales potential, demographics, competition, business practices or other conditions. You further agree that we will have no obligation to disclose or offer the same or similar variances to you. You are aware that other Fit Body Boot Camp franchisees may operate under different agreements and, consequently, that our obligations and rights as to those franchisees may differ materially in certain circumstances.

(j) You received an FDD and a copy of this Agreement at least 15 calendar days before you signed this Agreement.

(k) You made no payment to us before you signed this Agreement.

(l) You and each Principal Equity Owner acknowledge that in operating the System, we must consider the needs of the System and the need to protect the Marks, even if our actions are contrary to your individual interests as a franchisee.

(m) You and each Principal Equity Owner acknowledge that the success of the business venture is speculative and depends in large part on your participation in the daily affairs of the Franchised Business.

**18.2 Additional Information Respecting You and Your Principal Equity Owners.**

(a) Attached as Exhibit 2 is a schedule containing complete information respecting your Principal Equity Owners.

(b) The name, phone number and email address of your Principal Equity Owner who will be your primary contact person when interacting with us about this Agreement or the Franchise is:

\_\_\_\_\_.

(c) The name, phone number and email address of your Principal Equity Owner who will be guaranteeing the lease or rental agreement for your Outlet is:

\_\_\_\_\_.

(d) The address (written notice of any change in this information after the Effective Date must be delivered to us pursuant to section 16.1 hereof) where your financial and other records are maintained is either [ ] the same address as provided in section 16.1 hereof, or [ ] the following address:

\_\_\_\_\_.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, and each signatory being jointly and severally liable, the parties hereto executed this Agreement as of the Effective Date:

YOU:  
\_\_\_\_\_

US:  
FIT BODY BOOT CAMP, INC.

By: \_\_\_\_\_

By: \_\_\_\_\_

[PRINTED NAME AND TITLE]

[PRINTED NAME AND TITLE]

PRINCIPAL EQUITY OWNERS:

*(Note: each Principal Equity Owner is signing below as a party to this Agreement, and is individually obligated to perform or guarantee the performance by an entity franchisee of all duties and obligations of the franchisee under this Agreement):*

X \_\_\_\_\_

[PRINTED NAME]

X \_\_\_\_\_

[PRINTED NAME]

X \_\_\_\_\_

[PRINTED NAME]

X \_\_\_\_\_

[PRINTED NAME]

X \_\_\_\_\_

[PRINTED NAME]

List of Exhibits to Franchise Agreement:

Appendix 1 – Personal Guarantee

Exhibit 1 – Territory and Location of Outlet

Exhibit 2 – Names and Addresses of Principal Equity Owners

Exhibit 3 – Assignment and Assumption Agreement; Release

Exhibit 4 – Lease Rider & Collateral Assignment of Lease

## APPENDIX 1 TO FIT BODY BOOT CAMP, INC. FRANCHISE AGREEMENT

### PERSONAL GUARANTEE

#### RECITALS

A. The undersigned, [INSERT NAME] (hereinafter, the “undersigned” or “Guarantor”) constitute all shareholders, members, partners, owners, spouses of owners and other persons or entities interested in effecting the grant or transfer of the **Fit Body Boot Camp, Inc.** Franchise Agreement (the “Franchise Agreement”) by **Fit Body Boot Camp, Inc.** (“Franchisor”) to \_\_\_\_\_ (“Franchisee”);

B. Franchisor is relying on this Guarantee to ensure that there are sufficient assets to operate the franchised business Franchisee is licensed to operate under the Franchise Agreement (the “Franchised Business”) and to protect Franchisor in the event Franchisee commits a default under the Franchise Agreement;

C. Franchisor is only willing to enter into the Franchise Agreement if the undersigned personally guarantee Franchisee’s obligations thereunder;

1. The undersigned hereby represent and warrant that they constitute all of the owners of the Franchisee entity and their respective spouses (if applicable).

2. The undersigned individuals personally, jointly and severally, hereby agree to be individually bound by all the terms and conditions of the Franchise Agreement, including any amendments thereto, whenever made, and absolutely, irrevocably and unconditionally guarantee to Franchisor, and its successors and assigns, that all of Franchisee's obligations under the Franchise Agreement will be punctually paid and performed.

3. The undersigned acknowledges and agrees that Franchisor has entered into the Franchise Agreement with Franchisee solely on the condition that each owner of Franchisee and each owner’s spouse be personally obligated and jointly and severally liable with Franchisee (and with each other owner of Franchisee) for the performance of each and every obligation of Franchisee (and its owners) under the Franchise Agreement, any amendments to the Franchise Agreement, any extensions or renewals under the agreement and under each and every agreement ancillary to the Franchise Agreement, including any lease that has been or hereafter may be entered by Franchisee and Franchisor (all aforementioned agreements are collectively referred to as the “*FBBC* Agreements”). Without limiting the generality of the foregoing, the undersigned agree specifically to be bound by the confidentiality requirements and the covenant against competition in the Franchise Agreement.

4. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee.

5. Except as expressly set forth herein, this Guarantee is effective until all terms of the *FBBC* Agreements have been fully and completely performed by Franchisee. No release of Franchisee or discharge of Franchisee under bankruptcy law, or any other law, shall impair or effect the obligations of Guarantor(s) to Franchisor hereunder.

6. Guarantor(s) jointly and severally agree(s) to pay all attorneys’ fees, costs and expenses (including any and all Royalty Fees, Software Reimbursement Fees, and Marketing and Promotion Fund

Contributions and associated interest on such amounts, that are determined to be owing to Franchisor due to underreporting by Franchisee) incurred by Franchisor in enforcing this Guarantee, whether or not suit or action is filed, and if suit or action is filed, then through trial and all appeals, and also in any proceedings or matter in Bankruptcy Court; Guarantor(s) assume all liability for all losses, costs, attorney's fees, and expenses that Franchisor incurs as a result of a default by Franchisee, including those fees and expenses incurred in a bankruptcy proceeding involving Franchisee.

7. The undersigned hereby waives:

(i) notice of amendment of the *FBBC* Agreements and notice of demand for payment or performance by Franchisee of any obligation under the *FBBC* Agreements;

(ii) presentment or protest of any instrument and notice thereof, and notice of default or intent to accelerate with respect to the indebtedness or nonperformance of any of Franchisee's obligations under the *FBBC* Agreements;

(iii) any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability;

(iv) the defense of statute of limitations in any action hereunder or for the collection or performance of any obligation;

(v) any and all rights to payments, indemnities and claims for reimbursement or subrogation that the undersigned may have against Franchisee arising from the undersigned's execution of and performance under this Guarantee;

(vi) any defense based on any irregularity or defect in the creation of any of the obligations or modification of the terms and conditions of performance thereof;

(vii) any defense based on the failure of Franchisor or any other party to take, protect, perfect or preserve any right against and/or security granted by Franchisee or any other party; and

(viii) any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

8. Upon default by Franchisee or notice from Franchisor, the undersigned will immediately make each payment and perform each obligation required of Franchisee under the *FBBC* Agreements. Without limiting the generality of the foregoing, the undersigned acknowledges that Franchisor is not required to proceed first against the Franchisee but may proceed first against the undersigned or any of them alone or concurrent with proceeding against Franchisee. The obligations of Guarantor(s) hereunder are absolute and unconditional.

9. **Conditional Limitation of Liability in the Event of Early Closure.** Notwithstanding anything to the contrary in the Franchise Agreement or this Guarantee, if, during the period commencing on the twenty-four (24) month anniversary of the date the Franchised Business opens for business, and ending on the expiration of the initial term (the "Option Period"), the Franchised Business has a negative EBITDA<sup>1</sup> each

---

<sup>1</sup> For purposes of this provision, the term "EBITDA" means earnings before interest, taxes, depreciation and amortization, as computed from Franchisee's reviewed financial statements prepared in accordance with U.S. generally accepted accounting principles; provided that for the avoidance of doubt,

month for twelve (12) full consecutive calendar months immediately prior to the date of the Early Termination Notice (as defined below), the undersigned shall have the option (the “Option”) to limit their liability exposure pursuant to this Guarantee to liability arising out of a breach of the Post-Termination Covenants (as defined below), provided that the undersigned satisfies all of the following conditions precedent (collectively, the “Option Conditions”) prior to the expiration of the Option Period:

(i) Franchisee must have remained in compliance with all of its obligations under the Franchise Agreement through the date of the Early Termination Notice;

(ii) The undersigned must provide 90 days’ prior written notice to Franchisor of its election to exercise the Option (the “Early Termination Notice”);

(iii) at Franchisor’s option, Franchisee and the undersigned must assign the lease agreement and any other contracts designated by Franchisor to Franchisor or Franchisor’s designee within the time period specified by Franchisor (which may include another System franchisee). Further, if Franchisor elects to exercise this option, the undersigned must fully cooperate with transferring the leased premises to Franchisor or its designee, including executing any lease assignment required by the landlord;

(iv) Franchisee, the undersigned and its owners and guarantors (the “Franchisee Parties”) must execute a mutual termination and release agreement in the form designated by Franchisor (the “MTRA”) within 10 days of the date Franchisor provides the form of MTRA to the undersigned. The undersigned acknowledges that the MTRA will require the Franchisee Parties to, among other obligations: (a) immediately cease operations of the Franchised Business; (b) comply with all post-termination obligations under the Franchise Agreement, including, without limitation, the indemnification obligations, all confidentiality obligations, non-competition covenants and restrictions on any further use of the Marks (the “Post-Termination Covenants”); and (c) at Franchisor’s option, assign the lease agreement to Franchisor or its designee within the time period designated by Franchisor; and (d) at Franchisor’s option, sell the assets, equipment and inventory for the Franchised Business to Franchisor or its designee free and clear of all liens and encumbrances at fair market value, as reasonably determined by Franchisor within the time period designated by Franchisor. Upon Franchisee’s election to exercise the Option, the undersigned shall have no further right to operate the Franchised Business and will immediately forfeit any and all territorial rights and protections.

**Provided that the undersigned fully complies with the above Option Conditions, the undersigned will not be liable to Franchisor or its successors or assigns for liquidated damages or lost future royalty fees.**

10. Governing Law; Jurisdiction; Venue; Dispute Resolution. Guarantor(s) acknowledge and agree that the governing law, venue and dispute resolution provisions set forth in the Franchise Agreement shall apply to this Guaranty as if set forth fully herein and Guarantor(s) represent and warrant that they have fully read, understand and agree to the governing law, venue and dispute resolution provisions set forth in the Franchise Agreement.

11. The undersigned hereby waive any right to trial by jury that they may have in any action brought by Franchisor related directly or indirectly to this Guarantee and/or the *FBBC* Agreements, the negotiation of the Guarantee and/or the *FBBC* Agreements.

---

EBITDA shall in all cases be calculated after payment of all Royalty Fees and other fees due Franchisor under this Agreement.

12. If one or more provisions contained in this Guarantee shall be invalid, illegal or unenforceable, in any respect under the laws of any jurisdiction, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

13. Each of the undersigned acknowledges that (i) it is a condition to the granting of the Franchise Agreement to Franchisee that each of the undersigned shall execute and deliver this Guarantee to Franchisor, (ii) that Franchisor has entered into the Franchise Agreement with Franchisee in reliance upon the agreement of the undersigned to do so, and (iii) that, as owners of the Franchisee, the undersigned have received adequate consideration to support their execution of this Guarantee. This Guarantee does not grant or create in the undersigned any interests, rights or privileges in the *FBBC* Agreements, or any franchise or franchise agreement.

**IN WITNESS WHEREOF**, each of the undersigned has executed this Guarantee as of the date of the Agreement.

**GUARANTORS:**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_, an individual

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_, an individual



**EXHIBIT 1 - TERRITORY AND LOCATION OF OUTLET**

1. Approved Outlet Location: The Outlet will be located at (check (a) or (b), as applicable):

\_\_\_\_\_ a. \_\_\_\_\_  
(Street Address, City, State and Zip Code)

\_\_\_\_\_ b. The approved Outlet location has not been determined as of the Effective Date of this Agreement. Franchisee shall secure the approved Outlet location in accordance with the terms and conditions of the Franchise Agreement within the general area described as follows (the “Designated Area”):

(Indicate City, County or Area within which the Franchised Outlet shall be located.)

***If (b) above is selected, Franchisor will issue an amended Exhibit 1 to reflect the address of the Outlet and the Territory, once the approved Outlet location is secured by Franchisee in accordance with the terms of the Franchise Agreement.***

2. Territory.

The Territory is either [ ] a radius of \_\_\_\_\_ miles around the Outlet or [ ] the geographical area surrounding the Outlet as depicted in a map attached to this Exhibit 1.

***(If the address of the Outlet is unknown when this Agreement is signed, Franchisor will issue an amended Exhibit 1 to reflect the Territory once the approved Outlet location is secured by Franchisee in accordance with the terms of this Agreement.)***

The Outlet must be open and operating not later than \_\_\_\_\_.

**EXHIBIT 2 - NAMES AND ADDRESSES OF OWNERS AND RESPONSIBLE OWNER**

If you are a corporation or limited liability company, list below the names, residential addresses and respective percentage equity ownership interests of each Owner:

- |          |          |
|----------|----------|
| 1. _____ | 2. _____ |
| _____ %  | _____ %  |
| 3. _____ | 4. _____ |
| _____ %  | _____ %  |
| 5. _____ |          |
| _____ %  |          |

**The Responsible Owner for the Outlet is the following individual (list name, address, telephone number and email address):**

**Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
\_\_\_\_\_  
**Telephone Number:** \_\_\_\_\_  
**Email Address:** \_\_\_\_\_

## EXHIBIT 3 – SAMPLE ASSIGNMENT & ASSUMPTION AGREEMENT AND RELEASE

**THIS ASSIGNMENT AND ASSUMPTION OF FRANCHISE AGREEMENT** (the “Assignment”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_ (the “Effective Date”), by and between: (i) Fit Body Boot Camp, Inc. (“Franchisor”); (ii) [INSERT INDIVIDUAL ASSIGNOR(S)], as individuals (collectively the “Assignor”); and (iii) [INSERT FRANCHISEE ENTITY], a \_\_\_\_\_ with an address at \_\_\_\_\_ (“Assignee”) which entity is owned and controlled by Assignor (“Guarantors”).

### BACKGROUND

A. Franchisor and Assignor entered into a certain Franchise Agreement dated on or about [INSERT DATE OF FRANCHISE AGREEMENT] (the “Franchise Agreement”) whereby Assignor was granted the right and undertook the obligation to operate a Fit Body Boot Camp® franchise (the “Franchised Business”).

B. Assignor has formed a legal entity, namely Assignee, for the convenience and purpose of owning and operating the Franchised Business.

C. Assignor desires to assign their rights and obligations under the Franchise Agreement to Assignee pursuant to and in accordance with the provisions of the Franchise Agreement.

D. Franchisor is willing to consent to the assignment of the Franchise Agreement to Assignee, subject to the terms and conditions of this Assignment, including without limitation, each Assignor’s agreement to guarantee the performance by Assignee of its obligations under the Franchise Agreement and to continue to be bound by all of the provisions of the Franchise Agreement.

### AGREEMENT

In consideration of the mutual covenants contained in this Assignment, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Assignment and Assumption. Assignor hereby assigns and transfers over to Assignee all of their rights, title and interest in and to the Franchise Agreement and Franchised Business, effective as of the date of this Assignment. Assignee hereby assumes all of Assignor’s obligations, assignments, commitments, duties and liabilities under the Franchise Agreement, and agrees to be bound by and observe and faithfully perform all of the obligations, assignments, commitments and duties of the franchisee under the Franchise Agreement with the same force and effect as if the Franchise Agreement were originally written with Assignee as the “Franchisee” thereunder. Subject to the terms and conditions of this Assignment, Franchisor consents to the assignment and assumption described in this Section 1, and hereby waives any right of first refusal with respect to the assignment described in this Agreement.

2. Assignor’s Personal Guaranty of Franchisee’s Obligation; Continued Obligations under Franchise Agreement. Each Assignor agrees that it shall continue to be personally bound by all of the terms and conditions of the Franchise Agreement, and each Guarantor agrees to be personally bound by all of Franchisee’s obligations under the Franchise Agreement, including all covenants not to compete set forth therein, and further agree that nothing contained in this Assignment herein shall be deemed to relieve any Assignor of any of their obligations contained in the Franchise Agreement. Each Assignor further agrees to, and by this instrument does hereby, guarantee the performance by Assignee of all of its obligations, commitments, duties and liabilities under the Franchise Agreement, including without limitation, all monetary

obligations thereunder. Guarantors hereby agree to enter into the form of Personal Guaranty designated by Franchisor immediately on the Effective Date.

3. Enforcement. In the enforcement of any of its rights against either Assignor, the parties agree that Franchisor may proceed as if each Assignor were the primary obligor under the Franchise Agreement. Each Assignor waives any right to require Franchisor to first proceed against Assignee or to proceed against or exhaust any security (if any) held by Franchisor or to pursue any other remedy available to it before proceeding against Assignor. No dealing between Franchisor and Assignee shall exonerate, release, discharge or in any way reduce the obligations of any Assignor hereunder, in whole or in part, and in particular and without limiting the generality of the foregoing, Franchisor may modify or amend the Franchise Agreement, grant any indulgence, release, postponement or extension of time, waive any term or condition of the Franchise Agreement, or any obligation of Assignee, take or release any securities or other guarantees for the performance by Assignee of any of its obligations, and otherwise deal with Assignee as Franchisor may see fit without affecting, lessening or limiting in any way the liability of Assignor. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or other act of insolvency by Assignee and notwithstanding any rejection, disaffirmance or disclaimer of this Assignment or the Franchise Agreement, Assignor shall continue to be fully liable.

4. Release. Upon execution of this Assignment, each Assignor, for himself/herself and all persons and entities claiming by, through or under any of either of them, hereby releases, acquits, and forever discharges Franchisor and its present and former officers, employees, shareholders, directors, agents, servants, representatives, affiliates, franchisees, licensees, successors and assigns (the "Franchisor Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorneys' fees, actions or causes of action whatsoever, whether known or unknown, which either Assignor, by himself/herself or on behalf of, or in conjunction with any other person, persons, partnership or corporation, has, had, or might claim to have against the Franchisor Releasees that accrued prior to the date this Assignment is fully executed, including those arising out of or related to: (i) the offer, sale, operation and/or transfer of the Franchised Business and any other franchise granted by Franchisor as of the date of this Agreement; (ii) the Franchise Agreement and any other contract/agreement entered into between any Assignor and any Franchisor Releasee, as well as the parties' respective rights or obligations in connection with such agreements; and (iii) any and all rights, obligations or claims under any state franchise regulations or franchise relationship laws. Each Assignor warrants and represents that it has not assigned or otherwise transferred any claim or cause of action released by this Assignment. Each Assignor further warrants and represents that it will not sue or assist or cooperate with any third party in any third-party action against, any Franchisor Releasee arising out of or related to the claims released under this Section.

The parties acknowledge that they have been advised by counsel and are familiar with and expressly waive the provisions of California Civil Code § 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Each of the Releasing Parties hereby waive and relinquish every right or benefit which he/she or it may have under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that he/she or it may lawfully waive such right or benefit. In connection with this waiver and relinquishment, with respect to the Claims released above, each party acknowledges that it may hereafter discover facts in addition to or different from those which they now know or believe to be true but that it is the parties' intention, subject to the terms and conditions of this Agreement, to fully, finally and

forever to settle and release all such claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist, and, in furtherance of such intention, the release given above shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts.

5. Successors and Assigns. Neither Assignor nor Assignee may assign, transfer, convey or otherwise delegate any of their respective rights, title, interest or obligations under this Assignment without Franchisor's prior written consent. This Assignment shall be binding and inure to the benefit of the parties and their respective heirs, successors and permitted assigns.

6. Governing Law, Venue and Dispute Resolution Same as Franchise Agreement. The parties acknowledge and agree that the governing law, venue and dispute resolution provisions set forth in the Franchise Agreement shall apply to this Assignment as if set forth fully herein.

7. Entire Agreement; Acknowledgement and Representation. This Assignment shall constitute the entire integrated assignment between the parties with respect to the subject matter contained herein and shall not be subject to change, modification, amendment or addition without the express written consent of all the parties. Each Assignor: (i) agrees and acknowledges that Assignor's obligations under this Assignment are joint and several in nature; and (ii) that they are the owners of all ownership interests of the Assignor entity.

8. Attorneys' Fees and Costs. In the event that it becomes necessary for Franchisor to retain the services of legal counsel to enforce the terms of this Assignment, Franchisor shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, expert and investigative fees, incurred in enforcing the terms of this Assignment.

9. Right to Review and to Counsel. Each party declares that the terms of this Assignment have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain, and confer with counsel. This Assignment is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not contained in this Assignment.

10. Authority. The persons executing this Assignment on behalf of Assignee acknowledge their authority to do so.

**I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.**

*The next page is the signature page.*

**IN WITNESS WHERE OF**, the undersigned have affixed their signatures hereto as of the day and date first above written.

<hr/> <p>Witness</p>	<p><b>FIT BODY BOOT CAMP INC.</b></p> <p>By: _____</p> <p>Print _____ Name: _____</p> <p>Title: _____</p>
<hr/> <p>Witness</p>	
<hr/> <p>Witness</p>	<p><b>ASSIGNORS:</b></p>
<hr/> <p>Witness</p>	<p>_____</p> <p>[Insert Name], Individually</p>
	<p>_____</p> <p>[Insert Name], Individually</p>
	<p><b>ASSIGNEE:</b></p>
	<p><b>[INSERT ASSIGNEE ENTITY]</b></p>
	<p>By: _____</p>
	<p>_____</p> <p>Print _____ Name: _____</p>
	<p>_____</p> <p>Title: _____</p>
	<p><b>GUARANTORS:</b></p>
	<p>_____</p> <p>[Insert Guarantor Name], Individually</p>
	<p>_____</p> <p>[Insert Guarantor Name], Individually</p>

## EXHIBIT 4 – LEASE RIDER

### LEASE RIDER

1. Landlord shall deliver to Fit Body Boot Camp Inc. (“Franchisor”) a copy of any notice of default or termination of the Lease at the same time such notice is delivered to Tenant.
2. Landlord, Tenant and Franchisee shall enter into Franchisor’s collateral assignment of lease in the form attached to this Rider as Attachment A.
3. Franchisor or its designee shall have the right, but not the obligation, upon giving written notice of its election to Tenant and Landlord, to cure any breach of the Lease and, if so, stated in the notice, to also succeed to Tenant’s rights, title and interests thereunder.
4. Landlord and Tenant hereby acknowledge that Tenant has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Location for certain purposes. Landlord hereby agrees not to interfere with or prevent such entry by Franchisor, its employees or agents. Landlord and Tenant hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Tenant is obligated to take certain steps under the Franchise Agreement to de-identify the location as a franchised location, including removal of any and all uses of the mark *Fit Body Boot Camp*® and the *Fit Body Boot Camp*® logo. Landlord agrees to permit Franchisor, its employees or agents, to enter the Location and remove signs, decor and materials displaying any marks, designs or logos owned or licensed by Franchisor, provided Franchisor shall bear the expense of repairing any damage to the Location as a result thereof.
5. Landlord agrees to allow Tenant to remodel, equip, paint and decorate the interior and exterior of the Location pursuant to the terms of the Franchise Agreement and any successor Franchise Agreement under which Tenant may operate the Business at the Location.
6. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to Franchisor at the following address: 5867 Pine Ave., Chino Hills, California 91709, or such other address as Franchisor shall specify by written notice to Landlord.
7. Franchisor is a third-party beneficiary under this Addendum.
8. Regardless of anything else set forth herein, Landlord shall not unreasonably withhold consent to any proposed transfer or assignment of this Lease to any buyer of Tenant’s franchised business. Consent to such transfer or assignment shall excuse performance by Tenant or any of its guarantors (if any) from and after the effective date of such transfer or assignment.
9. References to the Landlord, Tenant and Franchisor include the successors and assigns of each of the parties.

**COLLATERAL ASSIGNMENT OF LEASE**

**THIS COLLATERAL ASSIGNMENT OF LEASE** is made as of the last date below written by and among \_\_\_\_\_ (“Tenant”), FIT BODY BOOT CAMP INC. (“Franchisor”), and \_\_\_\_\_ (“Landlord”).

