

FRANCHISE DISCLOSURE DOCUMENT



Workout Anytime Franchising Systems, LLC
A Georgia Limited Liability Company
2325 Lakeview Parkway, Suite 200
Alpharetta, Georgia 30009
(770) 809-1401
Email: franchise@workoutanytime.com
Website: www.workoutanytime.com

The franchisee will operate a twenty-four (24) hour fitness and health club facility offering instruction to the general public on health and fitness through a system designed by us.

The total investment necessary to begin operation of a Workout Anytime® franchised business ranges from \$1,060,850 to \$1,840,550. This includes \$175,000 to \$487,000 that must be paid to the franchisor. The total investment necessary under the Development Agreement to operate 3 Clubs is \$3,182,550 to \$5,496,650. This includes \$525,000 to \$1,455,000 that must be paid to the franchisor. You are required to develop a minimum of 2 Clubs under the Development Agreement.

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, please contact Franchise Development at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia, 30009; Phone: (770) 809-1401; Email: franchise@workoutanytime.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: May 13, 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:

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and development agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Georgia. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Georgia than in your own state.
2. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment. \
3. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
4. **Unopened Franchises.** The Franchisor has signed a significant number of Franchise Agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.
5. **Mandatory Minimum Payments.** You must make minimum payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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.

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

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 THIS 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 THE 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.

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

ADDRESS FOR NOTICES TO THE MICHIGAN ATTORNEY GENERAL:

DEPARTMENT OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION
FRANCHISE SECTION
G. MENNEN WILLIAMS BUILDING, 7th FLOOR
525 W. OTTAWA STREET
LANSING, MI 48909
MAIN NUMBER: 517-373-1110
FACSIMILE: 517-373-3042

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EXHIBITS

- A. Franchise Agreement
- B. Non-Competition, Non-Solicitation and Confidentiality Agreement
- C. Development Agreement
- D. State Administrators and Agents for Service of Process
- E. Personal Data Disclosure and Franchisee Ownership Information Form
- F. State Specific Addendum (as applicable)
- G. Financial Statements
- H. Operations Manual
- I. List of Franchisees
- J. Former Franchises
- K. Territory Description
- L. Lease Addendum
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- N. Receipts

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, “we”, “us” or “our”, “WAFS” or “Workout Anytime” means the Franchisor, WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC. “You” means the person or entity who buys the Franchise. If you are a corporation, partnership or other entity, certain provisions of our Franchise Agreement also will apply to your owners. This disclosure document will indicate when your owners also are covered by a particular provision.

We are a Georgia limited liability company formed on April 5, 2004. Our current principal business address is 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia, 30009. Our registered agent for service of process in certain states is disclosed in Exhibit D.

We conduct business under our corporate name and under the trade and word and image service marks “WORKOUT ANYTIME®,” (“Trademarks” or “Marks”) and associated logos, designs, symbols and trade dress. We began offering franchises in December 2005. We do not operate any company-owned Workout Anytime® health club facilities that are similar to the business that you will operate under the Franchise Agreement and do not engage in any types of business activities other than franchising and providing services to our franchisees. We have not offered, nor do we currently offer, franchises in other lines of business.

Parents, Predecessors and Affiliates

We have no predecessor.

Our parent is Workout Anytime Global, LLC, a Delaware limited liability company formed on February 19, 2025 (“WAG”). Its principal business address is 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia, 30009. It acquired us in April 2025. WAG is our holding company. WAG has never offered franchises in any line of business and does not plan to. You will not be required to purchase or lease anything from WAG.

The Franchised Business

We offer franchises to qualified individuals and entities to develop and operate health clubs under a comprehensive system we and our affiliates have developed (each a “Workout Anytime® Club” or “Club”). You will sign a Franchise Agreement to operate a single Workout Anytime® Club at a location chosen by you, subject to our approval and any territorial rights of other franchisees. Our current form of Franchise Agreement is attached as Exhibit A to this disclosure document. Generally, Clubs are located in highly visible and highly trafficked areas. You will offer twenty-four (24) hour access to your facility to the general public as an independently owned and operated entity using the Marks and under distinctive business formats, including prescribed exterior and interior design, décor, color scheme and furnishings; uniform standards, specifications and procedures for operations; quality and uniformity of products and services offered; and advertising and promotional programs, all of which we may improve, further develop or otherwise modify from time to time (the “System”). If you enter into a Development Agreement, you must execute our then-current form of franchise agreement for each of the Workout Anytime businesses we grant you the right to open within your Development Area which may differ from the current franchise agreement included with this Franchise Disclosure Document.

You will offer and provide products and services to the general public under the terms and conditions contained in the Franchise Agreement and our confidential operations manual, made available electronically through the Bridge LMS Platform (the “Operations Manual” or “Manual”) that will be loaned to you at the time of training. You must offer for sale all services, products, and merchandise we designate, unless you

obtain our approval not to offer certain services, products or merchandise. You may not offer other services or sell merchandise or products without our prior written approval.

Market and Competition

The market for the services you will be selling is well developed and you will have to compete for a share of this market with other businesses offering the same or related goods and services, including other nationally franchised fitness facility chains and local fitness centers.

Industry Specific Regulations

Certain states and local governments have laws relating specifically to health and fitness clubs, including laws requiring postings concerning steroids and other drug use, requiring certain medical equipment in the club, limiting the supplements that health and fitness clubs can sell, requiring bonds if a health or fitness club sells memberships valid for more than a specified period of time, requiring club owners to deposit into escrow certain amounts collected from members before the club opens (so-called “presale” memberships), and imposing other restrictions on memberships that health or fitness clubs sell. These regulations vary from state to state and could affect your operations.

Other than these laws, we are not aware of any regulations specific to the operation of a Workout Anytime® Club. It is solely your responsibility to comply with all applicable laws and regulations and to obtain and keep in force all necessary licenses and permits required by public authorities.

ITEM 2 BUSINESS EXPERIENCE

Each individual listed in this item works in our headquarters in Alpharetta, Georgia, unless otherwise specified.

Steven C. Strickland – Co-Founder and Board Member

Mr. Strickland is our co-founder and has served as our Founder and Board Member since April 8, 2025. Prior to that, Mr. Strickland was our Chief Executive Officer from 2004 to April 2025. Mr. Strickland also is the founder and President of Commercial Fitness Products, which began in 1995.

Jerry Pugh – Chief Executive Officer

Mr. Pugh has been our Chief Executive Officer since April 2025. Mr. Pugh is also President of Elite Harvesting in Cookeville, TN since July 2005 and Member of Custom Agriculture in Cookeville, TN since November 2022. Prior to that, Mr. Pugh was a Member of B&B Produce in Bainbridge, GA from September 2013 to July 2024.

Lawrence (Larry) Brayman, Chief Marketing Officer

Mr. Brayman has been our Chief Operating Officer since April 2025. Prior to that Mr. Brayman was Chief Marketing Officer for Johnny’s Hungry Hoagies located in Fort Lauderdale, FL from April 2023 to March 2025. Prior to that Mr. Brayman was Senior Director of Marketing and Franchising for Luxottica Retail Global located in Mason, Ohio from September 2014 to January 2023.

Michael Anderson – Chief Financial Officer

Mr. Anderson has been our Chief Financial Officer since May 2019. He was an independent consultant for a number of companies in the Atlanta, Georgia area from November 2017 to May 2019. From March 2014 to November 2017, Mr. Anderson was Chief Financial Officer for Wheel Repair International, Inc. in Atlanta, Georgia.

Randy Trotter - Executive Vice President Real Estate

Mr. Trotter has been Executive Vice President Real Estate since December 2022. Prior to that, Mr. Trotter was our Senior Vice President of Development since July 2016.

Wanda Johnson - Senior Vice President/Franchise Operations and Construction

Ms. Johnson has been Senior Vice President/Franchise Operations and Construction since March 2022. Prior to that Ms. Johnson was our Vice President of Franchise Operations & Construction since March 2020. From January 2015 to March 2020, she was our Vice President of Franchise Operations.

Dennis Holcom - Senior Vice President/Franchise Support

Mr. Holcom has been Senior Vice President/Franchise Support since March 2022. Prior to that Mr. Holcom was our Vice President of Franchise Support since November 2015.

Greg Maurer - Vice President/Fitness & Education

Mr. Maurer has been Vice President/Fitness & Education since March 2015. From December 2010 through the present, he has been Director of Education for reACT Fitness, a provider of commercial fitness equipment for the health, sports and rehabilitation markets in Alpharetta, Georgia.

Terri Harof - Director of Franchise Development

Ms. Harof has been Director of Franchise Development since July 2019. From July 2015 to July 2019, she was the Director of Franchise Development for Best American Hospitality in Atlanta, Georgia.

Lynsay Flynt – Director of Marketing

Ms. Flynt has been our Director of Marketing since December 2023. Prior to that she was our Marketing Manager from September 2022 to December 2023. From March 2018 to September 2022 she was Director of Marketing for SH Capital Investment Group in Winder, Georgia.

**ITEM 3
LITIGATION**

Concluded Litigation:

KBB Fitness, Inc. v. Workout Anytime Franchising Systems. LLC v. Brian Taffin, Michael Hamlin and Transition Training, Inc., Superior Court of Fulton County, Georgia, Civil Action File No. 2017CV285912, Filed February 10, 2017. The Plaintiff, a franchisee, filed a complaint seeking a temporary and permanent injunction to prevent Franchisor from interfering with its lawful operation of the franchise following franchisor's threatened termination for cause and seeking damages for breach of the franchise agreement based on franchisor's inclusion of personal training revenues in the calculation of Gross Revenue for royalty

purposes. Franchisor answered, denying liability and asserting numerous counterclaims, including breach of the franchise agreement for failing to pay royalties, violation of the Lanham Act, unfair competition, common law trademark infringement, violation of the Georgia Deceptive Trade Practices Act and unfair competition. Franchisor consented to Franchisee's transfer of the franchise and a mutual dismissal of the case with prejudice was filed with the Court on February 28, 2018.

Other than the above action, 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

You must pay to us a lump sum initial franchise fee of \$45,000 ("Initial Franchise Fee") to establish a single Club. The Initial Franchise Fee is due upon the signing of the Franchise Agreement. The Initial Franchise Fee is fully earned by us upon payment and is not refundable, in whole or in part, under any circumstance. Except as disclosed in this Item, we uniformly impose the Initial Franchise Fee on all parties that are purchasing a single Club.

Development Agreement

In connection with your commitment to develop multiple clubs under a Development Agreement, you agree to pay a development fee equal to \$45,000 (for the first Franchised Club), plus \$45,000 times the number of Clubs we grant you the right to open after the first Club (the "Development Fee"). The Development Fee and Franchise Fees are payable as follows: (a) \$45,000 upon signing of the Development Agreement for the first Club; plus (b) \$10,000 for each additional club to be developed due upon signing the Development Agreement; plus (c) \$10,000 for each Club due at the signing of each Franchise Agreement; plus (c) \$25,000 for each club due upon the earlier of: (i) signing of an executed lease for your location or (ii) 6 months prior to the date you are due to open each Club for business. The Development Fee is fully earned by us when paid and is not refundable.

After your receipt of an approved letter of intent for the site, we will prepare and forward to you a franchise agreement, which will be the standard form in general use at the time that you receive the approved letter of intent for the site of the applicable Club. Within 15 days after you receive the franchise agreement, you must sign the agreement and return it to us along with the balance of Development Fee attributable to that Club.

Initial Equipment Purchases from Us

In connection with each Club, you must purchase from us the following equipment: flooring, lockers, massage units, tanning equipment, sauna, red light therapy and other fitness equipment. We estimate this non-refundable amount to range between \$130,000 to \$442,000.

Initial Fees Paid During the Last Fiscal Year

During the fiscal year before the issuance date of this disclosure document, we did not discount Initial Franchise Fees. We may in our discretion agree to reduce or waive the Initial Franchise Fee based upon factors we determine justify a reduced fee under the circumstances, including the location of your Club, your ownership and operation of multiple Clubs and your experience and creditworthiness.

**ITEM 6
OTHER FEES**

Name of Fee (see Note 1)	Amount	Due Date	Remarks
Monthly Royalty Fee (See Note 2)	6% of your Gross Revenues throughout the Term	On or before the tenth (10th) day of each month, commencing when you begin membership pre-sales	
Brand Development Fee (See Note 3)	2% of the monthly Gross Revenues collected by both you and third-party vendor(s) for your benefit	On or before the tenth (10th) day of each month, commencing when you begin membership pre-sales	
Training Cancellation Fee (See Note 4)	\$200 per attendee	Upon demand	
Local Advertising (See Note 5 and Note 7)	\$4,000 per month during your first 12 months after you open for business. Following that, the greater of (i) \$2,000 per month or (ii) 5% of Gross Revenues.	As incurred, with periodic reports to us upon request	We can require you to pay this amount directly to us and we will then spend it in your territory. You will be required to use an approved supplier for local advertising.
Cooperative Advertising	The contribution to the Advertising Cooperative will be determined by majority vote of the Cooperative, but the minimum amount will be equal to the Franchisee's local advertising requirement	Upon demand	Each franchisee owning one (1) health club in the Cooperative will have one (1) vote and the franchisor will also have one (1) vote. There are currently no corporate-owned stores in the system so the maximum amount due is determined solely by vote of the franchisees in the Coop area.
Computer Upgrades and Maintenance	\$0 - \$2,000	As incurred	You are required to keep your Computer System up to date and maintained.

Name of Fee (see Note 1)	Amount	Due Date	Remarks
Preventative Equipment Maintenance (PEM)	\$400 - \$1,200 twice per year plus any additional costs and expenses the provider charges which are not within our control.	As incurred	PEM is required by us at least twice per year. PEM must be Matrix certified in order to perform the PEM. Pricing may vary depending on proximity of the geographic location of the gym. Repairs costs typically are billed separately if applicable.
Computer Corruption Fee	Will vary under the circumstances but may range from \$500 to \$5,000. Charges will include reimbursement of charges from outside vendors and verifiable internal expenses in relation to the issue.	Upon demand.	Payable in the event that a virus that is on your computer is found to have infiltrated the corporate computer support services and caused a black out or deterioration of services and you do not have an acceptable virus protection software subscription that is properly installed on all connecting devices. We have not previously imposed this fee.
Renewal Fee	75% of the then-current Initial Franchise Fee	Before renewal	Payable when, and if, you renew your Franchise Agreement. There are other conditions to renew.
Assignment/Transfer Fee	75% of the then-current Initial Franchise Fee	Upon execution of the Franchise Agreement	You or your buyer must pay this fee to us when your franchise is sold. There is no fee if the transfer is to an entity owned solely by you
Non-Approved Vendor Evaluation Fee	\$1,500	Upon our invoice prior to evaluation of vendor	This fee compensates our costs in evaluating a proposed non-approved vendor
Relocation Fee	50% of the then current Initial Franchise Fee	Upon our invoice prior to relocation	You must pay this fee if you relocate your franchise after we approve the relocation

Name of Fee (see Note 1)	Amount	Due Date	Remarks
Lease Review Fee	\$1,500	Upon Our Invoice	Payable if you do not use our approved vendor
Late Fee	\$100	Upon demand	Applies to each monthly Royalty Fee that is more than ten (10) days late
Alignment Deficiency Fee	Up to \$1,500 per month. If deficiency is due to cleanliness condition of the Club, we have the right to also charge the cost of required remedial cleaning and our service fee.	Upon demand.	We can assess this fee if you fail to cure defaults
Management Fee	\$1,000 per day	Upon demand	Payable if we step-in to manage your club due to your default
Interest	The lesser of 18% per annum and the highest rate allowable by law on any unpaid balance	Upon demand	Payable on all overdue amounts
Annual Convention Fee	Currently \$895 per attendee	Upon your registration for the Annual Convention or, if you fail to attend, 1 week following the Annual Convention	Payable regardless of whether you attend the Convention. This fee may be changed by up to 5% per annum.
Indemnification	Will vary based on circumstances	Upon demand	You must indemnify us, our affiliates and our respective members, owners, shareholders, directors, officers, managers, employees and agents, from and against all claims arising out of your failure to pay taxes, your operation of the Club, or your actions, failure to act, negligence or willful conduct.
Audit Fee (See Note 6)	Cost of audit plus interest and late fees on the unreported or underreported Gross Revenues per annum, if Gross Revenues are	Upon receipt of bill	

Name of Fee (see Note 1)	Amount	Due Date	Remarks
	underreported by greater than 2%		
Additional Required Training (See Note 7)	\$500 per day, per trainer for up to 5 days plus travel and room and board	Upon our invoice	If you fail to meet the Minimum Pre-Sale Membership and/or Minimum Monthly Gross Revenue Requirements, we may require you to attend additional training at your expense.
Software Bundle Fee-Data Trak Membership & Operations, MyiCLUB Online, GymSales, ABC+app, door access, antivirus	\$325 to \$525 per month	As billed by vendor	Paid to ABC Fitness Solutions, LLC ("ABCFS"), our current payment processing vendor
Door Control Fee	\$599 one-time payment or as otherwise charged by vendor	As billed by vendor	Paid to ABCFS, our current payment processing vendor
Inspection Fee (See Note 8)	\$150 to \$250 per quarter	Upon demand	
Promotions (See Note 9)	The expenses you incur.	Upon demand	We provide you with up to four promotions per year that you are required to participate in. You will not be charged by us for these promotions but you may incur other costs and expenses.
Technology Package	Currently \$595 to \$795 per month	On or before the tenth (10th) day of each month commencing when you begin membership pre-sales	To pay us for the development and manage of technology platforms such as the Workout Anytime website, your specific web page which links from the Workout Anytime website, as well as your Club's email platform (including up to 5 discrete email addresses), internal intranet, and other technology we determine important in

Name of Fee (see Note 1)	Amount	Due Date	Remarks
			the operation of your Club.
Music Licensing Fees	Approximately \$350 - \$550 or as otherwise charged by vendor	As billed by vendor	You will be responsible for all licensing fees due for music or other licensed media at the Club.

Notes:

1. All fees are uniformly imposed and are payable to us, unless we tell you otherwise. All fees imposed are non-refundable. Under circumstances we deem appropriate, in our sole discretion, we may amend any fee. The Transfer Fee compensates us for our legal and administrative fees and the anticipated expenses of training the transferee.

2. The Monthly Royalty Fee, Brand Development Fee and Technology Package will begin when you commence the pre-sale of memberships. You must open your franchise no later than twelve (12) months from the date of execution of your Franchise Agreement unless otherwise agreed upon, in writing, between you and Workout Anytime. Monthly Royalty Fees, Technology Fees, and Brand Development Fee will be paid to Workout Anytime on the tenth (10th) day of the month by that vendor (presently being ABCFS) through which your membership and other fees must be collected.

“Gross Revenues” includes all revenue you generate from all business conducted at or in connection with your Club, including but not limited to membership fees, “Annual Fee” or comparable fees; personal training fees, tanning bed fees, massages, vending machines, and the sale and delivery of any other services, products, merchandise, and tangible property of any nature whatsoever, whether in cash or for credit, from sources paying at the club, outside the club or online and whether collected or uncollected. “Gross Revenues” does not include the amount of any applicable sales tax imposed by federal, state, municipal, or other governmental authority if such taxes are stated separately when the customer is charged, and you pay such amounts as and when due to the appropriate taxing authority. Also excluded from Gross Revenues is the amount of any documented refunds, charge backs, credits, and allowances given to customers in good faith and only in accordance with our operating procedures. All barter and exchange transactions for which you furnish services or products in exchange for goods or services to be provided by the vendor, supplier, or customer will be valued at the full retail value of the memberships bartered in exchange for the goods or services provided to you. Gross Revenues also includes the proceeds of any business interruption insurance paid to you. Gross Revenue also includes any payments you receive from vendors.

3. The Monthly Brand Development Fee will begin the month you commence the pre-sale of memberships. Monthly Brand Development Fee shall be paid directly to us by the tenth (10th) day of the month by that company you are required to contract with to collect membership and processing fees. Brand Development Fee will be used for network advertising, advertising in your market area, and for general marketing and public relations. The monthly Brand Development Fee will be spent on marketing methods or programs designated to communicate the service of the franchisees to the public in our sole discretion, as well as creative and production costs, website design and maintenance, member and industry surveys, trade shows and conventions, and reimbursement to us for reasonable accounting, administrative and legal expenses associated with

all purposes we deem appropriate to enhance and promote the general recognition of our System, brand, and Marks.

4. We do not charge you any additional fee for the initial training program. You are required to attend the entire mandatory training academy at a time we designate and pass to our satisfaction any test associated with training. Training will be held at our headquarters in Alpharetta, Georgia, or a location we may later designate. You and your personnel's expenses incidental to attendance at the training class (including travel, lodging, meals, transportation, and other incidental costs) shall be borne solely by you.

Any Franchisee who cancels either the classroom training scheduled in Alpharetta, Georgia, or the onsite training and health club opening scheduled at the Franchisee's Location will be subject to a Two Hundred Dollar (\$200.00) cancellation fee for each scheduled attendee to reimburse us for expenses incurred in changing travel plans and to compensate our representative whose travel was cancelled. You will also be responsible for the costs incurred by us to rebook travel and hotel accommodations for the subsequently scheduled on-site training and health club opening activities.