**RECITALS**

**WHEREAS**, Tenant is the tenant under a certain lease (or sublease), dated \_\_\_\_\_ (the “Lease”), wherein Landlord leased to Tenant certain premises at \_\_\_\_\_ (the “Premises”); and

**WHEREAS**, Tenant and Franchisor have, or will, enter into a Franchise Agreement (the “Franchise Agreement”), whereby Franchisor will grant to Tenant the right to open and operate a *Fit Body Boot Camp*® franchised Outlet at the Premises; and

**WHEREAS**, as a condition to Franchisor entering into the Franchise Agreement, Franchisor has required that Tenant assign its right, title and interest in the Lease, with the right to reassign (as provided therein), as security for Tenant’s obligations and Franchisor’s rights under the Franchise Agreement; and

**WHEREAS**, in order to induce Franchisor to enter into the Franchise Agreement, Tenant has agreed to assign its right, title and interest in the Lease, with the right to reassign (as provided therein), as security for Tenant’s obligations and Franchisor’s rights under the Franchise Agreement.

**AGREEMENT**

**NOW, THEREFORE**, in consideration for the foregoing premises and the mutual promises contained herein and in the Franchise Agreement, and in order to secure Tenant’s obligations and Franchisor’s rights under the Franchise Agreement, Tenant does hereby collaterally assign, transfer and set over unto Franchisor, with the right to reassign (as provided herein), all of its right, title and interest in and to the Lease and in and to the Premises; it being nevertheless expressly understood and agreed that this assignment is made and is consented to by the Landlord contingent upon the following terms, covenants, limitations and conditions:

1. Tenant’s Right to Possession. Tenant shall retain right to possession of the Premises in accordance with the terms and conditions of the Lease until the occurrence of an Assignment Event (as defined in paragraph 2 of this Agreement).

2. Assignment Events.

2.1 Franchisor shall have the right to exercise either of the options set forth in paragraphs 2.1(i) or 2.1(ii) below upon: (a) Franchisor’s declaration of a default by Tenant under the Franchise Agreement, which remains uncured beyond all applicable notice and cure periods; (b) the expiration or earlier termination of the Franchise Agreement; or (c) an expression by Tenant of its desire to terminate the Lease (each, an “Assignment Event”). Upon the occurrence of an Assignment Event, Franchisor shall have the option to either:

(i) assume and occupy the Premises upon written notice to Landlord and Tenant, in which event Franchisor shall be deemed to be substituted as the tenant under the Lease in the place and stead of Tenant and shall be deemed to have assumed expressly all of the terms, covenants and obligations of the



Lease theretofore applicable to Tenant and shall likewise be entitled to enjoy all of the rights and privileges granted to Tenant under the terms and conditions of the Lease; or

(ii) assign the Lease to an affiliate or an approved *Fit Body Boot Camp*® franchisee, without obtaining Landlord's prior written consent, provided that, in the event of an assignment to a franchisee, such franchisee: (x) has a net worth equal to or greater than the net worth of Tenant at the time of Lease execution; (y) assumes all of Tenant's obligations under the Lease; and (z) completes Franchisor's initial training program to Franchisor's satisfaction.

2.2 If Franchisor exercises either of the rights set forth in paragraphs 2.1(i) or 2.1(ii) above, Tenant shall remain obligated under the Lease and Tenant shall be liable to Franchisor for all payments by Franchisor for rent and other Lease obligations. The parties acknowledge that such payments are reasonable expenses of foreclosure.

2.3 If Franchisor exercises either of the rights set forth in paragraphs 2.1(i) or 2.1(ii) above, Landlord shall not terminate or accelerate the rent owed under the Lease in connection with any such assignment, so long as Franchisor, or its franchisee, assumes, in writing, the obligations of Tenant under the Lease. Nothing in this Paragraph 2.3 shall serve to extend the term of the Lease or provide Franchisor with occupancy rights, options to renew or other rights not expressly set forth to Tenant in the Lease.

### 3. Agreement of Landlord.

3.1 Landlord agrees to provide Franchisor with copies of any and all letters and notices to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant.

3.2 Landlord further agrees that, if it intends to terminate the Lease, Landlord will give Franchisor the same advance written notice of such intent as provided to Tenant, specifying in such notice all defaults that are the cause of any proposed termination. Franchisor shall have the right to cure, at its sole option, any such default within the time periods granted to Tenant under the Lease.

3.3 If neither Tenant nor Franchisor cures all such defaults within the prescribed time period (or such longer period as may be specifically permitted by the Lease), then the Landlord may terminate the Lease, re-enter the Premises, and/or exercise all other rights as set forth in the Lease. Landlord will promptly notify Franchisor of any expression by Tenant of its desire to terminate the Lease.

4. Right to Enter and Make Modifications to Premises. Before the expiration or termination of the Lease, Franchisor shall have the right to enter the Premises to make any reasonable modifications or reasonable alterations necessary to protect Franchisor's interest in the *Fit Body Boot Camp*® franchise system or its proprietary marks, or to cure any default under the Franchise Agreement entered into by and between Franchisor and Tenant, or any affiliate of Tenant. Landlord and Tenant agree that Franchisor shall not be liable for trespass or any other crimes or tort.

5. Notices. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile, telegram or telex (provide that the sender confirm the facsimile, telegram or telex by sending an original confirmation copy by certified transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If to Franchisor:

Fit Body Boot Camp Inc.  
5867 Pine Ave., Chino Hills, California 91709

With a copy to:

---

---

---

If to Tenant:

---

---

---

If to Landlord:

---

---

---

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by telex or facsimile shall be deemed given on the business day of transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties.

6. No Material Modification of Lease. Landlord and Tenant will not amend, renew, extend or otherwise modify the Lease in any manner which would materially affect any of the foregoing provisions without Franchisor's prior written consent.

7. Acknowledgment. The parties hereby acknowledge and agree that, so long as Franchisor shall not have exercised its option to take possession of the Premises under this Agreement, Franchisor shall not be liable for rent or any other obligations under the Lease.

***[The remainder of this page is intentionally left blank; signature page to follow.]***

**IN WITNESS WHEREOF**, the parties hereto have executed this Collateral Assignment of Lease as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**ASSIGNOR:**

\_\_\_\_\_  
WITNESS

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISOR:**

**FIT BODY BOOT CAMP INC.**

\_\_\_\_\_  
WITNESS

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LANDLORD:**

\_\_\_\_\_  
WITNESS

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT B TO THE FIT BODY BOOT CAMP, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FIT BODY BOOT CAMP**

**AREA DEVELOPMENT AGREEMENT**

**EXHIBIT B**

FIT BODY BOOT CAMP, INC.  
AREA DEVELOPMENT AGREEMENT

**FIT BODY  
BOOT CAMP**

\_\_\_\_\_  
DEVELOPER

\_\_\_\_\_  
DATE

# AREA DEVELOPMENT AGREEMENT

## FIT BODY BOOT CAMP, INC.

**This Area Development Agreement** (the "Agreement") is made and entered into on \_\_\_\_\_, 20\_\_ (the "Effective Date") by and between: (a) FIT BODY BOOT CAMP, INC., a California corporation with an address at 5867 Pine Avenue, Chino Hills, CA 91709 ("we", "us", "our", "FBBC" or "Franchisor"); and (b)

\_\_\_\_\_, a \_\_\_\_\_ with an address at \_\_\_\_\_

(“you”, “your” or “Developer”) on the date this Agreement is executed by us below (the “Effective Date”). Franchisor and Developer are sometimes hereinafter collectively referred to as the “parties”.

### BACKGROUND

A. Franchisor, as the result of the expenditure of time, skill, effort and money, owns and continues to develop a franchise system (the “System”) involving the establishment and operation of franchised businesses (each, a “Franchised Business”), which offer group personal training and fitness services under the mark FIT BODY BOOT CAMP® and such additional or different marks as designated by Franchisor (the “Marks”).

B. The characteristics of the System may include, without limitation, sales and operating methods; interior and exterior design; décor; layout; fixtures and furnishings; equipment; personal training methods and practices; class structure and instruction; customer service and development techniques; standards and procedures for efficient business operations; training and assistance; advertising and marketing methods; pricing specifications; all of which may, at times, be changed, improved and further developed from time to time by Franchisor.

C. FBBC has the right to establish System "Standards and Specifications" for various aspects of the System, including, without limitation, standards and specifications related to location selection, the Franchised Business’s physical characteristics, operating procedures, products and services offered, supplier qualifications, training, marketing and other aspects that affect and/or relate to the experience of System customers. You are required to comply with FBBC’s Franchising Standards and Specifications, which FBBC has the right to change and modify over time.

D. You have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement and have had sufficient time and opportunity to evaluate and investigate the business concept and the procedure and financial requirement associated with the business as well as the competitive market in which it operates.

E. You have expressed an interest in obtaining the right to open multiple Franchised Businesses within a specific geographic area, and we are willing to grant such right upon the terms and conditions set forth in this Agreement.

## AGREEMENT

In consideration of the above recitals, the covenants, agreements and conditions set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### **1. APPOINTMENT, DEVELOPMENT TERRITORY AND MINIMUM DEVELOPMENT OBLIGATION**

#### **1.1 Development Area**

Subject to your strict compliance with the terms and conditions of this Agreement, we grant to you, and you accept, the right during the term of this Agreement to open and operate **three (3)** Franchised Businesses within the “Development Area” described in Exhibit A. All of your Franchised Businesses must be located within the Development Area. Except as otherwise set forth in this Agreement, including, without limitation, as set forth in Section 1.4 below, for so long as you are in compliance with your obligations under this Agreement, we will not open or operate, and will not license any other person or entity the right to open or operate, one or more Franchised Businesses within the Development Area.

This grant is upon the terms and subject to the conditions of this Agreement. You acknowledge and agree that our initial service under this Agreement is solely to identify the Development Area, and that we have no ongoing obligations such as training or operational assistance to you under this Agreement. All ongoing and further obligations to you in opening the Franchised Businesses shall be provided pursuant to the applicable Franchise Agreement between you and us for each Franchised Business you are required to open under this Agreement.

#### **1.2 Minimum Development Obligations**

1.2.1 You shall comply with the terms and conditions of this Agreement and you shall comply with the following “Minimum Development Obligations”: (i) enter into a Franchise Agreement for each Franchised Business you are required to develop under this Agreement on or before the Franchise Agreement execution deadline set forth in Exhibit A attached hereto (the “Franchise Agreement Execution Deadlines”), (ii) develop and open each Franchised Business you are required to develop under this Agreement on or before the opening deadline set forth in Exhibit A attached hereto (the “Opening Deadlines”), and (iii) have open and in operation within the Development Area, not less than **three (3)** Franchised Businesses by the Opening Deadline for the third Franchised Business, as identified in Exhibit A to this Agreement; (collectively, “the Minimum Development Obligation”). **YOU ACKNOWLEDGE AND AGREE THAT TIME IS OF THE ESSENCE UNDER THIS AGREEMENT AND THAT YOUR RIGHTS UNDER THIS AGREEMENT ARE SUBJECT TO TERMINATION IF YOU DO NOT STRICTLY COMPLY WITH THE MINIMUM DEVELOPMENT OBLIGATIONS.**

1.2.3 For each Franchised Business you are required to develop under this Agreement, you shall enter into our then-current form of Franchise Agreement within the time periods set forth in this Agreement. The monthly Royalty for Franchised Business #2 and #3 will remain the same as Franchised Business #1. In consideration of your payment of the Development Fee upon execution of this Agreement, you shall not be required to pay any initial franchise fees under any of the Franchise Agreements you execute pursuant to this Agreement. You may form newly established, separate affiliate entities that share the identical ownership structure as Developer, to enter into the lease agreements and franchise agreements for each

Franchised Business you are required to open under this Agreement (each a “Developer Affiliate”). You, each of your owners, and each owner of each Developer Affiliate, as applicable, shall enter into a personal guaranty agreement in the form attached to the applicable Franchise Agreement, which form may be materially different from the form attached to the FDD you received prior to entering into this Agreement. You also acknowledge and agree that the estimated initial investment figures presented in the FDD you received prior to entering into this Agreement are estimates only and are subject to modification, including increases related to modifications to specifications and requirements to develop Franchised Businesses. You shall designate one (1) individual who shall be designated in Exhibit A attached hereto, who has the authority to, and does in fact, actively direct your business affairs related to your obligations under this Agreement and has the authority to sign on your behalf all contracts and commercial documents (your “Responsible Owner”). Your Responsible Owner shall exert his or her best efforts to the development of the Franchised Businesses pursuant to this Agreement and, absent our prior approval, may not engage in any other business or activity that requires substantial management responsibility or time commitments.

1.2.4 You have no right to sublicense or subfranchise your rights under this Agreement.

### **1.3 Force Majeure**

If you are unable to meet the Minimum Development Obligation requirement solely as the result of force majeure, including, but not limited to, war, riot, strikes, material shortages, floods, earthquakes, and other acts of God, or by governmental action or force of law, which results in the inability of you to construct or operate Franchised Businesses in the Development Area, and which you could not, by the exercise of due diligence, have avoided, the Development Periods will be extended by the amount of time the force majeure exists, provided that if any force majeure continues for a period in excess of six months, we may terminate this Agreement upon written notice to you.

### **1.4 Reservation of Rights**

You acknowledge and agree that we have the right to open and operate, and to grant others the right to open and operate Franchised Businesses anywhere outside of the Development Area as we deem appropriate in our sole and absolute discretion. This Agreement is not a franchise agreement and you do not have any right to use the Marks in any manner by virtue of this Agreement. You have no right under this Agreement to subfranchise or sublicense others to operate a Franchised Business or use the System or the Marks. Without limiting the foregoing, we reserve all rights to do anything within the Development Area, including, without limitation, the following: (i) offer and sell, and authorize others to offer and sell, any goods and services in, at or from any location outside of the Development Area; (ii) manufacture, distribute, offer and sell, and authorize others to manufacture, distribute, offer and sell, any goods and/or services in, at or from any location, including any location within the Development Area either: (a) through

alternative channels of distribution, including sales on the Internet, through kiosk locations, through print and online catalogs, and in retail locations; or (b) under any names or trademarks other than the Marks. For the purposes of this provision, alternative channels of distribution include any channels not explicitly authorized for use by Developer under any franchise agreement executed pursuant to this Agreement; (iii) merge with, acquire, or be acquired by, including through purchase or sale of substantially all assets, any other person or entity, including any competitor of Franchisor or Developer (each an “M&A Transaction”), and continue to conduct in any location any business engaged in by the merging, acquiring, or acquired person or entity, including any business directly competitive with Franchised Businesses developed by Developer under this Agreement regardless of where the business is located and to permit the business to operate under the Marks or any other



name; (iv) use the Marks and System in connection with services and products, promotional and marketing efforts or related items, or in alternative channels of distribution, including the sale of products through retail stores and via the internet, without regard to location; (v) develop, or become associated with, other concepts (either directly or through affiliate entities) and grant franchises under such concepts for locations anywhere, including in the Development Area; and (vi) use and license to engage in any other activities not expressly prohibited in this Agreement. In the event of an M&A Transaction, Franchisor has the right to require you to convert the Franchised Businesses developed pursuant to this Agreement to a different name and Developer hereby agrees to: (a) participate, at Developer's expense in any such conversion; and (b) waive any and all claims, demands or damages arising from or related to the loss of the Mark, the System or any association or affiliation with the Marks or the System.

**1.5 Non-Public Access Venues.** We also have the right to develop, open and operate, and to license others the right to develop, open and operate, Franchised Businesses located in Non Public Access Venues, including within the Development Area. For purposes of this Agreement, the term Non-Public Access Venues shall mean private businesses, military bases, government institutions, private clubs, and other facilities that are not accessible to the general public.

## **2. DEVELOPMENT FEE.**

**2.1 Development Fee.** You shall pay to us a "Development Fee" in the amount designated in Exhibit A immediately upon execution of this Agreement. The Development Fee is paid to us in consideration of the rights we grant you pursuant to this Agreement. Accordingly, the Development Fee is deemed fully earned by us upon execution of this Agreement and is non refundable, even if you fail to develop one or more of the Franchised Businesses.

## **3. FRANCHISED BUSINESS SITE SELECTION; FRANCHISE AGREEMENT EXECUTION PROCEDURES.**

**3.1 Franchised Business Site Selection.** You must, on your own initiative and at your sole cost and expense, locate and secure an acceptable site for each Franchised Business you are required to develop under this Agreement, and enter into a valid, binding lease agreement on or before the applicable Lease Execution Deadline. You must advise us in writing of your proposed site for each Franchised Business and you must submit to us a complete site report and application (containing demographic, commercial and other information that we or our designee may require). We are relying on your knowledge of the real estate market in your Development Area. Our prior approval is required in writing for each Franchised Business location. Each site must meet our confidential site evaluation criteria. In accepting or rejecting a proposed site, we will consider such matters as we deem material, including demographic characteristics, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar

services within the area, the proximity to other businesses (including other System Franchised Businesses), the nature of other businesses in proximity to the site and other commercial characteristics and the size of the premises, appearance, and other physical characteristics of the premises. We will approve or disapprove your proposed site within thirty (30) days after we receive all of the materials you are required to provide to us. Our approval of a site will be by delivery of written notice to you. If you do not receive a written notice of approval within thirty (30) days after receipt of the requisite materials to approve or disapprove a proposed site, your proposed site is considered disapproved. We will not unreasonably withhold approval of any proposed site if it meets our then-current site criteria. *You acknowledge and agree that our approval of a proposed site does not constitute a representation or warranty of any kind, express or implied, of the suitability of the site for a Franchised Business or any other purpose. Our approval of a site indicates that we*

*believe that the site meets our then acceptable criteria. Without limiting the foregoing, you acknowledge and agree that we are not responsible if the site fails to meet your or our expectations or if the Franchised Business you develop at the site fails.* We have the right to require you to use our designated suppliers for site selection and real estate development services. We will notify you in writing of any such requirement, and, you shall, immediately upon your receipt of such written notification, comply with any and all such requirements at your sole cost and expense.

### **3.2 Lease Approval/Execution Procedures.**

3.2.1 You must present to us for our approval the lease for each premises from which you will operate each Franchised Business you are required to develop under this Agreement **before you sign the lease for such Franchised Business.** You must cause your landlord to include the provisions we require in your lease agreement for each Franchised Business. For each Franchised Business you are required to develop under this Agreement, both you, and the landlord for the applicable leased premises, must enter into our then-current form of Collateral Assignment of Lease. The Collateral Assignment of the Lease includes important provisions that protect our interests. If your landlord refuses to sign the Collateral Assignment of the Lease in the form we require, we have the right to reject your proposed site for the applicable Franchised Business.

3.2.2 Each lease for each Franchised Business must provide that we (or our designee) may, at our sole option, upon the termination, expiration or proposed transfer of the Franchise Agreement for such location, take an assignment of your interest in the lease, without the payment of additional consideration (other than a reasonable assignment fee), and without liability for obligations you accrued as of the date of the assignment of the lease. Our review of any lease prior to its execution will not be for the purpose of approving the legal aspects, economics, or rental terms of such lease. Accordingly, we will have no responsibility to you with regard to the economics, legality or enforceability of any lease. At all times during the term of this Agreement, you will promptly pay all rents and charges required by the lease for the Franchised Business and shall not be in default under the terms of the lease. You are required to provide us with a copy of your fully executed lease for each Franchised Business immediately upon your receipt of a fully executed copy thereof, and any amendments or renewals to the lease, to ensure that at all times we have a complete copy of the then-current lease for each Franchised Business.

### **3.3 Franchise Agreement Execution Requirements.**

For each Franchised Business you are required to develop under this Agreement, you (or a Developer Affiliate approved by us) shall sign our then-current form of franchise agreement, which agreement may contain materially different terms and conditions as compared to the form of franchise agreement attached to the FDD provided to you prior to your execution of this Agreement, no later than the earlier to occur of (a) the date you execute the lease agreement for the Franchised Business; or (b) five (5) calendar days after you receive our written approval of the proposed site for the Franchised Business. Upon the execution of each Franchise Agreement, the terms and conditions of such Franchise Agreement shall control the establishment and operation of the Franchised Business that is the subject of such Franchise Agreement, provided that the opening deadline set forth in this Development Agreement shall control.

## **4. RELATIONSHIP OF PARTIES**

### **4.1 Relationship of Parties**

4.1.1 You will function as an independent party and not as our agent or representative, but rather as a franchisee under our Franchise Agreements. You and we are not and will never be considered joint ventures, partners, employees, employer or agents one for the other. Neither will have the power to bind or obligate the other except as otherwise outlined in this Agreement and/or the Franchise Agreements. No representation will be made by either party to anyone that would create any apparent agency, employment or partnership except as otherwise outlined in this Agreement.

4.1.2 In all public and private records, documents, relationships, and dealings, you will indicate that you are an independent contractor operating pursuant to this Agreement.

4.1.3 You will maintain your records and accounts to clearly indicate that you and your employees are not our employees. You will be solely responsible to hire your own employees, including determinations about a prospective person's background, experience, character and immigration status. You shall provide written notification to each person you intent to hire as an employee advising such person that the Franchisor is not their employer.

4.1.4 You will pay all of your development, travel, tax, operating, sales, and other costs and expenses directly or indirectly incurred in fulfilling your obligations under this Agreement. You will hold us harmless for all such costs and expenses.

## **5. TERM AND TERMINATION**

### **5.1 Term**

Unless sooner terminated, the term of this Agreement ("the Term") will begin on the Effective Date and will end on the earlier to occur of: (a) the date the final Franchised Business you are required to develop under this Agreement has opened; or (b) the Opening Deadline for the **third (3<sup>rd</sup>)** Franchised Business you are required to open under this Agreement. You do not have any right to renew this Agreement.

### **5.2 Termination**

We have the right to terminate this Agreement, effective immediately upon delivery of written notice to you, if you commit a Material Default under this Agreement.

Each of the following events shall be deemed a "Material Default" under this Agreement:

- (a) Your failure to meet any of your Minimum Development Obligations.
- (b) Any conduct on your part that impairs the goodwill associated with the marks or otherwise causes harm to us or the reputation of the brand or System.
- (c) The termination of any Franchise Agreement entered into by and between Franchisor, its successors or assigns, and you and/or any Developer Affiliate.
- (d) If you or any Developer Affiliate commits a default under any Franchise Agreement or

other agreement between us and you or any Developer Affiliate, which default remains uncured beyond all applicable notice and cure periods.

- (e) If you violate any of your confidentiality or non-competition obligations under this Agreement.
- (f) If you default under any other obligation under this Agreement and such default is not cured before the expiration of fifteen (15) calendar days following your receipt of a written notice of default from us.

A termination of this Agreement is not deemed to be a termination of any Franchise Agreement entered into by and between you and us, or any Developer Affiliate and us. You shall not be entitled to any refund of any of the Development Fee if we terminate this Agreement in accordance with the terms hereof.

### **5.3 Effects of Termination**

Upon the expiration of the term, or upon termination of this Agreement, regardless of the cause for termination, you will have no further right to open or operate additional Franchised Businesses which are not, at the time of such termination or expiration, the subject of a then existing Franchise Agreement between you and us which is in full force and effect. You acknowledge that during and after the expiration or earlier termination of this Agreement, we may open and operate, and license others the right to open and operate one or more Franchised Businesses anywhere in the Development Area, subject to any territorial rights granted to you or any Developer Affiliate, as applicable, under any Franchise Agreement then in effect.

## **6. TRANSFER AND SUCCESSION**

### **6.1 Assignment by Us**

We may assign this Agreement, or any of our rights and privileges to any other person, firm or corporation without your prior consent; provided that, in respect to any assignment resulting in the subsequent performance by the assignee of our functions, the assignee will expressly assume and agree to perform our obligations.

### **6.2 Assignment by You**

Your rights and obligations under this Agreement are personal to you and are not assignable at all. Without our prior written permission, you will not voluntarily or involuntarily sell, transfer, assign, encumber, give or otherwise alienate the whole or any part of this Agreement, your assets, or the ownership of any of your rights under this Agreement. We have entered this Agreement in reliance upon and in consideration of the singular personal skill, qualifications and trust and confidence we repose in you or your principal officers or partners who will actively and substantially participate in the development and operation of the Franchised Businesses you are required to develop under this Agreement.

## **7. COVENANTS: NON COMPETITION/CONFIDENTIALITY/COMPLIANCE WITH LAWS**

### **7.1 Non-Compete**

7.1.1 You and each of your owners, officers and agents will not, during the Term of this Agreement, directly, indirectly or through, on behalf of, or in conjunction with any person or legal entity:

(a) participate as an owner, director, partner, officer, franchisee, employee, consultant, advisor, salesperson, distributor, or agent or serve in any other capacity in any Competitive Business (as defined below); or

(b) divert, or attempt to divert any present or prospective business or customer of any Franchised Business 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 Marks and the System.

For purposes of this Agreement, the term “Competitive Business” shall mean any (i) group training center, gym, fitness center, health club, personal coaching or personal training center (each a “Competitive Business”), or (ii) any business offering or granting licenses or franchises for the right to operate a Competing Business; provided, however, that this Section does not apply to Franchisee’s operation of any other Franchised Businesses pursuant to a license or franchise agreement with Franchisor.

7.1.2 During the two (2) year period after expiration or termination of this Agreement, you and your owners, officers and agents **will not** directly or indirectly participate as an owner, director, partner, officer, franchisee, employee, consultant, advisor, salesperson, distributor, or agent or serve in any other capacity in any Competitive Business that is located: (a) anywhere in the Development Area; (b) within a twenty-five (25) mile radius of the Development Area; or (c) within a 25 mile radius of any Franchised Business in operation, under lease, or

under construction as of the date of termination or expiration, as applicable. During the two (2) year period after expiration or termination of this Agreement, you and your owners, officers and agents **will not** directly or indirectly participate as an owner, director, partner, officer, franchisee, employee, consultant, advisor, salesperson, distributor, or agent or serve in any other capacity in any franchise system that is offering or selling the right to develop, open or operate Competitive Businesses anywhere in the United States. The covenants not to compete are in addition to and not in lieu of your express agreements set forth above to not use any trade secrets, confidential information or personal contacts except as authorized by us.

7.1.3 You acknowledge and agree that the restricted periods set forth in Section 7.1 (inclusive of all subparts) shall be tolled during any time in which you are in violation of your obligations. We may require you to obtain written agreements from your owners, officers, directors, employees and agents to not compete against us and to not disclose our trade secrets and confidential information. These agreements will be in a form we approve.

7.1.4 If for any reason, any provision of any of the covenants not to compete set forth in Section 7.1 (inclusive of all subparts) is determined to exceed any lawful scope and limit as to duration, geographic coverage, or otherwise, it is agreed that provision will nevertheless be binding to the full scope or limit allowed by applicable laws or by a court of law. The duration, geographic coverage and scope allowable by law or court of law shall apply to this Agreement.

7.1.5 You agree that damages alone cannot adequately compensate us if there is a violation of any of your non-competition covenants and that injunctive relief is essential for our protection. You therefore agree that in any case of any alleged breach or violation of this section, we may seek injunctive relief without posting any bond or security, in addition to all other remedies

that may be available to us at equity or law.

## **7.2 Communication of Information**

During the Term of this Agreement and thereafter, you will not communicate or divulge to any person or entity the contents of the System Manuals, or any other non-public information related to the System or the operation of the Franchised Businesses. Under no circumstances will you or your agents communicate or divulge to any person or entity any trade secrets, confidential information or personal contacts relating to the System or Franchised Businesses operating under the System during the Term of this Agreement or thereafter.

## **7.3 You to Cease Using Names and Marks**

Except to the extent permitted under then current Franchise Agreements, upon expiration or termination of this Agreement, whatever the cause for termination, you will immediately cease using the Marks and our names, logos, service marks, trademarks and other marks, symbols or materials suggesting that you were related to us or the System in any way. You acknowledge that all of these are our exclusive property and that you are allowed to use them only in connection with your work as our sales and service agent or franchisee. You may use them only pursuant to the provisions of any relevant franchise agreements between the parties.

## **7.4 Compliance with Applicable Laws.**

You shall, at your sole cost and expense, comply with all federal, state, city, municipality and local laws, ordinances, rules and regulations applicable to your obligations under this Agreement. You must, at your expense, be absolutely and exclusively responsible for determining

all licenses and permits required by law for your Franchised Business, for qualifying for and obtaining all such licenses and permits, and maintaining all such licenses and permits in full force and effect.

# **8. DISPUTE RESOLUTION**

## **8.1 Mediation.**

8.1.1 The parties have reached this Agreement in good faith and with the belief that it is advantageous to each of them. In recognition of the strain on time, unnecessary expense and wasted resources potentially associated with litigation and/or arbitration, and in the spirit of cooperation, the parties pledge to try to resolve any dispute amicably, without litigation or arbitration. Other than an action brought by us under Section 8.3 of this Agreement, and with the exception of injunctive relief or specific performance actions, before the filing of any arbitration, you and we agree to mediate any dispute, controversy or claim between us and/or any of our affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Franchisor Related Party"), on the one hand, and you and/or any of your affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Developer Related Party"), including without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) the parties' relationship; or (c) the events occurring prior to the entry into this Agreement. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any arbitration or legal action, including any action to interpret or enforce this Agreement.

8.1.2 Mediation will be conducted at Franchisor's headquarters or such other mutually agreeable location. Persons authorized to settle the dispute must attend each mediation

session in person. The party seeking mediation (the “Initiating Party”) must commence mediation by sending the other party/parties a written notice of its request for mediation (the “Mediation Notice”). The Mediation Notice must specify, to the fullest extent possible, the nature of the dispute, the Initiating Party’s version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other such relief such party claims, and must identify one or more persons with authority to settle the dispute for the Initiating Party. Upon receipt of the Mediation Notice, the parties will endeavor, in good faith, to resolve the dispute outlined in the Dispute Notice. If the parties have been unable to resolve any such dispute within twenty (20) days after the date the Mediation Notice is provided by the Initiating Party to the other party, either party may initiate a mediation procedure in accordance with this provision. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within thirty (30) days of the notice from the party seeking to initiate the mediation procedures. The parties agree to participate in the mediation procedure to its conclusion, as set forth in this section.

The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it will be useful after reviewing the position papers, the mediator shall give both himself or herself and the authorized person designated by each party an opportunity to hear an oral presentation of each party’s views on the matter in dispute. The mediator shall assist the authorized persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties. All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically

authorized by the party from which the information was obtained to disclose the information to the other party.

The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible. The mediation may be concluded: (a) by the signing of a settlement agreement by the parties; (b) by the mediator’s declaration that the mediation is terminated; or (c) by a written declaration of either party, no earlier than at the conclusion of a full day’s mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any arbitration or legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

8.1.3 The fees and expenses of the mediator shall be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct, statement, promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in the mediation.

## **8.2 Arbitration**

8.2.1 Except as qualified below and in Section 8.3, and if not resolved by the negotiation and mediation procedures set forth in Section 8.1, any dispute, controversy or claim between Developer and/or a Developer Related Party, on the one hand, and Franchisor and/or any Franchisor Related Party, on the other hand, including, without limitation, any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement, (b) the parties' relationship, (c) the events leading up to the entry into this Agreement, (d) the Development Area, (e) the scope or validity of the arbitration obligation under this Agreement, (f) any System standard; (g) any claim based in tort or any theory of negligence; and/or (h) any lease or sublease for any Franchised Business, shall be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures.

8.2.2 Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action, associational claim, or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate shall become null and void and the parties shall submit all claims to the jurisdiction of the courts. The arbitration must take place in in the county and state in which Franchisor's corporate headquarters is located (currently, Orange County, California). The arbitration will be heard before one arbitrator. The arbitrator must follow the law and not disregard the terms of this

Agreement. The arbitrator must have at least five (5) years of significant experience in franchise law. Any issue as to whether a matter is subject to arbitration will be determined by the arbitrator. A judgment may be entered upon the arbitration award by any state or federal court in Orange County, California.

8.2.3 In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be forever barred. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; (3) certify a class or a consolidated action; or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. The arbitrator shall have the right to make a determination as to any procedural matters that court of competent jurisdiction would be permitted to make in the state in which our main office is located. Further, the arbitrator shall decide all factual, procedural, or legal questions relating in any way to the dispute between the parties, including, without limitation, questions relating to whether Section 8.2 is applicable and enforceable as against the parties; the subject matter, timeliness, and scope of the dispute; any available remedies; and the existence of unconscionability and/or fraud in the inducement.

8.2.4 The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction.

8.2.5 The arbitrator shall have subpoena powers limited only by the laws of the



State of California. The parties ask that the arbitrator limit discovery to the greatest extent possible consistent with basic fairness in order to minimize the time and expense of arbitration. The parties to the dispute shall otherwise have the same discovery rights as are available in civil actions under the laws of the State of California. All other procedural matters shall be determined by applying the statutory, common laws, and rules of procedure that control a court of competent jurisdiction in the State of California.

8.2.6 Other than as may be required by law, the entire arbitration proceedings (including, without limitation, any rulings, decisions or orders of the arbitrator), shall remain confidential and shall not be disclosed to anyone other than the parties to this Agreement.

8.2.7 The judgment of the arbitrator on any preliminary or final arbitration award shall be final and binding and may be entered in any court having jurisdiction.

8.2.8 We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished our right to seek recovery of those costs against you.

### **8.3 Exceptions to Arbitration**

Notwithstanding Section 8.1 or Section 8.2, the parties agree that the following claims will not be subject to mediation or arbitration:

(a) any action by us for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to our tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder;

(b) any action in ejectment or for possession of any interest in real or personal property; or

(c) any claim by us: (a) relating to your failure to pay any fee due to us under this Agreement; (b) relating to your failure to comply with the confidentiality and non competition covenants set forth in this Agreement; and/or (c) and/or our affiliates relating to your use of the Marks and/or the System, including, without limitation, claims for violations of the Lanham Act.

## **9. MISCELLANEOUS PROVISIONS**

### **9.1 Choice of Law and Venue; Limitation of Claims; Jury Trial Waiver; Class Action Waiver; Waiver of Damages**

9.1.1 You acknowledge that we have appointed and intend to appoint many franchisees on terms and conditions similar to those set forth in this Agreement and the Franchise Agreement. It mutually benefits those franchisees, you and us if the terms and conditions of these license agreements are uniformly interpreted. This Agreement shall take effect upon its acceptance and execution by Franchisor. All matters relating to mediation or arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1, et. seq.). Except to the extent governed by the Federal Arbitration Act or other federal law, this Agreement, the franchise and all claims arising from or in any way related to the relationship between Franchisor, and/or any of its affiliates, on the one

hand, and Developer, and any of Developer's owners, guarantors and/or affiliates, on the other hand, shall be interpreted and construed under the laws of the state in which the Development Area is located, which laws shall prevail in the event of any conflict of law, except that any law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless jurisdictional requirements are met independently without reference to this paragraph.

9.1.2 In the event the arbitration clause set forth in Section 8.2 is inapplicable or unenforceable, and subject to Franchisor's right to obtain injunctive relief in any court of competent jurisdiction, the following provision shall govern: The parties hereby expressly agree that the United States District Court for Central District of California (or, if our corporate headquarters is no longer in Orange County, California, the applicable District Court where our corporate headquarters is then-located), or if such court lacks subject matter jurisdiction, the State Court in Orange County, California (or, if our corporate headquarters is no longer in Orange County, California, the county where our corporate headquarters is then-located), shall be the exclusive venue and exclusive proper forum in which to adjudicate any case or controversy arising out of or related to, either directly or indirectly, this Agreement, ancillary agreements, or the business relationship between the parties. The parties further agree that, in the event of such litigation, they will not contest or challenge the jurisdiction or venue of these courts. Developer acknowledges and agrees that this Agreement has been entered into in the State of California and that Developer is to receive valuable and continuing services emanating from Franchisor's headquarters. Without limiting the generality of the foregoing, the parties waive all questions of jurisdiction or venue for the purposes of carrying out this provision. Developer acknowledges and agrees that this location for venue is reasonable and the most beneficial to the needs of and best meets the interest of all of the members of the System.

9.1.3 Except for claims arising from your non-payment or underpayment of amounts you owe to us, or claims related to your unauthorized use of the Marks, any and all claims arising out of or related to this Agreement or the relationship of the parties will be barred unless a judicial or arbitration proceeding, as required under this Agreement, is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims, and that any action not so brought shall be barred, whether as a claim, counterclaim, defense or setoff. You hereby acknowledge and agree that you may not maintain any action against us or any of our principals, officers, directors, agents, employees, parents, subsidiaries, affiliates, successors or assigns (each a "FBBC Franchising Related Party") unless (a) you deliver written notice of any claim to the other party within one hundred eighty (180) days after the event complained of becomes known to you, (b) you strictly adhere to the negotiation and mediation procedures set forth in this Agreement, and (c) you file an arbitration within one (1) year after the notice is delivered.

9.1.4 **Waiver of Rights. THE PARTIES HERETO AND EACH OF THEM KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREE AS FOLLOWS:**

9.1.5 **Jury Trial. The parties hereto and each of them EXPRESSLY WAIVE(S) THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN ANY ARBITRATION, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, FOR ANY CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, THE EVENTS LEADING UP TO THE SIGNING OF THIS AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT OR THE FRANCHISE, WHETHER BROUGHT IN STATE OR FEDERAL COURT, WHETHER BASED IN CONTRACT THEORY, NEGLIGENCE OR TORT, AND REGARDLESS OF WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING. This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in this Agreement is unenforceable. Each**

**party acknowledges that it has had full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.**

9.1.6 Damage Waiver. The parties hereto and each of them EXPRESSLY WAIVE(S) ANY CLAIM FOR PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES; *except that* this waiver and limitation shall not apply with respect to (a) your obligation to indemnify us pursuant to any provision of this Agreement, or (b) any claims we bring against you and/or your guarantors and/or your owners for unauthorized use of the Marks, unauthorized use or disclosure of any Confidential Information, unfair competition, breach of your confidentiality or non-competition covenants under this Agreement, and/or any cause of action under the Lanham Act, and we shall be entitled to receive an award of multiple damages, attorneys' fees and all damages as provided by law.

9.1.7 The parties hereto and each of them EXPRESSLY AGREE(S) THAT IN THE EVENT OF ANY FINAL DETERMINATION, ADJUDICATION OR APPLICABLE

ENACTMENT OF LAW THAT PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES MAY NOT BE WAIVED, ANY RECOVERY BY ANY PARTY IN ANY ARBITRATION OR OTHER FORUM SHALL NEVER EXCEED TWO (2) TIMES ACTUAL DAMAGES, *except that* we may recover more than two (2) times its actual damages if you commit acts of willful trademark infringement or otherwise violate the Lanham Act, as provided by law.

9.1.9 No Class or Collective Actions. You agree that any arbitration, or, if applicable, litigation, between you (or any of your owners or guarantors), on the one hand, and us or any FBBC Franchising Related Party, on the other hand, will be on such party's individual claim and that the claim or claims subject to arbitration and/or litigation shall not be arbitrated or litigated on a class-wide, associational or collective basis.

## **9.2 Enforcement**

9.2.1 Either party may seek to obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement. No right or remedy conferred upon us is exclusive of any other right or remedy in this Agreement or provided by law or equity. Each will be cumulative of every other right or remedy.

9.2.2 We shall be entitled to recover from you all of our costs and expenses, including attorneys' fees, accounting fees, expert witness fees, and any other reasonably incurred fees, if we are the prevailing party in any action, including arbitration, litigation, any motion to compel arbitration, and/or any action on appeal, with you and/or any of your owners or Guarantors, including, without limitation, any action: (a) to enforce the terms of this Agreement; (b) for violation of this Agreement; or (c) for violation of the Lanham Act or other state or federal statutes. Without limiting the generality of the foregoing, if we incur costs and expenses due to your failure to pay when due amounts owed to us our affiliates, to submit when due any reports, information, or supporting records, or otherwise comply with this Agreement, you agree, whether or not we initiate a formal arbitration or legal proceeding, to reimburse us for all of the costs and expenses that we incur including, without limitation, reasonable accounting, attorneys' and related fees and costs.

## **9.3 Relationship of You to Us**

The parties intend by this Agreement to establish the relationship of franchisor and developer and/or independent contractors. You have no authority to create or assume in our name

or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of us for any purpose whatsoever. Neither party is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. You agree that you will not hold yourself out as our agent, employee, partner or co-venturer. All employees hired by or working for you will be your employees and will not, for any purpose, be deemed our employees or subject to our control. You must provide written notification to each of your employees that each such employee is employed by you, and not us. You shall file your own tax, regulatory and payroll reports with respect to your employees and operations.

#### **9.4 Your Indemnification**

9.4.1 You agree to protect, defend and indemnify us, and all of our past, present and future shareholders, direct and indirect parent companies, subsidiaries, affiliates, officers, directors, employees, attorneys and designees (the “Indemnified Parties”) and hold each of the

Indemnified Parties harmless from and against any and all damages, costs and expenses, including attorneys’ fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person, firm or corporation or to any property arising out of or related to your rights or obligations under this Agreement.

9.4.2 You represent and warrant that you have full and legal capacity to enter into this Agreement and into the Franchise Agreements and that they will not violate any provision or restriction in any contractual relationship you or your owners have with any third party.

#### **9.5 Waiver and Delay**

9.5.1 The following will not constitute a waiver of the provisions of this Agreement with respect to any subsequent breach or a waiver by us of our right at any time to require exact and strict compliance with the provisions of this Agreement or of the franchise agreements:

- (a) Waiver by us of any breach or series of breaches or defaults in your performance,
- (b) Our failure, refusal or neglect to exercise any right, power or option given to us under this Agreement or under any franchise agreement between us and you, or
- (c) Our failure, refusal or neglect to insist upon strict compliance with or performance of your obligations under this Agreement or any other franchise agreement between you and us.

This applies to this Agreement and to any franchise agreement between the parties whether entered into before, after or contemporaneously with the execution of this Agreement and whether or not related to the Franchised Business.

#### **9.6 Survival of Covenants**

The covenants contained in this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement, will be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

#### **9.7 Successors and Assigns**

This Agreement will be binding upon and inure to the benefit of our successors and assigns

and will be binding upon and inure to your benefit and your heirs, executors, administrators, successors and assigns, subject to the prohibitions against assignment contained above.

### **9.8 Joint and Several Liability**

If you consists of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to us are joint and several.

**9.9 Agreements with Other Developers.** You acknowledge that other Fit Body Boot Camp franchisees and/or developers have or may be granted franchises or development rights at different times and in different situations, and further acknowledge that the provisions of such agreements may vary substantially from those contained in this Agreement.

**9.10 Entire Agreement** Except for the Franchise Agreements that may be executed between the parties, this Agreement expresses the sole and complete understanding between the parties concerning the subject matter hereof. This Agreement, including the Exhibits attached hereto, is the entire agreement between the parties with respect to the subject matter hereof. No other prior agreements concerning the subject matter hereof, written or oral, will be deemed to exist or to bind the parties, and all prior agreements, understandings and representations, are merged into this Agreement and superseded by it. Nothing in this Agreement is intended to disclaim the representations we made in the FDD provided to you prior to your execution of this Agreement. You represent that there are no contemporaneous agreements or understandings between the parties relating to the subject matter of this Agreement that are not contained in this Agreement. No officer, employee, or agent of ours has any authority to make any representation or promise not contained in this Agreement or in the FDD. You agree that you have executed this Agreement without reliance upon any such representation or promise. This Agreement cannot be modified or changed except by written instrument signed by all of the parties. **Time is of the essence for this Agreement.**

### **9.11 Titles for Convenience**

Section and paragraph titles used in this Agreement are for convenience only and will not affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement.

### **9.12 Gender**

All terms used in any number or gender will extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any section or paragraph may require.

### **9.13 Severability**

Nothing contained in this Agreement will require the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter will prevail. In such event the provisions of this Agreement thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. If any part, section, paragraph, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision will be deemed deleted, and the remaining part of this Agreement will continue in full force and effect.



guaranteed, is speculative and depends, to an important extent, upon your ability as an independent businessperson. We do not represent or warrant that any Franchised Business will achieve any certain level of sales or be profitable. We expressly disclaim the making of, and you acknowledge that you have not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement. By signing this Agreement, you acknowledge that you have entered into it after making an independent investigation of the System.

9.17.2 You represent to us, as an inducement to our entry into this Agreement, that all statements you have made and all materials you have submitted to us in connection with your purchase of this franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise. We have approved of your entering into this Agreement and granting you the rights under this Agreement in reliance upon all of your representations.

9.17.3 You understand that neither we, nor any of our representatives or agents with whom you have met have made, and are not making, any guarantees, express or implied, as to whether or not the Franchised Businesses you develop under this Agreement will break even, be successful or profitable. You acknowledge that the franchise opportunity is a newly offered opportunity with a limited track record and a limited operating history. You accept all risks, including the risk of loss of your entire investment. You acknowledge that neither we nor any of our representatives and/or agents with whom you have met or corresponded with, have, in any way, represented or promised any specific amounts of earnings or profits in association with any of any Franchised Business, including the Franchised Businesses you are obligated to develop under this Agreement.

9.17.4 You will exert your best efforts and full time to carrying out the terms, covenants and conditions of this Agreement in good faith.

9.17.5 You acknowledge that you received our FDD at least 14 calendar days prior to the date on which this Agreement was executed and that you have read the FDD. You acknowledge that the FDD is a disclosure document, not a contract, and that this Agreement embodies the entire contractual agreement between the parties.

**IN WITNESS WHEREOF**, this Agreement has been executed on the day and date first set forth above.

**DEVELOPER: *If an entity:***

**FRANCHISOR:**  
FIT BODY BOOT CAMP, INC.

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

***[If an individual or individuals:]***

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_



## **EXHIBIT A TO DEVELOPMENT AGREEMENT**

### **1. DEVELOPMENT AREA**

The Development Area is defined as the entire territory encompassed by \_\_\_\_\_ in the State of \_\_\_\_\_. If the Development Area is identified by city or other political subdivisions, political boundaries will be considered fixed as of the Agreement Date, notwithstanding any political reorganization or change to the boundaries. The Development Area is depicted on the map attached to this Exhibit A. However, if there is an inconsistency between the language in this Exhibit A and the attached map, the language in this Exhibit A shall control. All street boundaries will be deemed to end at the street center-line unless otherwise specified.

### **2. MINIMUM DEVELOPMENT OBLIGATIONS**

Developer agrees to open **THREE (3) Franchised Businesses** within the Development Area according to the following Schedule:

<b>Column A</b>	<b>Column B</b>	<b>Column C</b>	<b>Column D</b>
<b>Franchised Business #</b>	<b>Deadline to execute Franchise Agreement</b>	<b>Opening Deadline</b>	<b>Cumulative Number of Franchised Businesses To Be Opened and Operating By Opening Deadline Designated in Column C</b>
1	On the Effective Date of this agreement	270 days following the Effective Date of the Franchise Agreement for Franchised Business #1	1
2	18 months after the Opening Deadline of Franchised Business #1	270 days following the Effective Date of the Franchise Agreement for Franchised Business #2	2

3	18 months after the Opening Deadline of Franchised Business #2	270 days following the Effective Date of the Franchise Agreement for Franchised Business #3	3
---	--	---	---

3. **DEVELOPMENT FEE.** The Development Fee is \$ \_\_\_\_\_ (Business #1)  
The Development Fee is \$ \_\_\_\_\_ (Business #2)  
The Development Fee is \$ \_\_\_\_\_ (Business #3)

**4. RESPONSIBLE OWNER:**

Responsible Owner Name:  
\_\_\_\_\_

Responsible Owner Address:  
\_\_\_\_\_

Telephone Number & Email Address:  
\_\_\_\_\_

Percentage Ownership Interest:  
\_\_\_\_\_

**5. DEVELOPER INFORMATION:**

\_\_\_\_ Individual \_\_\_\_\_ Legal Entity

Name of Individual(s) or Legal Entity (as applicable): \_\_\_\_\_

If Legal Entity: \_\_\_\_\_

State of formation/incorporation: \_\_\_\_\_

Date of formation: \_\_\_\_\_

Ownership Information: \_\_\_\_\_

Name	Owner Address	Percentage Ownership Interest

**EXHIBIT C TO THE FIT BODY BOOT CAMP, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FIT BODY BOOT CAMP**

**FINANCIAL STATEMENTS**

**EXHIBIT C**



Report of Independent Auditors and  
Financial Statements

**Fit Body Boot Camp, Inc.**

December 31, 2024, 2023, and 2022



MOSSADAMS

# Table of Contents

---

	<b>Page</b>
<b>Report of Independent Auditors</b>	1
<b>Financial Statements</b>	
Balance Sheets	4
Statements of Operations	5
Statements of Stockholder's Deficit	6
Statements of Cash Flows	7
Notes to Financial Statements	8

## **Report of Independent Auditors**

The Stockholder  
Fit Body Boot Camp, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Fit Body Boot Camp, Inc. which comprise the balance sheets as of December 31, 2024, 2023, and 2022, and the related statements of operations, stockholder's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fit Body Boot Camp, Inc. as of December 31, 2024, 2023, and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fit Body Boot Camp, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fit Body Boot Camp, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fit Body Boot Camp, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fit Body Boot Camp, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Irvine, California  
April 14, 2025



## **Financial Statements**

---

**Fit Body Boot Camp, Inc.**  
**Balance Sheets**  
**December 31, 2024, 2023, and 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 1,336,759	\$ 1,318,077	\$ 1,441,336
Accounts receivable, net of allowance for credit losses of \$37,174, \$60,997, and \$13,135, respectively	84,699	97,411	179,585
Due from related parties	84,038	119,006	119,006
Other current assets	256,147	525,800	98,620
Current portion of contract assets	<u>162,284</u>	<u>123,624</u>	<u>87,259</u>
Total current assets	1,923,927	2,183,918	1,925,806
PROPERTY AND EQUIPMENT, net	370,591	520,813	387,626
RIGHT-OF-USE ASSET	-	-	261,801
CONTRACT ASSETS, net of current portion	<u>656,199</u>	<u>694,695</u>	<u>509,374</u>
Total assets	<u>\$ 2,950,717</u>	<u>\$ 3,399,426</u>	<u>\$ 3,084,607</u>
<b>LIABILITIES AND STOCKHOLDER'S DEFICIT</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 59,034	\$ 128,271	\$ 141,739
Accrued expenses	454,291	237,942	207,324
Due to related parties	-	86,000	86,000
Loan payable – related party	-	12,750	153,000
Line of credit	-	-	500,000
Short-term operating lease liability	-	-	251,101
Current portion of debt	86,988	89,345	8,772
Current portion of deferred revenue	<u>998,766</u>	<u>998,597</u>	<u>852,932</u>
Total current liabilities	<u>1,599,079</u>	<u>1,552,905</u>	<u>2,200,868</u>
<b>LONG-TERM LIABILITIES</b>			
Deferred revenue, net of current portion	4,027,897	4,216,249	3,491,826
Long-term debt	<u>141,228</u>	<u>263,103</u>	<u>311,128</u>
Total long-term liabilities	<u>4,169,125</u>	<u>4,479,352</u>	<u>3,802,954</u>
Total liabilities	<u>5,768,204</u>	<u>6,032,257</u>	<u>6,003,822</u>
<b>STOCKHOLDER'S DEFICIT</b>			
<b>Common stock</b>			
Authorized – 2,500,000 shares, no par value, issued and outstanding – 500,000 shares	2,000	2,000	2,000
Additional paid-in capital	169,974	169,974	169,974
Accumulated deficit	<u>(2,989,461)</u>	<u>(2,804,805)</u>	<u>(3,091,189)</u>
Total stockholder's deficit	<u>(2,817,487)</u>	<u>(2,632,831)</u>	<u>(2,919,215)</u>
Total liabilities and stockholder's deficit	<u>\$ 2,950,717</u>	<u>\$ 3,399,426</u>	<u>\$ 3,084,607</u>

See accompanying notes.