5. You will be required to spend the following amounts on advertising, marketing and otherwise promoting the Club ("Local Advertising Expenditure") (i) commencing when you begin the pre-sale of memberships until the date that is twelve (12) months from the Effective Date of your Franchise Agreement, you will spend at least \$4,000 each calendar month ("Initial Advertising"); and (ii) following the Initial Advertising and continuing for the Term, you will spend at least the greater of \$2,000 each calendar month, or 5% of your Gross Revenues. We periodically may offer recommendations as to the type, manner and time frame to maximize the benefit of your advertising. You are required to use an approved supplier for local advertising. We have the right to require you to pay the Local Advertising Expenditure directly to us and, if so required, we will make such expenditures as we deem appropriate to promote the Club. You must submit proof of your expenditures for Local Advertising to us upon request.
6. You must reimburse us for the cost of the audit, including travel, lodging, meals and wages of our representatives and reasonable professionals' charges, only if the audit reveals underreporting of Gross Revenues by greater than 2%. However, if underreporting of Gross Revenues is less than 2%, you still must pay to us all Monthly Royalty Fees and Brand Development Fee associated with such underreported Gross Revenues, plus interest and late fees.
7. The Minimum Pre-Sale Requirement and Minimum Monthly Gross Revenue Requirements are as follows:

(a) **Minimum Pre-Sale Membership Requirement:** You must conduct pre-opening sales for your Club in accordance with our standards and Manual. If you have not sold at least 500 memberships by the date your Club opens for business, we have the right to send up to 2 representatives to the Club for up to 5 days to provide sales and other training to you and your staff. You must pay our training fee of \$500 per day, per trainer, plus travel, living and other expenses of our representatives.

(b) **Minimum Monthly Gross Revenue Requirement:** Beginning in the 12th month after the Club opens for business, you must generate a minimum monthly Gross Revenue of \$40,000 ("Minimum Monthly Gross Revenue Requirement"). If you fail to attain the Minimum Monthly Gross Revenue Requirement for 2 consecutive months, we have the right to impose any one or all of the following requirements until your monthly Gross Revenues equal or exceed the Minimum Monthly Gross Revenue Requirement: (i) we may increase your required local advertising

requirement by up to 200%; and/or (ii) we may require that your Manager and/or you attend additional training at our headquarters or at another location that we designate and you will be required to pay our then-current training fee.

8. We, or an assigned site inspector, have the right to appear unannounced at our sole discretion, to inspect the general operation and maintenance of your health club facility. Such inspection will include, but may not be limited to, the following: cleanliness, condition of equipment, record-keeping, appearance and professionalism of personnel.
9. We reserve the right to require you to participate in up to four (4) system-wide marketing and promotional activities each year. These promotions may include, but are not limited to, limited-time offers, seasonal campaigns, discounts, or other brand initiatives designed to drive customer engagement and sales. We may establish promotional pricing for these campaigns and you must comply with the designated pricing structure for the duration of the promotion. We will provide advance notice of each required promotion, including details regarding execution, timing and any associated costs. Failure to comply with the mandated promotions and pricing may be considered a breach of your Franchisee Agreement and subject to the remedy as outlined in the Franchise Agreement.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Table A Unit Franchise

Type of Expenditure(1)	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee (See Note 2)	\$45,000	\$45,000	Immediately available Funds	Upon signing Franchise Agreement	Us
Travel and Living Expenses While Training (See Note 3)	\$1,200	\$2,400	As Arranged	Before Opening, as Incurred	Independent Vendors
Rent and Security Deposit (See Note 4)	\$7,500	\$20,000	As Arranged	Before Opening, as Incurred	Landlord
Real Estate Improvements/ Build-out (See Note 5)	\$460,000	\$780,000	As Arranged	Before Opening, as Incurred	Contractors/Landlord
Key Tags	\$150	\$150	As Arranged	Before Opening	Approved Vendors
Architect Fees (See Note 6)	\$9,000	\$18,000	As Arranged	When Arranged	Approved Vendors
Furniture / Office Equipment and Supplies (See Note 7)	\$9,000	\$18,000	As Arranged	When Arranged	Independent Vendors
Initial Equipment Package (See Note 8)	\$420,000	\$780,000	As Arranged	When Arranged	Approved Vendor and us
Low Voltage AV and Door Access (See Note 9)	\$35,000	\$50,000	As Arranged	When Arranged	Approved Vendors
Signage (Exterior Club and Interior Graphics)	\$20,000	\$40,000	As Arranged	When Arranged	Approved Vendors

Type of Expenditure(1)	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to Be Made
Advertising + Start Strong (See Note 10)	\$16,000	\$24,000	As Arranged	As Incurred 1 month before opening and first 3 months of operation	Approved Vendors
Deposits and Permits (See Note 11)	\$2,000	\$4,000	Cash	As Incurred	Independent Vendors
Insurance (See Note 12)	\$6,000	\$9,000	As Arranged	When Arranged	Independent Carrier (Preferred)
Additional Funds (See Note 13)	\$30,000	\$50,000	Cash	As Incurred	Various Payees
Total (See Note 14)	\$1,060,850	\$1,840,550			

Notes:

1. All fees imposed by us are non-refundable.
2. The Initial Franchise Fee for a single club is Forty-Five Thousand Dollars (\$45,000). You must pay this amount upon the signing of the Franchise Agreement. If you sign a Development Agreement to develop more than 1 health club, the Initial Fee will increase depending on the number of health clubs you agree to develop.
3. You should allow at least One Thousand Two Hundred Dollars (\$1,200) per person for travel, lodging, food and other miscellaneous expenses incurred during training. Your actual cost will vary, depending on the distance to be traveled, your method of travel, and your personal circumstances.
4. You must lease or purchase the business premises for the franchise location. Landlords may grant initial rent-free periods however, we cannot guarantee any landlord concessions. If renting, your security deposit and rent will vary depending on factors such as size, condition, and location of the leased premises. The high-end cost estimates in the chart above reflect the first and last months' rent plus one (1) month security deposit. We require the size of the building space for your franchise to be approximately 7,000 square feet to 12,000 square feet subject to our final approval.
5. The cost of the build-out of the premises will depend on construction costs including permits, materials and labor costs and also includes the site review report and site analysis. If, and to the extent that, your landlord provides allowances for improvements, the cost to you of improvements and build-outs may be reduced. Final construction costs will be submitted to us. Contractors must

- be approved by us in writing and meet all state licensing requirements and have all required insurance coverage naming your legal entity and us as additional insured.
6. You must retain the services of our approved architect and the approved architect must perform a survey of lease space as part of the architect process.
 7. You will need to purchase desks, office equipment and furnishings. Our approved payment processing company, ABCFS, will supply 2 computers, 2 monitors, 2 verifones, 2 receipt printers, 1 camera and 1 cash drawer with accessories and signature pad at no charge. You may wish to add additional computers. The amounts listed include the purchase of 2 additional computers for the Club at a cost of approximately \$719 each plus shipping and handling. A smaller Club may purchase less equipment than franchisees with larger Clubs. The number and type of equipment you purchase will vary depending on the ultimate size of your facility after consultation with us.
 8. This is a package of flooring, lockers, massage units, tanning and other miscellaneous optional equipment and any other required equipment as determined by us. This package must be purchased from our approved vendors and us. This also includes Matrix equipment, which you can purchase from our approved vendor (collectively, these equipment purchases are referred to as the "Initial Equipment Package"). Unless otherwise agreed upon by us in writing, you must purchase specific equipment from designated manufacturers and vendors and us including any supplies or materials you deem necessary to operate efficiently, such as forms, paper, writing instruments, posters, weight scales, and defibrillators. The number and type of equipment you purchase will vary depending on the ultimate size of your facility after consultation with us.
 9. You will need to equip your facility with AV low voltage and door access from which you can observe your Club, record events occurring in your facility from a remote site and maintain said footage for no less than 90 days via a cloud-based storage service. In addition, the facility must be armed with a door access system permitting the entry of all Workout Anytime members who are then in good standing. This amount also includes the costs of audio/visual equipment, televisions, sound system and installation, and panic emergency buttons. This equipment must be purchased from a designated approved vendor. Certain states require that health clubs have AED (automated external defibrillator) equipment.
 10. You will be required to spend the following amounts on advertising, marketing and otherwise promoting the Club ("Local Advertising Expenditure") (i) commencing when you begin the pre-sale of memberships until the date that is twelve (12) months from the Effective Date of your Franchise Agreement, you will spend at least \$4,000 each calendar month ("Initial Advertising"); and (ii) following the Initial Advertising and continuing for the Term, you will spend at least the greater of \$2,000 each calendar month, or 5% of your Gross Revenues.
 11. Includes utility deposits, incorporation fees, business licensing, or any requirements by your locality as to necessary permits and/or licenses.
 12. You will need to purchase and maintain in effect at all times during the term of the Franchise Agreement the insurance specifications listed in Item 8.
 13. Additional funds will be needed during the start-up phase of your franchise. We recommend that the working capital amounts to cover these expenses take into account your pre-sale period and a minimum of three (3) month's from the date you open for business, a total of approximately 6 months. The amounts listed are estimates of this 6-month period. We have relied on our 19 plus years of experience franchising fitness facilities to compile the estimate for Additional Funds.

14. We do not offer financing for any part of your initial investment.

B. Table B Development Agreement

Development Agreement for 3 Clubs²					
Type of Expenditure	Low Amount	High Amount	Method of payment	When due	To whom payment is to be made
Development Fee ¹	\$45,000	\$45,000	Lump Sum	At signing of Development Agreement	Us
First Installment of Additional Fee for Two Additional Clubs	\$20,000 (\$10,000 per Additional 2 Clubs)	\$20,000 (\$10,000 per Additional 2 Clubs)	Lump Sum	At signing of Development Agreement	Us
Second Installment of Additional Fee for Two Additional Clubs	\$20,000 (\$10,000 per Additional 2 Clubs)	\$20,000 (\$10,000 per Additional 2 Clubs)	Lump Sum	At signing of each Franchise Agreement for the additional Clubs.	
Remaining Balance Due for Two Additional Clubs	\$50,000 (\$25,000 per Additional 2 Clubs)	\$50,000 (\$25,000 per Additional 2 Clubs)	Lump Sum	At the earlier of execution of the lease or 6 months prior to the date the Club is to be opened.	Us
Other Amounts (See Table A)	\$3,047,550 (Total from Table A less Initial Franchise Fee, multiplied by 3)	\$5,386,650 (Total from Table A less Initial Franchise Fee, multiplied by 3)	Lump Sum	As Arranged for each Club after signing the Franchise Agreement	Us and Approved Vendors
Total¹	\$3,182,550	\$5,496,650			

¹ The entire Total on this table is not due in one bulk sum at signing of the Development Agreement. This is an estimate of the entire cost for developing three Clubs, which will be subject to a Development Schedule.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

System Standards and Specifications

You must operate your Club according to our standards and specifications as we may establish from time to time in our Manual or otherwise by written communication from us, whether over the Bridge LMS Platform, the FranConnect HUB of library resources, Outlook email on the workoutanytime.com domain, or any other written and electronic correspondence from us regarding the System, other publications, materials, drawings, memoranda, videotapes, CDs, DVDs, audio tapes, and electronic media that we from time to time may provide to you. To the extent that we establish standards and specifications, require approval of suppliers/vendors, or designate approved suppliers/vendors for particular products and services, we will publish our requirements in the Manual, which may be provided to you in electronic or hardcopy format. We may, at any time, in our discretion, change, delete, or add to any of our specifications or standards. Such modifications will generally be uniform for all franchisees. We will notify you of any changes to our Manual in writing, which we may transmit to you electronically.

Purchases from Us or Our Affiliates

During our most recently completed fiscal year ended December 31, 2024, we received \$831,292 in revenue from franchisee required purchases. That amount represented 9.04% of our total gross revenue of \$9,195,708.

You must purchase the flooring, lockers, massage units, tanning equipment, and other miscellaneous and required equipment for your Club from us. Franchisees were previously required to purchase such items from our former affiliate, Commercial Fitness Products, Inc. ("CFP").

Our CEO, Steven C. Strickland, was the sole owner of our former affiliate, CFP. During our most recently completed fiscal year ended December 31, 2024, CFP received \$3,318,806 in gross revenue from franchisee required purchases. CFP is no longer affiliated with us. Franchisees are no longer required to purchase or lease anything from CFP.

Purchases from Required and Approved Suppliers

You must purchase certain other goods and services from suppliers that we require or approve from time to time. We currently require you to purchase the majority of your fitness equipment from an approved supplier and retain services for local advertising from an approved supplier.

Other than Mr. Strickland's previous interest in our former affiliate, CFP, disclosed above, none of our officers have any interests in any suppliers.

We may change approved and required suppliers from time to time, and we or our affiliates may be approved or designated suppliers for certain items. We will provide you with a current list of approved suppliers, including required and recommended suppliers, through updates to the Manual or other forms of communication.

As your Club is designed and constructed, you must hire architects, contractors, designers and/or engineers that we approve or designate in writing to prepare the plans and complete the build-out of your Club. We reserve the right to withdraw our approval of any architects, contractors, designers and/or engineers if the

service provider's continuation of a relationship with you is deemed harmful to the Workout Anytime franchise system, us or the Marks, as determined in our reasonable discretion.

You must purchase a telephone, fax machine, computer hardware and software, televisions, printers and stereo from independent vendors for the operation of your franchise. We may require you to purchase additional computer hardware and/or software as we from time to time deem necessary for the operation of your franchise within our system. We require you to conduct all Workout Anytime® business on the WAFS email platform and will provide the required number of email addresses for this purpose.

ABCFS is currently our only approved vendor for the setup of member service agreements and the execution of billing, general fee collection and processing.

Matrix Fitness/Johnson Health Tech is the only approved vendor for the purchase of Matrix equipment.

We currently have additional revenue programs each franchise is suggested to implement. These programs include, but are not limited to, personal training and other vending products. As of December 31, 2024, approximately 84% of Clubs offer personal training services to its members. There are varying options for development and training available for each revenue program. You must use a preferred vendor unless given written approval to the contrary. You must submit a Variance Request and follow the same approval process outlined above for approved suppliers when requesting approval of any vendor you wish to use for personal training, and any other vending products or Club related services, which have not already been approved by us. We must approve in writing any proposed personal training program, or other individual or group training program that you propose to offer at your Club.

We may approve other suppliers and/or vendors of supplies, equipment, fixtures or services that are not then designated by us as an approved supplier or vendor. Our criteria for approving a new supplier/vendor and processes is not available to franchisees. You must notify us in writing of the product, material, supplies or services and of the proposed supplier/vendor (a "Variance Request"). You must submit samples of the product and any other information as we may require for testing or to otherwise determine whether the product, material, supplies or services, or the proposed supplier/vendor meets our specifications and quality standards. We may charge you a reasonable fee not to exceed all costs we incur associated with such testing (regardless of whether we approve your Variance Request). We will send you written notice of supplier/vendor or product approval or disapproval within 30 days of our receipt of all the information and samples we request. If you do not receive a written response from us within 30 days your Variance Request is deemed rejected. If we approve the supplier/vendor, you may contract with the alternative supplier/vendor. Approval of alternative suppliers/vendors may be revoked if we determine that the product, material, supplies or services fail to meet our then current criteria.

Estimated Proportion of Required Purchases and Leases

We estimate that the cost of goods and services purchased from us or from approved suppliers and vendors, or otherwise required by our specifications and standards, represents approximately 51.3% - 57.4% of your total purchases to establish your Club and approximately 0.1% of your total purchases to operate your Club.

Rebates and Commissions

We may negotiate with suppliers and manufacturers to receive rebates, commissions or other consideration based on certain items you must purchase. The rebate and commission programs vary depending on the supplier and the nature of the product or service. We may currently earn compensation or rebates on account of franchisees' required purchases from certain approved suppliers. Not every supplier pays rebates.

We have the right to receive payments or other benefits like rebates, discounts, and allowance from authorized suppliers based upon their dealings with you and other franchisees, and we may use the monies we receive without restriction for any purpose we deem appropriate or necessary. Suppliers may pay us based upon the quantities of products our franchisees purchase from them. But we may receive fees from a supplier as a condition of our approval of that supplier.

During the fiscal year ended December 31, 2024 we or our affiliates received \$648,218.90 in rebates from ABCFS and \$90,798.06 in rebates from Johnson HealthTech North America, Inc. for required franchisee purchases or leases. The rebates received represent 8.03% of our total revenue.

Miscellaneous

Currently there are no purchasing or distribution cooperatives. We may negotiate supply and/or discount arrangements with suppliers for the benefit of our franchisees, but we are not required to do so. We do not provide any material benefit to you (example: granting additional franchises) based upon your use of required, approved or recommended sources of supply, but you must participate in any purchasing or distribution cooperative we are party to and you must use only suppliers and vendors we approve.

Insurance

You must obtain and maintain, at your own expense, insurance coverage that we require from time to time. Our System standards and/or other agreements may regulate the following: the types, amounts, terms and conditions of insurance coverage required for your Franchise and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims. Currently, you must name us as an additional insured and maintain, in the amounts we prescribe, general liability coverage; bodily injury and property damage to include sexual abuse and molestation, and employment related practices; and the statutory worker's compensation and disability required by law in your state. The cost of this coverage will vary depending on the insurance carrier's charges, terms of payment and your history. All insurance policies must be issued by a company with an A.M. Best rating of at least A VII and must name us as an additional insured party. Your obligations relating to insurance coverage are defined in the Franchise Agreement and currently include, but may not be limited to:

- General Liability - \$1,000,000 per occurrence/\$2,000,000 aggregate;
- Sexual Abuse and Molestation - \$1,000,000 per occurrence/\$1,000,000 aggregate;
- Employee Related Practices Insurance (EPLI) - \$500,000 per occurrence/\$500,000 aggregate with third party liability included;
- Workers' Compensation – based on state requirements;
- Surety Bonds – based on state requirements; and
- Any additional insurance required by the terms of any lease or mortgage for the Club.

You must provide a current Certificate of Insurance and Declarations Page to us on an annual basis. These policies must cover all employees and subcontractors.

Changes in the market, business conditions or other factors may occur during the term of your Franchise Agreement. As a result of those changes, we may make changes to the System which may include modifications to the services you must offer, required insurance policies and coverage, suppliers, equipment, specifications, and other aspects of the System. You must comply with all changes that we make.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Section in Area Development Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Section 8	Not Applicable	Items 7 and 11
b. Pre-opening purchase/leases	Sections 7, 8, 11 and 12	Not Applicable	Items 7 and 11
c. Site development and other pre-opening requirements	Section 8	Not Applicable	Items 7 and 11
d. Initial and on-going Training	Section 7	Not Applicable	Items 11
e. Opening	Sections 7 and 8	Not Applicable	Items 6
f. Fees	Section 3, 4 and 6	Section 3	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Sections 9 and 10	Not Applicable	Item 11
h. Trademarks and proprietary information	Sections 1 and 14	Not Applicable	Items 13 and 14
i. Restriction on products/services offered	Sections 9, 10 and 11	Not Applicable	Items 8 and 16
j. Warranty and customer service requirements	Sections 7 and 11	Not Applicable	None
k. Territorial Development and sales quotas	Section 8	Section 2	Items 11 and 12

Obligation	Section in Franchise Agreement	Section in Area Development Agreement	Item in Disclosure Document
l. Ongoing product/service purchases	Section 11	Not Applicable	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Sections 9 and 11	Not Applicable	Item 11
n. Insurance	Section 13	Not Applicable	Items 7 and 8
o. Advertising	Section 5	Not Applicable	Items 6 and 11
p. Indemnification	Section 13	Not Applicable	Items 6, 13 and 14
q. Owner's participation/management/staffing	Sections 7, 11	Not Applicable	Items 11 and 15
r. Records and reports	Sections 4 and 6	Not Applicable	Item 6
s. Inspections and audits	Sections 6 and 11	Not Applicable	Items 6 and 11
t. Transfer	Section 18	Section 7	Item 17
u. Renewal	Section 2	Not Applicable	Item 17
v. Post-termination obligations	Section 17	Section 6	Item 17
w. Non-competition covenants	Section 16	Not Applicable	Item 17

Obligation	Section in Franchise Agreement	Section in Area Development Agreement	Item in Disclosure Document
x. Dispute resolution	Section 19	Section 10	Item 17

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guaranty your note, lease or obligations.

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

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

Obligations Prior to Opening: Before you open your Club, we will provide you with the following assistance:

1. Protected Territory: We will grant you a Protected Territory within which we will not operate, or license others to operate, another Workout Anytime Club. (Franchise Agreement Sections 1.2).
2. Site Selection: We may, but are not required to, provide you with the following site selection assistance: (a) our site selection guidelines and, as you may request, a reasonable amount of consultation with respect thereto; and (b) that on-site evaluation as we may deem advisable (subject to the availability of our personnel) as part of our evaluation of your request for site acceptance, provided that, if we provide this assistance at your request, you must reimburse us for all travel, living and other expenses incurred by our representatives in connection with our on-site evaluation. We have no obligation to conduct any on-site evaluations of locations you propose but you are required to use leasing agents that we approve in writing (Franchise Agreement Section 8).
3. Purchasing of Fitness Equipment and Furnishings: We will furnish you with specification and guidelines for, and assist you with the ordering of, your fitness and other required equipment for your facility through our approved suppliers, including us (Franchise Agreement Section 7.2). We will refer you to the approved suppliers in the process, providing you written specifications.
4. Confidential Operations Manual: After you sign your Franchise Agreement, and pay your Initial Franchise Fee, we will provide you with access to our electronic version of our Operations Manual (a total of approximately 2,850 pages plus videos) through the Bridge LMS Platform. The Manual describes our methods of operation and includes other operational information. The Manual remains our property, and you must give all parts, reproductions, etc. back to us when and if you no longer own and/or operate your Franchise. The contents of the electronic Bridge LMS Platform is attached as Exhibit H to this Disclosure Document. (Franchise Agreement Sections 7.2, 10).
5. Training. We will furnish you and your manager with the Workout Anytime Initial Training program provided over the Bridge LMS Platform, the FranConnect HUB Library of Resources and in person as described in this Item 11, below (Franchise Agreement Section 7.2).

6. We will assist with formulating marketing plans, advertising and promotional programs and materials (Franchise Agreement Section 7.2).

Obligations During Operations: During your operation of your Franchise, we will provide you with the following assistance:

1. We will assist you in formulating marketing plans, advertising and promotional programs and materials. (Franchise Agreement Section 7.2).

2. We will periodically conduct visits by our representatives and designees to the Club at any time. These visits will be made at our expense, as we determine necessary or appropriate and we intend to provide you a written report following each visit. We intend to conduct the first visit within 6 months after the Club opens. Our representatives have the right to discuss with you or your designees all matters that may pertain to compliance with this Agreement and with our standards, specifications, requirements, instructions and procedures (Franchise Agreement Section 7.2).