**Fit Body Boot Camp, Inc.**  
**Statements of Operations**  
**December 31, 2024, 2023, and 2022**

---

	2024	2023	2022
<b>REVENUE</b>			
Initial franchise fees	\$ 1,556,005	\$ 1,275,944	\$ 1,109,030
Franchise royalty	2,529,934	2,318,358	2,229,181
Marketing and promotional	1,298,092	1,319,701	1,447,564
Software fees	1,065,907	990,810	826,344
Mastermind fees	367,064	481,620	438,524
Trainerize fees	-	-	94,956
Web specials	449	2,825	230,373
Fit body forever fees	397,753	339,225	216,276
Commission income	250,420	252,240	167,831
Other revenue	633,041	500,164	305,150
	<b>8,098,665</b>	<b>7,480,887</b>	<b>7,065,229</b>
<b>OPERATING EXPENSES</b>			
Sales, general, and administrative expenses	7,622,434	6,813,852	7,046,057
Depreciation and amortization	240,758	318,038	281,178
	<b>7,863,192</b>	<b>7,131,890</b>	<b>7,327,235</b>
<b>OPERATING INCOME (LOSS)</b>	<b>235,473</b>	<b>348,997</b>	<b>(262,006)</b>
<b>OTHER EXPENSE (INCOME)</b>	<b>2,377</b>	<b>50,026</b>	<b>(103,106)</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 233,096</b>	<b>\$ 298,971</b>	<b>\$ (158,900)</b>

---

See accompanying notes.

**Fit Body Boot Camp, Inc.**  
**Statements of Stockholder's Deficit**  
**December 31, 2024, 2023, and 2022**

---

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholder's Deficit
	Shares	Amounts			
BALANCE, December 31, 2021	500,000	\$ 2,000	\$ 169,974	\$ (2,829,770)	\$ (2,657,796)
Distributions to stockholder	-	-	-	(102,519)	(102,519)
Net loss	-	-	-	(158,900)	(158,900)
BALANCE, December 31, 2022	500,000	2,000	169,974	(3,091,189)	(2,919,215)
Distributions to stockholder	-	-	-	(12,587)	(12,587)
Net income	-	-	-	298,971	298,971
BALANCE, December 31, 2023	500,000	2,000	169,974	(2,804,805)	(2,632,831)
Distributions to stockholder	-	-	-	(417,752)	(417,752)
Net income	-	-	-	233,096	233,096
BALANCE, December 31, 2024	<u>500,000</u>	<u>\$ 2,000</u>	<u>\$ 169,974</u>	<u>\$ (2,989,461)</u>	<u>\$ (2,817,487)</u>

---

See accompanying notes.

**Fit Body Boot Camp, Inc.**  
**Statements of Cash Flows**  
**December 31, 2024, 2023, and 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income (loss)	\$ 233,096	\$ 298,971	\$ (158,900)
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation and amortization	240,758	318,038	281,178
Credit loss expense	100,503	193,109	113,049
Changes in operating assets and liabilities			
Accounts receivables	(87,791)	(110,935)	(191,219)
Due from related parties	(51,032)	-	61,623
Other current assets	269,653	(427,180)	(35,662)
Contract assets	(164)	(221,686)	(184,712)
Operating lease assets/liabilities	-	10,700	(10,700)
Accounts payables	(69,237)	(13,468)	117,456
Accrued expenses	216,349	30,618	(110,358)
Deferred revenue	(188,183)	870,088	266,162
Net cash provided by operating activities	<u>663,952</u>	<u>948,255</u>	<u>147,917</u>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Acquisition of property and equipment	<u>(90,536)</u>	<u>(451,225)</u>	<u>(25,647)</u>
Net cash used in investment activities	<u>(90,536)</u>	<u>(451,225)</u>	<u>(25,647)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Principal repayments on finance lease	-	-	(8,250)
Principal repayments on line of credit	-	(250,000)	-
Principal repayments on loan payable, related party	(12,750)	(140,250)	-
Borrowings on promissory notes	-	(160,000)	160,000
Principal repayments on debt	(124,232)	(57,452)	-
Distributions to stockholder	(417,752)	(12,587)	(102,519)
Net cash provided by (used in) financing activities	<u>(554,734)</u>	<u>(620,289)</u>	<u>49,231</u>
CHANGE IN CASH AND CASH EQUIVALENTS	18,682	(123,259)	171,501
CASH AND CASH EQUIVALENTS, beginning balance	<u>1,318,077</u>	<u>1,441,336</u>	<u>1,269,835</u>
CASH AND CASH EQUIVALENTS, ending balance	<u>\$ 1,336,759</u>	<u>\$ 1,318,077</u>	<u>\$ 1,441,336</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>			
Cash paid during the year for interest	<u>\$ 20,959</u>	<u>\$ 53,776</u>	<u>\$ 27,004</u>
Cash paid during the year for state income taxes	<u>\$ 1,800</u>	<u>\$ 800</u>	<u>\$ 1,600</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES</b>			
Conversion of debt from line of credit to term loan	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ -</u>

See accompanying notes.

# Fit Body Boot Camp, Inc.

## Notes to Financial Statements

---

### Note 1 – Nature of Business and Operations

Fit Body Boot Camp, Inc. (the Company or FBBC) was incorporated in California on March 2, 2011. The Company was organized for the purpose of franchising fitness programs and services worldwide under the name “Fit Body Boot Camp.” The sole stockholder of the Company is a family trust, hereinafter referred to as the “Stockholder.”

The Company entered into a perpetual and nontransferable license agreement with Empire TM Holding Company, LLC (the “Licensor”). The Licensor is an entity related to the Company through common ownership. The license agreement grants the Company an exclusive right to use the Fit Body Boot Camp trademarks, service marks, and other intellectual property (“FBBC IP”). It gives the Company the ability to license the FBBC IP to franchisees under the franchise agreements.

The Company is also engaged in the administration, development, operation, and licensing of businesses that operate the franchise studios.

As of December 31, 2024, 2023, and 2022, the Company had franchises in operation of 277, 299, and 277, respectively, with Fit Body Boot Camp studios in most states in the United States and Canada, and licensed sites in Great Britain and Australia. During the years ended December 31, 2024, 2023, and 2022, the Company sold 36, 49, and 46 franchises, respectively, to new and existing franchisees. Additionally, as of December 31, 2024, 2023, and 2022, there were no corporate-owned locations opened.

### Note 2 – Summary of Significant Accounting Policies

**Basis of presentation** – The Company’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Company believes this information includes all adjustments, consisting of normal recurring accruals, necessary to fairly present the financial condition as of December 31, 2024, 2023, and 2022. References to ASC and ASU included hereinafter refers to the Accounting Standards Codification and Accounting Standards Update established by the Financial Accounting Standards Board (FASB) as the source of authoritative U.S. GAAP.

**Use of estimates** – The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as of the balance sheet date. The actual results could differ significantly from those estimates.

**Cash** – The Company considers all highly liquid debt instruments purchased with an original maturity of 90 days or less to be cash equivalents. The Company had no cash equivalents as of December 31, 2024, 2023, and 2022.

## Fit Body Boot Camp, Inc. Notes to Financial Statements

---

**Accounts receivable** – Accounts receivable represent amounts due from franchisees for royalty, software, and marketing fee revenues and are stated net of an allowance for credit losses. Amounts are stated at the amounts expected to be collected from balances outstanding. The Company accounts for accounts receivables in line with ASU 2016-13 and estimates the allowance for credit losses when lifetime credit losses are expected. The Company assesses collectability based on consideration of the age, nature of the past due accounts, historical losses, existing economic conditions, and specific analysis of each account. As of December 31, 2024, 2023, and 2022, the Company recorded an allowance for credit losses of \$37,174, \$60,997, and \$13,135, respectively. As of January 1, 2022, the opening balance of accounts receivable, net was \$196,044.

**Property and equipment** – Property and equipment are carried at cost, less accumulated depreciation. Expenditures for additions, replacement, and major improvements are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is computed on a straight-line basis over the estimated useful lives of six years for computer and office equipment and seven years for furniture, fixtures, and vehicles. Leasehold improvements are depreciated over the useful lives of the improvements. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is recognized.

**Leases** – The Company accounts for its operating lease under ASU No. 2016-02, *Leases (Topic 842)*. Leases are evaluated and classified as operating or finance leases for financial reporting purposes. The classification evaluation begins at the commencement date, and the lease term used in the evaluation includes the noncancellable period for, which the Company has the right to use the underlying asset.

Right-of-use (ROU) asset represents the Partnership's right to use an underlying asset for the lease term and lease liability represents the Partnership's obligation to make lease payments arising from the lease. The Lease liability is recognized at the lease commencement date based on the present value of future lease payments over the lease term discounted at the risk-free rate (discount rate) corresponding with the lease term.

The lease term used for straight-line rent expense is calculated from the commencement date through the lease termination date. The Company has elected to not separate lease and nonlease components. The Company has also elected to not apply the recognition requirement to any leases with a term of 12 months or less. In the prior year, the Company had one long-term related party lease classified as an operating lease under ASC 842, however, as of December 31, 2023, the lease was amended to be short-term. Under ASU 2023-01 (*Common Control Arrangements under ASC 842*) the Company applies the practice expedient to use the written terms and conditions of a common control arrangements to determine whether a lease exists and, if so, the classification between short-term and long-term. The Company does not have any finance leases.

**Contract liability** – Contract liability or deferred revenue is a liability related to a revenue-producing activity for which revenue has not yet been recognized. The Company records a contract liability when it receives consideration from a customer before achieving certain criteria that must be met for revenue to be recognized in conformity with U.S. GAAP.

## Fit Body Boot Camp, Inc. Notes to Financial Statements

---

The following table reflects the change in contract assets between January 1, 2022, and December 31, 2024:

	Contract Assets
BALANCE, January 1, 2022	\$ 411,921
Expenses recognized that were included in the contract assets at beginning of the year	(94,418)
Increase, excluding amounts recognized as expenses during the period	279,130
BALANCE, December 31, 2022	596,633
Expenses recognized that were included in the contract assets at beginning of the year	(128,646)
Increase, excluding amounts recognized as expenses during the period	350,332
BALANCE, December 31, 2023	818,319
Expenses recognized that were included in the contract assets at beginning of the year	(214,273)
Increase, excluding amounts recognized as expenses during the period	214,437
BALANCE, December 31, 2024	\$ 818,483

The following table reflects the change in deferred revenue between January 1, 2022, and December 31, 2024:

	Deferred Revenue
BALANCE, January 1, 2022	\$ 4,078,596
Revenue recognized that was included in deferred revenue at beginning of the year	(1,005,322)
Increase, excluding amounts recognized as revenue during the period	1,271,484
BALANCE, December 31, 2022	4,344,758
Revenue recognized that was included in deferred revenue at beginning of the year	(1,236,689)
Increase, excluding amounts recognized as revenue during the period	2,106,777
BALANCE, December 31, 2023	5,214,846
Revenue recognized that was included in deferred revenue at beginning of the year	(1,480,047)
Increase, excluding amounts recognized as revenue during the period	1,291,864
BALANCE, December 31, 2024	\$ 5,026,663



## Fit Body Boot Camp, Inc. Notes to Financial Statements

---

The following table illustrates estimated expenses expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2024:

	Amount
Contract assets to be recognized in	
2025	\$ 162,284
2026	135,852
2027	111,428
2028	91,313
2029	81,360
Thereafter	236,246
Total	\$ 818,483

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2024:

	Amount
Deferred revenue to be recognized in	
2025	\$ 998,766
2026	722,107
2027	551,533
2028	456,949
2029	417,769
Thereafter	1,879,539
Total	\$ 5,026,663

**Revenue recognition** – The core principle of ASC 606 is that a reporting entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the reporting entity expects to be entitled in exchange for those goods or services. The revenue recognition approach under ASC 606 includes the following five-step approach:

1. Identify the contract with the customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when, or as, the entity satisfies a performance obligation.

The following revenue streams are recognized by the Company over time under ASC 606:

*Initial franchise fees* – Franchise fees revenue consists primarily of initial and renewal franchise fees and upfront fees from area development agreements (ADAs). Franchise agreements are for a seven-year term, with subsequent renewals available subject to approval. A franchisee may generally renew its agreement upon expiration.

## Fit Body Boot Camp, Inc. Notes to Financial Statements

---

Initial and renewal franchise fees are deferred as deferred revenue and recognized on a straight-line basis as the performance obligations of the contract are satisfied. Performance obligations of the contract are generally satisfied starting on the opening date of the franchise location through the end of the franchise agreement term.

The Company's performance obligation under area development agreements generally consists of an obligation to grant geographic exclusive area development rights. These development rights are not distinct from franchise agreements, so upfront fees paid by franchisees for exclusive development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro rata amount apportioned to each franchise agreement is accounted for identically to the initial franchise fee.

The Company accounts for franchise fees in accordance with ASU 2021-02, *Practical Expedient*, which allows franchisors to treat any pre-opening activities as a single bundled performance obligation. Activities performed by the Company are highly interrelated with the franchise license and are considered to represent a single performance obligation, which is the transfer of the franchise license and intellectual property. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the FBBC IP over the term of the franchise arrangement.

*Franchise royalty* – Franchise royalty is the flat monthly royalty fee received from ongoing franchisees based on the rate agreed upon in the franchisees' agreements. Continuing franchise royalties are collected and recognized monthly, and the royalty fee is fixed based on amounts indicated in the franchise agreements.

*Marketing and promotional* – Marketing and promotional revenues are earned from a monthly marketing service fee charged to ongoing franchisees based on a rate agreed upon in the franchisees' agreements and services provided to participating franchisees related to various ad hoc marketing campaigns. Marketing fees are collected and recognized monthly, and the fee is fixed based on amounts indicated in the franchise agreements. Revenue related to ad hoc marketing campaigns is charged and recognized when the performance obligation is satisfied, which is upon completion of the campaigns.

*Software fees* – Software fee revenue is earned from a monthly software fee charged to ongoing franchisees based on a rate agreed upon in the franchisees' agreements. Software fees are collected and recognized monthly, and the fee is fixed based on amounts indicated in the franchise agreement.

*Mastermind fees* – Mastermind fee revenue is earned monthly through franchisees who elect to participate in the Mastermind Coaching Program. The program gives franchisees access to Fit Body Boot Camp Mastermind coaching services during the agreement term, which may include the franchisee's right to participate in online, in-person, or telephone coaching sessions.

*Trainerize fees* – Trainerize fees are monthly revenues from certain franchisees to gain access to use an online coaching program. Trainerize fees are collected and recognized monthly based on the agreed-upon monthly fee. The Company transitioned back to in-person training and discontinued the online platform in 2023.

## Fit Body Boot Camp, Inc. Notes to Financial Statements

---

*Fit Body Forever* – Fit Body Forever is revenue from a fitness program designed for adults 55+ who want to stay fit and active, live with independence, and keep healthy for the long haul. Note that an individual franchise must buy in to the Fit Body Forever program and will also be required to pay monthly invoices to continue to participate in the program. As such, buy-in fees are amortized over the life of the agreement and monthly fees are recognized during the period incurred.

The following revenue streams are recognized by the Company at a point in time under ASC 606:

*Commission income* – Commission revenue arise from the sale of FBBC products sold via Shopify. The company also recognizes commission revenue through the use of affiliate links to promote products such as “Torque Fitness,” “Send Out Cards,” or “ClickFunnel”.

*Web special* – Web special revenue is generated from promotional/discounted sign-up specials offered through the FBBC website for brand new members to attend a franchise location for three weeks. All purchases of web specials are revenue to FBBC. If members decide to enroll past the promotional period of the web special, the subsequent payments would be revenues to franchisees. The web special revenues are recognized upon payment.

*Other revenues* – Other revenues include commission income and miscellaneous income. Commission income includes the Company’s portion of income for sales of supplements, meals, and fitness gear purchased online.

**Advertising costs** – Advertising costs are charged to operating expenses as incurred. Advertising costs for the years ended December 31, 2024, 2023, and 2022, were approximately \$1,297,000, \$1,303,000, and \$1,464,000, respectively. Advertising is performed through many different media, such as direct mailing, tradeshow, and the internet. Advertising costs are included in sales, general, and administrative expenses in the statements of operations.

**Government assistance** – The employee retention credit (ERC) was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and was intended to help businesses assist employers that experienced a decline in gross receipts resulting from COVID-19. The ERC is calculated based on a percentage of qualified wages paid to employees. The Company applied for relief under this program to recover a portion of the employer’s shares of federal payroll taxes that were paid during 2020 and 2021. The Company recognizes the ERC and similar government programs in the period the conditions of the program have been substantially met. Accordingly, for years ending December 31, 2024, 2023, and 2022, the Company recognized approximately \$0, \$0, and \$187,000, respectively, related to the ERC, which is included in other income on the accompanying statements of operations for the years ending December 31, 2024, 2023, and 2022. As of December 31, 2024, 2023, and 2022, there were no receivables relating to the ERC recorded. The Internal Revenue Service (IRS) reserves the right to review the ERC three years after the filing date of the relevant 941 tax return and five years in the case of the ERC claims for the third and fourth quarters of 2022.

## Fit Body Boot Camp, Inc. Notes to Financial Statements

---

**Income taxes** – The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under federal and most state laws, taxes based on income of an S corporation are payable by the Company's stockholder to the extent the stockholder is subject to income tax. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements for the years ended December 31, 2024, 2023, and 2022. Some states may impose certain franchise taxes; such provision for state income taxes was included in the operating expenses in the accompanying statements of operations.

**Concentration of credit risk** – As of December 31, 2024, 2023, and 2022, cash and cash equivalents were maintained with one financial institution in the United States, and current deposits are in excess of federally insured limits. If the Company is unable to access cash and cash equivalents as needed, the Company's financial position and ability to operate the business could be adversely affected. To mitigate risk, the Company uses a high credit quality, major financial institution.

**Fair value of financial instruments** – The carrying value of the Company's other current assets, payables, and accrued expenses approximates fair value due to their short-term nature.

**Sales, general, and administrative expenses** – Sales, general, and administrative expenses consist of costs associated with administrative support functions. These costs primarily consist of payroll, rent, credit card fees, sales, use and property tax, insurance, marketing, legal, and accounting expenses.

**Private company accounting alternative for variance interest entities** – The Company does not apply the variable interest entity (VIE) guidance to certain legal entities under common control when all of the following conditions are met:

- The Company and legal entity are under common control of a parent. This determination only considers the direct and indirect voting interest held by the Company's parent in the Company and the legal entity.
- Neither the Company nor the legal entity are under control of a public business entity.
- The legal entity under common control is not a public business entity.
- The Company does not directly or indirectly have a controlling financial interest in the legal entity. This determination excludes consideration of a controlling financial interest under the VIE guidance and only considers the voting interest model.

Entities under common control during 2024, 2023, and 2021, consist of the Stockholder; Company; ENP Ventures, LLC; FBBC Operations, LLC; Fitness Mastermind, LLC; Empire Systems, Inc.; Empire TM Holdings, LLC; Go Inspire Fitness, LLC; and Empire Traffic, Inc. The Company makes an ongoing assessment of whether entities under common control meet these criteria.

## Fit Body Boot Camp, Inc. Notes to Financial Statements

---

**Subsequent events** – Subsequent events are events or transactions that occur after the balance sheets date, but before the financial statements are issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheets, including the estimates inherent in the process of preparing the financial statements. The Company’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheets but arose after the balance sheets date and before the financial statements were issued.

The Company has evaluated subsequent events through April 14, 2025, which is the date the financial statements were available to be issued.

### Note 3 – Property and Equipment

Property and equipment consisted of the following:

	As of December 31,		
	2024	2023	2022
Computers and office equipment	\$ 1,322,027	\$ 1,290,568	\$ 863,698
Furniture and fixtures	140,399	130,821	126,764
Vehicles	43,991	43,991	43,991
Leasehold improvements	742,125	741,258	739,328
Construction in progress	67,000	18,368	-
	2,315,542	2,225,006	1,773,781
Less: accumulated depreciation and amortization	(1,944,951)	(1,704,193)	(1,386,155)
Total property and equipment	\$ 370,591	\$ 520,813	\$ 387,626

Depreciation and amortization expenses were approximately \$241,000, \$318,000, and \$281,000 for the years ended December 31, 2024, 2023, and 2022, respectively.

## Fit Body Boot Camp, Inc. Notes to Financial Statements

---

### Note 4 – Leases

In November 2022, the Company amended its related party lease agreement for its office facility to expire on December 31, 2023. For the year ending December 31, 2022, prior to expiration, the Company used the discount rate of 0.78%. As of December 31, 2024 and 2023, the lease term is for 12 months and the Company accounts for the related party lease as short term. The lease cost and variable lease cost consist of the following:

	As of December 31,		
	2024	2023	2022
Base lease cost	\$ 242,735	\$ 252,000	\$ 263,000
Variable lease cost	-	-	30,000
Total lease cost	\$ 242,735	\$ 252,000	\$ 293,000

### Note 5 – Debt

At December 31, 2024, 2023, and 2022, debt consists of the following:

	2024	2023	2022
Term loans	\$ 228,216	\$ 352,448	\$ 159,900
Promissory notes	-	-	160,000
Line of credit	-	-	500,000
	228,216	352,448	819,900
Less: current portion	(86,988)	(89,345)	(508,772)
Long-term debt	\$ 141,228	\$ 263,103	\$ 311,128

**Line of credit** – The Company’s line of credit agreement provided borrowings up to \$500,000 with an interest rate of the bank’s prime rate plus 0.7 percentage points (8.2% and 2.61% as of December 31, 2022 and 2021, respectively). In April 2023, the Company converted the remaining balance of \$250,000 into a term loan (see below).

**Term loans** – The Company entered into a small business loan (secured disaster loan with the SBA) on May 29, 2020, for approximately \$160,000, which includes an Economic Injury Disaster Loan (EIDL) advance of \$10,000. As of December 31, 2024, 2023, and 2022, the interest rate was 3.75%. Principal and interest payments of \$731 are due every month beginning 24 months from the date of the agreement, beginning on May 29, 2022. As of December 31, 2024, 2023, and 2022, the remaining outstanding balance was \$150,000, \$159,000, and \$153,000, respectively.

## Fit Body Boot Camp, Inc. Notes to Financial Statements

In April 2023, the Company entered into a term loan for \$250,000 with a fixed interest rate of 9.1% per year. The Company is required to pay fixed monthly instalments of principal and interest of \$7,979 until the maturity date of April 11, 2026, at which all outstanding balances are due in full. The term loan is collateralized by substantially all of the Company's assets. As of December 31, 2024 and 2023, the remaining balance on the term loan was \$78,216, and \$193,019, respectively.

**Promissory notes** – During 2022, the Company entered into promissory note agreements with 14 franchise owners in the aggregate amount of \$160,000 with an interest rate of 7% per annum through January 31, 2025; 8% through January 31, 2026; 9% through January 31, 2027; and 10% through January 31, 2028. Only interest payments were required to be paid on January 31 of each year until maturity at which point the entire outstanding balance was due. During December 2023, the Company repaid the outstanding balance of \$160,000 to the related franchise owners. As of December 31, 2024, there was no outstanding balance on the promissory notes.

Future minimum principal payments required under the term loans are as follows:

Years Ending December 31,	
2025	\$ 86,988
2026	8,772
2027	8,772
2028	8,772
2029	8,772
Thereafter	<u>106,140</u>
	<u><u>\$ 228,216</u></u>

### Note 6 – Related-Party Transactions

As disclosed in Note 2, the Company has elected to apply the private company accounting alternative related to legal entities under common control. The related party activity is as follows:

Related party names	Types of related party transactions	As of and for the year ended December 31, 2024		As of and for the year ended December 31, 2023		As of and for the year ended December 31, 2022	
		Due from (to) related parties	Cash inflow (outflow)	Due from (to) related parties	Cash inflow (outflow)	Due from (to) related parties	Cash inflow (outflow)
The Stockholder	Loan payable, related to past-due rent	-	(12,750)	(12,750)	(140,250)	(153,000)	-
	Due to related parties:						
Fitness Mastermind, LLC	Payable for expenses paid on behalf of the Company	-	(41,000)	(41,000)	-	(41,000)	(5,000)
Empire Systems, Inc	Payable for marketing services	-	(12,000)	(12,000)	-	(12,000)	(22,000)
Empire TM Holdings, LLC	Payable for the use of trademark	-	(33,200)	(33,200)	-	(33,200)	-
	Total due to activity	-	(86,200)	(86,200)	-	(86,200)	(27,000)
	Due from related parties:						
Go Inspire Fitness, LLC	Receivable for application creation	84,000	(84,000)	-	-	-	-
ENP Ventures, LLC	Receivable for revenue sharing	-	119,000	119,000	-	119,000	89,000
	Total due from activity	84,000	35,000	119,000	-	119,000	89,000

For the year ended December 31, 2020, the Company paid for expenses on behalf of a related party. As of December 31, 2021, the Company wrote off the receivable balance, in full, from this party for approximately \$221,000. The write off was recorded within selling, general, and administrative expenses. As of December 31, 2024, 2023, and 2022, there was no net balance due from this related party.

## **Fit Body Boot Camp, Inc.**

### **Notes to Financial Statements**

---

As of December 31, 2024, the Company had a total receivable balance of \$84,000 from related parties. The Company believes that this is the maximum exposure to loss for the related-party receivables discussed above.

The Company leases its corporate office from the Stockholder of the Company. Lease expense is recorded in selling, general, and administrative expenses and was recorded in the amount of \$243,000, \$252,000, and \$293,000 for the years ended December 31, 2024, December 31, 2023, and December 31, 2022, respectively.

#### **Note 7 – Commitments and Contingencies**

**Litigation** – The Company at times is subject to legal proceedings and claims, which arise in the ordinary course of its business. It is the opinion of management that the outcome of these matters will have no material adverse effect on the financial position or results of operations of the Company.

#### **Note 8 – Employee Benefit Plan**

The Company maintains a qualified defined contribution 401(k) plan covering substantially all of its employees. The Company contributes 3% of an employee's eligible compensation to eligible participants. A discretionary contribution may also be made as determined annually by the officers and owners of the Company. The contribution for the years ended December 31, 2024, 2023, and 2022, was approximately \$65,000, \$64,000, and \$65,000, respectively, all of which was included as an accrued liability at the respective years ended.





**EXHIBIT D TO THE FIT BODY BOOT CAMP, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FIT BODY BOOT CAMP**

**LIST OF FRANCHISE OUTLETS**

**EXHIBIT D**

**LIST OF FRANCHISE OUTLETS AS OF DECEMBER 31, 2024**

	<b>Contact Name</b>	<b>Address</b>	<b>Phone No.</b>	<b>Date FA sign</b>
<b>Alabama</b>	Steven Hadley	26037 Capital Dr, Daphne, AL 36526	877- 483- 5020	4/19/2016
	John Roper	5800 Valley Road suite 120 Trussville, Alabama 35235	205- 508- 0486	9/7/2016
	Morgan and Blake Feltman	337 Huntley Pakway Pelham, AL 35124	205-478- 9534	3/28/2022
<b>Arkansas</b>	Lance and Angie Jennings	6801 Phoenix Ave Suite 5, Fort Smith, AR 72903	(479) 806- 0557	07-22-2023
<b>Arizona</b>	Kelly Sullens	18425 N. 51st Avenue Suites A&B Glendale, AZ 85308	602- 348- 7767	4/10/2016
	Benjamin Jones and Deepit Anand	2740 S. Alma School Rd #8 Mesa, AZ 85210	480- 364- 6668	1/21/2018
	Benjamin Jones and Deepit Anand	9245 E Guadalupe Rd #103 Mesa, AZ 85212	480- 737 - 1512	12/28/2015
	Benjamin Jones and Deepit Anand	1914 E Baseline Rd Suite #101, Gilbert, AZ 85234	480- 868- 8544	11/8/2015
	Ashley Williams	17050 N Thompson Peak Parkway C-100 Scottsdale, AZ 85255	619- 606- 6833	9/2/2017
	Benjamin Jones and Deepit Anand	20892 E OCOTILLO RD SUITE 102 QUEEN CREEK, AZ, 85142	480- 737- 3239	4/4/2016
	Benjamin Jones and Deepit Anand	5609 E. McKellips Rd, Mesa, AZ 85215	480- 299 - 2871	10/29/2015
	Carol & Robert Carruth	9525 E Old Spanish Trail Suite 121 Tucson, AZ 85748	520- 297- 8280	4/28/2017
	Kim Dietrich Suggs and Gregory Suggs	2510 E. Hunt Highway, Suites 9,10,11 San Tan Valley, AZ 85413	(775) 843- 7484	4/3/2018
<b>Opened 2024</b>	<b>Aaron &amp; Neomi Kleinow</b>	<b>560 N Estrella Pkwy #15 Goodyear, AZ 85338</b>	<b>(623) 341- 3746</b>	<b>9/14/2023</b>
<b>Transfer 2024</b>	<b>Lori Yost</b>	<b>7450 S Priest Dr Suite #3, Tempe, AZ 85283</b>	<b>480- 327- 8276</b>	<b>2/27/2015</b>

	Benjamin Jones and Deepit Anand	3373 E. Queen Creek Rd. Suite 100 Gilbert, AZ 85297	480- 737 - 1512	9/20/2017
	Kelly and Thomas Sullens	20255 N Lake Pleasant Rd #107, Peoria, AZ 85382	602- 348- 7767	11/14/2019
<b>Transfer 2024</b>	Misty and Craig Stevenson	25410 South Arizona Ave Suite 186 Chandler, AZ 85248	317-459- 4052	12/10/2021
	Jaamal McCoy	1781 E. Highway 69 Ste. 53 Prescott AZ 86301	702-301- 0325	8/9/2021
<b>California</b>	Jui Chun Rachel Yu	1139 S Diamond Bar Blvd. #F Diamond Bar, CA 91765	626-290- 0747	02/25/2021
	John & Cara Eckerman	570 West Lambert Road, Suite H, Brea, CA 92821	714- 257- 5083	9/27/2012
	Richard Mugica and Justin Morrow	31524 Railroad Canyon Rd Canyon Lake, CA 92587	626-260- 0924	10/10/2017
	John & Cara Eckerman	14586 Pipeline Ave Chino Hills Plaza , CA 91710	909- 287- 1241	9/27/2012
	Mike Kersten	435 N. Clovis Ave. #103 Clovis, CA 93611	559- 797- 1310	7/9/2015
	Michael Zakarian	502 N Tustin St, Orange, CA 92867	714- 712- 0106	7/23/2015
	Alisson Rosales	19531 Pauling, N Lobby, Ste. 200 Foothill Ranch, CA 92610	949- 929- 1249	8/31/2016
	Michael and Margherita Rodriguez	6797 N. Milburn Ave. #105 Fresno, CA 93722	559- 392- 5598	7/10/2017
	Michael and Gina Aguirre	5809 N Figueroa St Los Angeles, CA 90042	<a href="tel:323-579-9650">323- 579- 9650</a>	8/11/2017
	Shara Lisa Guarnes Madrid	9227 Orco Parkway Unit A Riverside CA 92509	909- 957- 4584	1/10/2018
	James Edward Swift	3039 Kilgore Rd, Ste 140 Rancho Cordova, CA 95670	916- 508- 4328	12/14/2017
	Anthony Parisi	31166 Via Colinas Unit 1 Westlake Village, Ca 91362	805- 230- 0155	10/30/2015
	Priscilla and Nathan Yamasaki	1640 Cabrillo Ave #102 Torrance, CA 90501	310- 803- 3586	7/26/2018
	Daniel Salas	3600 Sisk Rd #4B, Modesto, CA 95356	209- 312- 1774	7/2/2018
	Darren Jake Duncan	8831 N. Cedar Ave Fresno, CA 93720	559- 801- 6225	3/5/2014
	Lizbeth Galvan & Raymundo Galvan	4780 Granite Drive, Suite 400 Rocklin, CA 95677	831-710- 5973	7/24/2019
	Charles Green Jr. and Derek /Wong	43 E Main St 1 st Floor, Alhambra, CA 91801	843-412- 0911	4/19/2019
	Charles Green Jr. and Derek /Wong	2128 S. Atlantic Blvd. Monterey Park, CA 91754	843-412- 0911	5/19/2021

	Armando Garcia	1295 East Dunne Avenue Suite 120, Morgan Hill, CA 95037	408-850-6406	10/26/2018
	Trevon Croom	3300 East Castro Valley Boulevard, Suites K & L, Castro Valley, CA 94546	562-569-2150	6/26/2018
	Nancy Rangel	6030 Warner Ave Huntington Beach, CA 92647	(714) 300-4284	1/1/2021
	Nichole Baugh and Kevin Ly	26574 Bouquet Canyon Rd Santa Clarita CA 91354	661-609-0215	4/30/2021
<b>Transfer 2024</b>	Mike Zakarian	4154 Woodruff Ave Lakewood CA 90713	408-828-8330	9/8/2021
	Pamela and Michael Martinson	3230 Hamner Ave #404 Norco CA 92860	714-707-0456	8/19/2022
	Melissa & Fabio Dehakiz	24194 Alicia Parkway Ste E Mission Viejo CA 92691	949- 307-5158	11/4/2014
	Ian Golditch	1414 Industrial Park Ave., Redlands, CA 92374	(909) 454-4969	
	Michael & Gina Aguirre and Miguel & Bonnie Torres	990 N. Hill St. Suite A Los Angeles CA 90012	323-354-9297	6/22/2022
	Gloria Goh	127 Casuda Canyon Dr Unit A. Monterey Park, CA 91754	(626) 807-7673	
	Jonathan Ginsberg	91 S Ash St. Palmdale, CA 93001	661-466-7703	2/11/2023
Opened 2024	Christopher Wilson, Megan Howse, Oscar Jacbo, Ambar Jacobo	3700 Tyler Street, Suite 10 Riverside, CA 92503	(909) 859-4261	
Opened 2024	Jeremy Makin	546 2nd ST. Yuba City, CA 95991	(801) 695-2442	
Opened 2024	Michael Kim	1106 Turning Bend Dr. , Claremont, CA, 91711	(909) 204-0266	
<b>Colorado</b>	Madison and Herman Heard	16255 W 64th Ave Unit 3, Arvada, CO 80007	303-408-7025	4/30/2019
	Jose & Jodi Martinez	7475 E Arapahoe Rd #1 Centennial, CO 80112	(719) 287-7755	12/9/2023
Opened 2024	Danna Fryer	1923 59th Ave, Greeley, CO 80634		3/5/2024
<b>Connecticut</b>	Carissa Beam & Katharine Gomes	885 W Main St Suite A, Branford, CT 06405	860- 857-5652	12/14/2017
	Dylan and Brunetta Cathers	5 River Rd, Wilton, CT 06897	914- 523-4073	4/11/2018
	Aj & David Pope	250 Westport Ave Norwalk, CT 06851	(203) 354-4000	1/2/2020

<b>Delaware</b>				
<b>Florida</b>	Jennifer and Neil Bates	12220 Towne Lake Dr #55, Fort Myers, FL 33913	239-207-0003	4/17/2018
	Jodi and Thaddeus Rund	5180 West Atlantic Ave Delray Beach, FL 33484	561- 843-5018	6/9/2018
	Matthew Fritzeen and Brittany Morris	2001 98 Palms Blvd Suite 101 & 102 Destin, Florida 32541	850- 687-6703	8/14/2017
	Jodi and Thaddeus Rund	420 US-1 #24, North Palm Beach, FL 33408	561- 320 -2010	8/25/2016
	Gina Antonucci	2375 St Johns Bluff Rd S Unit 206/207 Jacksonville, FL 32246	904- 513-1655	12/8/2016
	Michael and Anthony Etter	112 N. Dixie Highway West Palm Beach, FL	561-225-1772	5/8/2018
	Bryan Corcoran	18427 US-41 Lutz FL 33549	(813) 644-3222	7/16/2020
	Justin and Rebecca Walter	107 Nature Walk Parkway St. Augustine FL 32092	904-669-5321	5/11/2021
<b>Transfer 2024</b>	Bryan Corcoran	5406 Little Rd New Port Richey FL 34655	813-503-7089	8/27/2021
	Candy AND Darren Peterson & Michael and Sani Mckee	3861 S. Nova Rd. Port Orange, FL 32127	(904) 509-0876	7/15/2023
<b>Georgia</b>	Aaron Hildreth	2052 Stonewater Ct., Hoschton, GA 30548	470-239-1348	
	Joey Stewart	3569 Atlanta Highway Athens, Georgia 30606	706- 296-2637	5/18/2015
	Mandy Smith	6323 Grand Hickory Drive Suite 300E Braselton, GA 30680	706- 540-0692	9/19/2016
	Katy and Chad Plavcan	6150 Ga- 400 Suite F , Cumming, GA 30028	404-405-4935	10/18/2019
	Joey Stewart	111 South Barnett Shoals Rd Watkinsville, GA 30677	706- 296-2637	6/5/2020
	Betsy Kwiatkowski	9653 Olio Rd. McCordsville McCordsville, IN 46250	314-11-3251	6/15/2021
	Courtney Flores	840 Glynn St Fayetteville, GA 30214	678-873-1333	2/12/2021
	Junior Olivera	6835 Midland Commons Blvd Suites A Columbus, GA 31909	706-577-5752	10/16/23
	Joey Stewart	134 Martin Luther King, Jr., Dr. Monroe, GA	(706) 254-3984	02-20-2023
	Laura & Bradley Yeatts	1344 East Cobb Drive Marietta, GA 30068	(404) 704-2471	11-11-2023
<b>Opened 2024</b>	Jonquil Mau	7580 Springbox Drive Suite 240 Fairburn, GA 30213	(678) 768-2773	03-27-2023

<b>Idaho</b>	Abe and Danika Aboud	1511 N. McMillan Rd. Meridian, ID 83646	208-260-0310	Dec-19
	Rich and Alyssa Havens	3415 North Cole Rd #104 Boise, ID 83704	(208) 631-0112	06-26-2023
<b>Illinois</b>	Kyle Blust	625 W Division St Chicago, IL 60610	773- 401-5500	8/29/2016
<b>Transfer 2024</b>	Ashley Veteto	150 Columbia Center. Columbia, IL 62236	618- 719-2288	11/7/2017
	Steve Siannas	12736 S. Rt. 59 Ste 100 Plainfield, Illinois 60585	815- 782-3222	7/20/2017
<b>Indiana</b>	Ian Bowen	1050 Broadway 48 & #50 Chesterton, IN 46304	219- 405-7559	3/7/2018
	Jill and David Harding	5889 N. State Road 135 Greenwood, IN 46142	304-06-8725	9/10/2021
	Jennifer Floyd	2685 E. Main street, suites 104-105, Plainfield, in 46168	(315) 225-1722	12/16/2023
	Betsy Kwiatkowski	9653 Olio Rd, McCordsville, IN 46055		
<b>Kansas</b>				
<b>Opened 2024</b>	Kyle & Kelley Reitmeier	11542 S Burch Circle. Olathe, KS 66061	(913) 709-0582	
	Ryan Floyd	1520 E Douglas Ave. STE 120 Wichita, KS 67214	316- 749-8484	3/12/2015
<b>Kentucky</b>	Stephen Long	6766 Bardstown Road Louisville, KY 40291	<a href="tel:812-670-0111">812- 670-0111</a>	3/9/2017
	Stephen Long	12418 LaGrange Road STE 140 Louisville, KY	5025004108	8/6/2021
	Stephen Long	4105 Oechsli Ave Louisville, KY 40207	5025004108	8/28/2023
<b>Louisiana</b>	Michael Bridges	2171 Airline Dr. Bossier City, LA 71111	318- 771-1077	4/3/2018
	Cody Bailey	1600 Military Highway Pineville, Louisiana 71360	318- 704-6063	12/5/2017
	James Anderson	1520 E. MCNEESE ST LAKE CHARLES, LA, 70605	337 243 3335	9/27/2018
<b>Opened 2024</b>	James & Jacob Lacoste	17014 Culpepper Ave. Baton Rouge, LA 70817	(541) 979-3939	

<b>Maryland</b>	Darryl Keeton and Zoe Keeton-Rodriguez	1336 Crain Highway Bowie MD 20716	301- 500-8425	6/12/2018
	Connie Leung, Jim Turner, Maria Turner and Wendy Lai	5020 Nicholson Court Kensington, MD 20895	240- 621-0618	8/31/2017
	Thomas Lim and Nga Nguyen	5634 Buckeystown Pike, Frederick, MD 21704	240-578-1715	3/15/2019
	Darryl Keeton and Zoe Rodriguez-Keeton	14700 Hawley Lane Upper Marlboro, Maryland 20774	(240) 334-2940	1/30/2020
Opened 2024	David Jones	114 Smallwood Village Center Dr. Waldorf MD 20602	(202) 498-5468	
<b>Massachusetts</b>	Herve Medard	42 W Boylston St, West Boylston, MA 01583	708-289-3969	3/23/2017
	Sergey and Kendra Meller	222 Main St, Acton, MA 01720	978-855-4036	2/21/2019
	Vik Desai	153 Turnpike Rd. Suite 3. Westborough MA 01772	774-545-0339	12/02/2019
	Chris Schoonover	34 Park St. Suite 103, Andover MA 01938	774- 322-2171	6/28/2021
<b>Michigan</b>	Rachel and Kevin Brittan	4255 Alpine Avenue NW Suite B Comstock Park, Michigan 49321	(517) 945-3066	4/15/2015
	David Smith and Barrett Henson	2309 Coolidge Highway Berkley, MI 48072	248- 464-5990	12/18/2014
	Charles & Anthony DiCiuccio	52437 Gratiot Ave Chesterfield, MI 48051	586- 649-7603	4/17/2017
	Jason Mathias	721 S. Otsego Ave. Gaylord, MI 49735	989- 731-0070	2/19/2017
	Tara and James Fritz	5460 Gull Road Kalamazoo, MI 49048	269- 270-2446	7/9/2018
	Rachel and Kevin Brittan	5340 Plaza Dr. Suite E Hudsonville, MI 49426	(517) 945-3066	3/24/2015
	Chuck and Kathryn Robuck	1455 S. Lapeer Rd. Suite 200 Lake Orion, MI 48360	248- 318 -9403	7/25/2016
	Chad Schmidt	4525 N M-37 Hwy Middleville, MI 49333	269- 301-0633	2/12/2018
	Anthony and Charles DiCiuccio	1900 S Rochester Rd Rochester Hills, MI 48307	586- 822-8787	10/12/2020
	Anthony and Charles DiCiuccio	71120 Van Dyke Rd Bruce Township, MI 48065	989- 450-7044	6/6/2017
	Karen Scott	6189 Haggerty Rd West West Bloomfield Township, MI 48322	<a href="tel:248-621-4500">248- 621-4500</a>	4/29/2019
	Jessica Bowman	380 Oaks crossing. Suite A , Plainwell, MI 49080	269- 301-0633	7/15/2019



	Sean and Cheryne Clements	625 County Rd HQ Marquette, MI 49855	906-360-0237	7/31/2019
	Jody Campbell and Kathryn Nofar	16760 21 Mile Rd., Macomb Township, MI 48044	586-354-0287	4/3/2019
	Sean Clements	816 Ludington St, Escanaba, MI 49829	906-360-0237	1/23/2023
	Zachary Roys	9367 Cherry Valley Ave, SE, Caledonia MI 49316		8/5/2023
	Micah Reum and Benjamin Tzeel	43387 Joy Road Canton Township, MI 48187	(248) 795-9660	10/14/2023
Opened 2024	Angela & Jerry Radle	4763 Wilson Ave SW Grandville, MI 49418	(616) 813-8086	
Opened 2024	Rajeev & Shefali Singh	1539 S Opdyke Rd, Bloomfield Hills, MI 48304	(586) 918-5008	10/26/2023
<b>Mississippi</b>	Philip and Chouna Land	901 Lakeland Pl Ste 5C, Flowood, MS 39232	(601) 606-6859	5/13/2023
<b>Missouri</b>	Patrick Barry and Michael Keane	691 Big Bend Rd, Manchester, MO 63021	314-276-2796	2/29/2020
	Patrick Barry, Michael Keane, Paige Clinton	9991 Manchester Rd, St. Louis MO 63122	314-276-2796	10/18/2021
Opened 2024	Jonathan & Callie Cooper	1246 Vivian Drive. Warrensburg, MO 64093	(660) 525-4858	10/25/2023
<b>Nebraska</b>	Allen Faison	7310 Harrison St. Ralston, NE 68127	402- 813-3612	12/5/2017
<b>New Hampshire</b>	David Fisher	141 Route 101A, Amherst, NH 03031	(603) 320-1040	10/7/2019
	Lisa Gramling	8 Glen Rd Suite 32, West Lebanon, NH 03784	802-356-7550	9/20/2017
<b>New Jersey</b>	William Kemmerer and Natalia Mifsud	1330 Prince Rodger Ave. Unit B7. Bridgewater, NJ 08807	908- 468-2609	1/2/2018
	William Kemmerer and Natalia Mifsud	426 Case Blvd, Flemington NJ 08822		
<b>New Mexico</b>				
<b>New York</b>	Dennis Stein	609-635 E Main St. Bay Shore, NY 11706	631- 647-4963	3/21/2018
	Kimberly Schneider	440 S Riverside Rd Store #6 Croton On Hudson, NY 10520	914- 279-0343	1/22/2018