3. We periodically may offer recommendations as to the type, manner and time frame to maximize the benefit of your advertising. We periodically may make available to you advertising and promotional materials for the Club which are used by us, our affiliates and other franchisees of the System. If so, we may provide you a sample of each type of advertising and promotional material at no charge via a web download, or other means of transmission we deem appropriate. If you want additional copies you must pay duplication or printing costs (Franchise Agreement Section 5.1).

4. We will furnish you with specifications or guidelines for initial and replacement equipment, inventory and supplies required for the operation of your facility. (Franchise Agreement Section 7.2).

5. We will provide assistance and guidance with respect to equipment orders which will be placed through our affiliate. We will help you determine the proper amount of time between equipment orders, equipment delivery and their set-up to ensure the proper opening of the Club. (Franchise Agreement Section 7.2).

6. We will make commercially reasonable efforts to negotiate favorable prices and terms with major suppliers and allow you to utilize such centralized purchasing system (Franchise Agreement Section 7.2).

7. We will provide assistance with respect to on-going operations or training, and we will be available as requested by you as we deem appropriate in light of your needs and the availability of your and our personnel. (Franchise Agreement Section 7.2).

8. We will provide consultation and will respond to inquiries regarding your operations through communications platforms such as telephone, email or other methods of communication as we periodically determine (Franchise Agreement Section 7.2).

9. We will develop new products and service methods for the operation of the System as we deem appropriate. We will advise you of any new product or service methods and you must adopt the new product or service methods within a reasonable period as specified by us (Franchise Agreement Section 7.2).

10. We will assist in general market research and providing guidance in determining the prices charged by you for services or products at your Club (Franchise Agreement Section 7.2).

11. We will maintain a website which we control that provides information about the System and the products and services offered by franchisees. We also have the sole right to create interior pages on our website(s) that contain information about your business and other franchised and company owned locations. You will have access to post on the interior web pages for your Club provided you adhere to our guidelines. (Franchise Agreement Section 7.2).

Advertising

Local Advertising Requirement

You will be required to spend the following amounts on advertising, marketing and otherwise promoting the Club (“Local Advertising Expenditure”) (i) commencing when you begin the pre-sale of memberships until the date that is twelve (12) months from the Effective Date of your Franchise Agreement, you will spend at least \$4,000 each calendar month (“Initial Advertising”); and (ii) following the Initial Advertising and continuing for the Term, you will spend at least the greater of \$2,000 each calendar month, or 5% of your Gross Revenues (the “Local Advertising Expenditure”). All or a portion of the Local Advertising Expenditure may be paid directly to us, our designated advertising agency or third-party media outlet. You must spend the amounts explained above on the Local Advertising Expenditure regardless of the amounts that other franchisees may spend. You must provide us with documentation of your monthly Local Advertising expenditures. All local advertising (including social media) must be in media that we approve and must be conducted in a dignified manner and conform to the standards and requirements that we specify. You are required to use an approved supplier for local advertising. You may not use any advertising or promotional plans or materials unless and until you have received written approval from us (Franchise Agreement Section 5.1).

Advertising Cooperatives

There currently are no Advertising Cooperatives in place for the franchise system. We do, however have the authority to require you to form an Advertising Cooperative in your local or regional market area and to require you to contribute to or participate in an Advertising Cooperative. The contribution to the Advertising Cooperative will be determined by majority vote of the Cooperative, but the minimum amount will be equal to the Franchisee’s local advertising requirement. Each franchisee owning one (1) health club in the Cooperative will have one (1) vote and the franchisor will also have one (1) vote per corporate owned outlet in the area. There are currently no corporate owned outlets in the system. Franchisor or affiliate owned health clubs will also be members of the Cooperative in its area. The franchisees will be responsible for administering the Cooperative and will operate from written governing documents which must be approved by the franchisor. The cooperatives must prepare annual financial statements in accordance with franchisor’s guidelines and make those reports available to all members of the Cooperative and to the franchisor. The franchisor has the power to require cooperatives to be formed, merged, changed or dissolved.

During the fiscal year 2025 we intend to reform our Franchisee Advisory Council (“FAC”), which will be composed of our executive team and franchisees representing single and multi-club operators from varying business backgrounds that are selected by us. We may dissolve the FAC at any time.

Internet/Social Media Activities

You may not promote, offer or sell any products or services relating to the Club through, or use any of the Marks in, any form of electronic communications, including Internet web sites, social networking sites, applications or other future technological avenues that enable users to create and share content or participate in social networking (collectively, “Social Media”), without our prior written consent, which we may withhold for any or no reason. You must, at all times, comply with our Social Media policy, as modified

periodically. Your use of any Social Media relating to the Club is subject to our prior written approval. You may not establish an independent site or page on any Social Media. If we authorize you to have and/or design a site or a page on any Social Media for the Club, your site and page may only be accessed from our site or page, and we may prohibit links between your site or page and any other site. You acknowledge that any use of Social Media by you with respect to the Club constitutes advertising and promotion subject to our advertising standards and policies, and you must comply with any additional policies and standards we issue from time to time with respect to Social Media. Any copyright in your sites or pages on any Social Media will be deemed to be owned by us, and you must sign any documents that we reasonably deem necessary to affirm our ownership of the copyright. If necessary, you must ensure cooperation with us by any web site service provider or web site hosting company with which you do business. You must have or the lawful right to use any proprietary materials of others that appear on your sites or pages on Social Media. We periodically may provide to you content for your sites and pages on Social Media, including copy, news stories and photographs. We must consent to any changes to your sites and pages on Social Media.

Brand Development Fee

We have the right to require you to contribute two percent (2%) of your monthly Gross Revenues for brand development (the “Brand Development Fee”). We have the right to increase the amount of the Brand Development Fee upon 30 days’ advance written notice. Brand Development Fees will be payable by the 10th day of the month (Franchise Agreement Sections 4.2).

Company or affiliate owned Workout Anytime facilities will contribute to Brand Development on the same basis as our franchisees.

We will direct all programs that Brand Development finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. Brand Development may pay for preparing and producing local, regional or national advertisements, video, audio and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, (including, without limitation, using in-house or outside advertising, promotion and marketing agencies and other advisors to provide assistance); and supporting public relations, market research and other advertising, promotion and marketing activities. We have the right to directly market to members of your Franchised Club. Brand Development periodically will give you samples of advertising, marketing and promotional formats and materials at no cost and will sell you multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling and storage charges.

We will account for Brand Development activity separately from our other funds (but we are not required to maintain a separate custodial account) and will not use the Brand Development Fee for any of our general operating expenses, except to compensate the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering Brand Development programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for Brand Development Fee. Brand Development is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering Brand Development or any other reason. We will not use, and there is no percentage of fees of, Brand Development Fee for advertising that is principally a solicitation for the sale of franchises except that in certain ads with available space, we may insert certain language as to the availability of franchise opportunities. Brand Development may spend, in any fiscal year, more or less than the total Brand Development Fee in that year, borrow from us or others to cover deficits, or invest any surplus for future use. If some of the Brand Development Fees are not spent during a fiscal year in which they accrue then we will use the remaining amount as follows: first, to reduce any deficit from previous years, and when extinguished, the surplus is applied to programs in the subsequent year, until the balance is zero. We will use all interest earned on Brand Development Fees to pay costs before using other Brand Development assets. We will prepare an annual, unaudited statement of Brand Development

collections and expenses and give you the statement upon written request. We may incorporate Brand Development activities or operate it through a separate entity whenever we deem appropriate.

We intend Brand Development to maximize recognition of the Marks and patronage of Workout Anytime facilities. Although we will try to use Brand Development Fee to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all facilities in the System, we need not ensure that expenditures or affecting any geographic area are proportionate or equivalent to the Brand Development Fees received by Workout Anytime facilities operating in that geographic area or that any Workout Anytime facilities benefit directly or in proportion to its Brand Development Fees from the development or placement of advertising and marketing materials. We are not required to spend any amount on advertising in any specific area or territory. We may forgive, waive, settle and compromise all claims by or against Brand Development activities. We assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing or administering Brand Development contributions.

We may at any time defer or reduce Brand Development Fees of a Workout Anytime Club and, upon thirty (30) days' prior written notice, reduce or suspend Brand Development Fees and operations for one or more periods of any length and terminate (and, if terminated, reinstate) Brand Development Fees.

We do not use Brand Development for creating or placing any advertisements that principally solicit for new franchisees; however, we may use the Brand Development Fee to prepare general advertising that refers to or mentions advertising opportunities within the advertising creative. For instance, a portion of the Brand Development Fee may be used to create and maintain one or more pages on our website devoted to advertising franchise opportunities and identifying and screening inquiries submitted by franchise candidates. During the last fiscal year which ended on December 31, 2024, we spent contributions to the Brand Development as follows: 29% on media placement; 10.8% on digital/social media; 35.2% on production; 6.9% on public relations; 0.1% on in-club promotions; and 17.9% on administrative expenses. The amounts spent on advertising and marketing exceeded that which was collected from franchisees as part of Brand Development. We have loaned money at no interest to cover deficits. Any funds that are not spent in any fiscal year will be retained for use in upcoming years.

Our Control over Your Advertising

In order to promote a standard and professional marketing approach to the public, you may only use advertising and marketing materials that we have provided to you or that we have approved in advance. All advertising materials that we provide to you to promote your Club and the System generally are our property and we claim copyright protection over them.

We have the right to approve the media in which you propose to advertise. You must submit to us in advance, any proposal describing the media in which you propose to advertise, providing sufficient detail to permit us to evaluate it. We will have ten (10) days to approve or disapprove the use of our materials in the media you propose. If we have not approved the use of the materials within ten (10) days, they are deemed not approved. (Franchise Agreement Section 5.3)

We have the right to approve any advertising and marketing materials that you propose to use that we have not provided or supplied to you. We will have ten (10) days to approve or disapprove the use of our materials in the media you propose. If we have not approved the use of the materials within ten (10) days, they are deemed not approved. (Franchise Agreement Section 5.2)

We reserve the right to require you to participate in up to four (4) system-wide marketing and promotional activities each year. These promotions may include, but are not limited to, limited-time offers, seasonal campaigns, discounts, or other brand initiatives designed to drive customer engagement and sales. We may

establish promotional pricing for these campaigns and you must comply with the designated pricing structure for the duration of the promotion. We will provide advance notice of each required promotion, including details regarding execution, timing and any associated costs. Failure to comply with the mandated promotions and pricing may be considered a breach of your Franchisee Agreement and subject to the remedies as outlined in the Franchise Agreement (Franchise Agreement Section 5.1(D)).

Computer System

You must obtain and maintain computer hardware and software including peripherals and the door entry system that meet our specifications. You may purchase these items from any approved supplier except as stated below. ABCFS supplies 2 computers, 2 monitors, 2 verifones, 2 receipt printers, 1 camera and 1 cash drawer and a signing pad to our franchisees at no cost. Additional computers may be added at Franchisees discretion. ABCFS also licenses virus protection software to our franchisees. We anticipate the cost of the additional computers to be approximately \$719.00 each plus shipping and handling.

The software which must be installed on your Computer System is provided and supported by ABCFS. You must pay a monthly software bundle fee, which includes Data Trak Membership and Operations, MyiCLUB Online, GymSales, Ignite Sales, Ignite Engagement, door access and ABCDM antivirus protection. This fee is currently \$325.00 to \$525.00 per month. You must also pay us a technology package fee of \$595.00 to \$795.00 per month for our development and management of technology platforms such as the Workout Anytime website, your specific web page which links from the Workout Anytime website, as well as your Club's email platform (including up to 5 discrete email addresses), internal intranet, and other technology we determine important in the operation of your Club. .

We reserve the right to change or to require you to upgrade or update the Computer System at any time. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We are not required to provide ongoing maintenance, repairs, upgrades or updates to your Computer System. We anticipate the annual cost for you to maintain, repair or update the Computer System will be between \$0 and \$2,000.00. We have independent, unlimited access to the information generated by the Computer System. There are no contractual limitations upon our ability to access your computer information. We also have the right to use that information for the benefit of our franchise System in any manner we choose. We or our approved vendor may condition any license of proprietary software to you, or your use of technology that we or our approved vendors develop or maintain, on your signing the Software License Agreement or similar document that we prescribe to regulate your use of, and our and your respective rights and responsibilities concerning, the software or technology. We may charge you a monthly or other fee for any proprietary software or technology that we license to you and for other maintenance and support services that we provide during the franchise term. We do not currently require you to license any proprietary software from us; however, we reserve the right to do so in the future. You are required to maintain your credit card processing hardware and software in compliance with the Payment Card Industry (PCI) Data Security Standards ("PCI-DSS").

Site Selection

We do not typically own a premises which is then leased to you.

Within 180 days after signing the Development Agreement, you must obtain our site acceptance of the location of the Club (the "Franchised Location"). If we have not accepted a site within this time period, we may terminate the Development Agreement. In the event of such termination, your Initial Franchise Fee will not be refunded. You assume all cost, liability and expense for locating, obtaining and developing a site for the Club. You may not make any binding commitments to purchase or lease a site until we have accepted the site in writing.

We may, but are not required to, provide you with the following site selection assistance: (a) our site selection guidelines and, as you may request, a reasonable amount of consultation regarding those guidelines; and (b) on-site evaluation that we may deem advisable (subject to the availability of our personnel) as part of our evaluation of your request for site acceptance. If we provide this assistance at your request, you must reimburse us for all travel, living and other expenses incurred by our representatives in connection with our on-site evaluation. We have no obligation to conduct any on-site evaluations of locations you propose.

For each proposed site, you must submit to us a site review report consisting of financial pro-formas, a description of the site, photographs, demographic information, site characteristics (including access and egress points and the amount of road traffic), other fitness facilities in the area, and any other information that we may require, including, but not limited to, a letter of intent or other evidence satisfactory to us, which confirms your favorable prospects for obtaining the site. In addition, we may require a site analysis prepared by a third party vendor at your expense. We reserve the right to designate the third party vendor used to prepare the site analysis and the right to conduct an on-site evaluation of the proposed site before deciding whether to accept the site.

Within 60 days after our receipt of a complete (as determined by us) site review report, we will review that information, evaluate the proposed site and advise you in writing whether we have accepted the site; however, we have no obligation to review any site review report if you and/or your affiliates are not in full compliance with all agreements with us and/or our affiliates. If we do not respond within that time period, we will be deemed to have rejected the site.

If you lease the site for your Club, we must approve the lease and you are required to have the landlord sign the Lease Addendum attached as Exhibit M to this disclosure document. If we have an approved real estate broker in your area, you must utilize the services of that broker to assist in your site search and to ensure the site meets our criteria. You must install the maximum sized signage allowed by either your lease or local law. Workout Anytime must approve the proposed sign, including color, font and dimensions prior to construction of the sign.

Construction

You assume all cost, liability and expense for developing, constructing and equipping the Club and opening the Club within 12 months after signing the Franchise Agreement or, if you are opening more than one Club, as otherwise set forth in your Development Schedule attached to your Development Agreement. You must ensure that your proposed plans for the Club ("Plans") comply with all applicable ordinances, building codes and permit requirements, lease requirements and restrictions and the Americans with Disabilities Act. You must use only registered architects, engineers and professional and licensed contractors, each of whom must be approved by us. You must submit the Plans to us and revise the Plans as we require. Once we consent to the Plans, neither you nor your contractor may change them unless you again obtain our consent. You may not submit the Plans to your local government agency or begin site preparation or construction before we have notified you, in writing, that we have consented to the Plans. You may not commence construction until you have obtained all required permits and licenses. The approved architect must perform a survey of lease space as part of the architect process.

Time to Opening

We estimate that the typical length of time between signing of the Franchise Agreement or the first payment of consideration for the Franchise (whichever occurs first) and the opening of your Club is approximately 6 to 12 months. Factors that may affect this period include whether you have selected a site when you sign the Development Agreement, your ability to obtain an acceptable site, arrange leasing and financing, make leasehold improvements, install fixtures, equipment and signs, decorate the Club, meet local requirements, and similar factors.

We will not authorize the opening of the Club unless all of the following conditions have been met: your managers and all employees have been trained; the Club is ready for opening in all other respects and is in compliance with all System standards (including signage, inventory, fixtures and equipment); the Initial Franchise Fee and/or Development Fee has been paid in full; all state and local requirements to operate a health club facility have been satisfied; the required certificates of insurance have been furnished to us; you are in compliance with all terms of this Agreement; all items contained in our then-current opening checklist have been completed to our satisfaction; and you have met your pre-sale membership obligations.

Training Program

We will provide you and your Manager (a total of up to two (2) people) with training in the day-to-day management and operation of a Workout Anytime facility. Although we typically conduct initial training in the greater Atlanta, Georgia metropolitan area, we may elect to train you in another location. We may also require additional training at your expense to be completed if certain performance criteria are not being met. Before you open your Business, you must complete the entire Training Program to our satisfaction. (Franchise Agreement Section 7.3). Our Initial Training Program is mandatory for the franchisee (if an individual, or if an entity, its controlling member or shareholder), and its Manager. You will be required to complete the entire online Bridge LMS New Franchisee Program, which takes approximately 14 hours to complete, prior to attending the Training Academy at Franchisor's headquarters. You are required to complete the Initial Training Program at least 4 months before the opening of the franchised business. You are required to train any new or replacement Manager. We also conduct corporate and on-site additional training on an as-needed basis.

You must pay for all costs of travel incurred by you and any employee(s) during your initial training. You must pay all additional training fees plus all costs of travel, lodging and meals incurred by you and your employee(s) during any additional training, if you receive training elsewhere. You must pay all our costs of travel, lodging, meals and expenses incurred, plus any training fee, if we train you at your location. (See Item 6, Franchise Agreement Section 7.3)

Our Training Program provides the education and marketing infrastructure required to launch and scale effective fitness and wellness programs in health clubs. The Training Program is under the direction of Greg Maurer who has over 34 years of experience in the fitness industry and has expertise in the development of the education and marketing infrastructure required to launch and scale effective fitness and wellness programs in health clubs. Greg is joined by members of the Workout Anytime Executive Team and other employees. Each professional brings specific expertise and a proven track record of success in the following key areas of the fitness industry: Marketing, Sales, Social Media, Administration, Accounting and Finance, Personal Training, Operations and Construction. We may also utilize outside trainers as we deem appropriate. The initial training will include the following topics:

TRAINING PROGRAM*

Subject	Hours of Classroom Training	Hours of on the Job Training	Location**
Operations Training	8	4	Franchise Support Center / Club Location/Remote ABC
Social Media	5	0	Franchise Support Center
Marketing & Branding	8	0	Franchise Support Center
Club Management Systems	4	40	Franchise Support Center / Club Location
Hiring & Compensation	4	0	Franchise Support Center
Fitness Training	8	0	Franchise Support Center
Sales, Customer Service, Club Opening, Pre-Sales, Club Financials	10	0	Franchise Support Center
PT Training Academy	30	0	Franchise Support Center
Equipment Orientation	0	2	Club Location
TOTALS	77	46	

* This table represents the minimum requirement of franchise training prior to the opening of your Club.

**The Franchise Support Center is located at our principal address of 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009

You are responsible for making sure that your personnel are properly trained to our standards and requirements. Failure to complete the Initial Training to our satisfaction may in our option, result in: (i) the termination of the Franchise Agreement; (ii) the requirement for you to designate a replacement Manager within thirty (30) days, who must successfully complete the Initial Training to our satisfaction.

We may hold an Annual Convention at a location to be selected by us. We will determine the topics and agenda for the conference to serve the purpose among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and our personnel regarding business operations, and recognizing franchisees for their achievements. You are required to attend or send a manager to attend the Annual Convention and to pay our then-current registration fee which is \$895 per attendee. This fee may be changed by up to 5% per annum. If we charge a registration fee for the Annual Convention, you must pay the fee regardless of whether you attend. All expenses, including you and your employees' transportation to and from the Annual Convention, and lodging, meals, and salaries during the Annual Convention, are your responsibility.

We may offer additional training programs and/or refresher courses to you, your Manager, and/or employees as we deem appropriate. As of the date of this Disclosure Document, we are not able to state or estimate the location, duration or frequency of any additional training programs. The programs will vary, depending on your needs, the needs of other franchisees and the System at the time the program is offered. We currently do not anticipate offering more than two (2) additional training programs during a calendar year and we currently anticipate that each training program will last approximately 3 – 4 days. We may require you and your employees' attendance at these programs. You must pay for you and your employees' travel, meal, lodging and payroll expenses while attending our additional training programs. We have the right to charge a fee for the additional training programs, up to our training fee of Five Hundred Dollars (\$500) per day, per trainer.

Intranet Systems

You must regularly check, review and participate in any System-wide computer network intranet system that we may create for our franchise System. We do currently have an intranet system for franchisees. We may require that you use the intranet system to: (i) submit reports due to us under the Franchise Agreement; (ii) view and print portions of the Manual; (iii) download approved local advertising materials; (iv) communicate with us and other franchisees; or (v) to participate in training as we determine. We will provide access to our intranet system to you and Club staff by way of club login. You are responsible for the use of the intranet system by your personnel and for compliance by each of your personnel with our security and access policies. If any access information is lost or stolen, or employment of any of your personnel ends, you must promptly notify us.

ITEM 12 TERRITORY

Development Agreement

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

Under the Development Agreement, you will receive a Development Area, which will be mutually agreed upon by us and you. A description of the Development Area will be attached as an exhibit to the Development Agreement. As you select future sites under the terms of the Development Agreement, the then-current standards for sites will apply.

We retain the right to:

A. Grant other franchises or licenses for, and operate company or affiliate-owned, health and fitness businesses operated in private establishments located in the Development Area, if access to those businesses is limited to employees of the business or transient guests of the business.

B. Establish, and license others to establish, Workout Anytime businesses at any location outside the Development Area, notwithstanding their proximity to the Development Area or the actual or threatened impact on your Franchised Clubs.