	Aly Flores	30-1 Eastern ave, Deer Park, NY 11729	631- 940- 8680	8/22/2016
	Robert Michael O'Toole	55 E Sunrise Highway Lindenhurst, New York 11757	516- 639- 1769	7/19/2017
	Garth Binns and Justin Jones	5020 Ave N Brooklyn, New York 11234	347-673- 6434	1/24/2018
	Amanda Gandolfo	135 Mineola Blvd. Mineola, NY 11501	347- 913- 6216	12/28/2017
	Jennifer and Michael Sherbourne	5225 Taft Rd North Syracuse, NY 13212	315-506- 3838	8/1/2017
	Zachary Shagi / Natasha Arango Escobar	601 Montauk Highway Oakdale, NY 11769	631- 365 2570	7/9/2018
	Sean Queller	73 Broadway Rocky Point, NY 11778	631- 626- 4627	3/1/2018
	Richard Jarer	25 Elm Street Mitchel Commons Plaza Suite 4 Warwick, NY	917- 796- 4654	4/10/2018
	Lisa Briggs	34 Oriskany Blvd. Whitesboro NY 13492 United States	315-725- 3789	7/20/2017
	Darren Brody	1735 Front Street Yorktown Heights, NY 10598	914-830- 7185	5/23/2018
Opened 2024	Jennifer and Michael Sherbourne	6870 E Genesee St , Fayetteville NY 13066	315-506- 3838	6/17/2022
Opened 2024	Lisa Briggs	34 Chenango Avenue, Clinton NY13323	315-525- 0505	6/23/2022
Opened 2024	Kevin & Dana Lahey	46 Walter Street. Holbrook, NY 11741	(718) 440- 5577	
<b>North Carolina</b>	Dinah Goodman	3039 Boone Trail Extension Suites 100 Fayetteville NC 28304	910-880- 1155	9/11/2018
	Ana Goicoechea	234 Westwood Shopping Center Fayetteville NC 28314	<a href="tel:910-408-3222">910- 408- 3222</a>	4/18/2018
Opened 2024	Floyd & Robyn Callahan	10028 Lampkin Way. Charlotte, NC 28269	(818) 439- 8151	
<b>North Dakota</b>	Brennen Grubb	4480 23rd Ave S, Suite G, Fargo, ND 58104	425- 478- 7449	3/5/2018
	Brennen Grubb	2424 32nd Ave S #104a, Grand Forks, ND 58201	425- 478- 7449	2/3/2020
<b>Ohio</b>	Shawn Haffner and Curt Fackler	1265 North Fairfield Rd, Beavercreek, OH 45432	937- 554- 9392	8/31/2017
	Shawn Haffner and Curt Fackler	4701 Presidential Way Kettering, Ohio 45429	937-554- 9392	3/1/2019

	Ryan Goldstein	5010 Mayfield Rd Lyndhurst, OH 44124	216- 759- FBBC	9/30/2015
	Tony Seagraves and Curtis Tayler	9522 Fremont Pike Rd. Perrysburg, OH 43551	419- 377- 7141	7/31/2018
	Tony Seagraves and Curtis Tayler	6819 W Central Ave. Toledo, OH 43617	844- 419- 3222	12/23/2016
	Shawn Haffner	7212 Taylorsville Rd Huber Heights, OH 45424	9375549392	8/16/2021
	Rhonda and Joseph Salvador	7157 Tiffany Blvd Canfield, OH 44406	724-544- 6044	9/14/2021
	Uriel and Abigail Baker	4747 Tylersville Rd. West Chester, OH 45069	862-279- 4257	9/22/2021
	Taylor Rose, Kimberly Rose and Donald Rose	1039 Haskins Rd, Unit F Bowling Green, OH 43402	419-351- 0978	1/7/2023
Opened 2024	Jamesha Ford & Gregory Muraya	7058 Vailsgate Ct. Hamilton, Ohio 45011	513-603- 0185	
Opened 2024	Uriel Baker & Abigail Leugers- Baker	6172 Tylersville Rd Suite B, Mason, OH 45040	(862) 279- 4257	2/24/2023
Opened 2024	Megan Hollern	1331 Cameron Avenue Lewis Center, OH 43035	(727) 410- 7202	5/22/2023
<b>Oklahoma</b>				
	Tommy McCaslin	1020 NW 27th Moore, OK 73160	405- 655- 5655	9/16/2015
	Jason & Sherry Kreitzer	627 12th Ave, Suite 125 Norman, OK 73071	405- 928- 0791	11/15/2017
	Katherine Moctezuma, Brian Elzie, Ryan Hefner, Reed Hefner	12910 May Trail Rd. Shawnee, OK, 74804	509438887	2/13/2023
<b>Oregon</b>	Emily Johnson	63130 Lancaster St. Suite 140 Bend, OR 97701	4582029377	8/15/2018
	Emily Johnson	1423 SE 23rd Ave Portland, OR 97214	971- 266- 3222	11/23/2016
<b>Pennsylvania</b>	Christina Stango	3957 Lincoln Highway Space A- 3 Downingtown, PA 19335	484-432- 6105	12/17/2018
	Nadine Finn	1960 Quentin Rd, Unit 300 Lebanon, PA, 17042	732-673- 4828	
<b>Rhode Island</b>	Matt Espeut	1284 North Main St. Providence, RI 02904	401- 453- 3200	3/12/2014
<b>South Carolina</b>	Stephen and Joy Gallo	5318 Sunset Blvd Suite F Lexington, SC 29072	803 594- 2078	5/21/2018

	Kema Watson	1113 Market Center Blvd Unit B Mount Pleasant, SC 29464	(803) 979-7829	6/8/2015
	Dylan Sides	915 Folly Rd Space K Charleston, SC 29412	(843) 973-0245	3/6/2019
Opened 2024	Joel & Tabitha Cuyar	658 Fairview Road Suite A and B Simpsonville, SC 29680	(864) 979-7713	9/28/2023
<b>South Dakota</b>	Christopher J. Wehrkamp	3324 S Duluth Ave. Sioux Falls, SD 57105	605- 951-9348	2/25/2015
	Christopher J. Wehrkamp	8501 W. 26th St. Sioux Falls, SD 57106	605- 951-9348	1/27/2022
Opened 2024	Libby and Bryan Uling	723 Mountain View RD Rapid City, SD 57702		3/29/2023
<b>Tennessee</b>				
	Don Mather	10949 & 10951 Kingston Pike, Farragut, Tennessee 37934	(601) 527-0531	11/11/2023
Opened 2024	Michael Shane Beckham	107 Township Dr #107 Hendersonville, TN 37075	(270) 202-2843	
<b>Texas</b>				
Opened 2024	Curtis Smith	907 Boundary Ct. Friendswood. TX 77546	(832) 533-4479	
	Alejandro Dominguez	4202 Ruben M Torres SR Blvd Suite G, Brownsville TX 78526	956- 455-4551	9/5/2013
	Toni Lacey	6489 Southwest Blvd Benbrook TX 76132	682- 704-9698	1/20/2014
	Bryan Meyers	206 Kings Plaza Granbury, TX 76049	817- 243-0075	12/8/2017
	Evelyn Finister	1720 N Central Expy #100 McKinney, TX 75070	972- 832-0395	3/8/2014
<b>Transfer 2024</b>	Amir Ali	7801 Alma Drive, Suite 134 Plano, TX 75025	214- 532-8658	3/28/2018
	Tom Hough	1329 Exeter drive Plano Texas 75093	972- 855 -8938	8/30/2016
<b>Transfer 2024</b>	Sergey Meller	882 W. Rusk St., Rockwall, TX 75087	972-880-6370	8/24/2019
	Emmaunuel Martinez	14005 North U.S. Highway 183, Suite 300, Austin, TX 78717	979-732-1997	3/14/2019
	Chad Hardy	401 S Memorial Fwy., Nederland, TX 77627		4/19/2019
	John Crowe	1506 Lee Trevino Drive El Paso, Texas 79936	915-249-7041	10/30/2021
	Shyla Baldrige	7669 Hillside Suite 500 Amarillo TX 79119	806-787-6000	12/15/2021

	Jennifer and John Crane	8250 Gaylord Parkway #1 Frisco, TX 75034	(309) 635-0569	10-14-2023
Opened 2024	Felipe Mayoral Jr. & Omar Martinez La Santa	20330 Huebner road suite 102 San Antonio, TX 78258	(619) 254-1428	06-08-2023
Opened 2024	Paul Zajic and John Muka	2770 West First Street, Ste 10, Prosper, TX 75078		06-14-2022
Opened 2024	Cory and Sondra Heller	3615 N Beltline Rd, Suite 200 Sunnyvale, TX 75182		12/14/2022
<b>Utah</b>	David Smith	6311 South Highland Drive Suite 6311, UT, United States 84121	801 948 0753	11/28/2018
	Chance and Becky Spensko	376 Gateway Dr #102, Heber City, UT 84032	(435) 654- 8103	3/13/2019
	Brooke and Matthew Bishop	101 North West State Rd Suite 112, American Fork, UT 84003	(801) 830- 7746	12-16-2023
<b>Vermont</b>	Sarah Dumont	5983 US Rte 5. Westminster, VT 05158	530- 320- 4340	7/24/2016
<b>Virginia</b>	Holly and Micah Kobia	210 Prices Fork Rd. Suite C Blacksburg, VA 24060	(540) 315- 0151	3/7/2017
	Jeff Robertson	21 Cedar Plateau Way Daleville, VA 24083	540- 591- 5365	10/17/2018
	Josiah & Lydia Vandy Bogurt	2601 Franklin Road, SW Roanoke, VA 24014	540- 795- 5990	10/17/2017
	Jodi Hartel	6937-B Telegraph Road Alexandria, VA 22310	571-451- 9480	3/9/0200
	Chris Logas and Melinda Gessel	10085 Market Circle, Manassas, VA 20110	571-359- 1049	1/28/2020
	Christina Zammit and Trevor Stahl	43170 Southern Walk Plaza Suite 104 Ashburn VA 20148	704-200- 0618	8/4/2022
Opened 2024	Rozalia Tadjer	11712 Jefferson Ave, Suite A, Newport News, Virginia 23606	(574) 238- 8999	
Opened 2024	Robyn Lee	8835 Marlow Dr. Spotsylvania, VA 22551	(540) 710- 3335	
Transfer 2024	Eueal Berta	3089 Golansky Blvd Woodbridge, VA 22192	703- 884- 6447	
<b>Washington</b>				
	David Christensen	456 Fashion Way, Burlington, WA 98233, USA	(850) 221- 2299	7/22/2023
<b>Wisconsin</b>				

**FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPENED AS OF DECEMBER 31, 2024**

<b>Arizona</b>			
<b>Arkansas</b>	Bryan Bruce, Andreea Dinulescu, Kirk Evanson, Lucy Evanson	4601 SW Hollowbrook St. Bentonville, AR 72713 & 33 Shropshire Dr. Bella Vista, AR 72714	(214) 909-9133
<b>California</b>	Ciara & Mark Brewer	13302 Nantucket Ave, Bakersfield, CA, 93314	(559) 269-9078
	James Swift, Elizabeth Swift, Mark Macayan and Maria Macayan	4309 Hartland Way Rancho Cordova CA 95742	916-508-4328
	Christoper Youhana & Jenna Nelson	25125 Madison Ave, Suite 100-C Murrieta, CA 92563	(714) 683-3304
	April Koryta	15702 Sunflower Ln. Huntington Beach, CA 92647	
<b>Connecticut</b>	Richard Mcmarrow	22 Holly Hill Dr. Wingdale, NY 12594	
<b>Colorado</b>	Jason Derra	12731 Scenic Walk Dr, Peyton, CO 80831	(402) 871-4273
	Lynn & Humberto Tiscareno	1568 Diamond Hill CT. Castle Rock, CO 80104	
<b>Florida</b>	John & Kimberley Hosegood	4026 Bedford Ave, Winter Haven, FL, 33884	(863) 307-6463
<b>Georgia</b>			
	Joey Stewart	3094 Orchard Walk Watkinsville, GA 30677	(706) 254-3984
<b>Idaho</b>			
<b>Indiana</b>	Jared Cooksey	6727 Hidden Meadow Pass. McCordsville, IN 46055	
<b>Kentucky</b>	Stephen & Trisha Long	10803 Gordon Farm Trace Louisville, KY 40291	
	Stephen & Trisha Long	10803 Gordon Farm Trace Louisville, KY 40291	
<b>Louisiana</b>			
<b>Michigan</b>			

	Marcell McDonald	2466 Lake Dr SE, East Grand Rapids, MI, 49506	(616) 438-2880
	Kyle Davidson	6447 Alward Dr, Hudsonville, MI, 49426	(616) 437-2554
<b>Missouri</b>			
<b>Nevada</b>	Jason & Shelly Hoyt	305 Indian Sage Court, Sparks, NV, 89441	(775) 384-4278
<b>New York</b>			
	Alonzo & Christine Ferguson	141-38 181 Street., Springfield Gardens , NY, 12423	
<b>North Carolina</b>	Nathaniel Saari	11323 Deer Ridge Lane. Charlotte, NC 28277	
<b>New Jersey</b>	Mike Kuczinski, Robert Ditota. Anthony Ditota, Annabella Ditota	24 Wagner Farm Lane. , Millston Township, , NJ, 08535	(732) 895-3802
	Alejandro Ojeda	7 Old Stirling Rd. Warren, NJ 07059	
<b>Ohio</b>	Craig and Natalie Dwyer	1673 US 68 South. Xenia, Ohio 45385	
	Katie & Joel Vasko	9307 Vermilion Rd, Amherst, OH 44001	(419) 309 7271
<b>South Carolina</b>	Eric Jones	16 Golf View Dr. Trabuco Canyon, CA 92679	(718) 757-7858
<b>South Dakota</b>	CJ Wehrkamp	5629 W Mandy Ct Sioux Falls, SD 57106	605-201- 4979
<b>Tennessee</b>	Gilbert Torrez	4230 Green Shanty Rd. Ooltewah, TN 37363	
<b>Texas</b>	Krystal & Wesley Ladda	1816 Proteus Dr, Haslet, TX, 76052	
	Tonya and Darrell Wright	4600 Tupper Dr. Mckinney, Tx 75071	
	Terry & Maria Henderson	107 Forest Glen Ct. Weatherford, TX 76087	(561) 843-5286
<b>Virginia</b>	Edmo & Karina Soares	277 Oak Hill Ln Smithfield VA 23430	(734) 478-7475
	Trevor & Mary Katherine Stahl	210 Baier Drive, Salem, VA 24153	(586) 295-7581

<b>Washington</b>	Joseph Stromer	1319 W kennewick Ave, Kennewick , WA, 99336	(509) 378-4202
	Denise Wentzel	1308 NE 134th St, Vancouver, WA 98685	(541) 292-4244



**EXHIBIT E TO THE FIT BODY BOOT CAMP, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FIT BODY BOOT CAMP**

**LIST OF FORMER FRANCHISES**

The following franchisees had an outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement during the fiscal year ended December 31, 2024, or during the period beginning January 1, 2025, and ending March 31, 2025:

<b>California</b>	Aaron Thornton	1990 N. Fowler Ave. Clovis, CA 93619	559- 205-7311	2/8/2024
	Aurora and Edmundo Torres	712 W. Cienega Ave San Dimas, CA 91773	909- 351-8558	8/30/2024
	Patrick Enman	855 W. Foothill Blvd Claremont, CA 91711	909- 522-2804	7/26/2024
	Chad Gomez	5741 E La Palma Ave, Anaheim CA 92807	714-915-0395	9/16/2024
	James Hazen	31888 Del Obispo Street Suite C-7 San Juan Capistrano, CA 92675	949- 280-9408	9/16/2024
	Lavonne Lopez	90 W. Grand Blvd, #105, Corona CA 92882	714-497-5152	10/29/2024
	Bradly Terra	2485 Notre Dame Boulevard, Suite 210, Chico CA, 95928	530- 285-0640	8/22/2018
	Andria Lopez	22343 La Palma Ave #125 Yorba Linda, CA 92887	714- 398-8518	12/4/2024
	Andrew and Kristine Klein	1441 Monterey St., San Luis Obispo CA 93401	209-831-0888	
	Marcelina Kendall	3100 Contra Loma Blvd #3150 Antioch, CA 94509	925- 204-3603	8/30/2024
	Justin Smith	2892 South Santa Fe Avenue #110 San Marcos, CA 92069	858- 859-0407	
	Ana and Edgar Perez	307 El Camino Real Tustin, CA 92780	714- 403-8747	
	Mario Devers	1332 W 9th St Unit B Upland, CA 91786	909- 569-9544	
	Mario Devers	450 S. Glendora Ave., Suite 109, West Covina, CA 91790	909- 635-8556	
	Maria and Gilbert Ramos	2097 East Washington St. Suite 1F & 1G Colton, CA 92324	909- 572-0040	
	David Sosa	9016 Archibald Ave Rancho Cucamonga CA 91730	909- 636-2239	
	Charles Green Jr. and Derek Wong	13505 Whittier Blvd Whittier CA 90605	843-412-0911	12/13/2024
	Jose Serenil	40125 10th ST West #P Palmdale, CA 93551	818-430-7202	
	Elizabeth Fritzeen	17252 N Village Main Blvd Units 10 and 11, Lewes, DE 19958	302- 500-3589	
<b>Colorado</b>	Jason Hopkins	13079 W Alameda Pkwy, Denver, CO 8022	(269) 568-0493	6/3/2024
<b>Connecticut</b>	Sabrina Santos and Luis Marcelino	391 Broad St, Manchester, CT 06040	860- 783-5880	9/16/2024

<b>Florida</b>	Manuela and Leandro Massaro	1941 34th St. North, St. Petersburg, Florida 33713	727-348-6564	2/16/2024
	Jennifer Carter	9270 Indiantown rd C2 Jupiter, fl 33478	561--771-4FIT	7/24/2024
	Jodi and Thaddeus Rund	6076 Okeechobee Blvd Ste. 32-34 West Palm Beach, FL 33417	561- 247-5073	2/16/2024
	Vanessa Filion	11035 Philips Hwy Jacksonville, FL 32257	904- 232-8700	
	Rickman Taylor and Serene Prinyavivatkul	6250-10 Lantana Road Lake Worth, FL 33463	561- 246-4001	10/28/2024
	Kendall Morris and Hayley Morris	11691 Boyette Road Unit 104 Riverview FL 33569	813-591-0376	
	Chris Policelli	3335 Gulf Breeze Parkway Unit 107-A, Gulf Breeze, Florida, 32563		
	Donna and Sean Varela	555 N. Federal Highway, Unit #1-4 Boca Raton, FL 33432	631-252-8794	
	Michael Sell	124 Weston Rd., Sunrise, FL 33326	954-275-9373	
	Tatiana and Michael Cook	3295 NW Federal Hwy Jensen Beach, FL, 34957	772- 237-5783	
<b>Georgia</b>	Stacy Ward	6199 Hwy. 92 Suite 148 Acworth, Ga 30102	678- 881-9881	5/24/2024
	Mychal and Coi Epps	1820 Ga Hwy 20 SE Ste 204-208 Conyers Georgia 30013	678- 902-5005	7/24/2024
	Justin McAndrew and Meghan Downs	501 Terrapin Ln, Winder, GA 30680	678-642-8210	9/16/2024
	Chloe Jones	166 Belmonte Dr, Atlanta, GA30311		9/16/2024
	Matthew Cremers	4651 Woodstock Rd Suite 205 Roswell, GA 30075	404-358-7230	
	Ananathaiah Tanneeru	1062 Johnson Ferry Rd., Unit 162-D, Marietta, GA 30068	210-260-8758	
<b>Idaho</b>	Danielle and Jon Kendall	560 W Kathleen AVE Suite 2 Coeur d' Alene, ID 83815	(520) 304-7794	07-30-2024
<b>Illinois</b>	Elizabeth Platek	2731 Maple Avenue, Lisle, IL 60532	630-542-3891	
	Angela Shouldice	2644 W Schaumburg Road, Schaumburg, IL 60194	630-742-8556	
	Russell Scalise	8752 W 159th St. Orland Park, IL 60462	773-469-2396	
	Salvatore Cianflone	1043 W. Madison St. Chicago, IL 60607	312-238-9812	
<b>Indiana</b>	Michele Stalion	1703 N Calumet Avenue Units E & F Valparaiso, IN 46383	219- 286-7688	9/16/2024
<b>Kansas</b>	Marcos & Judith Morales	1101 E. Labrador Blvd, Garden City, KS 67846	316-259-2544	10/10/2024

<b>Louisiana</b>	Clay Gardenhire	17532 Airline Hwy Ste G&H, Prairieville, LA 70769	<a href="tel:225-610-5212">225- 610-5212</a>	11/17/2024
<b>Michigan</b>	Brian Johnson and Jeff Younts	4161 Baldwin Rd. Auburn Hills, MI 48326	231- 740-6122	09/16/2024
	Matt Wilber	1971 E Beltline Ave Suite 110 NE Grand Rapids, MI 49525	616- 288-9879	
	Matt Wilber	2111 W Main St Lowell Michigan 49331	616- 232-6138	
	Jason Mathias	910 Spring St #3, Petoskey, MI 49770	989- 758-1080	
<b>Missouri</b>				
	Eric Hurley	4032 W Lark Street, Suites J, K and L, Battlefield, Missouri 65619	(352) 345-2303	
<b>New Jersey</b>	Mike Gattuso	1086 Mantua Pike Wenonah NJ 809	(856) 430-0312	07/09/2024
	William Kemmerer and Natalia Mifsud	426 Case Blvd. Flemington, NJ 08822	908- 468-2609	
	Daughn Nelson	516 Livingston St., Norwood, NJ 07648		
	Bradley Aikins	130 S Plainfield Ave South Plainfield, NJ 07080	732- 713-6903	
<b>New Mexico</b>	Javier Rodriguez	1515 Golf Course Rd., Ste. 106, Rio Rancho, NM 87124	505- 933-9503	07/09/2024
	Leo Tafoya	8110 Louisiana NE Suite D-1 Albuquerque, NM 87113	505- 415-8000	
<b>New York</b>	Timothy and Alicia Skjellerup	1790 Black River Blvd #8, Rome, NY 13440	315-272-6890	08-29-2024
	John Sullivan	900 Route 376, Suites M, N, & O, Wappingers Falls, NY 12590		
	Craig Axelrod	6 Salem Court Plainview, New York 11803	516-314-1699	
<b>North Carolina</b>	Mitchell Wells	7400 Six Forks Rd Suite 24/25 Raleigh, NC 27615	919- 977-8822	09/16/2024
	Timothy Herman	1217 16th Street NE Hickory, NC 28601	828-328-2501	
	Charles Tolles	2115 S Main St Suite D, Wake Forest, NC 27587	984- 235-7166	
<b>Oklahoma</b>	Tyson & Brooke Hallman	16501 Network Ave Edmond, Oklahoma 73012	918- 568-7284	9/16/2024
<b>Pennsylvania</b>	Afshan Ranjha & Nabeel Rahman	700 Nutt Road Store 740, Phoenixville, PA 19460		
<b>Tennessee</b>	Rapheal Sprouse	1890 Berryhill Road Suite 101 Cordova, TN 38016	901-283-1570	

<b>Texas</b>	Swane Strickland	7900 Woodbridge Suite 140 Sachse TX 75048	863-608-1318	1/31/2024
	Kuy Houser	4099 Hwy 6 College Station, TX 77845	8334FITBOD	10/02/2024
	Taber Black	5207 98th St #400 Lubbock, TX 79424	806- 412-4624	10/20/2024
	Toni Lacey	108 Nu Energy Rd. Aledo, TX 76008	817- 504-4408	
	Kelly Puckett	613 Uptown Blvd, Suite 101 Cedar Hill TX 75104	817-657-5915	
	Ricardo Maldonado	2030 Glade Rd, Grapevine, TX 76051	817- 554-2012	
<b>South Carolina</b>	Heather and Randy Swingle	7320 broad river rd sp E & F irmo, SC	(570) 617-5562	10/31/2024
	Derek Brown	2801 Wade Hampton Blvd Unit 23, Taylors, South Carolina 29687	864-324-4739	
	Robert Kometscher	414-A Drive Inn Lane Monks Corner, SC 29461	8432003703	11/28/2018
<b>Utah</b>	Christopher & Heather Mertz	158 W Parrish Ln. Centerville, UT 84014	801- 683-0126	2/29/2024
	David Smith	1728 W 12600 S Riverton, UT 84065	385- 351-5171	
<b>Virginia</b>	Erin Klein, Chris Klein, Jim Rogers	3636 Virginia Beach Boulevard Suite 109, Virginia Beach, Virginia, 23452	757-917-4658	1/25/2024
	Erin Klein, Chris Klein, Jim Rogers	2029 S. Lynnhaven Parkway, Suite G3 Virginia Beach, VA 23456	757- 663-2959	1/25/2024
	Erin Klein, Chris Klein, Jim Rogers	480 Kempsville Rd, Chesapeake, VA 23320		1/25/2024
<b>Washington</b>	Christopher & Abigail Weichman	230 West Boone Ave Spokane, WA 99201	509- 991-6648	09-16-2024
	Jody Myers	8030 Railroad Ave SE Snoqualmie, WA 98065	425-633-4617	8/23/2018
<b>Wisconsin</b>	Kevin & Megan Fitzsimmons	3505 Commerce Court Suite B Appleton, WI 54911	920- 515-0035	07/12/2024

2024 Terminations
2024 Non-Renewal
2024 Ceased Operations

**EXHIBIT F TO THE FIT BODY BOOT CAMP, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FIT BODY BOOT CAMP**

**OPTIONAL PROGRAM ADDENDA**

**EXHIBIT F**

**FIT BODY FOREVER® ADDENDUM TO THE FIT BODY BOOT CAMP, INC.  
FRANCHISE AGREEMENT**

This Fit Body Forever® Addendum (the “Addendum”) to the Fit Body Boot Camp, Inc. Franchise Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the “Addendum Effective Date”), by and between Fit Body Boot Camp, Inc., a California corporation (“Franchisor,” “we,” “us” or “our”), and \_\_\_\_\_, a[n] \_\_\_\_\_ with an address at \_\_\_\_\_ (“Franchisee”); and (iii) \_\_\_\_\_, [each] an individual with an address at \_\_\_\_\_ (“Guarantor”).

**BACKGROUND**

- A. Franchisee and Franchisor are parties to the Fit Body Boot Camp, Inc. franchise agreement (the “Franchise Agreement”) governing Franchisee’s operation of the Fit Body Boot Camp franchised business located at \_\_\_\_\_ (the “Franchised Business”);
- B. Franchisee has expressed a desire to provide the Fit Body Forever® programs and services in connection with the operation of the Franchised Business, and, at Franchisee’s request, Franchisor has agreed to permit Franchisee to offer the Fit Body Forever® services in accordance with the terms of this Addendum.
- C. The parties wish to amend the Franchise Agreement to authorize Franchisee to offer and provide the Fit Body Forever® programs and services pursuant to the terms and conditions set forth in this Addendum.

NOW THEREFORE, in consideration of the mutual agreements, covenants and promises contained in this Addendum and for mutual consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**AGREEMENT**

**1. Background; Definitions.**

- a. The parties agree and acknowledge that the Background portion of this Addendum, including all definitions and provisions set forth therein, is hereby incorporated by reference as if fully set forth in this Section.
- b. The definition of the term “Confidential Information” in the Franchise Agreement is amended to include any and all information relating to the Fit Body Forever® program and services.
- c. The definition of the term “Marks” in the Franchise Agreement is amended to include “Fit Body Forever®” and the logos for the Fit Body Forever® program and services, as designated by Franchisor; provided, however, the license granted to Franchisee to use the Fit Body Forever® marks is limited to the term of this Addendum.
- d. The definition of the term “Competing Business” in the Franchise Agreement is hereby amended to include services similar to those provided under the Fit Body Forever® program.
- e. For purposes of this Addendum, if a capitalized term in this Addendum is not specifically defined herein, that term will be given the same definition that the term is afforded in the Franchise Agreement. The modified definitions set forth in this Addendum shall survive the termination or expiration of this Addendum.

**2. FBF Services; Term of FBF Services.**

- a. Subject to the terms and conditions of this Addendum, Franchisor hereby agrees that Franchisee may provide certain services in addition to those described in the Franchise Agreement, namely, those

Fit Body Forever® programs and services in accordance with Franchisor's standards and specifications, as they may be set forth in the Manual or other written specifications issued by Franchisor, and in accordance with the terms and conditions of the Franchise Agreement (the "FBF Services") in connection with Franchisee's operation of the Franchised Business during the period commencing on the Addendum Effective Date and ending on the earlier to occur of (i) the three year anniversary of the Addendum Effective Date, or (ii) the date on which the Franchise Agreement is terminated, whichever is first to occur (the "FBF Term"). Upon the expiration of the initial three-year FBF Term, this Addendum shall automatically renew for an additional three-year term unless either party provides written notice of termination at least sixty (60) days prior to the expiration of the then-current term. Following the initial term and any subsequent renewal terms, this Addendum shall continue on a month-to-month basis, subject to termination as provided herein or in the Franchise Agreement.

b. As described in more detail in Franchisor's Manual and elsewhere, Franchisee shall offer, sell and provide the FBF Services, as designated by Franchisor, at and from the Franchised Business location only, during the FBF Term, and in strict accordance with Franchisor's designated standards and specifications. Without limiting the foregoing, Franchisee acknowledges and agrees that it shall offer and provide the FBF Services in a manner compliant with its obligations under the Franchise Agreement, Manual, Franchisor's specifications, and applicable law.

c. Franchisee shall (i) complete all of the training academy courses (which are outlined in the brand standards manual) Franchisor designates, (ii) use the FBF Workout of the Day programming (as designated by Franchisor), and (iii) attend at least one of the 2 FBF hands on workshop days that Franchisor offers each year. Franchisee will not be required to pay a fee to attend the workshops, but will be responsible for all costs and expenses of attending, including travel, lodging and meal expenses incurred in connection with attending.

d. Franchisee must operate the FBF program for at least twelve (12) months (the "Minimum Operating Period"). After the expiration of the Minimum Operating Period, Franchisee shall have the right to terminate this Agreement by satisfying the following conditions: (i) Franchisee must send written notification of termination to Franchisor of its election to terminate; (ii) Franchisee must be in compliance with Franchisee's obligations under this Addendum and the Franchise Agreement; (iii) Franchisee must sign Franchisor's designated form of mutual termination of the FBF Addendum and release agreement; and (iv) Franchisee must pay to Franchisor a "Buy-Out Fee" of \$2,499 simultaneously with the issuance of the written notification of termination.

e. Franchisee shall use any and all programs and software designated by Franchisor in connection with the offer, sale and provision of the FBF Services.

f. Franchisee shall comply with Franchisor's standards and specifications, as they may be updated and modified, from time to time.

3. **Premises.** Notwithstanding anything contrary set forth in the Franchise Agreement, Franchisee hereby agrees to the following:

Unless Franchisor approves otherwise in writing, Franchisee will be required to provide the FBF Services from the Franchised Business location only (the "Approved Location" or the "Premises").

4. **Licenses and Permits.** Prior to offering the FBF Services, Franchisee must obtain and maintain (throughout the term of the Franchise Agreement) all required licenses, permits and approvals to offer and provide the FBF Services at the Approved Location, including, without limitation, all required licenses and permits related to the FBF Services, and landlord consents and approvals.

5. **FBF License Fee (only applicable for Franchisees paying a flat monthly Royalty Fee).** If Franchisee is an existing Franchisee of the Fit Body Boot Camp® franchise system and the Franchise Agreement governing the Approved Location requires Franchisee to pay a flat royalty fee (as opposed to a percentage fee), then the following provision regarding the payment of a FBF License Fee shall apply: Franchisee must pay to Franchisor an additional monthly FBF License Fee equal to \$397 per month, payable on the 24th day of each month in the same manner that Franchisee is required to pay Royalty Fees due and payable under the Franchise Agreement. Franchisor reserves the right to require Franchisee to pay the FBF



License Fee to Franchisor's designee, and/or in a different manner and on different dates, in its sole discretion, effective on notice to Franchisee. The monthly FBF License Fees will start 100 days after the effective date of this agreement, unless otherwise stated in writing. If Franchisee is required to pay a percentage-based royalty pursuant to the Franchise Agreement for the Approved Location, Franchisee shall not be required to pay the above-referenced FBF License Fee. All revenues generated in connection with the offer, sale and/or provision of the FBF Services (the "FBF Gross Revenues") shall be included and reported in the Gross Revenues Franchisee reports to Franchisor under the Franchise Agreement and the royalty fees and all other percentage fees and payments due under the Franchise Agreement shall be calculated based on the collective Gross Revenues, inclusive of the FBF Gross Revenues.

6. **Reporting.** Franchisee shall provide Franchisor with all reports and information in connection with the provision of the FBF Services that Franchisee is otherwise required to provide in connection with the operation of the Franchised Business under the terms and conditions of the Franchise Agreement. Franchisee shall also provide to Franchisor any and all other reports and information, including federal and state income tax returns, required by Franchisor immediately upon Franchisee's receipt of any such request from Franchisor.

7. **Services Generally.** In addition and subject to the amendments set forth herein, during the Term of this Addendum, all references to "Fit Body Boot Camp Services and Products" in the Franchise Agreement shall include the FBF Services. Franchisee acknowledges that the addition of the FBF Services pursuant to this Addendum does not in any way limit, alter or restrict Franchisor's right to add, remove or change the Fit Body Boot Camp Services and Products designated as part of Franchisor's System via changes to the Manual or as otherwise permitted pursuant to the terms of the Franchise Agreement. Franchisee acknowledges and agrees that Franchisor may designate third party suppliers to provide support and other services in connection with Franchisee's offer, sale and/or provision of the FBF Services. Franchisee shall comply with all training and other requirements designated by Franchisor in connection with the FBF Services, which may include online training programs and in-person workshops, which Franchisee must participate in and attend at Franchisee's sole cost and expense.

8. **Fit Body Forever® Marks.** Franchisee is hereby granted a limited, non-exclusive license to use the Fit Body Forever® mark in connection with offering, selling and providing the FBF Services in accordance with the terms and conditions of this Addendum. Franchisee shall not use the Fit Body Forever® marks except in the manner expressly authorized by Franchisor in writing and for no other purpose during the term of this Addendum. Upon the termination or expiration of this Addendum, Franchisee shall : (i) immediately and permanently cease any and all use of the Fit Body Forever® marks, logos, trade dress and any and all materials used in connection with the offer, sale and/or provision of the FBF Services; (ii) immediately return to Franchisor any and all Confidential Information relating to the FBF Services; (iii) cease and desist from offering, selling or providing the FBF Services.

9. **Release by Franchisee.** Franchisee, for themselves and all persons and entities claiming by, through, or under them, hereby release, acquit and forever discharge Franchisor and its present and former officers, employees, shareholders, directors, agents, servants, representatives, parents, affiliates, subsidiaries, franchisees, successors, and assigns (the "Franchisor Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorneys' fees, actions or causes of action whatsoever, whether known or unknown, which they, by themselves, on behalf of, or in conjunction with any other person, persons, partnership or corporation, has, had or claims to have against the Franchisor Releasees as of the date of this Agreement, including those arising out of or related to the offer or sale of the Franchised Business or Franchise Agreement or the operation of the Franchised Business, as well as the parties' rights or obligations under the Franchise Agreement and any other agreement with the Franchisor Releasees. Franchisee represents and warrants that it has not assigned any of the claims released by this Agreement. Franchisee further represents and warrants that it will not initiate, or assist or cooperate with any third party in connection with, an action or other proceeding against any Franchisor Releasee in connection with the claims released in this Section.

10. **Construction of Language.** The language of this Addendum will be construed according to its fair meaning, and not strictly for or against either party. The parties have had a reasonable opportunity to review this Addendum. In the event of an ambiguity or if a question of intent or interpretation arises, this Addendum shall be construed as if drafted jointly by all of the parties, and no presumptions or burdens of proof shall arise in favor of any party by virtue of the authorship of any of the provisions of this Addendum. Headings are for reference purposes and do not control interpretation.

11. **Multiple Copies or Counterparts of Agreement.** The original and one or more copies of this Addendum may be executed by one or more of the parties hereto. In such event, all of such executed copies shall have the same force and effect as the executed original and all of such counterparts taken together shall have the effect of a fully executed original.

12. **Entire Agreement.** The Franchise Agreement and this Addendum constitute the entire, full, and complete agreement between the parties with respect to the subject matter contained herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Franchise Agreement and this Addendum, the terms of this Addendum shall control. Except as amended by this Addendum, all the other terms and conditions of the Franchise Agreement are hereby ratified and confirmed, including the provisions related to governing law, attorneys' fees and costs, venue and dispute resolution, all of which will also apply to any claims, causes of action or disputes arising out of or related to this Addendum.

13. **Renewal.** Upon written notice delivered to Franchisor not less than 120 days before the end of the existing term hereof, you may renew your Fit Body Forever® Program for an additional three-year term commencing on the expiration date of the previous term. At the time of renewal you must be solvent (which means that you are able to pay your debts as and when promised by you and you have assets that are greater than your debts).

As a condition of renewing your Fit Body Forever® Program rights, you must sign our then-current form of Fit Body Forever® Program addendum (which may contain materially different terms). In addition to not granting any additional rights beyond those granted in this addendum, the then-current renewal Fit Body Forever® addendum may contain other terms that are substantially different from those in this agreement, including different or higher licensing fees.

***This page is intentionally left blank***

**PAYMENT OPTION: ACH**

**CREDIT CARD**

**RECURRING ACH PAYMENT INFORMATION**

The payment information that you provide below will be used to charge your FBF Buy-in Fee and your monthly FBF Licensing Fee.

**BILLING INFORMATION**

**Billing Address:** \_\_\_\_\_ **Phone #:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**Bank Details**

Checking

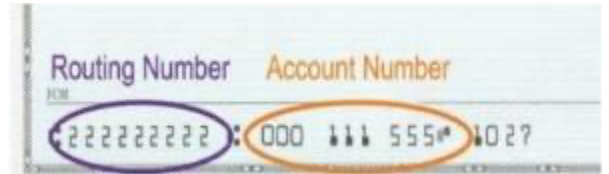
Savings

**Account Name:** \_\_\_\_\_

**Bank Name:** \_\_\_\_\_

**Account Number:** \_\_\_\_\_

**Routing Number:** \_\_\_\_\_



**RECURRING CREDIT CARD INFORMATION:**

If you choose to have your fees charged to a card, you are subject to an additional 3% charge to cover the processing fees.

CREDIT CARD INFORMATION		
<input type="checkbox"/> MASTERCARD <input type="checkbox"/> VISA <input type="checkbox"/> DISCOVER <input type="checkbox"/> AMERICAN EXPRESS <input type="checkbox"/> OTHER		
CARDHOLDER NAME		
CARD NUMBER		
EXPIRATION DATE (MM/YYYY)	SECURITY CODE	BILLING ZIP

**IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have duly executed and delivered this Addendum on the date first written above.**

**FRANCHISOR**  
**Fit Body Boot Camp, Inc.**

**FRANC**  
**HISEE**  
**[NAME]**

By: \_\_\_\_\_ Name:  
\_\_\_\_\_ Title:  
\_\_\_\_\_

By: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**GUARANTORS**  
**[NAME]**

[NAME], Individually

**GUARANTORS**  
**[NAME]**

[NAME], Individually

**FIT BODY BOOT CAMP ELITE MASTERMIND COACHING ADDENDUM  
TO THE FIT BODY BOOT CAMP, INC. FRANCHISE AGREEMENT**

This Fit Body Boot Camp Elite Mastermind Coaching Services Addendum (the “Addendum”) to the Fit Body Boot Camp, Inc. Franchise Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the “Addendum Effective Date”), by and between Fit Body Boot Camp, Inc., a California corporation (“Franchisor,” “we,” “us” or “our”), and \_\_\_\_\_, a[n] [individual/[STATE] corporation/[STATE] limited liability company] with an address at \_\_\_\_\_ (“Franchisee”); and \_\_\_\_\_, [each] an individual with an address at \_\_\_\_\_ (“Guarantor”).

**BACKGROUND**

- A. Franchisee and Franchisor are parties to the Fit Body Boot Camp, Inc. franchise agreement (the “Franchise Agreement”) governing Franchisee’s operation of the Fit Body Boot Camp franchised business located at \_\_\_\_\_ (the “Franchised Business”);
- B. Franchisee has expressed a desire to participate in the Fit Body Boot Camp® Mastermind coaching program offered by Franchisor or its designee (the “Elite MM Program”);
- C. The parties wish to amend the Franchise Agreement to authorize Franchisee to participate in the Elite MM Program pursuant to the terms and conditions set forth in this Addendum.

NOW THEREFORE, in consideration of the mutual agreements, covenants and promises contained in this Addendum and for mutual consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**AGREEMENT**

**1. Background; Definitions.**

- a. The parties agree and acknowledge that the Background portion of this Addendum, including all definitions and provisions set forth therein, is hereby incorporated by reference as if fully set forth in this Section.
- b. The definition of the term “Confidential Information” in the Franchise Agreement is amended to include any and all information disclosed to Franchisee relating to the Elite MM Program.
- c. The definition of the term “Competing Business” in the Franchise Agreement is hereby amended to include any business engaged in offering, selling or providing business coaching services.
- d. For purposes of this Addendum, if a capitalized term in this Addendum is not specifically defined herein, that term will be given the same definition that the term is afforded in the Franchise Agreement. The modified definitions set forth in this Addendum shall survive the termination or expiration of this Addendum.

**2. Elite MM Program; Term.**

- a. Franchisee is hereby granted the right to participate in the Elite MM Program during the period commencing on the Addendum Effective Date and ending on the date that is the earlier to occur of: (a) the date the Franchise Agreement expires or is terminated (whichever occurs first); (b) thirty days following the date on which Franchisee provides written notice to Franchisor of Franchisee’s election to terminate its participation in the Elite

MM Program; or (c) thirty days following the date on which Franchisor provides written notice to Franchisee of Franchisor's election to terminate the Elite MM Program (the "Elite MM Term").

b. Franchisor or its designee shall provide Fit Body Boot Camp® Mastermind coaching services to Franchisee during the Elite MM Term, which program may include Franchisee's right to participate in a minimum of three in-person meetings each year and weekly or bi-weekly online or telephone sessions (as designated by Franchisor) and the services set forth on Attachment 1 to this Addendum.

3. **Fit Body Boot Camp Mastermind Coaching Fee.** Franchisee shall pay to Franchisor or its designee a monthly Fit Body Boot Camp Mastermind Coaching fee of \$1,297 USD (the "Elite MM Fee") due and payable to Franchisor on or before the 21<sup>st</sup> day of each month in the same manner that Franchisee is required to pay Royalty Fees due and payable under the Franchise Agreement. Franchisor reserves the right to require Franchisee to pay the Elite MM Fee to Franchisor's designee, and/or in a different manner and on different dates, in its sole discretion, effective on notice to Franchisee.

4. **Third Party Suppliers.** Franchisee acknowledges and agrees that Franchisor may designate third party suppliers to provide services in connection with Franchisee's participation in the Elite MM Program and that Franchisor may pay referral fees and other consideration to persons and/or entities who refer candidates, including Franchisee to participate in the Elite MM Program.

5. **Release by Franchisee.** Franchisee, for themselves and all persons and entities claiming by, through, or under them, hereby release, acquit and forever discharge Franchisor and its present and former officers, employees, shareholders, directors, agents, servants, representatives, parents, affiliates, subsidiaries, franchisees, successors, and assigns (the "Franchisor Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorneys' fees, actions or causes of action whatsoever, whether known or unknown, which they, by themselves, on behalf of, or in conjunction with any other person, persons, partnership or corporation, has, had or claims to have against the Franchisor Releasees as of the date of this Agreement, including those arising out of or related to the offer or sale of the Franchised Business or Franchise Agreement or the operation of the Franchised Business, as well as the parties' rights or obligations under the Franchise Agreement and any other agreement with the Franchisor Releasees. Franchisee represents and warrants that it has not assigned any of the claims released by this Agreement. Franchisee further represents and warrants that it will not initiate or assist or cooperate with any third party in connection with, an action or other proceeding against any Franchisor Releasee in connection with the claims released in this Section.

6. **Construction of Language.** The language of this Addendum will be construed according to its fair meaning, and not strictly for or against either party. The parties have had a reasonable opportunity to review this Addendum. In the event of an ambiguity or if a question of intent or interpretation arises, this Addendum shall be construed as if drafted jointly by all of the parties, and no presumptions or burdens of proof shall arise in favor of any party by virtue of the authorship of any of the provisions of this Addendum. Headings are for reference purposes and do not control interpretation.

7. **Multiple Copies or Counterparts of Agreement.** The original and one or more copies of this Addendum may be executed by one or more of the parties hereto. In such event, all of such executed copies shall have the same force and effect as the executed original and all of such counterparts taken together shall have the effect of a fully executed original.

8. **Entire Agreement.** The Franchise Agreement and this Addendum constitute the entire, full, and complete agreement between the parties with respect to the subject matter contained herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Franchise Agreement and this Addendum, the terms of this Addendum shall control. Except as amended by this Addendum, all the other terms and conditions of the Franchise Agreement are hereby ratified and confirmed, including the provisions related to governing law,

attorneys' fees and costs, venue and dispute resolution, all of which will also apply to any claims, causes of action or disputes arising out of or related to this Addendum.

**IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have duly executed and delivered this Addendum on the date first written above.**

<p><b>FRANCHISOR</b> <b>Fit Body Boot Camp, Inc.</b></p> <p>By: _____ Name: _____ Title: _____</p>	<p><b>FRANCHISEE</b> <b>[NAME]</b></p> <p>By: _____ Name: _____ Title: _____</p> <p><b>GUARANTORS</b> <b>[NAME]</b></p> <p>_____ [NAME], Individually</p> <p><b>GUARANTORS</b> <b>[NAME]</b></p> <p>_____ [NAME], Individually</p>
--	--

**EXHIBIT G TO THE FIT BODY BOOT CAMP, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FIT BODY BOOT CAMP**

**STATE FRANCHISE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**

**EXHIBIT G**



## STATE FRANCHISE ADMINISTRATORS

We intend to register this disclosure document as a franchise in some of or all the following states, in accordance with applicable state law. The following are the state administrators responsible for the review, registration and oversight of franchises in these states:

### California:

Commissioner of the Department of  
Financial Protection and Innovation  
2101 Arena Blvd.  
Sacramento, CA 95834  
(916) 445-7206

### New York:

NYS Department of  
Law  
Investor Protection  
Bureau  
28 Liberty Street, 21<sup>st</sup>  
Floor  
New York, NY 10005  
(212) 416-8285

### Hawaii:

Commissioner of Securities,  
Dept. of Commerce and Consumer  
Affairs, Business  
Registration Div., Securities Compliance  
Branch  
335 Merchant St., Rm. 203  
Honolulu, HI 96813-2921  
(808) 586-2722

### North Dakota:

Securities Department  
600 E.  
Boulevard  
Ave., 5th.  
Flr.  
Bismarck,  
ND 58505-  
0510  
(701) 328-4712

### Illinois:

Office of the Attorney General  
Franchise Division  
500 S. 2nd St.  
Springfield, IL 62701-1771  
(217) 782-4465

### Rhode Island:

Dept. of  
Business  
Regulation  
Division  
of  
Securities  
1511 Pontiac Ave., Bldg. 69-  
1  
Cranston, RI 02920-4407  
(401) 462-9527

### Indiana:

Indiana Securities Division  
Franchise Section  
302 W. Washington St., Rm. E111  
Indianapolis, IN 46204-2738  
(317) 232-6681

### South Dakota:

Division  
of  
Securities  
Securities  
Regulation  
Lansing, MI 48909-7713  
(517) 373-7117

### Maryland:

Office of the Attorney General  
Division of Securities  
200 Saint Paul Pl. Baltimore, MD  
21202-2020  
(410) 576-6360

### Minnesota:

Commissioner of Commerce 85 7th  
Pl. E., Ste. 280  
Saint Paul, MN 55101-3165 (651)  
539-1600

### Michigan:

Michigan Attorney General  
Consumer Protection Division PO  
Box 30213

124. S. Euclid Ave.,  
Ste. 104 Pierre, SD  
57501-3168 (605)  
773-3563

**Virginia:**

State Corporation Commission  
Div. of Securities & Retail  
Franchising 1300 E. Main St.,  
9th Flr.  
Richmond, VA 23219-3630  
(804) 371-9051

**Washington:**

Dept. of Financial  
Institutions Securities  
Division  
150 Israel Rd. SW  
Tumwater, WA  
98501-6456  
(360) 902-8760

**Wisconsin:**

Securities Division  
201 W. Washington Ave., Ste. 300  
Madison, WI 53703-2640  
(608) 266-8557

## AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a franchise in some of or all the following states, in accordance with applicable state law. If we register the franchise (or otherwise comply with the franchise investment laws) in any of these states, we will designate the following state offices or officials as our agents for service of process in those states:

### California:

California Commissioner of the  
Department of  
Financial Protection and Innovation  
2101 Arena Blvd.  
Sacramento, CA 95834  
(916) 445-7206

### New York:

New York Secretary  
of State  
99 Washington Ave.  
Albany, NY 12231  
(518) 473-2492

### Hawaii:

Hawaii Commissioner of Securities, Dept.  
of Commerce and Consumer Affairs,  
Business Registration Div. 335 Merchant  
St., Rm. 205  
Honolulu, HI 96813  
(808) 586-2744

### North Dakota:

North Dakota  
Securities  
Commissioner  
600 E. Boulevard  
Ave., 5th. Flr.  
Bismarck, ND 58505  
(701) 328-4712

### Illinois:

Illinois Attorney General 500  
S. 2nd St.  
Springfield, IL 62701  
(217) 782-4465

### Rhode Island:

Director, Rhode  
Island  
Department of  
Business  
Regulations  
1511 Pontiac Ave., Bldg. 69-  
1  
Cranston, RI 02920  
(401) 462-9527

### Indiana:

Indiana Secretary of State  
200 W. Washington St., Rm. 201  
Indianapolis, IN 46204  
(317) 232-6681

### South Dakota:

Division of Insurance  
Securities Regulation  
124. S. Euclid Ave.,  
Ste. 104 Pierre, SD  
57501-3168 (605) 773-  
3563

### Maryland:

Maryland Securities Commissioner  
200 Saint Paul Pl.  
Baltimore, MD 21202  
(410) 576-6360

### Virginia:

Clerk, Virginia State Corporation Commission  
1300 E. Main St., 1st Flr.  
Richmond, VA 23219  
(804) 371-9733

### Michigan:

Michigan Corporation & Securities Bureau  
Department of Commerce  
6546 Mercantile Way  
Lansing, MI 48911  
(517) 373-7117

### Washington:

Dept. of Financial  
Institutions Securities  
Division – 3rd Flr. 150  
Israel Rd. SW  
Tumwater, WA 98501  
(360) 902-8760

### Minnesota:

Minnesota Commissioner of Commerce 85  
7th Pl. E., Ste. 280  
Saint Paul, MN 55101 (651)  
539-1600

### Wisconsin:

Administrator,  
Wisconsin Division  
of Securities 201 W.  
Washington Ave.  
Madison, WI 53703  
(608) 261-9555

**EXHIBIT H TO THE FIT BODY BOOT CAMP, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FIT BODY BOOT CAMP**

**PRE-CLOSING QUESTIONNAIRE**

**EXHIBIT H**

## PRE-CLOSING QUESTIONNAIRE

**NOTICE FOR PROSPECTIVE FRANCHISEES WHO RESIDE IN, OR WHO INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES : CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A REGULATED STATE):** FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, DO NOT COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

Fit Body Boot Camp, Inc. and you are signing a Franchise Agreement under the terms of which you will operate a Fit Body Boot Camp franchise outlet. The purposes of this Pre-Closing Questionnaire are (i) to verify compliance with franchise disclosure legal requirements and (ii) to determine whether any statements or promises were made to you that we did not authorize or that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question. The answers you provide in this Questionnaire are material to Franchisor and Franchisor is relying on all such answers in agreeing to enter into a franchise relationship with you. *This Pre-Closing Questionnaire must be completed, signed and dated on the same day you sign your initial Fit Body Boot Camp Franchise Agreement.*

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

1. Have you received and personally reviewed the entire Fit Body Boot Camp® Franchise Disclosure Document, including all exhibits?