C. Own and operate health and fitness businesses under different trademarks at any location inside or outside of the Development Area, or grant others the right to own and operate health and fitness businesses under different trademarks at any locations inside or outside of the Development Area.

D. Sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise from any location or to any purchaser (including members of your Franchised Clubs), through any channel or method of distribution (including, but not limited to, sales made by or through mail order and/or on the Internet) and retain all revenues from those sales, so long as those sales are not conducted from a Workout Anytime business operated at a location inside the Development Area.

E. Purchase, be purchased by, merge or combine with, businesses that directly compete with Workout Anytime business.

F. Own, operate and franchise clubs offering the same or similar services under the Marks in non-traditional venues such as airports, train stations, military bases, educational facilities, hospitals, health care facilities and casinos.

G. Engage in any other activities not expressly prohibited by this Agreement.

Continuation of the limited restrictions on our ability to operate and license others to operate Clubs in the Development Area does not depend on your achieving a certain sales volume, market penetration or other contingency. However, if you are in default of the Development Agreement (which may include, but is not limited to, a default for failing to comply with the Development Schedule) or any Franchise Agreement and fail to cure the default within the applicable cure period (if any), we may terminate the Development Agreement and your limited rights in the Development Area. There are no other circumstances in which we can unilaterally modify your limited rights in the Development Area.

Franchise Agreement

Once you have furnished to us in writing a specific physical address for your desired health club location, and we have notified you in writing that we consent to such location, we will designate a territory (the "Territory"). The Territory will be shown on a map and appended as an Exhibit to the Franchise Agreement. When you sign the Development Agreement, we will designate a non-exclusive site selection area within which you will select a site for the Club. We grant you a right of first refusal within the site-selection area. Franchisor will approve sites for additional locations under the Development Agreement according to Franchisor's then-current site selection criteria. The Territory, once determined, will typically have natural boundaries such as roads, waterways, and state, city and county lines, or be defined by means of a designated circular area defined by an established radius allocated to you by us at our discretion. Factors which we will consider in determining the Territory will include population, population density, demographics, traffic patterns and other factors. We rely on the latest U.S. Census report for our population figures. There will be no minimum size for your Territory.

Provided that you are in compliance with the Franchise Agreement, we will not operate, or license others to operate, a Club using the Marks within your Territory.

We may not modify the territory assigned to you without your prior written permission (although you forfeit and lose all such territorial rights upon the occurrence of any default or other action resulting in termination of the Franchise Agreement). You may, upon our request, allow another franchisee to open a Club within your territory. If you approve the request, the protected territory will be re-apportioned as the parties subsequently agree.

You will operate from that single approved location and must receive our permission before relocating. Should the location cease to be available, we will use our best efforts to reassign an amended territory around a new location within your territory, subject to limitations imposed by existing territories which may then be established for other health clubs owned by other franchisees or by Franchisor affiliates. Franchisor will approve sites for additional locations under the Development Agreement according to Franchisor's then-current site selection criteria.

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.

Any rights not expressly granted to you are reserved to us, including but not limited to the following:

- A. Grant other franchises or licenses for, and operate company or affiliate-owned, health and fitness businesses operated in private establishments located in the Territory, if access to those businesses is limited to employees of the business or transient guests of the business.
- B. Establish, and license others to establish, Workout Anytime businesses at any location outside the Territory, regardless of their proximity to the Territory or the actual or threatened impact on your Club.
- C. Own and operate health and fitness businesses under different trademarks at any location inside or outside of the Territory, or grant others the right to own and operate health and fitness businesses under different trademarks at any locations inside or outside of the Territory.
- D. Sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise from any location or to any purchaser (including members of your Franchised Club), through any channel or method of distribution (including, but not limited to, sales made by or through mail order and/or on the Internet) and retain all revenues from those sales, so long as those sales are not conducted from a Workout Anytime business operated at a location inside the Territory.
- E. Purchase, be purchased by, merge or combine with, businesses that directly compete with Workout Anytime business.
- F. Own or operate clubs offering the same or similar services under the Marks in non-traditional venues such as airports, train stations, military bases, educational facilities, hospitals, health care facilities and casinos.
- G. Engage in any other activities not expressly prohibited by the Franchise Agreement.

We do, however, impose the following minimum performance standards:

1. Minimum Pre-Sale Membership Requirement

If you have not sold at least 500 Memberships by the date your Club is open for business, we have the right to send up to 2 representatives of Franchisor to your Club for up to 10 days to provide sales and other training to you and your staff. You must pay our then-current training fee, currently \$500 per day, per trainer, plus the expenses of travel and room and board of the trainers. You may not begin pre-selling memberships until you have our prior written consent, which we will not grant more than 10 weeks prior to your expected opening date. You must begin pre-selling memberships eight weeks prior to your expected opening date.

2. Minimum Monthly Gross Revenue Requirement

Beginning in the 12th month after the Club opens for business, you must generate a minimum of monthly Gross Revenues of \$40,000 ("Minimum Monthly Gross Revenue Requirement"). If you fail to attain the Minimum Monthly Gross Revenue Requirement for 2 consecutive months, we have the right to impose any one or all of the following requirements until your monthly Gross Revenues equal or exceed the Minimum Monthly Gross Revenue Requirement: (i) we may increase your required local advertising requirement by up to 200%; and/or (ii) we may require that your Manager and/or you attend additional training at our headquarters or at another location that we designate and you will be required to pay our then-current training fee.

We may, at our sole discretion, approve a relocation of your business within your territory. Should you require relocation outside of your territory, a relocation fee equal to 50% of our then-current Initial Franchise Fee will be charged for our expenses associated with the documents and the proposed site. All relocations selected by you and approved by us are subject to the then existing territorial rights of other franchisees and Franchisor/affiliate owned health clubs.

You will have no restrictions on soliciting or accepting business from outside your territory by other channels of distribution such as the internet, direct marketing, or telemarketing. All services that you provide must be from the location of your Workout Anytime facility.

Territories do not necessarily transfer with the sale of an existing health club. Upon the sale of an existing Workout Anytime health club, the then existing territory allocated to that health club may no longer be valid or applicable, and the new owner(s) of such health club may be assigned and allocated a new territory having the defined limits and parameters prescribed in this Disclosure Document, the Franchise Agreement, and Territory Acknowledgment form.

ITEM 13 TRADEMARKS

We grant you the right to use the following trademarks which are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”).

Mark	International Classification	Registration Date	Registration Number
	41 – Health Club Services	December 16, 2014	4655002
	41 – Health Club Services	December 16, 2014	4655001
24/7 GET FIT	41 - Education and Entertainment	January 20, 2009	3563659
	41 - Education and Entertainment	June 7, 2011	3973181
Workout Anytime	41 - Education and Entertainment	March 20, 2012	4113750
Workout Anytime 24/7	41 - Education	April 2, 2013	4311637

Mark	International Classification	Registration Date	Registration Number
24 7 Workout Anytime	41- Education	December 16, 2014	4655001
24 7 Workout Anytime Your Fitness. Your Schedule!	41 – Education	December 16, 2014	4655002

We also grant you the right to use the trademarks in the table below, which we have applied for registration on the Principal Register of the USPTO. We do not yet have federal registrations for these trademarks. Therefore, the trademarks do not have as many legal benefits and rights as a federally registered trademarks. If our right to use any of these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

U.S. Mark	International Classification	Filing Date	Application Number
WORKOUT ANYTIME 	41 and 44 – Health Club Services	May 5, 2025	99/170,397
WORKOUT ANYTIME 	41 and 44 – Health Club Services	May 5, 2025	99/170,483
YOUR FITNESS. YOUR SCHEDULE.	41 and 44 – Health Club Services 35 – Retail Store Services	May 5, 2025	99/170,544
WORKOUT ANYTIME 	41 and 44 – Health Club Services 35 and 36 – Franchise Services	May 5, 2025	99/170,620
WORKOUT ANYTIME	41 and 44 – Health Club Services	May 5, 2025	99/170,650

U.S. Mark	International Classification	Filing Date	Application Number
	35 and 36 – Franchise Services 35 – Retail Store Services		

You must follow our rules when you use these and any future marks. You cannot use a name or mark as part of a corporate, limited liability company or partnership name. You cannot use a name or mark with modifying words, designs or symbols except for those which Workout Anytime licenses to you specifically. You may not use the Workout Anytime registered name in association with the sale of an unauthorized product or service, on any commercial or social networking website, or in a manner not otherwise authorized in writing by Workout Anytime. Only the owner and manager of a franchise may use or associate their name(s) with the workoutanytime.com website.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court; and any pending infringement, opposition, or cancellation proceeding. There is no pending material federal or state court litigation regarding the Franchisor's use or ownership rights to the Marks.

No currently effective agreements limit our right to use or license the use of our trademarks. We have filed all required affidavits to renew each of the above Marks in a timely manner.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and you may not communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action as we deem appropriate and the right to control exclusively any litigation, USPTO proceeding or any other administrative proceeding arising from such infringement, challenge or claim or otherwise relating to any Mark. You must sign any instruments and documents, provide such assistance and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our interests in the Marks. The franchise agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks licensed to you by us if the proceeding is resolved unfavorably to you.

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you must comply with our directions. However, we will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark.

We do not actually know of either superior prior rights or infringing uses that could materially affect your use of our principal trademark in any state.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We currently hold no patents to material to the business or to the franchises we offer, nor do we have any pending patent applications.

We do claim copyright protection and proprietary rights in the Manual, advertising materials and related items used in operating the franchise. These copyrights have not been registered with the United States Registrar of Copyrights.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. Nor are there any agreements currently in effect which significantly limit our right to use or authorize franchisees to use the copyrighted materials. Furthermore, there are no infringing uses actually known to us which could materially affect a franchisee's use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights or confidential information, although we intend to do so when this action is in the best interests of the System.

The Manual, which is described in Item 1 and Item 11, and other materials we possess contain our confidential information. This information includes site selection criteria; methods, formats, specifications, standards, systems, procedures and sales and marketing techniques used, and knowledge of and experience, in developing and operating Clubs; marketing and advertising programs for Clubs; knowledge of specifications for and suppliers of certain fixtures, furnishings, equipment, products, materials and supplies; and knowledge of the operating results and financial performance of Clubs other than your Club.

All ideas, concepts, techniques or materials relating to a Club, whether or not constituting protectable intellectual property, and whether created by or on behalf of you or your owners, must be promptly disclosed to us, will be considered our property and part of our franchise system and will be considered to be works made-for-hire for us. You and your owners must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, techniques or materials. We reserve the right in our sole discretion to require anyone participating in our training program to execute a Non-Competition, Non-Solicitation and Confidentiality Agreement. A copy of the Non-Competition, Non-Solicitation and Confidentiality Agreement is attached as Exhibit B to this disclosure document.

You may not use our confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others.

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

We do not require that you personally operate the Club daily. The business must, however, be directly supervised daily by a manager who upon successful completion of our training program has been certified by us. The on-premises manager cannot have an interest or business relationship with any of our business competitors. The manager need not have an ownership interest in your business. You (or your owners if you are a business entity) and each manager or primary operator must sign a Non-Competition, Non-Solicitation and Confidentiality Agreement attached as Exhibit B to this disclosure document.

As an individual franchisee, you have no obligation to personally participate in the everyday running of your Club, although it is your individual obligation to see that the franchise obligations and responsibilities

under the Franchise Agreement are performed. We do require on-site supervision of your Club for the minimum required staffed hours by at least one (1) primary operator, who must be a manager, Owner, or employee who has successfully completed our franchise training programs, or personally trained by the Owner or manager that has attended and completed our training. You are responsible for reporting service problems or violations of the Franchise Agreement, no matter who commits such breach.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must confine your business to the operation of a Club. You may not conduct any other business or activity at or from the Club location. You are limited to the Territory in offering or selling your products/services, including your solicitation of customers. You may identify your Club only by the Marks. You must offer all of the products and services that we prescribe, and we may change the products and services from time to time at our discretion. You may not offer or sell any product or service from the Club except those we authorize. See Items 8 and 11.

We require you to open and operate your Club during the standard staffed hours that we specify or approve in writing (except during such periods as you are required by law or permitted by use to be closed).

You must comply with our membership reciprocity policy that requires each Club to honor any membership that originated at another Club at the same membership level, as more fully described in the Manual and standard operating policy.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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.

THE FRANCHISE RELATIONSHIP

	Provision	Section in Franchise Agreement	Section in Area Development Agreement	Summary
a.	Length of the Franchise Term	Section 2	Not Applicable	Ten (10) years
b.	Renewal of extension of term	Section 2	Not Applicable	Provided that you are in good standing at the end of any term, you can renew an unlimited number of times for an additional five (5) year term
c.	Requirements for franchisee to renew or extend	Section 2	Not Applicable	You must: sign our then-current franchise agreement which may contain materially different terms and conditions from the original agreement; be in compliance with your Franchise Agreement and System standards; be in compliance with your lease and agreements with

				vendors; make required upgrades; execute a general release; complete any additional training that we require; pay the Renewal Fee.
d.	Termination by franchisee	Section 17.1 , subject to state law.	Not Applicable, subject to state law.	Material default by Workout Anytime
e.	Termination by franchisor without cause	Not Applicable	Not Applicable	None
f.	Termination by franchisor with cause	Sections 17.2 and 17.3	Section 6	Workout Anytime can terminate if you materially violate the Franchise Agreement or Area Development Agreement.
g.	“Cause” defined – Curable Defaults	Section 17.3	Section 6	We have the right to terminate the Franchise Agreement after providing you a five (5) day right to cure if you fail to pay any monies you owe to us or our affiliates. You have thirty (30) days after notice to cure any default that is not listed in Section 17.2 of the Franchise Agreement. We have the right to terminate the Franchise Agreement after providing you a thirty (30) day cure period if you fail to perform or comply with any one or more of the terms and conditions of the Franchise Agreement. In lieu of termination, we have the right to impose financial penalties until defaults have been cured.
h.	“Cause” defined – Non-curable Defaults	Section 17.2	Section 5.1	The Franchise Agreement shall automatically terminate without notice or an opportunity to cure if: You or your Manager fail to complete our initial training program; You fail to open the Club for business by the required opening date; You become insolvent or makes a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or against you; if you are adjudicated a bankrupt or insolvent; or you file or

				have filed against you other similar bankruptcy or insolvency proceedings; You made a material misrepresentation or omission in your franchise application or you are convicted of or plead no contest to a felony or other crime or offense that may adversely affect the goodwill associated with the Marks; You breach the confidentiality covenants in Section 16 of the Franchise Agreement; We discover that you made a material misrepresentation or omitted a material fact in the information that you furnished to us in connection with our decision to enter into this Agreement; You knowingly falsify any report required to be furnished to us or make any material misrepresentation in your dealings with us or fail to disclose any material facts to us; You, any Principal Owner, any guarantor under this Agreement or any of your managers, members, officers or directors is convicted of, or pleads no contest to, a crime that we reasonably believe is likely to harm the reputation of the System or our goodwill; Any Transfer that requires our prior written consent occurs without your having obtained that prior written consent; Any of the individual franchise agreements or any other agreement between you and us is terminated; You, any Principal Owner or any other entity that is a Workout Anytime franchisee and in which you or any Principal Owner have a direct or indirect ownership interest remain in default beyond the applicable cure period under: (i) any other agreement with us or our affiliates, including the franchise agreement, the area development agreement, or vice versa; (ii) any real estate lease, equipment lease or financing instrument relating to the Club; or (iii) any agreement with any vendor or supplier to the Club; provided that
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				if the default is not by you, you are given written notice of the default and 10 days to cure the default; You refuse to permit, or try to hinder, an examination or audit of your books and records or inspection of the Club or Franchised Location as permitted by this Agreement; Any condition exists with respect to the Club that, in our reasonable judgment, seriously jeopardizes public health or safety; During any 12-month period, you fail to operate the Club for 3 or more consecutive days or 5 total days unless we determine, in our sole discretion, that the failure was beyond your control; Any Principal Owner fails or refuses to sign the Guarantee; An entity that is not a party to this Agreement is operating the Club without our prior written consent.
i.	Franchisee's obligations on termination /non-renewal	Sections 17.4 et seq.	Section 6	Obligations include complete de-identification, non-competition and payments of amounts due
j.	Assignment of contract by franchisor	Section 18.7	Not Applicable – Determined by Franchise Agreement	No restriction on our right to assign
k.	“Transfer” by franchisee - defined	Section 18	Not Applicable – Determined by Franchise Agreement	Includes transfer of contract or assets or ownership change
l.	Franchisor approval of transfer by franchisee	Section 18	Not Applicable – Determined by Franchise Agreement	Workout Anytime has the right to approve all transfers but will not unreasonably withhold approval; franchisee must sign a release; pay the Transfer Fee; transferee must make required upgrades.

m.	Conditions for franchisor approval of transfer	Section 18.2	Section 8	Franchisee must be in good standing; Franchisor must approve terms of sale; payment of Transfer Fee; Transferee must sign then-current form of Franchise Agreement; Principals of Transferee must execute a Guaranty; Franchisee must sign release.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 18.8	Not Applicable	If franchisee receives an offer to transfer any interest in the franchise, it must offer franchisor the right to purchase on the same terms and conditions
o.	Franchisor's option to purchase franchisee's business	Section 17.12	Not Applicable	We have the option to purchase the assets of the Club upon the termination or expiration of the franchise agreement
p.	Death or Disability of franchisee	Section 18.6	Not Applicable	Franchise Agreement must be transferred within three (3) months of death or disability of franchisee
q.	Non-competition covenants during the term of franchise	Section 16	Not Applicable	No involvement in competing business anywhere in U.S.
r.	Non-competition covenants after the franchise is terminated or expires	Sections 16.1, 16.3	Not Applicable	No competing business for two (2) years within twenty-five (25) miles of another Workout Anytime franchise (including after assignment)
s.	Modification of Agreement	Section 19.5	Section 11	No modifications generally but operating manual subject to change
t.	Integration/merger clause	Section 19.5	Section 9.3	Only the terms of the Franchise Agreement are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Nothing in the franchise agreement, the development agreement, or any related agreement is intended to disclaim the representations made in the Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 19.8	Section 14	Except for certain claims, all disputes must be arbitrated

v.	Choice of forum	Section 19.9	Section 15	Litigation must be in the State of Georgia (Subject to state law)
w.	Choice of Law	Section 19.7	Section 13	Except for the Federal Arbitration Act and other federal law, Georgia law governs (subject to state law). The provisions of the Non-Competition Covenants will be interpreted pursuant to the laws of the state in which the Franchisee's business is located

A provision in the Franchise Agreement that terminates such agreement on your bankruptcy may not be enforceable under Title 11, United States Code Section 101.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned Clubs, 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 the information 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 Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

As of December 31, 2024, there were a total of 190 Clubs that are owned and operated by our franchisees (each, a "Franchised Stores"). This Financial Performance Representation details certain Gross Revenue (as defined in the Notes below) information for the 181 Clubs that were open for the entire year ended December 31, 2024 ("Measurement Period").

Workout Anytime Franchising Systems, LLC 2024 Gross Revenue by Club		
2024 Total Gross Revenue Clubs Open 1 Year or More		93,864,515.62
Top Third	High	1,442,626.01
	Median	735,177.51
	Avg	802,775.21
	Low	550,302.64
Mid Third	High	547,881.25
	Median	460,792.36
	Avg	465,786.33
	Low	383,740.42

Low Third	High	380,187.03
	Median	294,332.95
	Avg	287,958.51
	Low	136,120.38
All clubs open 1 year or more	High	1,442,626.01
	Median	460,256.03
	Low	136,120.38
	Average	518,588.48
	Count	181

General Notes

1. There are 60 Clubs included in the Top Third, of which 23 met or exceeded the Average Gross Revenue.
2. There are 60 Clubs included in the Mid Third, of which 27 met or exceeded the average Gross Revenue.
3. There are 61 Clubs included in the Low Third, of which 36 met or exceeded the average Gross Revenue.
4. Of the 181 Clubs open one year there are 71 that met or exceeded the average Gross Revenue.
5. The financial performance figures do not reflect any cost of sales, operating expenses, or other costs or expenses that must be deducted from net revenue or net sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Club.
6. You must develop your own business plan for your Club, including capital budgets, financial statements, projections, and other elements appropriate to your particular circumstances. As part of your planning, you need to take into account the expenses you will incur, including labor and other operational expenses. Additional expenses that you may incur include royalty and marketing fees, interest on debt service, insurance, and legal and accounting fees. We encourage you to consult with your own accounting, business and legal advisors to assist you in identifying the expenses you likely will incur in connection with your Club, to prepare your budgets, and to assess the likely or potential financial performance of your Club. Franchisees and former franchisees listed in Exhibits I and J to this disclosure document may be one source of information.
7. “Gross Revenues” includes all revenue you generate from all business conducted at or in connection with your Club, including but not limited to membership fees, “Annual Fee” or comparable fees; personal training fees, tanning bed fees, massages, vending machines, and the sale and delivery of any other services, products, merchandise, and tangible property of any nature whatsoever, whether in cash or for credit, from sources paying at the club, outside the club or online and whether collected or uncollected. “Gross Revenues” does not include the amount of any applicable sales tax imposed by federal, state, municipal, or other governmental authority if such taxes are stated separately when the customer is charged, and you pay such amounts as and when due to the appropriate taxing authority. Also excluded from Gross Revenues is the amount of any documented refunds, charge backs, credits, and allowances given to customers in good faith and only in accordance with our operating procedures. All barter and exchange transactions for which you furnish services or products in exchange for goods or services to be provided by the vendor, supplier, or customer will be valued at the full retail value of the memberships bartered in exchange for the goods or services provided to you. Gross

Revenues also includes the proceeds of any business interruption insurance paid to you. Gross Revenue also includes any payments you receive from vendors.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

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

Except as provided above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jerry Pugh at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia, 30009, (770) 809-1401, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 LIST OF OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
**Systemwide Outlet Summary
For Years 2022 to 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	167	179	+12
	2023	179	185	+6
	2024	185	190	+5
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	167	179	+12
	2023	179	185	+6
	2024	185	190	+5

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
Florida	2022	0
	2023	0
	2024	1
Georgia	2022	2
	2023	4
	2024	0

State	Year	Number of Transfers
Kentucky	2022	0
	2023	1
	2024	0
North Carolina	2022	0
	2023	2
	2024	2
Oregon	2022	0
	2023	0
	2024	0
South Carolina	2022	0
	2023	3
	2024	2
Tennessee	2022	0
	2023	0
	2024	1
Texas	2022	1
	2023	0
	2024	0
Virginia	2022	0
	2023	0
	2024	2
Total	2022	3
	2023	10
	2024	8

TABLE NO. 3
Status of Franchised Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Alabama	2022	13	0	0	0	0	2	11
	2023	11	0	0	0	0	0	11
	2024	11	0	0	0	0	0	11
Arizona	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Arkansas	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non- Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Florida	2022	14	4	0	0	0	0	18
	2023	18	1	0	0	0	0	19
	2024	19	0	0	0	0	0	19
Georgia	2022	39	2	1	0	0	0	40
	2023	40	1	0	0	0	0	41
	2024	41	4	3	0	0	0	41
Idaho	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Indiana	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	1	0	0	0	3
Kansas	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Kentucky	2022	12	0	0	0	0	0	12
	2023	12	0	0	0	0	0	12
	2024	12	0	1	0	0	0	11
Maine	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Maryland	2022	0	0	0	0	0	0	0
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New Hampshire	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
North Carolina	2022	16	1	0	0	0	0	17
	2023	17	0	0	0	0	0	17
	2024	17	0	0	0	0	0	17
Ohio	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Oklahoma	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Oregon	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Pennsylvania	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
South Carolina	2022	11	0	0	0	0	0	11
	2023	11	0	0	0	0	0	11
	2024	11	0	0	0	0	0	11
Tennessee	2022	27	2	0	0	0	0	29
	2023	29	0	0	0	0	0	29
	2024	29	1	1	0	0	0	29
Texas	2022	11	2	0	0	0	0	13
	2023	13	0	0	0	0	0	13
	2024	13	2	1	0	0	0	14
Virginia	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	4	0	0	0	0	11
Totals	2022	167	15	1	0	0	2	179
	2023	179	8	0	0	0	2	185
	2024	185	12	7	0	0	0	190

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 Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

TABLE NO. 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlet in This Fiscal Year As of 12/31/2024	Projected New Company-Owned Outlet in This Fiscal Year as of 12/31/2024
Alabama	6	3	0
Arizona	3	1	0
Arkansas	0	1	0
Colorado	1	0	0
Florida	18	6	1
Georgia	22	3	1
Illinois	3	0	0
Kansas	1	1	0
Kentucky	5	0	0
Maryland	2	0	0
Mississippi	1	1	0
Missouri	0	1	0
New Jersey	3	0	0
North Carolina	15	4	0
Ohio	3	0	0
South Carolina	0	1	0
Tennessee	6	2	1
Texas	7	1	0
Virginia	11	1	0
West Virginia	1	0	0
TOTAL	108	26	3

The name, city and state and current business telephone number of all franchisees are listed in Exhibit I.