Yes\_\_\_ No\_\_\_

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

Yes\_\_\_ No\_\_\_

3. Have you received and personally reviewed the Fit Body Boot Camp Franchise Agreement and all accompanying Exhibits?

Yes\_\_\_ No\_\_\_

4. Has any employee or other person speaking on behalf of Franchisor made any statement, representation or promise concerning the revenue, profits or operating costs of a Fit Body Boot Camp business operated by Franchisor or any of its affiliates, other than the financial performance information expressly disclosed in Item 19 of the FDD?

Yes\_\_\_ No\_\_\_

5. Has any employee or other person speaking on behalf of Franchisor made any statement, representation or promise concerning the revenue, profits or operating costs of a Fit Body Boot Camp business operated by a franchisee, other than the financial performance information expressly disclosed in Item 19 of the FDD?

Yes\_\_\_ No\_\_\_

6. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning a Fit Body Boot Camp business that is contrary to, different from, or in addition to, the information contained in the Disclosure Document?

Yes\_\_\_ No\_\_\_

7. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the amount of money you may earn or revenue you may derive in operating a Fit Body Boot Camp business?

Yes\_\_\_ No\_\_\_\_\_

8. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning that amount of revenue a Fit Body Boot Camp business will generate?

Yes\_\_\_ No\_\_\_\_\_

9. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the costs you may incur in operating a Fit Body Boot Camp business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes\_\_\_ No\_\_\_\_\_

10. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Fit Body Boot Camp franchised business?

Yes\_\_\_ No\_\_\_\_\_

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

Yes\_\_\_ No\_\_\_\_\_

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

Yes\_\_\_ No\_\_\_\_\_

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

Yes\_\_\_ No\_\_\_\_\_

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

Yes\_\_\_\_\_ No\_\_\_\_\_

15. Do you understand that you must read the entire Franchise Agreement before signing, and that reading through the entire contract and understanding your obligations under the contract are of utmost importance to Franchisor and an important foundation of the Franchisor / Franchisee relationship?

Yes\_\_\_ No\_\_\_\_\_

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

For Washington Prospects: This Questionnaire does not waive any liability that the Franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. However, the representations contained herein are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

PROSPECTIVE FRANCHISEE/APPLICANT:

By: _____	By: _____
Print Name: _____	Print Name: _____
Date: _____	Date: _____

**EXHIBIT I TO THE FIT BODY BOOT CAMP, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FIT BODY BOOT CAMP**

**STATE SPECIFIC ADDENDA**

**EXHIBIT I**



## APPENDIX FOR CALIFORNIA FRANCHISEES

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. OUR WEBSITE, [www.fitbodybootcamp.com](http://www.fitbodybootcamp.com), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dbo.ca.gov](http://www.dbo.ca.gov)

3. California Business and Professions Code sections 20000 through 20043 (the "Act") provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.

4. Section 31125 of the California Corporations Code requires the franchisor to give you a disclosure document, in a form and containing information that the Commissioner of the Department of Financial Protection and Innovation may by rule or order require, before solicitation of a proposed material modification of an existing franchise.

5. The Franchise Agreement requires binding arbitration. The arbitration will occur in Orange County, California with the costs being borne equally by both parties but reimbursable to the prevailing party. Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281 and the Federal Arbitration Act) to any provision of a franchise agreement that restricts venue to a forum outside of California.

6. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 *et seq.*)

7. The highest applicable interest rate in the State of California is 10%.

8. The Franchise Agreement contains a covenant not to compete that extends beyond the termination or transfer of the franchise. This provision may not be enforceable under California Law.

9. The Franchise Agreement requires you to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (Corporations Code §§31000-31516). Business and Professions Code section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000-20043).

10. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

11. The agreements contain a liquidated damage clause, under Civil Code, Section 1671, certain liquidated damage clauses are enforceable.

12. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION . ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT [www.dbo.ca.gov](http://www.dbo.ca.gov).

13. Neither the franchisor, nor any person or franchise broker listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934 (15 U.S.C.A. §78A *et seq.*), suspending or expelling these persons from membership in such association or exchange.

Notwithstanding anything contained in the Franchise Agreement or Development Agreement to the contrary, you do not have to pay us the Initial Franchise Fee until we perform our pre-opening obligations under the Franchise Agreement and you commence operations. Once we complete our pre-opening obligations and you commence operation, you must immediately pay us all initial fees we deferred.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory,

or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effective shall be deemed made only upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

**CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT**

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

DATED: \_\_\_\_\_

FRANCHISOR: \_\_\_\_\_  
(Signature)

DATED: \_\_\_\_\_

FRANCHISEE: \_\_\_\_\_  
(Signature)

## **HAWAII ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

To the extent the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E-1 – 482E-12 applies, the terms of this Addendum apply.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

Notwithstanding anything contained in the Franchise Agreement or Development Agreement to the contrary, you do not have to pay us the Initial Franchise Fee until we perform our pre-opening obligations under the Franchise Agreement and your first Franchised Business is open. Once we complete this obligation and you are open, you must immediately pay us all initial fees we deferred.

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

**ADDENDUM TO  
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT  
FOR ILLINOIS FRANCHISEES**

This addendum makes the following specific disclosures and amendments to the Franchise Disclosure Document, and Franchise Agreement:

1. Notwithstanding anything contained in the Franchise Agreement or Development Agreement to the contrary, you do not have to pay us the Initial Franchise Fee until we perform our pre-opening obligations under the Franchise Agreement and your first Franchised Business is open. Once we complete this obligation and you are open, you must immediately pay us all initial fees we deferred.
2. Your rights upon termination and non-renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
3. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
4. Except for the Federal Arbitration Act that applies to arbitration, Illinois Law governs the agreements between the parties to this franchise.
5. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.
6. The Franchise Agreement is amended to state the following: “No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

DATED: \_\_\_\_\_

FRANCHISOR: \_\_\_\_\_  
(Signature)

DATED: \_\_\_\_\_

FRANCHISEE: \_\_\_\_\_  
(Signature)

**FIT BODY BOOT CAMP  
APPENDIX FOR INDIANA FRANCHISES**

The Indiana Securities Division requires the following specific disclosures to be made to prospective Indiana franchisees:

1. Notwithstanding anything different in the Disclosure Document or Franchise Agreement, please note that you do not have to sign any general release to renew or assign your franchise.
2. Notwithstanding anything different in the Disclosure Document or Franchise Agreement, any arbitration or litigation arising under the Franchise Agreement shall take place in Indiana or other place mutually agreed by you and FBBC. Under Indiana law, no litigation brought for breach of the Franchise Agreement may be limited in any manner whatsoever.
3. If there are any differences between California law and Indiana law regarding the franchise relationship, termination or renewal, franchise registration or franchise disclosure, the law of Indiana shall apply.
4. The rights of parties to punitive or exemplary damages in court proceedings in Indiana are not waived.
5. Notwithstanding anything different in the Disclosure Document or Franchise Agreement, no action may be brought for a violation of the Indiana Deceptive Franchise Practices Act (Indiana Code 23-2-2.7) more than 2 years after the violation and no action may be brought to enforce any liability created under the Indiana Franchise Law (Indiana Code 23-2-2.5) more than 3 years after discovery by the plaintiff of the facts constituting the violation.
6. Notwithstanding anything different in the Disclosure Document or Franchise Agreement, Franchisor may not require a franchisee to covenant not to compete with Franchisor in an area greater than the exclusive area granted by the Franchise Agreement, or in the absence of such provision, an area of reasonable size, upon termination or failure to renew the franchise.
7. The Franchise Agreement is amended to state the following: "No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

DATED: \_\_\_\_\_  
FRANCHISOR:  
FIT BODY BOOT CAMP, INC.

\_\_\_\_\_  
(Signature)

DATED: \_\_\_\_\_  
FRANCHISEE:

\_\_\_\_\_  
(Signature)

## **APPENDIX TO FRANCHISE DISCLOSURE DOCUMENT FOR MARYLAND FRANCHISEES**

The Maryland Division of Securities requires the following specific disclosures to be made to prospective Maryland franchisees, and the amendments to the (i) Franchise Disclosure Document, and (ii) Franchise Agreement that have been agreed to by the parties:

1. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.
2. Termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C Section 101 *et seq.*).
3. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
4. Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Regulation and Disclosure Law.
5. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
6. All representations of requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

**ADDENDUM TO FRANCHISE AGREEMENT  
FOR MARYLAND FRANCHISEES**

The Franchise Agreement is amended as follows:

1. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.
2. Section 14.2(b) of the Franchise Agreement is amended to provide that a franchisee may sue in Maryland for claims arising under the Maryland Franchise Regulation and Disclosure Law. Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
3. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
4. Any general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
5. The Franchise Agreement is amended to state the following: "No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Franchisor:

Franchisee:

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**FIT BODY BOOT CAMP**  
**APPENDIX FOR MINNESOTA FRANCHISEES**

The Minnesota Department of Commerce requires the following specific disclosures to be made to prospective Minnesota franchisees:

1. With respect to Item 17(b) of the Disclosure Document and Section 3.4 of the Franchise Agreement, please note that if you do not elect to extend your Franchise for an additional term, you will be given an opportunity to operate your Franchise over a sufficient period of time to enable you to recover the fair market value of the Franchise as a going concern, as determined and measured from the date of the failure to renew. FBBC will not refuse to renew a Franchise for the purpose of converting your business premises to an operation that will be owned by FBBC for our own account.

2. Notwithstanding Item 17(d) of the Disclosure Document and Section 13 of the Franchise Agreement, Minnesota Statutes Section 80C.14, Subdivision 3, 4 and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement. To the extent the notice provisions of this Agreement are inconsistent with the foregoing, the aforesaid Minnesota statute will govern.

Notwithstanding the immediately preceding paragraph, notice of termination or cancellation of the Franchise shall be effective immediately upon receipt where the alleged grounds for termination or cancellation are:

- (i) voluntary abandonment of the Franchise relationship by you;
- (ii) your conviction of an offense directly related to the business conducted pursuant to the Franchise; or
- (iii) failure to cure a default under the Franchise Agreement which materially impairs a goodwill associated with FBBC's trade name, trademark, service mark, logo type or other commercial symbol after you have received written notice to cure at least 24 hours in advance.

3. Minnesota Rule 2860.4400D prohibits FBBC from requiring you to assent to a general release.

4. Notwithstanding the provisions of Item 17u of the Disclosure Document and Section 16 of the Franchise Agreement, Minnesota Rule 2860.4400J prohibits waiver of a jury trial.

5. Under Minnesota Rule 2860.4400J, (i) the franchisor cannot require you to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this rule does not bar an exclusive arbitration clause and (ii) only a court may determine if a bond is required. Also, the franchisee cannot be required to consent in advance to the franchisor obtaining injunctive relief. However, the franchisor may seek injunctive relief.

6. Throughout the Disclosure Document, wherever consent is required, it shall not be unreasonably withheld within the meaning of Minnesota Statutes section 80C.14, part 2860.4400J.

7. Minnesota Statutes section 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or



agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

8. Notwithstanding Item 13 of the Disclosure Document and Section 14 of the Franchise Agreement, FBBC will defend you at our cost and expense against liability or claims in connection with your authorized use of our Name or Marks. You will not be responsible for the costs of any litigation to protect or defend the Name or Marks unless your unauthorized use of the Name or Marks caused it.

Minnesota considers it unfair to not protect your right to use FBBC's trademarks pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g).

9. Minnesota Statutes Section 80C.17, Subdivision 5 limits claims against FBBC to 3 years. To the extent necessary our signatures below amend the Franchise Agreement between FBBC and you in accordance with the above sections 1 through 9.

10. Notwithstanding anything contained in the Franchise Agreement or Development Agreement to the contrary, you do not have to pay us the Initial Franchise Fee until we perform our pre-opening obligations under the Franchise Agreement and you commence operations. Once we complete our pre-opening obligations and you commence operation, you must immediately pay us all initial fees we deferred.

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

DATED: \_\_\_\_\_

FRANCHISOR:  
FIT BODY BOOT CAMP, INC.

\_\_\_\_\_  
(Signature)

DATED: \_\_\_\_\_

FRANCHISEE:

\_\_\_\_\_  
(Signature)

**FIT BODY BOOT CAMP  
ADDENDA FOR NEW YORK FRANCHISEES**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3: Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:
  - A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
  - B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
  - C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
  - D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4: Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “**Assignment of contract by franchisor**”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

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

## APPENDIX FOR NORTH DAKOTA FRANCHISEES

The North Dakota Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota Franchisees:

1. Restrictive Covenants: A franchise disclosure document that discloses the existence of covenants restricting competition contrary to North Dakota Century Code (“NDCC”) Section 9-08- 06, without further disclosing that such covenants will be subject to the statute.
2. Situs of Arbitration Proceedings: A franchise agreement providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: A franchise agreement that specifies it is to be governed by the laws of a state other than North Dakota.
6. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
8. General Release: A franchise agreement that requires the franchisee to sign a general release upon renewal of the franchise agreement.
9. Limitation of Claims: A franchise agreement that requires the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
10. Enforcement of Agreement: A franchise agreement that requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
11. Payment of the Initial Fees will be deferred until Franchisor has met its pre-opening obligations to franchisee, and franchisee has commenced doing business. The North Dakota Securities Commissioner’s office imposed this deferral requirement due to the Franchisor’s financial condition.
12. The Franchise Agreement is amended to state the following: “No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

**ADDENDUM  
FOR RHODE ISLAND FRANCHISEES**

The following provisions constitute an amendment to the Franchise Agreement. This amendment is hereby incorporated into and made a part of the Franchise Agreement to the extent the following paragraphs amend the respective sections of the Franchise Agreement as set forth below:

1. Notwithstanding Section 14 of the Franchise Agreement, and Item 17 of the Disclosure Document, any litigation or arbitration arising under the Franchise Agreement shall take place in Rhode Island or other place mutually agreed to by Franchisee or Franchisor.
  
2. Notwithstanding Section 16.13 of the Franchise Agreement, and Item 17 of the Disclosure Document, and to the extent required by Section 19-28.1-14 of the Rhode Island Franchise Investment Act, the laws of the State of Rhode Island shall govern the Franchise Agreement. Section 19-28.1-14 of the Rhode Island General Laws provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”
  
3. The Franchise Agreement is amended to state the following: “No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

DATED: \_\_\_\_\_

FRANCHISOR:  
FIT BODY BOOT CAMP, INC.

\_\_\_\_\_  
(Signature)

DATED: \_\_\_\_\_

FRANCHISEE:

\_\_\_\_\_  
(Signature)

## APPENDIX FOR SOUTH DAKOTA FRANCHISEES

The South Dakota Securities Commissioner has held the following to be unfair, unjust or inequitable to South Dakota Franchisees:

1. Restrictive Covenants: A franchise disclosure document that discloses the existence of covenants restricting competition contrary to South Dakota Codified Laws, without further disclosing that such covenants will be subject to the statute.
2. Situs of Arbitration Proceedings: A franchise agreement providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: Requiring South Dakota franchisees to consent to the jurisdiction of courts outside of South Dakota.
4. Liquidated Damages and Termination Penalties: Requiring South Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: A franchise agreement that specifies it is to be governed by the laws of a state other than South Dakota.
6. Waiver of Trial by Jury: Requiring South Dakota franchisees to consent to the waiver of a trial by jury.
7. Waiver of Exemplary and Punitive Damages: Requiring South Dakota franchisees to consent to a waiver of exemplary and punitive damages.
8. General Release: A franchise agreement that requires the franchisee to sign a general release upon renewal of the franchise agreement.
9. Limitation of Claims: A franchise agreement that requires the franchisee to consent to a limitation of claims. The statute of limitations under South Dakota law applies.
10. Enforcement of Agreement: A franchise agreement that requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
11. The Franchise Agreement is amended to state the following: "No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

**APPENDIX FOR VIRGINIA FRANCHISEES**

The Division of Securities and Retail Franchising of Virginia requires the following specific disclosures to be made to prospective Virginia franchisees.

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

In recognition of the restriction contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Fit Body Boot Camp, Inc., for use in the Commonwealth of Virginia shall be amended as follows:

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

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

DATED: \_\_\_\_\_

FRANCHISOR:  
FIT BODY BOOT CAMP, INC.

\_\_\_\_\_  
(Signature)

DATED: \_\_\_\_\_

FRANCHISEE:

\_\_\_\_\_  
(Signature)

## **WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND RELATED AGREEMENTS**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Please be advised that we have entered into an assurance of discontinuance with the Washington Attorney General's Office regarding no-poach provisions in our franchise agreement.

Section 7.1(a) of the Franchise Agreement is hereby amended to remove the following sentence:

Our final review and consent to the location of your Outlet is not a guarantee that a Fit Body Boot Camp business can be successfully operated there or anywhere else.



Section 7.1(c) of the Franchise Agreement is hereby amended to remove the following:

You further acknowledge that our approval of a site and/or rendering of assistance in the selection of any site does not constitute a representation, promise, warranty or guarantee, express or implied, by us or our officers, employees, directors, attorneys or agents, as to the potential sales volume, profits or success of the Franchised Business to be developed, opened and operated by you at the location.

Section 18.1(g) of the Franchise Agreement is hereby amended to delete: “or relied on”.

Section 18.1(h) of the Franchise Agreement is hereby deleted in its entirety.

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

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

The undersigned does hereby acknowledge receipt of this addendum.

DATED: \_\_\_\_\_

FRANCHISOR:  
FIT BODY BOOT CAMP, INC.

\_\_\_\_\_  
(Signature)

DATED: \_\_\_\_\_

FRANCHISEE:

\_\_\_\_\_  
(Signature)

## APPENDIX FOR WISCONSIN FRANCHISEES

The Wisconsin Franchise Investment Division requires the following specific disclosures to be made to prospective Wisconsin franchisees:

1. Notwithstanding Item 17c and Item 17f of this Disclosure Document, the Wisconsin Fair Dealership Law prohibits the termination, cancellation, nonrenewal or substantial change of the competitive circumstances of the franchise without good cause. Fit Body Boot Camp, Inc. must give you 90 days written notice of termination, cancellation, nonrenewal or substantial change of the competitive circumstances of the franchise. You have 60 days in which to cure the deficiency. The Wisconsin Fair Dealership Law supersedes any provisions contained in the franchise agreement that are not consistent with this law.
2. Notwithstanding Item 17v and Item 17w of this Disclosure Document, Wisconsin Statutes, specifically the Wisconsin Fair Dealership Law, Chapter 135, supersedes any provisions of the Franchise Agreement, if such provisions are in conflict with that law.
3. The Franchise Agreement is amended to state the following: “No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

**EXHIBIT J TO THE FIT BODY BOOT CAMP, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FIT BODY BOOT CAMP**

**STATE EFFECTIVE DATES**

## STATE EFFECTIVE DATES

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

This Franchise 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:

<b>State</b>	<b>Effective Date</b>
California	Pending
Florida	Effective
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Kentucky	Effective
Maryland	Pending
Michigan	Pending
Minnesota	Pending
Nebraska	Effective
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Texas	Effective
Utah	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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

**EXHIBIT K TO THE FIT BODY BOOT CAMP, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FIT BODY BOOT CAMP**

**RECEIPTS**

**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 Fit Body Boot Camp, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Fit Body Boot Camp, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the Office of the Maryland Attorney General, 200 Saint Paul Place, Baltimore, Maryland 21202.

We have no franchise brokers. The name, address and telephone number of the franchise seller for this offering is:

- Brittany Carter, 5867 Pine Avenue, Chino Hills, California 91709, (888) 638-3222;
- Cavanaugh Thompson, 5867 Pine Avenue, Chino Hills, California 91709, (888) 638-3222; and/or
- Max Philips, 5867 Pine Avenue, Chino Hills, California 91709, (888) 638-3222; and/or
- \_\_\_\_\_.

Date of Issuance: April 15, 2025

Fit Body Boot Camp, Inc. authorizes the person identified in Item 1 to receive service of process for it in your state. I received a disclosure document dated April 15, 2025 that included the following Exhibits:

- "A" Franchise Agreement
- "B" Area Development Agreement
- "C" Financial Statements
- "D" List of Franchise Outlets
- "E" List of Former Franchises
- "F" Optional Program Addenda
- "G" State Franchise Administrators and Agents for Service of Process
- "H" Pre-Closing Questionnaire
- "I" State Specific Addenda
- "J" State Effective Dates
- "K" Receipts

DATED: \_\_\_\_\_  
(Do not leave blank)

If a business entity:

If an individual:

\_\_\_\_\_  
(Name of Business Entity)

\_\_\_\_\_  
(Signature of Prospective Franchisee)

\_\_\_\_\_  
(Signature of Primary Contact Owner)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name and Title)

Please date and sign this page, and then keep it 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 Fit Body Boot Camp, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Fit Body Boot Camp, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the Office of the Maryland Attorney General, 200 Saint Paul Place, Baltimore, Maryland 21202.

We have no franchise brokers. The name, address and telephone number of the franchise seller for this offering is:

- Brittany Carter, 5867 Pine Avenue, Chino Hills, California 91709, (888) 638-3222;
- Cavanaugh Thompson, 5867 Pine Avenue, Chino Hills, California 91709, (888) 638-3222;
- Max Philips, 5867 Pine Avenue, Chino Hills, California 91709, (888) 638-3222; and/or
- \_\_\_\_\_, Date

of Issuance: April 15, 2025

Fit Body Boot Camp, Inc. authorizes the person identified in Item 1 to receive service of process for it in your state. I received a disclosure document dated April 15, 2025 that included the following Exhibits:

- "A" Franchise Agreement
- "B" Area Development Agreement
- "C" Financial Statements
- "D" List of Franchise Outlets
- "E" List of Former Franchises
- "F" Optional Program Addenda
- "G" State Franchise Administrators and Agents for Service of Process
- "H" Pre-Closing Questionnaire
- "I" State Specific Addenda
- "J" State Effective Dates
- "K" Receipts

DATED: \_\_\_\_\_  
(Do not leave blank)

If a business entity:

\_\_\_\_\_  
(Name of Business Entity)

\_\_\_\_\_  
(Signature of Primary Contact Owner)

\_\_\_\_\_  
(Print Name and Title)

If an individual:

\_\_\_\_\_  
(Signature of Prospective Franchisee)

\_\_\_\_\_  
(Print Name)

Please date and sign this page, and then return it either by mail to Fit Body Boot Camp, Inc., 5867 Pine Ave., Chino Hills, CA 91709, or by e-mail to [saleshq@fitbodybootcamp.com](mailto:saleshq@fitbodybootcamp.com).