The name, city and state, and current business telephone number, or if known, the last known home telephone number of every Franchisee who has had a health club franchise terminated, canceled, not renewed, sold, transferred, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently concluded fiscal year, or who has not communicated with us within ten (10) weeks of the issuance date of this disclosure document are listed in Exhibit J.

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

Except for confidentiality obligations pertaining to our trade secrets and other confidential and proprietary properties, and except for covenants within the Franchise Agreement and Non-Competition, Non-Solicitation and Confidentiality Agreement prohibiting franchisees from engaging in any business practice or conduct or doing anything else injurious or prejudicial to the goodwill or reputation associated with our Marks, Method or the Workout Anytime franchise system, certain franchisees have signed a confidentiality clause in the past three (3) years restricting their ability to speak openly about their experience with the System. There exists no trademark-specific franchisee organization associated with the System.

ITEM 21
FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit G are the audited financial statements for the fiscal years ended December 31, 2022, December 31, 2023, and December 31, 2024. Also attached are the unaudited financial statements from January 1 to March 31, 2025. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

Attached to this Disclosure Document are copies of the following agreements you will be required to execute and deliver franchisor as part of your purchase of a Workout Anytime franchise the following:

- A. Franchise Agreement;
Exhibit B to Franchise Agreement: Guarantee and Assumption of Obligations
- B. Non-Competition, Non-Solicitation and Confidentiality Agreement
- C. Development Agreement
- D. Personal Data Disclosure and Franchisee Ownership Information Form; and,

ITEM 23
RECEIPTS

Attached as Exhibit N to this disclosure document are duplicate Receipts to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT A

FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

Franchisee

Effective Date

Franchised Location

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Exhibits

EXHIBIT A – FRANCHISE INFORMATION

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EXHIBIT C – NON-COMPETITION AND NON SOLICITATION AGREEMENT ((**LIMITED
PRINCIPALS**)

Workout Anytime Franchising Systems, LLC

FRANCHISE AGREEMENT

This Franchise Agreement ("Agreement") is entered into as of _____ ("Effective Date") by and between Workout Anytime Franchising Systems, LLC, a Georgia limited liability company ("Franchisor," "us" or "we"), whose principal address is 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia, 30009, and _____, a _____ ("Franchisee," "you" or "your") whose principal address is _____.

RECITALS

We own a proprietary system for developing, opening and operating 24 hour health and fitness facilities for the general public through a uniform system which has high standards of service, uses quality equipment, and operates under the business format created and developed by us known as the Workout Anytime Franchise System ("System").

The distinguishing characteristics of the System include, but are not limited to, the name and mark "Workout Anytime," workable and functional interior and exterior designs, confidential operating procedures, standards and specifications for equipment, services, products, and both management and marketing programs. All distinguishing characteristics may be changed, improved, and further developed by us.

The System is identified by certain trade names, service marks, logos, emblems, and indicia of origin, including "Workout Anytime" and "24/7 Get Fit," "Workout Anytime 24/7" and other trade names and service marks which are now, or may be in the future, designated by us for use with the System ("Marks").

We continue to use, develop and control the use of the Marks to identify to the public the source of services and products marketed under the System, and which represent the System's high standards of quality, cleanliness, appearance and service.

You recognize the benefits to be derived from being identified with the System. You also recognize the value of the Marks and the continued uniformity of image to you, us and other franchisees. You understand the importance to the System of our high and uniform standards of quality, cleanliness, appearance and service, and further recognize the necessity of opening and operating your Workout Anytime health club facility ("Club" or "Franchised Business") in conformity within the System.

You recognize that to enhance the value of the System and the goodwill associated with it, this Agreement places detailed obligations on you, including adherence to our present and future requirements regarding the types of services offered, advertising, physical facilities, operational techniques, and related matters.

You wish to be assisted, trained, and franchised to operate the Franchised Business pursuant to this Agreement at a specific location within the geographic territory specified in this Agreement.

NOW THEREFORE, the parties agree as follows:

SECTION 1 GRANT OF LICENSE

1.1 Grant. Subject to the terms and conditions of this Agreement, we grant to you the right, and you undertake the obligation, to use the Marks and the System to continuously operate the Franchised Business Agreement to be located in the geographic area described in attached Exhibit A ("Territory") and at the specific location identified on the cover page and in Exhibit A ("Franchised Location") and to offer and market at the Club approved related services and products that we have approved during the term of this Agreement. (If we have not accepted a site for the Club as of the Effective Date, we will identify the Franchised Location on the cover page and in Exhibit A following site acceptance.)

04/2024

1.2 Limited Exclusivity. Provided you are in compliance with this Agreement, during the Term, we will not operate, or license others to operate, a health club facility operated under the Marks in the Territory. Notwithstanding this grant of limited exclusivity, we may:

A. Grant other franchises or licenses for, and operate company or affiliate-owned, health and fitness businesses operated in private establishments located in the Territory, if access to those businesses is limited to employees of the business or transient guests of the business.

B. Establish, and license others to establish, Workout Anytime businesses at any location outside the Territory, notwithstanding their proximity to the Territory or the actual or threatened impact on the Franchised Business.

C. Own and operate health and fitness businesses under different trademarks at any location inside or outside of the Territory, or grant others the right to own and operate health and fitness businesses under different trademarks at any locations inside or outside of the Territory.

D. Sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise from any location or to any purchaser (including members of your Franchised Club), through any channel or method of distribution (including, but not limited to, sales made by or through mail order and/or on the Internet) and retain all revenues from those sales, so long as those sales are not conducted from a Workout Anytime business operated at a location inside the Territory.

E. Purchase, be purchased by, merge or combine with, businesses that directly compete with Workout Anytime business.

F. Own, operate and franchise clubs offering the same or similar services under the Marks in non-traditional venues such as airports, train stations, military bases, educational facilities, hospitals, health care facilities and casinos.

G. Engage in any other activities not expressly prohibited by this Agreement.

SECTION 2

TERM

2.1 Initial Term. The term of this Agreement (“Term”) begins on the Effective Date and expires at midnight on the day preceding the 10th anniversary of the date the Club first opened for business unless terminated earlier as provided in this Agreement. (We may complete and forward to you a notice to memorialize the date the Club first opened for business.)

2.2 Successor Franchise. When the Term ends, you will have the option to obtain an unlimited number of successor franchise terms of 5 years each, unless prior to the end of the preceding term, we have announced a decision to stop franchising the Workout Anytime concept or we decide to withdraw the Workout Anytime concept from the geographic market in which the Club is located. You must give us written notice of your desire to exercise your option not more than 12 months and not less than 6 months before the end of the prior term. We may require you to satisfy any or all of the following as a condition of exercising your option for the next successor franchise term:

A. You must execute the standard form of Workout Anytime franchise agreement that we are then offering to new franchisees (or the standard form that we most recently offered, if we are not then offering franchises) (“Successor Franchise Agreement”). The terms of the Successor Franchise Agreement may be substantially different from the terms of this Agreement. We will modify the Successor Franchise Agreement to delete terms inapplicable to that successor term (such as opening deadlines).

B. During the prior term, you have substantially complied with this Agreement and the System.

C. Neither you nor your affiliates may be in default under this Agreement or any other agreements between you or your affiliates and us or our affiliates; you and your affiliates must not be in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Club; and you must not be in default beyond the applicable cure period with any vendor or supplier to the Club.

D. You have the right to continue operating at the Franchised Location for the full term of the Successor Franchise Agreement.

E. You renovate and modernize the Club to reflect the then-current operating specifications and image of the System.

F. You and all guarantors under this Agreement must sign a general release, in a form we prescribe, of any and all claims against us, our affiliates and our and their past, present and future officers, directors, members, managers, shareholders and employees.

G. You and those of your employees designated by us must successfully complete (as determined by us in our sole discretion) any additional training courses that we then require.

H. You pay us a Renewal Fee of Seventy-Five Percent (75%) of our then-current Initial Franchise Fee.

SECTION 3 INITIAL FRANCHISE FEE

3.1 Unless the Franchised Club is being developed pursuant to a Development Agreement, no later than the date you sign this Agreement, you must pay us an initial franchise fee in the amount of Forty-Five Thousand and no/100 dollars (\$45,000) ("Initial Franchise Fee"). You acknowledge and agree that the Initial Franchise Fee is fully earned by us when paid and is not refundable. If any taxes, fees or assessments are imposed on us by reason of our acting as franchisor or licensing the Marks, you must reimburse us the amount of those taxes, fees or assessments within 30 days after receipt of an invoice from us.

SECTION 4 CONTINUING FEES

4.1 Continuing Monthly Royalty Fee.

A. On or before the 10th day of each calendar month, commencing when you begin the pre-sale of memberships and continuing for the Term, you will pay a continuing monthly royalty fee ("Royalty Fee") equal to Six Percent (6%) of your Gross Revenues during the prior calendar month.

B. "Gross Revenues" includes all revenue you generate from all business conducted at or in connection with your Club, including but not limited to membership fees, "Rate Guaranty" or comparable fees; personal training fees, tanning bed fees, massages, vending machines, and the sale and delivery of any other services, products, merchandise, and tangible property of any nature whatsoever, whether in cash or for credit, from sources paying at the club, outside the club or online and whether collected or uncollected. "Gross Revenues" does not include the amount of any applicable sales tax imposed by federal, state, municipal, or other governmental authority if such taxes are stated separately when the customer is charged, and you pay such amounts as and when due to the appropriate taxing authority. Also excluded from Gross Revenues is the amount of any documented refunds, charge backs, credits, and allowances given to customers in good faith and only in accordance with our operating procedures. All barter and exchange transactions for which you furnish services or products in exchange for goods or services to be provided by the vendor, supplier, or customer will be valued at the full retail value of the memberships bartered in exchange for the goods or services provided to you. Gross Revenues also includes the proceeds of any business interruption insurance paid to you. Gross Revenue also includes any payments you receive from vendors.

C. Subject to your receipt of business interruption insurance payments, if you are unable to operate the Club due to damage or loss to the Club caused or created by a casualty, act of God, condemnation, or other condition over which you have no control, then the additional monthly Royalty Fee will be waived for a period no greater than 6 months commencing with the month in which the damage or loss occurs.

4.2 Brand Development Fund. By the 10th day of each calendar month, you will pay a monthly Brand Fund Development Fee equal to Two Percent (2%) of your monthly Gross Revenues. Payment of the Brand Fund Development Fee will commence when you begin the pre-sale of memberships. Those monies will be utilized for the design and development of advertising, both local and national advertising costs, public relations, trade shows and conventions, and those other costs associated with both developing and promoting the System and the Workout Anytime brand. We have the right to increase the Brand Fund Development Fee at any time upon thirty (30) days written notice to you.

4.3 Technology Package and Software License Fee. By the 10th day of each calendar month, you will pay a monthly fee for the Technology Package between Five Hundred Ninety-Five and no/100 dollars (\$595) and Seven Hundred Ninety-Five and no/100 dollars (\$795) to compensate us for our expenses in developing and managing the Workout Anytime website, your specific web page which links from the Workout Anytime website, as well as your Club's email platform (including up to 5 discrete email addresses) and other technology we determine important in the operation of your Club. Payment of the fee for the Technology Package will commence when you begin the pre-sale of memberships. We periodically may increase the fee for the Technology Package. You also must install certain software (including virus protection) on your computer system as we periodically determine from approved suppliers and pay any necessary software license fees.

4.4 Payment Processing Vendor and Fees. You authorize our approved third-party vendor to deduct from any monies it collects on your behalf the amount of all fees you are obligated to pay us and/or our affiliates on the due date of those fees. All Gross Revenues derived from the sale of all products and services at the Club must be processed through our approved third-party payment processor. You also authorize the vendor to supply us with any information it may have relating to the operation of your Club and account. To effectuate the terms of this Section, and to ensure the proper and timely remittance of all fees due us under this Agreement, you irrevocably appoint Workout Anytime as your true and lawful attorney-in-fact to permit our review and, as may become necessary, our amendment of your account with the third-party vendor employed to collect your monthly membership monies. This power of attorney will survive the termination of this Agreement.

4.5 Financial Statements. By the 10th day of each calendar month, you will supply a financial statement to us of the previous month's membership activities, including the number of new members, renewing members, cancelled members and current active enrollment, as well as the amount of all revenues from the Club, including membership sales revenue, personal training revenue, and revenue associated with the sale of merchandise and other products, including supplements, food and liquids/beverages. We may also contact you by telephone or Email to collect this information.

4.6 Computer System Corruption Fee. If you fail to maintain computer virus protection software in accordance with our requirements and the Platform on any computer you use to access our computer network, and any virus, malware or similar issues are transmitted to our computer network as a result of your failure, you will pay to us a fee in the amount of the fees charged by outside vendors and verifiable internal expenses in relation to the issue per occurrence.

4.7 Alignment Deficiency Fee. If you are in default under this Agreement, at our discretion, and without waiver of any of our rights under this Agreement, in lieu of termination of this Agreement, we may impose a fee ("Alignment Deficiency Fee") in an amount up to One Thousand Five Hundred and no/100

dollars (\$1,500) per event of default. You must pay the Alignment Deficiency Fee within 3 days of our demand.

4.8 Interest and Late Fee. If any payments by you due to us are not received in full by the due date, in addition to paying the amount owed, you must pay to us interest on the amount owed from the due date until paid at the lesser of the maximum rate permitted for indebtedness of this nature in the state in which the Club is located or Eighteen Percent (18%) per annum. In addition, a late fee of One Hundred and no/100 dollars (\$100) may be assessed at our discretion on all payments by you due to us and not received by us by the due date. Payment of a late fee and/or interest by you on past due obligations is in addition to all other remedies and rights available to us pursuant to this Agreement or under applicable law.

4.9 Training Cancellation Fees. If you cancel either the classroom training scheduled to take place at our headquarters or training facility or the onsite training and health club opening scheduled at your Club's site, you must pay to us a Two Hundred and no/100 dollars (\$200.00) cancellation fee for each scheduled attendee. In addition to the foregoing training cancellation fees, you must also reimburse us for the costs incurred by us to rebook travel and hotel accommodations for the subsequently scheduled on-site training and health club opening activities.

4.10 Inspection Fee. Pursuant to Sections 11.2 and 14.3, we, or an assigned site inspector, have the right to appear unannounced at our sole discretion, to inspect the general operation and maintenance of your Club, and your use of the Marks. You will pay to us between One Hundred Fifty and no/100 dollars (\$150) and Two Hundred Fifty and no/100 dollars (\$250) per quarter to cover our costs associated with such inspections.

4.11 Partial Payments. No payment by you of a lesser amount than due will be treated as anything other than a partial payment on account, regardless of whether you include an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment. We have sole discretion to apply any payments by you to any past due indebtedness and we have the right to accept payment from any other entity as payment by you without that entity being substituted for you.

SECTION 5 ADVERTISING AND PROMOTION

5.1 Local Advertising Expenditure.

A. Commencing when you begin the pre-sale of memberships and continuing for the Term, you will spend at least Four Thousand and no/100 dollars (\$4,000) per month during your first twelve (12) months following the date you Open your Club and the greater of (i) Two Thousand and no/100 dollars (\$2,000) per month, or (ii) Five Percent (5%) of your Gross Revenues each calendar month on advertising, marketing and otherwise promoting the Club ("Local Advertising Expenditure"). We periodically may offer recommendations as to the type, manner and time frame to maximize the benefit of your advertising. You are required to use an approved supplier for local advertising. We have the right to require you to pay the Local Advertising Expenditure directly to us and, if so required, we will make such expenditures as we deem appropriate to promote the Club. You must submit proof of your expenditures for Local Advertising to Workout Anytime upon request.

B. We periodically may make available to you advertising and promotional materials for the Club which are used by us, our affiliates and other franchisees of the System. If so, we may provide you a sample of each type of advertising and promotional material at no charge via a web download, or other means of transmission we deem appropriate. If you want additional copies you must pay duplication or printing costs.

C. You must submit to us in writing for our prior acceptance all sales promotion materials and advertising that have not been prepared, or previously accepted, by us and identify the proposed media in which you propose to place the advertising. If our written consent to the material and its proposed placement is not received within 10 days after the date that we received the material, the material may not

be used. In no event will your advertising or marketing materials contain any statement or material that, in our sole discretion, may be considered: (i) in bad taste or offensive to the public or to any group of persons; (ii) defamatory of any person or an attack on any competitor; (iii) to infringe upon the use, without permission, of any other persons' trade name, trademark, service mark or identification; (iv) inconsistent with the public image of the System or the Marks; or (v) not in accordance with any federal or state law. We reserve the right to require you to discontinue the use of any advertising or marketing materials.

5.2 Exterior Signage. You will install and maintain an outdoor sign in a prominent location in accordance with our sign specifications, or as we otherwise approve in writing, unless you are prohibited from doing so by applicable laws and regulations. You will use your best efforts to obtain any permit or variance required to allow the installation and maintenance of an outdoor sign meeting our specifications.

5.3 Social Media. You agree not to promote, offer or sell any products or services relating to the Club through, or use any of the Marks in, any form of electronic communications, including Internet web sites, social networking sites, applications or other future technological avenues that enable users to create and share content or to participate in social networking (collectively, "Social Media"), without our prior written consent, which we may withhold for any or no reason. You must, at all times, comply with our Social Media policy, as modified periodically. You expressly acknowledge and agree that your use of any Social Media relating to the Club is subject to our prior written approval. You may not establish an independent site or page on any Social Media. If we authorize you to have and/or design a site or a page on any Social Media for the Club, your site and page may only be accessed from our site or page, and we may prohibit links between your site or page and any other site. You acknowledge that any use of Social Media by you with respect to the Club constitutes advertising and promotion subject to this Section 5, and you agree to comply with any additional policies and standards we issue from time to time with respect to Social Media. You acknowledge that any copyright in your sites or pages on any Social Media will be deemed to be owned by us, and you agree to sign any documents that we reasonably deem necessary to affirm our ownership of the copyright. If necessary, you must ensure cooperation with us by any web site service provider or web site hosting company with which you do business. You represent that you have or will have the lawful right to use any proprietary materials of others that appear on your sites or pages on Social Media. We periodically may provide to you content for your sites and pages on Social Media, including copy, news stories and photographs. We must consent to any changes to your sites and pages on Social Media.

SECTION 6 RECORDS

6.1 Recordkeeping. In connection with the Club, you must prepare on a current basis complete and accurate records concerning all financial, marketing and other aspects of the business conducted under this Agreement. You must maintain an accounting system which accurately reflects all operational aspects of the Club including uniform reports as may be required by us. Your records must include tax returns, monthly reports, statements of Gross Revenues (to be prepared each month for the prior calendar month) and profit and loss statements and balance sheets. You must preserve all of your books and records in electronic form for at least 3 years from the date of preparation, or longer as required by government regulations, and make them available to us within 5 days after our written request.

6.2 Audit Rights. During and after the Term, we have the right to inspect, copy and audit your books and records, your federal, state and local tax returns and any other forms, reports, information or data that we may reasonably designate, including unlimited real time access to your computer system. We will provide you 10 days' written notice before conducting an in-person financial examination or audit. We (or our designees) may conduct the examination or audit at our offices or those of a third party, in which case we may require you to send us your records. If the examination or audit reveals an understatement of Gross Revenues, you must immediately pay to us all amounts owed, plus interest (and a late fee at our discretion) as provided in Section 4.8. If an inspection or audit is made necessary by your failure to provide reports or

supporting records as required under this Agreement, or to provide those reports or records on a timely basis, or if the audit or inspection reveals an understatement of Gross Revenues of greater than Two Percent (2%) for the audit period, you must reimburse us for the full cost of the inspection or audit, including travel, lodging, meals and wages of our representatives and the reasonable charges of any attorneys or independent accountants we use for the inspection or audit and, upon our request, you must thereafter provide us with periodic audited financial statements. The remedies set forth in this Section are in addition to any other remedies and rights available to us under this Agreement or applicable law.

6.3 Ownership of Data. You agree that all data that you collect from members or others in connection with the Club, including member lists, is deemed to be owned by us. You have the right to use the member data while this Agreement or a Successor Franchise Agreement is in effect, but only in accordance with any privacy policy that we may establish from time to time.

6.4 Data Protection. You agree and undertake that you will:

A. Comply with the provisions of all applicable laws, regulations and best practices relating to privacy and data protection (“Data Protection Laws”) in the use and processing of any personal data, including customer contact information (such as name, telephone numbers, e-mail and postal addresses), and transactional information collected by you from customers and prospective customers of the Franchised Business (“Customer Personal Data”).

B. Refrain from otherwise modifying, amending or altering the contents of the Customer Personal Data or disclosing or permitting the disclosure of any of the Customer Personal Data to any third party unless required by applicable law or specifically authorized in writing by us.

C. Implement and maintain throughout the Term appropriate technical and organizational measures to protect Customer Personal Data against an unauthorized or unlawful processing, access or use and/or accidental loss, destruction, damage, alteration or disclosure (“Data Breach”).

D. Promptly notify us in writing if you suspect there has been a Data Breach, in which event you will do all such acts and things (at your own expense) as we may require in order to remedy or mitigate the effects of the Data Breach.

E. Promptly notify us of any complaint, communication or request relating to the Applicable Data Protection Laws.

SECTION 7

SERVICES AND ASSISTANCE PROVIDED BY THE FRANCHISOR

7.1 Generally. We will offer you initial and continuing services as we deem necessary or advisable in furthering the business of the Club, and the business of the System as a whole. We have the right to delegate to others the performance of any of our duties under this Agreement.

7.2 Specific Services. During the Term, we intend to provide you, as we deem appropriate, initial and continuing services including the following:

A. Providing assistance and guidance with respect to equipment orders which will be placed through our affiliate. We will help you determine the proper amount of time between equipment orders, equipment delivery and their set-up to ensure the proper opening of the Club.

B. Furnishing you with specifications or guidelines for all initial and replacement equipment, inventory and supplies required for the operation of the Club.

C. Providing you or your designated manager (“Manager”) and up to one other person with our initial training program. You and your Manager must attend and satisfactorily complete the initial training program prior to opening the Club. The initial training program will be conducted approximately 9 to 12 weeks prior to the opening of the Club. You will be responsible for travel and living expenses

incurred by you or any of your employees who participate in the initial training program. The initial training program will be held at our headquarters or at another location that we designate. Additional employees who desire to attend the initial training program may do so, subject to space availability and your payment of a training fee as determined by us.

D. Providing assistance with respect to pre-opening, opening activities and/or on-going operations or training will be available as requested by you as we deem appropriate in light of your needs and the availability of our personnel. If we provide on-site training assistance during opening week you will bear the travel, living and other expenses associated with our representative being on-site.

E. Formulating marketing plans, advertising and promotional programs and materials.

F. Maintaining a website which we control that provides information about the System and the products and services offered by franchisees. We also have the sole right to create interior pages on our website(s) that contain information about your business and other franchised and company owned locations. You will have access to post on the interior web pages for your Club provided you adhere to our guidelines.

G. Providing consultation and responding to inquiries regarding your operations through communications platforms such as telephone, Email or other methods of communication as we periodically determine.

H. Developing new products and service methods for the operation of the System as we deem appropriate. We will advise you of any new product or service methods and you must adopt the new product or service methods within a reasonable period as specified by us.

I. Loaning you one copy, or provide you with access to the electronic version, of the Bridge LMS Platform which contains mandatory and suggested specifications, standards, operating procedures and rules we periodically prescribe.

J. Making commercially reasonable efforts to negotiate favorable prices and terms with major suppliers and allow you to utilize such centralized purchasing system.

K. Periodically conducting visits by our representatives and designees to the Club at any time. These visits will be made at our expense, as we determine necessary or appropriate and we intend to provide you a written report following each visit. We intend to conduct the first visit within 6 months after the Club opens. Our representatives have the right to discuss with you or your designees all matters that may pertain to compliance with this Agreement and with our standards, specifications, requirements, instructions and procedures.

L. Assisting in general market research and providing guidance in determining the prices charged by you for services or products at your Club.

SECTION 8

LOCATION OF THE CLUB, CONSTRUCTION AND OPENING FOR BUSINESS, LEASE OR MORTGAGE

8.1 Your Responsibility. Within 180 days after the Effective Date, you must obtain our site acceptance of the Franchised Location. If we have not accepted a site within this time period, we may terminate this Agreement pursuant to Section 17. You assume all cost, liability and expense for locating, obtaining and developing a site for the Club. You may not make any binding commitments to purchase or lease a site until we have accepted the site in writing.

8.2 Site Selection Assistance. We may, but are not required to, provide you with the following site selection assistance: **(a)** our site selection guidelines and, as you may request, a reasonable amount of consultation with respect thereto; and **(b)** that on-site evaluation as we may deem advisable (subject to the availability of our personnel) as part of our evaluation of your request for site acceptance, provided that, if

we provide this assistance at your request, you must reimburse us for all travel, living and other expenses incurred by our representatives in connection with our on-site evaluation. Notwithstanding the foregoing, we have no obligation to conduct any on-site evaluations of locations you propose.

8.3 Site Information and Evaluation. For each proposed site, you must submit to us a site review report consisting of financial pro forma, a description of the site, photographs, demographic information, site characteristics (including access and egress points and the amount of road traffic), other fitness facilities in the area, and any other information that we may require, including, but not limited to, a letter of intent or other evidence satisfactory to us, which confirms your favorable prospects for obtaining the site. In addition, we may require a site analysis prepared by a third party vendor at your expense. We reserve the right to designate the third party vendor used to prepare the site analysis and the right to conduct an on-site evaluation of the proposed site before deciding whether to accept the site.

8.4 Site Acceptance.

A. Within 60 days after our receipt of a complete (as determined by us) site review report, we will review that information, evaluate the proposed site and advise you in writing whether we have accepted the site; however, we have no obligation to review any site review report if you and/or your affiliates are not in full compliance with all agreements with us and/or our affiliates. If we do not respond within that time period, we will be deemed to have rejected the site. Our acceptance or rejection of a site may be subject to reasonable conditions we determine in our sole discretion.

B. You acknowledge that, in order to preserve and enhance the reputation and goodwill of the System, all Workout Anytime businesses and the goodwill of the Marks, all Workout Anytime businesses must be properly developed, operated and maintained. Accordingly, you agree that we may refuse to accept a site unless you demonstrate sufficient financial capabilities, in our sole judgment, applying standards consistent with criteria that we use to establish operations in other comparable market areas, to properly develop, operate and maintain the Club. To that end, you must provide us with those financial statements and other information regarding you and the development and operation of the proposed Club, including, without limitation, investment and financing plans for the proposed Club, as we may require.

C. **Our acceptance of a site does not constitute a representation or warranty of any kind, express or implied, of the site's suitability for a Workout Anytime business or any other purpose. Our acceptance indicates only that we believe that the site meets our then-current site selection criteria. Applying criteria that have appeared effective with other sites might not accurately reflect the potential for all sites, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site we accept fails to meet your expectations. Your submission of a proposed site for our acceptance is based on your own independent investigation of the site's suitability for a Workout Anytime business.**

8.5 Lease. If you lease the Franchised Location:

A. Your landlord and you must enter into then-current form of Lease Addendum.

B. You will install the maximum sized signage allowed by either your lease or local law. Workout Anytime must approve the proposed sign, including color, font and dimensions prior to construction of the sign.

C. If we have an approved real estate broker in your area, you must utilize the services of that broker to assist in your site search and to ensure the site meets our criteria. You will not be charged for the services of the approved real estate broker if paid by your landlord. If your landlord does not pay that cost or if you do not use our approved real estate broker, you must pay us One Thousand Five Hundred and no/100 dollars (\$1,500) for the costs associated with site acceptance and lease review.

8.6 Construction. You assume all cost, liability and expense for developing, constructing and equipping the Club and opening the Club within 12 months after the Effective Date. You must ensure that your proposed plans for the Club (“Plans”) comply with all applicable ordinances, building codes and permit requirements, lease requirements and restrictions and the Americans with Disabilities Act. You must use only registered architects, engineers and professional and licensed contractors, each of whom must be approved by us. We reserve the right to withdraw our approval of any architects, contractors, designers and/or engineers if the service provider’s continuation of a relationship with you is deemed harmful to the Workout Anytime franchise system, us or the Marks, as determined in our reasonable discretion. You must submit the Plans to us and revise the Plans as we require. Once we consent to the Plans, neither you nor your contractor may change them unless you again obtain our consent. You may not submit the Plans to your local government agency or begin site preparation or construction before we have notified you, in writing, that we have consented to the Plans. You may not commence construction until you have obtained all required permits and licenses. The approved architect must perform a survey of the lease space as part of the architect process.

8.7 Opening. We will not authorize the opening of the Club unless all of the following conditions have been met: your Managers and all employees have been trained; the Club is ready for opening in all other respects and is in compliance with all System standards (including signage, inventory, fixtures and equipment); the Initial Franchise Fee has been paid in full; all state and local requirements to operate a health club facility have been satisfied; the required certificates of insurance have been furnished to us; you are in compliance with all terms of this Agreement; all items contained in our then-current opening checklist have been completed to our satisfaction; and you have met your pre-sale membership obligations, which shall not begin until ten (10) weeks prior to opening nor without our prior written authorization. You must begin pre-selling memberships upon execution of your lease.

SECTION 9 MAINTENANCE AND UPGRADING THE CLUB

9.1 Compliance with Standards. In recognition of the mutual benefits that come from maintaining the System’s reputation for quality, you will at all times comply with all System standards, specifications, processes, procedures, requirements and instructions regarding the Franchised Location, including the layout of furnishings, fixtures, and equipment, as are set forth in the Platform or in accordance with System standards.

9.2 Maintenance. You must maintain the interior and exterior of the Club and all fixtures, furnishings, signs and equipment in first-class condition and in the highest degree of cleanliness, orderliness, sanitation and repair in accordance with the requirements of the System and the Platform and the lease for the Franchised Location, including repainting the Club at least every 3 years. The Club must be adequately lighted and meet all brand standards, including exterior window graphics, interior graphics and location identifiers within the Club. Expenditures in connection with signage and equipment are considered a maintenance expenditure (whether for repair or replacement) under this Section rather than a remodeling expenditure under Section 9.3. There is no limitation on the amount that you may be required to spend for repairs and maintenance. You may not make any alteration, addition, replacement or improvement in, or to, the Franchised Location without our prior written consent.

9.3 Remodeling. In addition to ordinary maintenance and upkeep, we have the right to require you to undertake structural changes, remodeling and renovations and other modifications to the Club and all fitness equipment to conform to the design, color schemes and presentation of the Marks that we are then requiring of new Workout Anytime businesses.

9.4 Computer System. You must, at your expense, modify, upgrade or update your computer system at any time that we require you to do so at your sole expense. You are required to maintain your credit card

processing hardware and software in compliance with the Payment Card Industry (PCI) Data Security Standards (“PCI-DSS”).

SECTION 10 BRIDGE LMS PLATFORM

10.1 Provided on Loan. As provided in Section 7.2.I, we will furnish you one copy of, or provide electronic access to, the Bridge LMS Platform (“Platform”) on loan. (As used in this Agreement, the term “Platform” also includes the FranConnect HUB of library resources and all written and electronic correspondence from us regarding the System, other publications, materials, drawings, memoranda, videotapes, CDs, DVDs, audio tapes, and electronic media that we from time to time may provide to you.) The Platform contains mandatory specifications, standards, policies and procedures prescribed from time to time by us for Workout Anytime businesses. You will operate the Club in accordance with the Platform.

10.2 Modifications. The Platform may be modified by us from time to time to: **(a)** reflect changes in the System, including, without limitation, changes in specifications, standards, policies and procedures of Workout Anytime businesses; **(b)** specify brands, types and/or models of equipment which must be used by you in the operation of the Club; and **(c)** specify changes in the décor, format, image, products, services and operations of a Workout Anytime business prescribed by us. You must accept and use all such changes and make those expenditures as required to implement those changes. If a dispute about the contents of the Platform occurs, the master copy maintained by us at our principal office will be controlling.

10.3 Confidential Nature. You will treat the contents of the Platform as confidential and will not copy or otherwise reproduce, in whole or in part, or in any way make the contents of the Platform available to any person other than those persons employed by you to whom disclosure is necessary to enable you to operate the Club.

10.4 Variations. Since complete uniformity under varying conditions may not be possible or practical, we reserve the right, at our discretion, to vary standards for any Workout Anytime business based upon the peculiarities, particularities and circumstances of that Workout Anytime business.

SECTION 11 FRANCHISEE’S DUTIES AND OBLIGATIONS

11.1 Best Efforts. You will diligently develop the business of the Club and use your best efforts to market and promote the Club's core services and products.

11.2 Operational Requirements. During the Term you will comply with all present and future standards, specifications, processes, procedures, requirements and instructions regarding the operation of the Club as set forth in the Platform or otherwise in writing, including, but not limited to, the following requirements:

A. A complete set of exercise equipment must be initially ordered from us or an approved supplier and all additional equipment must be ordered from us or an approved supplier.

B. You must conduct pre-opening sales for your Club in accordance with our standards and the Platform. If you have not sold at least 500 memberships by the date your Club opens for business, we have the right to send up to 2 representatives to the Club for up to 10 days to provide sales and other training to you and your staff. You must pay our then-current training fee, plus travel, living and other expenses of our representatives.

C. You or your Manager must devote full time and best efforts to the management and operation of the Club.

D. You may only offer services and products for sale at the Club that have been approved by us. We reserve the right, in our sole discretion, to disallow any service or product that you have requested

permission to offer. Any additional service or product we introduce into the System must be offered on a continuing basis at the Club at the time and in the manner required by us. All equipment, signs, products, supplies and other items necessary to add new services or products must be acquired, installed and utilized at your expense following 60 days' notice from us.

E. Only signs, advertising and promotional material, services, equipment, supplies, uniforms, furnishings, flooring, color/design scheme and fixtures that meet our standards and specifications can be used at the Club or in the promotion or marketing of the Club.

F. All consultants and employees of the Club must be clean and neat in appearance and must always wear Workout Anytime brand approved attire.

G. The Club and its operations must comply with all applicable state and local laws, ordinances, rules, codes, regulations and other requirements.

H. The Club must be open for business 24 hours every day during the Term, except for permitted closures, and the Club must be staffed at least for those hours we periodically specify.

I. The employees, equipment and supplies, inventory and other items on hand at the Club must always be sufficient in quality and number to efficiently meet the current and anticipated volume of business.

J. You must maintain the Club and all fixtures, furnishings, signs, fitness equipment and all other components of the Club in the highest degree of cleanliness and sanitation in accordance with the requirements of the System. All necessary and appropriate measures must be taken to avoid an unsatisfactory sanitation or health rating by or from any governmental agency or authority. Conditions or practices disapproved by any such agency or authority must be promptly corrected.

K. All of your dealings and transactions with members, customers, suppliers and other franchisees must be performed fairly and honestly. You will not permit non-member access to your Club, except on an introductory or trial basis and then only for a maximum of 30 days. You will not solicit or entice another franchisee's member to terminate its membership to have the member become associated with your Club.

L. You must provide a reasonable space at your point of sale counter or another reasonable location inside the Club for a franchise recruitment advertisement which you agree to restock with materials we provide.

M. You are solely responsible for recruiting new customers to your Club through advertising, marketing and business networking. Once an individual joins your Club, that person's membership fees are paid solely to you regardless of whether the member uses another Workout Anytime club. No membership may be transferred without our prior written consent, which we may grant or withhold in our discretion.

N. You will establish prices for all products and services at the Club other than individual/family and corporate membership rates and the Rate Guaranty Fee, which you understand and agree are to be periodically established solely by us in our sole discretion.

O. You must permit members of any other Workout Anytime club to use your Club and treat them with the same courtesy and respect you regularly extend to a member originating from your Club. This membership reciprocity includes access to tanning, massages and premium services, if the member has purchased a membership that includes premium services at their originating Workout Anytime club. You must permit those members to utilize such premium features at your Club to promote a positive experience for both you and the member.

P. You are responsible for keeping up to date on competitors. This includes an awareness of competitors' pricing, promotional offers, advertising and services.

- Q.** You must provide training to your employees as we require.
- R.** In accordance with applicable law, you are responsible for obtaining all health club certifications and licensing prior to opening.
- S.** You may not transfer members of your Club to any other Workout Anytime club without the express written permission of the member and us.
- T.** You will immediately notify us of any legal action or proceeding by an individual or agency against you relating to your Club.
- U.** Following our request, you will present to members of your Club those evaluation forms we periodically prescribe and participate or request your members to participate in any marketing surveys performed by us or on our behalf.
- V.** Beginning in the 12th month after the Club opens for business, you must generate a minimum of monthly Gross Revenue of Forty Thousand and no/100 dollars (\$40,000) (“Minimum Monthly Gross Revenue Requirement”). If you fail to attain the Minimum Monthly Gross Revenue Requirement for 2 consecutive months, we have the right to impose any one or all of the following requirements until your monthly Gross Revenues equal or exceed the Minimum Monthly Gross Revenue Requirement: **(i)** we may increase your required local advertising requirement by up to Two Hundred Percent (200%); and/or **(ii)** we may require that your Manager and/or you attend additional training at our headquarters or at another location that we designate and you will be required to pay our then-current training fee.
- W.** You will fully cooperate with inspections and visits by our representatives and designees conducted at the Club.
- X.** During the Term and for 3 years after the expiration and termination of the Term, you will ensure that you have provided us your current home address and telephone numbers.

11.3 Management of the Club. If you are an individual, you or your Manager who has successfully completed our training program must directly supervise the Club for the minimum required staffed hours. If you are a business entity or if you have, in our judgment, insufficient experience in a similar business or in business management generally, then you must nominate an operating partner or Manager having the required experience who will have direct responsibility for all operations of the Club. Any change in the operating partner or Manager will be subject to our approval.

11.4 Attendance at Annual Convention. If we conduct a franchise convention, you or your representative must attend at your cost. If we charge a registration fee for the convention, you must pay the fee regardless of whether you attend.

11.5 Employee Matters. You will be solely responsible for: **(a)** hiring, training and supervising efficient, competent and courteous employees of good character for the operation of the Franchised Business; **(b)** the terms of their employment and compensation; and **(c)** the proper training of the employees in the operation of the Club. You will obtain from each of your personnel a signed acknowledgement that such individual understands, acknowledges, and agrees that he or she is an employee of yours and not ours and that such individual will look solely to you for his or her compensation and for all other matters related to their relationship with you. You will post a notice on an employee bulletin board clearly visible to employees at the Club notifying all employees of their employer and clearly stating that neither we nor our affiliates are their employer.

SECTION 12

PURCHASE OF EQUIPMENT, INVENTORY AND SUPPLIES

12.1 Sourcing. We have the right to require that all equipment, inventory, flooring, supplies and all other items that you purchase for use, sale or resale in the Club: **(a)** meet specifications that we establish

from time to time; **(b)** be purchased only from suppliers to whom we have consented (which may include us and/or our affiliates); and/or **(c)** be purchased only from a single source or from a limited number of designated sources (which may include us and/or our affiliates). To the extent that we establish specifications, require our consent to suppliers or designate specific suppliers for particular items, we will publish our requirements in the Platform or otherwise in writing. We may create purchasing restrictions to control the quality and selection, and ensure the consistency, of equipment, inventory, supplies and other merchandise; to consolidate System purchases to reduce costs or ensure availability of products; or for other valid business reasons. **Although approved by us, we and our affiliates make no warranty and expressly disclaim all warranties, including warranties of merchantability or fitness for any purpose, with respect to equipment (including, without limitation, all exercise equipment), inventory, supplies or other approved items.**

12.2 Approved Suppliers. If you would like to purchase equipment, inventory, services or supplies that you are not required to purchase from us or a designated supplier, from a supplier to whom we have not consented, you must submit a written request for consent. We have the right to inspect the proposed supplier's facilities, capacity and test samples of the proposed products or services. You agree to pay to us a reasonable fee of One Thousand Five Hundred and no/100 dollars (\$1,500) to cover our costs and expenses to evaluate the proposed supplier, including personnel and travel costs, whether or not the product or supplier is accepted. We have the right to grant, deny or revoke consent to products, services and suppliers in our sole discretion. We will notify you of our decision as soon as practicable following our evaluation. Requests not approved in writing by us after 30 days from submission are deemed to be disapproved. We reserve the right to reinspect the facilities, services and products of any accepted supplier and revoke acceptance upon the supplier's failure to meet any of our then current criteria.

12.3 Rebates. We and our affiliates may earn income on your purchase and lease of equipment, inventory, products and/or supplies. If we or our affiliates receive any rebates, commissions or other payments from third-party suppliers based on your purchases or leases from them, we may retain the rebates, commissions or other payments. You agree that we are entitled to such income and consideration.

SECTION 13

INSURANCE, INDEMNIFICATION AND RELEASE

13.1 Insurance. You must maintain in full force and effect that insurance which you determine to be necessary, which must include at least the types of insurance and the minimum policy limits specified in the Platform or otherwise in writing. Each insurance policy must be written by an insurance company that maintains an "A+" or better rating by the latest edition of Best's Insurance Rating Service (or another rating service designated by us). The insurance policy or policies must be in effect when you take possession of the Franchised Location. The insurance policy or policies must protect you, us and our respective past, present and future officers, directors, managers, members, owners, employees, representatives, consultants, attorneys and agents. We and any entity with an insurable interest designated by us must be named as additional insureds in the policy or policies (statutory policies excepted). Each policy must include a waiver of subrogation in our favor. We may require additional types of coverage or increase the required minimum amount of coverage upon reasonable notice. Your obligation to obtain coverage is not limited in any way by insurance that we maintain. You must provide us with certificates of insurance evidencing the required coverage and proof of payment therefor no later than the date you sign this Agreement. The evidence of insurance must include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least 30 days' prior written notice to us. If you fail to obtain and maintain insurance coverage as required by this Agreement, we have the right, but not the obligation, to obtain the required insurance on your behalf and to charge you for the cost of the insurance, plus a reasonable fee for our services in procuring the insurance.

13.2 Indemnification. You agree to defend, indemnify, and hold harmless us and our past, present and future affiliates, officers, directors, managers, members, shareholders, agents, attorneys, consultants, and employees against any claims, losses, costs, expenses, liabilities and damages (collectively, “Claims”) arising directly or indirectly from, as a result of, or in connection with the Club, as well as the costs of defending against those Claims (including, but not limited to, reasonable attorneys’ fees, costs of investigation, settlement costs and interest). You promptly will give us written notice of any litigation, proceeding, or dispute filed or instituted against you that could directly or indirectly affect us or any of the other indemnitees under this Section and, upon request, you will furnish us with copies of any documents from those matters as we may request.

With respect to any threatened or actual litigation, proceeding, or dispute that could directly or indirectly affect us or any of the other indemnitees under this Section, we will have the right, but not the obligation, to: **(a)** choose counsel; **(b)** direct and control the handling of the matter; and/or **(c)** settle any claim against the indemnitees. Our exercise of these rights does not affect your obligation to indemnify and hold us harmless in accordance with this Section. This Section will survive the expiration or termination of this Agreement, and applies to Claims even if they exceed the limits of your insurance coverage.

13.3 General Release. You (on behalf of yourself and your parent, subsidiaries and affiliates) (collectively, “Releasors”) freely and without any influence forever release and covenant not to sue us, our parent, subsidiaries and affiliates and their and our respective past and present officers, directors, shareholders, members, managers, agents and employees, in their corporate and individual capacities, with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, “demands”), that any Releasor now owns, has or claims to have or holds, or may in the future own or hold, or at any prior time owned, held, had or claimed to have, based on, arising out of or relating to, in whole or in part any fact, event, conduct or omission occurring on or before the Effective Date, including, without limitation, demands arising under federal, state and local laws, rules and ordinances and demands arising out of, or relating to this Agreement and all other agreements between any Releasor and us or our parent, subsidiaries or affiliates, the sale of any franchise to any Releasor, the development and operation of the Club and the development and operation of all other Workout Anytime businesses operated by any Releasor that are franchised by us. Releasors expressly agree that fair consideration has been given by us for this release, and they fully understand that this is a negotiated, complete and final release of all demands.

Notwithstanding the foregoing, claims arising from representations in our Franchise Disclosure Document, or its exhibits or amendments, are expressly excluded from this release.

SECTION 14 TRADEMARKS

14.1 Limited Right to Use. Your right to use the Marks applies only to the Club operated at the Franchised Location as expressly provided in this Agreement. We will provide you guidelines for the use of the Marks. Both during and after the Term, you agree not to directly or indirectly contest or aid in contesting the validity of our rights and/or our affiliates’ rights in the Marks or take any action detrimental to our rights in the Marks.

14.2 Acknowledgments. You acknowledge that: **(a)** the Marks are valid and serve to identify our products, services and Workout Anytime businesses; **(b)** your use of the Marks under this Agreement does not give you any ownership interest in them; and **(c)** all goodwill associated with the Marks inures exclusively to our benefit and is our property. Upon the expiration or termination of the Term, no monetary amount will be attributable to goodwill associated with your activities as a franchisee under this Agreement.

14.3 Specific Restrictions on Use. You agree: **(a)** to use only the Marks that we designate, and only in the manner we authorize; **(b)** to use the Marks only for the operation of Club at the Franchised Location

and in authorized advertising for the Club; **(c)** to operate and advertise the Club only under the name “Workout Anytime” without prefix or suffix; **(d)** to display the Marks in the Club, at the Franchised Location, and on brochures and other printed materials, employee uniforms and vehicles only in the manner that we authorize; **(e)** not to use the Marks or any names confusingly similar to the Marks as part of your entity or legal name; **(f)** to permit our representatives to inspect your operations to verify that you are properly using the Marks; **(g)** to use the Marks to promote and to offer for sale only the products and services that we have authorized, and not use any of the Marks in association with any other products, materials or services; **(h)** not to use or permit the use of the Marks or any names confusingly similar to the Marks as part of any Internet domain name or e-mail address or in the operation of any Internet web site without our prior written consent; **(i)** not to use the Marks to incur any obligation or indebtedness on our behalf; and **(j)** to ensure that the Marks bear the “®”, “™”, or “SM” symbol, as we prescribe from time to time.

14.4 Changes to the Marks. We have the absolute right to change, discontinue, or substitute for any of the Marks and to adopt new Marks for use with the System without any liability for any impact to the System. You agree to implement any such change at your own expense, regardless of the reason for the change, within the time that we reasonably specify.

14.5 Third-Party Challenges. You agree to notify us promptly of any unauthorized use of the Marks that you suspect or of which you have knowledge. You also agree to inform us promptly of any challenge by any person or entity to the validity of, our ownership of, or our right to license others to use, any of the Marks. You acknowledge and agree that we have the right, but not the obligation, to initiate, direct and control any litigation or administrative proceeding relating to the Marks, including, but not limited to, any settlement. You agree to sign all documents and render any other assistance we may deem necessary to the defense or prosecution of any such proceeding.

SECTION 15

LOSS, CONDEMNATION AND CASUALTY

15.1 Loss. You will promptly advise us following your receipt of a notice of default or termination of your Club’s lease, mortgage, equipment lease or security agreement related to the purchase of equipment and provide us a copy of the notice. You will also promptly give us notice of any proposed taking of your Club, or any of your equipment, or any portion thereof through the exercise of the power of eminent domain, foreclosure, or any dispossessionary action. If the Club or a substantial part thereof is to be taken, the Club may be relocated within the Territory or elsewhere following our written approval in accordance with our relocation procedures. If you open a Club at another location within one year of the closing of the old Club, the new Club will be deemed to be the Club licensed under the Agreement. If a condemnation, lease termination or mortgage default takes place and a new Club does not open within one year, this Agreement will terminate following notice from us.

15.2 Damage to the Club. If the Club is damaged, you will expeditiously repair the damage. If the damage requires that the Club be closed, you will immediately notify us in writing, and will: **(a)** relocate the Club as provided in Section 15.1; or **(b)** repair or rebuild the Club in accordance with our then-existing standards and general specifications and reopen the Club as soon as practicable (but, in any event, within 12 months after the closing of the Club) and give us 30 days’ advance written notice of the reopening. If the Club is not (or, in our opinion, cannot be) reopened in accordance with this Section, or relocated pursuant to Section 15.1, this Agreement will terminate following notice from us. The Term will not be extended by any interruption in the Club’s operations, except for an act of God that results in the Club being closed not less than 60 days nor more than 180 days.

SECTION 16 COVENANTS

16.1 Confidential Information. During and after the Term, you may not communicate, divulge or use for any purpose other than the development and/or operation of the Club any confidential information, knowledge, trade secrets or know-how which may be communicated to you or which you may learn by virtue of this Agreement or the operation of the Club. You may divulge confidential information only to your professional advisers, your employees who must have access to the information to develop or operate the Club, your contractors and your landlord, provided that you obtain our prior consent. All information, knowledge and know-how relating to us, our business plans or the System are deemed confidential for purposes of this Agreement, except information that you can demonstrate came to your attention by lawful means prior to our disclosure, or that is or becomes a part of the public domain other than through you. At our request, you will require your employees, and any other person or entity to whom you wish to disclose any confidential information to sign agreements providing that they will maintain the confidentiality of the disclosed information. The agreements, which may be provided by us, must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreements.

16.2 Restrictions During Term. You acknowledge and agree that: (i) pursuant to this Agreement, you will have access to valuable trade secrets, specialized training and confidential information from us and our affiliates regarding the development, operation, management, purchasing, sales and marketing methods and techniques of the System; (ii) the System and the opportunities, associations and experience established by us and acquired by you under this Agreement are of substantial and material value; (iii) in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; (iv) we would be unable to adequately protect the System and its trade secrets and confidential information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among Workout Anytime businesses if franchisees were permitted to hold interests in competitive businesses; and (v) restrictions on your right to hold interests in, or perform services for, competitive businesses will not hinder your activities. Accordingly, you agree that, during the Term, you will not, without our prior written consent, either directly or indirectly through any other person or entity:

A. Divert or attempt to divert any business or customer, or potential business or customer, of any Workout Anytime business to any Competitive Business (as defined in Section 16.2.D).

B. Own, manage, engage in, advise, make loans to, be employed by, assist or have any interest in any Competitive Business.

C. During the Term, there is no geographical limitation on these restrictions.

D. As used in this Agreement, the term “Competitive Business” means any business that engages in or operates gymnasiums or workout facilities or offers fitness instruction or personal training.

16.3 Restrictions After Termination, Expiration or Transfer. In light of your acknowledgments and agreements as set forth in Section 16.2, you agree as follows:

A. For a period of 2 years following the expiration, termination or transfer of this Agreement, you covenant and agree that you will not own, manage, engage in, advise, make loans to, be employed by, assist or have any interest in any Competitive Business that is (or is intended to be) located at or within 25 miles of the Franchised Location or within 25 miles of any other Workout Anytime business.

B. For a period of 2 years following the expiration or termination of this Agreement or a transfer, you further covenant and agree that you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, firm, partnership, corporation, or other entity, sell, assign, lease or transfer the Franchised Location to any person, firm, partnership, corporation, or other entity which you know, or have reason to know, intends to operate a Competitive Business at the Franchised

Location. You, by the terms of any conveyance selling, assigning, leasing or transferring your interest in the Franchised Location, must include restrictive covenants as are necessary to ensure that a Competitive Business that would violate this Section is not operated at the Franchised Location for this 2-year period, and you must take all steps necessary to ensure that these restrictive covenants become a matter of public record.

16.4 Modification. We have the right, in our sole discretion, to reduce the scope of any covenant in this Section 16 effective immediately upon your receipt of written notice, and you agree that you will comply with any covenant as so modified, which will be fully enforceable notwithstanding the provisions of Section 19.3. If any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable. If, at any time during the 2-year period following expiration, termination or transfer of this Agreement, you fail to comply with your obligations under this Section, that period of noncompliance will not be credited toward your satisfaction of the 2-year obligation. Following the resolution of any dispute regarding the enforceability of this Section that is resolved in our favor, the 2-year period (or such other period as may be deemed reasonable by the court) will run from the date of the resolution.

16.5 Applicability. If you are a business entity, all officers, directors, stockholders, partners, members, trustees, beneficiaries and/or principals of you, the franchisee, and any persons controlled by, controlling or under common control with you must execute our standard form of Non-Competition, Non-Solicitation and Confidentiality Agreement. This Section 16 does not prohibit you, any Principal Owner or any guarantor under this Agreement from having: (a) interests in any other franchise-related agreement with us or our affiliates that remains in effect; or (b) ownership of less than Five Percent (5%) of the outstanding equity securities of any publicly held corporation, as defined in the Securities and Exchange Act of 1934.

SECTION 17 TERMINATION

17.1 Termination by You. If you are in compliance with this Agreement and we materially breach this Agreement and fail to substantially cure the breach within 60 days after a written notice of the breach is delivered to us by you, you may terminate this Agreement, effective 10 days after delivery to us of a notice of termination. If you terminate this Agreement in accordance with this Section, you must comply with the post-termination procedures set forth in Section 17.5.

17.2 Termination Following Notice. In addition to the grounds for termination stated elsewhere in this Agreement, we may terminate this Agreement, and the rights granted by this Agreement, by written notice to you, without giving you an opportunity to cure, upon the occurrence of any of the following events:

- A.** You or your Manager fail to complete our initial training program.
- B.** You fail to open the Club for business by the required opening date, unless we, in our sole discretion, extend this period to address unforeseen construction delays that are not within your control.
- C.** You or any Principal Owner (as defined in Section 18.3) becomes insolvent or makes a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction.
- D.** You or any Principal Owner has made a material misrepresentation or omission in your application for the rights granted by this Agreement or is convicted of or pleads no contest to a felony or other crime or offense that may adversely affect the goodwill associated with the Marks.

- E.** There is a material breach of any obligation under Section 16.
- F.** We discover that you made a material misrepresentation or omitted a material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.
- G.** You knowingly falsify any report required to be furnished to us or make any material misrepresentation in your dealings with us or fail to disclose any material facts to us.
- H.** You, any Principal Owner, any guarantor under this Agreement or any of your managers, members, officers or directors is convicted of, or pleads no contest to, a crime that we reasonably believe is likely to harm the reputation of the System or our goodwill.
- I.** Any Transfer that requires our prior written consent occurs without your having obtained that prior written consent.
- J.** You, any Principal Owner or any other entity that is a Workout Anytime franchisee and in which you or any Principal Owner have a direct or indirect ownership interest remain in default beyond the applicable cure period under: **(i)** any other agreement with us or our affiliates; **(ii)** any real estate lease, equipment lease or financing instrument relating to the Club; or **(iii)** any agreement with any vendor or supplier to the Club; provided that if the default is not by you, you are given written notice of the default and 10 days to cure the default.
- K.** You refuse to permit, or try to hinder, an examination or audit of your books and records or inspection of the Club or Franchised Location as permitted by this Agreement.
- L.** Any condition exists with respect to the Club that, in our reasonable judgment, seriously jeopardizes public health or safety.
- M.** During any 12-month period, you fail to operate the Club for 3 or more consecutive days or 5 total days unless we determine, in our sole discretion, that the failure was beyond your control.
- N.** Any Principal Owner fails or refuses to sign the Guarantee.
- O.** An entity that is not a party to this Agreement is operating the Club without our prior written consent.

17.3 Termination Following Expiration of Cure Period.

- A.** Except for those items listed in Sections 17.2, 17.3.B and 17.3.C, you will have 30 days after written notice of default from us within which to remedy the default and provide evidence of that remedy to us. If any default is not cured within that time, this Agreement will terminate without further notice to you effective immediately upon expiration of that time, unless we notify you otherwise in writing. Notwithstanding the foregoing, if the default cannot be corrected within 30 days, you will have that additional time to correct the default as we believe to be reasonably required (not to exceed 90 days) provided that you begin taking the actions necessary to correct the default during the 30-day cure period and diligently and in good faith pursue those actions to completion. You will be in default under this Section 17.3.A for any failure to materially comply with any of the requirements imposed by this Agreement or otherwise in writing, or to carry out the terms of this Agreement in good faith.
- B.** Notwithstanding the provisions of Section 17.3.A, if you fail to pay any monies owed to us or our affiliates when those monies become due and payable and you fail to pay those monies within 5 days after receiving written notice of default, this Agreement will terminate effective immediately upon expiration of that time, unless we notify you otherwise in writing.
- C.** If you have received 2 or more notices of default under this Agreement within the previous 12 months, we will be entitled to send you a notice of termination upon your next default under this Agreement in that 12-month period without providing you an opportunity to remedy that default.

17.4 Statutory Limitations. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Agreement, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

17.5 Effect of Termination. Upon termination or expiration of this Agreement, unless we direct you otherwise:

A. All rights granted to you under this Agreement will immediately terminate and you must immediately cease to operate the Club.

B. You must promptly pay all sums owing to us, our affiliates and your suppliers and you forfeit all rights to receive membership fees and any other revenue from the Workout Anytime members of the Franchised Location.

C. You and all persons and entities subject to the restrictions contained in Section 16 will continue to abide by those restrictions and will not, directly or indirectly, take any action that violates those restrictions.

D. You must immediately cease to use, by advertising or in any other manner, the Marks and all other distinctive forms, slogans, signs, symbols, web sites, domain names, email addresses, and devices associated with the System. Within 15 days, you must promptly take those actions as may be necessary to cancel any assumed name registration or equivalent registration, and any domain name registration that contains any Marks.

E. You must make modifications or alterations to the Franchised Location and the Club immediately upon termination or expiration of this Agreement as necessary to prevent the operation of any business in violation of Section 16 and any specific additional changes we reasonably request for that purpose. Upon our request, you must return to us, at our cost, any signage that we specify.

F. You must immediately deliver to us all hard copies, and delete all electronic copies, of the Platform and all training materials, marketing materials, records, files, instructions, and correspondence in your possession or control that contain confidential information. You also must deliver to us all hard copies, and delete all electronic copies of customer information and customer lists that you have compiled and uninstall any software that we have provided.

G. The limited exclusive rights granted to you in the Territory will terminate, and we will have the right to operate, and license others to operate, Workout Anytime businesses anywhere in the Territory.

17.6 Lost Revenue Damages.

A. If we terminate this Agreement because of your breach or if you terminate this Agreement without cause, you and we agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of the Royalty Fee and the Brand Fund Development Fee through the remainder of the term of this Agreement. Therefore, you and we agree that a reasonable estimate of such damages, less any cost savings we might have experienced, ("Lost Revenue Damages") is an amount equal to the net present value of the Royalty Fee and the Brand Fund Development Fee that would have been paid had this Agreement not been terminated, from the date of termination to the scheduled expiration of the Term ("Measurement Period").

B. For the purposes of this Section, Lost Revenue Damages will be calculated as follows: (1) the aggregate of the Royalty Fee and the Brand Fund Development Fee percentages multiplied by the average monthly Gross Revenue of your Club during the 12 full calendar months immediately preceding the termination date (or, if as of the effective date of termination, your Club has not been operating for at least 12 full calendar months, we will use the average monthly Gross Revenues of all Workout Anytime

businesses operating during that 12 month period); (2) multiplied by the number of calendar months in the Measurement Period.

C. You agree to pay us Lost Revenue Damages, as damages and not as a penalty, as calculated in accordance with this Section, within 15 days after the effective date of termination, or on any later date that we determine. You and we agree that the calculation described in this Section is a calculation only of the Lost Revenue Damages and that nothing will preclude or limit us from proving and recovering any other damages caused by your breach of this Agreement.

17.7 Option to Purchase Your Business and Inventory. On the expiration or termination of this Agreement for any reason, we will have the right, but not the obligation, exercisable by written notice delivered to you within 30 days after the date of expiration, to purchase all or part of the physical assets used in the Club, except your personal assets. There will be no compensation for goodwill, and the purchase price for the assets will be equal to their fair market value less such goodwill. If you and we cannot agree on the purchase price for the assets that we desire to purchase within 10 days following our exercise of this option to purchase, an independent appraiser we designate will determine the fair market value, and you and we will share equally the cost of the appraiser. The appraiser's decision will be final and binding with no right to appeal. The closing of the purchase will take place at a location, and on a date, we choose, and will be completed in accordance with all applicable bulk sales laws. At closing, you will deliver to us a bill of sale for the assets, in a form acceptable to us. We will be entitled to set off against the purchase price any amounts you then owe us or any affiliate of ours, and to pay out of the purchase price any of your unpaid creditors.

SECTION 18

TRANSFER; ASSIGNMENT; RELOCATION

18.1 Transfers By Us. We have the unrestricted right to transfer or assign ownership interests in us and all or any part of our interest in this Agreement to any person or legal entity without your consent. You agree that we will have no liability after the effective date of transfer or assignment for the performance of, or any failure to perform, any obligations transferred. We also have the right to delegate to others the performance of any of our duties under this Agreement.

18.2 Your Governing Documents.

A. If you are (or Transfer your interests in this Agreement to) a business entity, during the Term, your (or the transferee's) governing documents must provide that your (or its) activities are limited exclusively to the development of Workout Anytime businesses and that no Transfer (as defined in Section 18.4.A.) of an ownership interest may be made except in accordance with Section 18.4. Any stock or other ownership certificates that you issue must bear a conspicuous printed legend to that effect.

B. You represent that you have furnished us with a list of all holders of a direct or indirect equity interests in you and their respective percentage interests, as well as copies of your governing documents (and any amendments thereto) and any other corporate documents, books or records that we may request, and that all such information is current as of the date on which you sign this Agreement. Your direct and indirect owners and their respective equity interests as of the Effective Date are identified in Exhibit A. You must promptly update this information as changes occur.

18.3 Guarantees. All holders of direct or indirect equity interests in you of Ten Percent (10%) or more ("Principal Owners") must jointly and severally guarantee your payment and performance under this Agreement and must bind themselves to the terms of this Agreement pursuant to the Guarantee and Assumption of Obligations attached as Exhibit B ("Guarantee"). Notwithstanding the foregoing, we reserve the right, in our sole discretion, to waive the requirement that some or all of the Principal Owners execute the Guarantee and/or to limit the scope of the Guarantee. We reserve the right to require that any guarantor provide personal financial statements to us from time to time.

You acknowledge that, unless otherwise agreed to in writing by us, it is our intent to have individuals (and not corporations, limited liability companies or other business entities) execute the Guarantee. Accordingly, if any Principal Owner is not an individual, we will have the right to have the Guarantee executed by individuals who have only an indirect ownership interest in you. (By way of example, if a Principal Owner is a corporation, we have the right to require that the Guarantee be executed by individuals who have an ownership interest in that corporation.)

If you, any guarantor or any parent, subsidiary or affiliate of yours holds any interest in other businesses that are franchised by us, at our request, the party who owns that interest will execute, concurrently with this Agreement, a form of cross-guarantee to us for the payment of all obligations for those businesses, unless waived in writing by us in our sole discretion. For purposes of this Agreement, an affiliate of yours is any company controlled, directly or indirectly, by you or your parent or subsidiary.

18.4 Transfers by You.

A. Definition of Transfer. For purposes of this Agreement, a “Transfer” by you means any sale, assignment, transfer, conveyance, merger, give away, pledge, mortgage or other encumbrance, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings) of: **(i)** any interest in this Agreement; **(ii)** if you are a business entity, any direct or indirect ownership interests in you; or **(iii)** substantially all of your assets pertaining to your operations under this Agreement.

B. No Transfer Without Our Consent. You acknowledge that this Agreement is personal to you and we have selected you as a developer based on our reliance on your (and your direct and indirect owners’) character, skill, aptitude and business and financial capacity. Neither you nor any of your direct or indirect owners may undertake any Transfer or permit any Transfer to occur without obtaining our prior written consent. The decision as to whether to consent to a Transfer will be made in the exercise of our business judgment, but our consent will not be unreasonably withheld. We have the right to communicate with and counsel you, your direct and indirect owners and the proposed transferee on any aspect of a proposed Transfer. You agree to provide any information and documentation relating to the proposed Transfer that we reasonably require, including, but not limited to, a copy of the proposed offer. Unless otherwise agreed, we do not waive any claims against the transferring party if we consent to a Transfer.

Except as otherwise provided in this Section 18.4, if you or your direct or indirect owners propose to undertake a Transfer, the following conditions apply (unless waived by us):

(1) You and your direct and indirect owners must:

(a) Be in compliance with all obligations to us under this Agreement and any other agreements you have with us, our affiliates, any lenders that have provided financing to you and your major suppliers as of the date of the request for our consent to the Transfer.

(b) Pay to us a Transfer fee in the amount of Seventy-Five Percent (75%) of the then-current initial franchise fee charged to new franchisees to reimburse us for our reasonable costs and expenses incurred in reviewing and documenting the Transfer, including legal and accounting fees.

(c) Advise us in writing of any proposed Transfer, submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, submit a copy of all contracts and all other agreements or proposals and submit all other information requested by us relating to the proposed Transfer.

(2) The proposed transferee (and, if the proposed transferee is a business entity, all persons that have any direct or indirect ownership interest in the proposed transferee as we may require) must demonstrate to our satisfaction extensive experience in high quality operations of a character and complexity similar to a Workout Anytime business; must meet the managerial, operational, experience, quality, character and business standards for a developer promulgated by us from time to time; must possess

a good character, business reputation and credit rating; must have an organization whose management culture is compatible with our management culture; and must have adequate financial resources and working capital to meet the development obligations under this Agreement. If the proposed transferee is an existing Workout Anytime business franchisee, the transferee and its direct and indirect owners must not be in default under their agreements with us and must have substantially complied with our operating standards.

(3) An assignment agreement and/or any other agreements that we require to reflect the Transfer must be signed by the transferor and the proposed transferee. In addition, we may require, at our option, that amendments to this Agreement and/or our then-current standard form of franchise agreement (for a term ending on the expiration of the Initial Term) be signed.

(4) You, your Principal Owners, all of your guarantors under this Agreement and the transferee must execute a general release, in a form prescribed by us, of all claims against us, our affiliates and our and their past, present and future affiliates, officers, directors, members, managers, shareholders, agents and employees. You, your Principal Owners and your guarantors under this Agreement will remain liable to us for all obligations arising before the effective date of the Transfer.

(5) The price and other proposed terms of the Transfer must not, in our reasonable business judgment, have the effect of negatively impacting the prospect for the future viability of the Franchised Business.

(6) If the transferee is a business entity, those persons or entities designated by us, which may include, but are not limited to, those with a direct or indirect ownership interest of Ten Percent (10%) or more in the transferee, must execute our then-current form of Guarantee.

(7) The proposed transferee and those of its employees that we designate must complete all training course we require and pay our then-current training fee.

(8) Each of your affiliates that have entered into a franchise agreement with us must, as of the date of the request for our consent to the Transfer, be in compliance with all obligations to us under those agreements and with all obligations under any agreement with any lenders that have provided financing pursuant to an arrangement with us.

C. Transfer upon Death or Permanent Incapacity. If the Transfer is a transfer of direct or indirect ownership interests in you following the death or permanent incapacity (as reasonably determined by us) of a person that has a direct or indirect ownership interest in you, that person's executor, administrator or personal representative must apply to us in writing within 3 months after the death or declaration of permanent incapacity for consent to Transfer the person's interest. The Transfer will be subject to the provisions of this Section 18.4, as applicable. In the case of Transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of this Section 18.4, the executor may Transfer the decedent's interest to another successor that we have accepted, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not disposed of under this Section 18.4.C. within 6 months after the date of death or appointment of a personal representative, we may terminate this Agreement without opportunity to cure.

D. Transfer for Convenience of Ownership. If you are an individual or a partnership, we will consent to the Transfer of this Agreement to a business entity that you form for the convenience of ownership, provided that: (i) the entity has and will have no business other than the operation of Workout Anytime businesses; (ii) you comply with the requirements in Sections 18.2 and the provisions of Section 18.4.B., as applicable; and (c) the owners hold equity interests in the new entity in the same proportion shown on Exhibit A.

E. Right of First Refusal. We have the right, exercisable within 30 days after receipt of the notice (and information) specified in Section 18.4.B, to send written notice to you that we intend to purchase

the interest or assets proposed to be transferred. We may assign our right of first refusal to someone else either before or after we exercise it. However, our right of first refusal will not apply with regard to Transfers to the spouse, son or daughter of a direct or indirect owner in you (including Transfers to a spouse, son or daughter as a result of death or permanent incapacity as described in Section 18.4.C), provided that the transferees meet all criteria required of new franchisees.

If the Transfer is proposed to be made pursuant to a sale, we or our designee may purchase the interest proposed to be transferred on the same economic terms and conditions offered by the third-party. Closing on our purchase must occur within 60 days after the date of our notice to the seller electing to purchase the interest (or, if the parties cannot agree on the cash equivalent, as provided in the next sentence, within 60 days after the appraiser's determination). If we cannot reasonably be expected to furnish the same consideration as the third-party, we may substitute the reasonable equivalent in cash. If the parties cannot agree within 30 days on the reasonable equivalent in cash, we and you will each select a professionally certified appraiser and the two selected appraisers will select a third professionally certified appraiser to determine the fair market value of the interest proposed to be transferred. The third appraiser will appraise the fair market value of the interest proposed to be transferred and the value set by the third appraiser will be conclusive. The appraisers' fees and costs will be borne equally by us and you. Any material change in the terms of the offer from a third party after we have elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as the third party's initial offer.

If a Transfer is proposed to be made by gift, we and you will each select a professionally certified appraiser and the two selected appraisers will select a third professionally certified appraiser to determine the fair market value of the interest proposed to be transferred. The third appraiser will appraise the fair market value of the interest proposed to be transferred and the value set by the third appraiser will be conclusive. We may purchase the interest at the fair market value determined by the appraiser. Closing on the purchase will occur within 30 days after our notice to the transferor of the appraiser's determination of fair market value. The appraisers' fees and costs will be borne equally by us and you.

At any point, we may decline to exercise our right of first refusal. The decision by us and/or our designee to decline to exercise our right of first refusal will not constitute our consent to the proposed Transfer or a waiver of any other provision of this Section 18.4 with respect to the proposed Transfer. If we elect not to exercise our rights under this Section, the transferor may not complete the Transfer until he has complied with this Section 18.4. Closing of the Transfer must occur within 60 days of our election (or that longer period as applicable law may require); otherwise, the third-party's offer will be treated as a new offer subject to our right of first refusal. The Transfer is conditional upon our determination that the Transfer was completed on terms substantially the same as those offered to us. You must provide to us copies of all fully executed agreements and any other information we request relating to the Transfer.

F. Relocation. You may not relocate your Club for any purpose without our express prior written approval. If we consent to your Workout Anytime Club relocation, you must pay us a fee equal to Fifty Percent (50%) of our then-current Initial Franchise Fee ("Relocation Fee").

SECTION 19 MISCELLANEOUS

19.1 Relationship of Parties. This Agreement does not create a fiduciary or other special relationship or make you or us an agent, legal representative, joint venturer, joint employer, partner, employee or servant of each other for any purpose. You are not authorized to make any contract, agreement, warranty or representation on our behalf, or to create any obligation, express or implied, on our behalf. During the Term, you agree to hold yourself out to the public as an independent contractor operating the Club under license from us, and you agree to exhibit a notice to that effect (the location and content of which we reserve the right to specify) in a conspicuous place at the Club.

19.2 Consents and Waivers. Whenever our prior written approval, acceptance or consent is required under this Agreement, you agree to make a timely written request to us for our consent. Our approval, acceptance or consent must be in writing and signed by an authorized officer or manager to be effective. We make no warranties or guarantees upon which you may rely by providing any waiver, approval, consent or suggestion to you in connection with this Agreement and assume no liability or obligation to you therefor, or by reason of any neglect, delay, or denial of any request therefor. We will not, by virtue of any waivers, approvals, consents, advice or services provided to you, assume responsibility or liability to you or to any third parties to which we would not otherwise be subject.

No delay or failure to exercise any right under this Agreement or to insist upon your strict compliance with any obligation or condition, and no custom or practice that differs from the terms of this Agreement, will constitute a waiver of our right to exercise the contractual right or demand your strict compliance with the terms of this Agreement. Our waiver of any particular default does not affect or impair our rights with respect to any subsequent default you may commit. Our waiver of a default by another franchisee does not affect or impair our right to demand your strict compliance with the terms of this Agreement. Our acceptance of any payments due from you does not waive any prior defaults.

19.3 Entire Agreement. Each element of this Agreement is essential and material. This Agreement, the Platform, the documents referred to in this Agreement and the attachments to this Agreement constitute the entire agreement between you and us with respect to the Franchised Business at the Franchised Location and supersede all prior negotiations, representations, correspondence and agreements concerning the same subject matter. Except for our Franchise Disclosure Document and your Development Agreement (if applicable), there are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly set forth in this Agreement, no amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and executed in writing.

19.4 Severability and Construction. Each provision of this Agreement is severable from the others. If, for any reason, any provision is determined by a court to be invalid, the invalidity will not impair the operation of the remaining provisions of this Agreement. The latter will continue to be given full force and effect and bind us and you; the invalid provision(s) will be deemed not to be a part of this Agreement. Each provision of this Agreement that, expressly, or by reasonable implication, is to be performed, in whole or in part, after the expiration, termination or Transfer of this Agreement will survive expiration, termination or Transfer. This Agreement will not be interpreted in favor of or against any party based on a party's sophistication or based on the party that drafted this Agreement. Except as expressly otherwise provided, nothing in this Agreement is intended, or will be deemed, to confer any rights or remedies upon any person or legal entity other than you and us.

19.5 Our Discretion. Whenever we have a right and/or the discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make that decision or exercise our right and/or discretion on the basis of our judgment of what is in the best interests of the System. Our judgment of what is in the best interests of the System, at the time our decision is made or our right or discretion is exercised, can be made without regard to whether: **(a)** other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by us; **(b)** our decision or the action taken promotes our financial or other individual interest; **(c)** our decision or the action taken applies differently to you and one or more other franchisees or our company-owned or affiliate-owned operations; or **(d)** our decision or the action taken is adverse to your interests. Nothing in this Agreement is intended to disclaim the representations made in the Franchise Disclosure Document. We will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject

to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations under this Agreement.

19.6 Notices. Notices related to this Agreement will be effective upon receipt (or first rejection) and may be given by any of the following delivery methods: **(a)** certified or registered mail; **(b)** U.S. Priority Mail or national commercial delivery service (e.g., UPS, Federal Express); or **(c)** email (if receipt is verified within 24 hours of transmission). Either party can change its notice address by informing the other party. Notices sent will be sent to the addresses listed on the first page of this Agreement, however, we also may send notices addressed to you at the Franchised Location. A copy of notices to us will also be sent to Andrew Beilfuss, Esq., Quarles & Brady, 411 East Wisconsin Avenue, Suite 2400, Milwaukee, WI 53202-4426.

19.7 Miscellaneous. All references to gender and number will be construed to include such other gender and number as the context may require. All captions in this Agreement are intended solely for the convenience of the parties and none will be deemed to affect the meaning or construction of any provision of this Agreement. This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Agreement may be signed using electronic signatures, and those signatures will have full legal force and effect. Time is of the essence of this Agreement for each provision in which time is a factor.

19.8 Injunctive Relief. You recognize that your failure to comply with the terms of this Agreement, including, but not limited to, the failure to fully comply with the restrictions contained in Section 16 or the failure to comply with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will be entitled to declaratory and injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security.

19.9 Control During Crisis Situation. If an event occurs at the Club that has or reasonably may cause harm or injury to customers, guests or employees (*i.e.*, slip and fall injuries, natural disasters, robberies, shootings, Data Breach, etc.) or may damage the Marks, the System or our reputation (collectively “Crisis Situation”), you must: **(a)** immediately contact appropriate emergency care providers to assist it in curing the harm or injury; and **(b)** immediately inform us by telephone of the Crisis Situation. You must refrain from making any internal or external announcements (*i.e.*, no communication with the news media) regarding the Crisis Situation (unless otherwise directed by us or public health officials).

To the extent we deem appropriate, in our sole and absolute discretion, we or our designee may control the manner in which the Crisis Situation is handled by the parties, including, without limitation, conducting all communication with the news media, providing care for injured persons and/or temporarily closing the Club. The parties acknowledge that, in directing the management of any Crisis Situation, we or our designee may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as we deem appropriate. You and your employees must cooperate fully with us or our designee in our efforts and activities in this regard and will be bound by all further Crisis Situation procedures developed by us from time to time hereafter. The indemnification under Section 13.2 will include all losses and expenses that may result from the exercise by us or our designee of the management rights granted in this Section 19.9.

19.10 Compliance with U.S. Laws. You acknowledge that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (“Order”), we are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in,

acts of terrorism, as defined in the Order. Accordingly, you represent and warrant to us that, as of the date of this Agreement, neither you nor any person holding any ownership interest in you, controlled by you, or under common control with you is designated under the Order as a person with whom business may not be transacted by us, and that you: **(a)** do not, and hereafter will not, engage in any terrorist activity; **(b)** are not affiliated with and do not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and **(c)** are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

SECTION 20 DISPUTE RESOLUTION

20.1 Choice of Law. Except as provided in this Section 20.1, this Agreement and the relationship between the parties is governed by and will be construed in accordance with the laws of the state of Georgia. Notwithstanding the foregoing: **(a)** the covenants in Section 16 will be governed by the laws of the state in which the Franchised Business is located; and **(b)** nothing in this Section is intended, or will be deemed, to make any Georgia law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if that law would not otherwise be applicable.

20.2 Arbitration. Except as qualified below, any dispute between the parties or any of their respective affiliates, officers, directors, employees, agents or owners arising out of, in connection with or in relation to this Agreement, the parties' relationship or the Club must be submitted to binding arbitration under the authority of the Federal Arbitration Act without reference to any state arbitration statutes and must be determined by arbitration administered by the American Arbitration Association ("AAA") pursuant to its then-current commercial arbitration rules and procedures. The arbitration will take place in the city where our headquarters are located at the time the demand for arbitration is filed. The arbitration will be heard by a single arbitrator who has at least 10 years of experience in franchise law. The arbitrator must follow the law and not disregard the terms of this Agreement.

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 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 certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties must submit all claims to the jurisdiction of the courts.

The decision of the arbitrator will be final and binding on all parties to the dispute; however, either party may appeal the award to the AAA and the arbitrator may not under any circumstances: **(a)** stay the effectiveness of any award pending termination of this Agreement; **(b)** assess punitive or exemplary damages; **(c)** make any award which extends, modifies, or suspends any lawful term of this Agreement or any reasonable standard of business performance set by us.

Notwithstanding the foregoing, the parties agree that the following claims will not be subject to arbitration: **(i)** any action for declaratory or equitable relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder; **(ii)** any action in ejectment or for possession of any interest in real or personal property; or **(iii)** any action by us to collect any sums due to us.

20.3 Choice of Forum. The parties agree, for any action not subject to arbitration, you must file any suit against us only in the federal or state court having jurisdiction where our principal offices are located at the time suit is filed. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed or in the jurisdiction where you reside or do business or where the Club is or was located or where the claim arose. You consent to the personal jurisdiction of those courts over you and to venue in those courts.

20.4 Limitation of Actions. Any legal action or proceeding (including a proceeding related to the offer and sale of a franchise to you) brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of 2 years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, regardless of when discovered. The preceding limitation period does not apply: **(a)** with respect to payments owed by one party to the other; **(b)** if prohibited by applicable law; or **(c)** if applicable law provides for a shorter limitations period.

20.5 Mutual Waiver of Jury Trial. Each of us irrevocably waives trial by jury in any action not subject to arbitration.

20.6 Mutual Waiver of Punitive Damages. Each of us waives any right to or claim of punitive, exemplary, multiple or consequential damages against the other in litigation and agrees to be limited to the recovery of actual damages sustained.

20.7 Remedies Not Exclusive. Except as provided in Sections 20.1 through 20.6, no right or remedy that the parties have under this Agreement is exclusive of any other right or remedy under this Agreement or under applicable law.

20.8 Reimbursement of Costs and Expenses. If either party brings an action to enforce this Agreement, the party prevailing in that proceeding will be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of, the proceeding. If we utilize legal counsel (including in-house counsel employed by us) in connection with any failure by you to comply with this Agreement, you must reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

20.9 Rights of Parties are Cumulative. The parties' rights under this Agreement are cumulative and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement that it is entitled by law or this Agreement to exercise or enforce.

SECTION 21 ACKNOWLEDGEMENTS

You represent, acknowledge and warrant to us (and you agree that these representations, acknowledgments and warranties will survive termination of this Agreement) that:

21.1 We have entered, and will continue to enter, into agreements with other franchisees. The manner in which we enforce our rights and the franchisees' obligations under any of those other agreements will not affect our ability to enforce our rights or your obligations under this Agreement.

21.2 The Initial Franchise Fee is not refundable for any reason.

21.3 We may change or modify the System, from time to time, including the Platform, and you will be required to make such expenditures as those changes or modifications in the System may require.

21.4 Nothing in this Agreement prohibits us or our affiliates from: **(a)** operating or licensing others to operate Workout Anytime businesses at any location other than in the Territory during the Term; **(b)** operating or licensing others to operate health club facilities, other than Workout Anytime businesses, at any location; **(c)** utilizing the System or any part of the System in any manner other than operation by us or our affiliates of a Workout Anytime business in the Territory; **(d)** developing and owning other franchise systems for the same or similar products and services using trade names and trademarks other than the

Marks; and/or (e) purchasing, being purchased by, merging or combining with, businesses that directly compete with Workout Anytime businesses.

21.5 Although this Agreement contains provisions requiring you to operate the Club in compliance with the System: (a) we and our affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of your business or employment decisions; (b) neither you nor we intend for us or our affiliates to incur any liability in connection with or arising from any aspect of the System or your use of the System, whether or not in accordance with the requirements of the Platform; and (c) you are the sole employer of your employees and you and we are not joint employers.

21.6 You will be solely responsible for: (a) hiring, training and supervising efficient, competent and courteous employees of good character for the operation of the Franchised Business; (b) the terms of their employment and compensation; and (c) the proper training of the employees in the operation of the Franchised Business.

21.7 Your execution of this Agreement does not and will not conflict or interfere, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any third party to which you, any of your owners or any affiliate of yours is a party, including, but not limited to, any noncompetition provision.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

**WORKOUT ANYTIME FRANCHISING
SYSTEMS, LLC**, a Georgia limited liability
company

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A
FRANCHISE INFORMATION

1. **Territory:** _____

2. **Franchised Location:** _____

3. **Ownership:** The following is a list of all holders of a direct or indirect equity interest in you and their respective percentage interests:

Name	Address	Percentage Ownership Interest

EXHIBIT B

GUARANTEE AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution of the foregoing Franchise Agreement dated as of _____ (“Agreement”) by and between Workout Anytime Franchising Systems, LLC (“Franchisor”) and _____ (“Franchisee”), the undersigned (collectively, “Guarantors”) hereby personally and unconditionally agree as follows:

1. Guarantee and Assumption of Franchisee’s Obligations. Guarantors hereby: (A) guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that Franchisee and any assignee of Franchisee’s interest under the Agreement will: (i) punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and (ii) punctually pay all other monies owed to Franchisor and/or its affiliates; (B) agree to be personally bound by each and every provision in the Agreement, including, without limitation, the provisions of Section 13.2 and Section 16; and (C) agree to be personally liable for the breach of each and every provision in the Agreement.

2. General Release. Each Guarantor (if an individual, on behalf of him/herself and his/her heirs, representatives, successors and assigns, and if a business entity, on behalf of itself and its parent, subsidiaries and affiliates) (collectively, “Releasors”), freely and without any influence, forever releases and covenants not to sue Franchisor, its parent, subsidiaries and affiliates and their respective past and present officers, directors, managers, members, shareholders, agents and employees, in their corporate and individual capacities, with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, “claims”), that any Releasor now owns, has or claims to have or holds, or may in the future own or hold, or at any prior time owned, held, had or claimed to have, based on, arising out of or relating to, in whole or in part, any fact, event, conduct or omissions occurring on or before the date of this Guarantee, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to this Guarantee, the Agreement and all other agreements between any Releasor and Franchisor or its parent, subsidiaries or affiliates, the sale of any franchise to any Releasor, the development and operation of the Franchised Business and the development and operation of all other businesses operated by any Releasor that are franchised by Franchisor. Releasors expressly agree that fair consideration has been given by Franchisor for this release, and they fully understand that this is a negotiated, complete and final release of all claims.

3. General Terms and Conditions. The following general terms and conditions will apply to this Guarantee:

A. Each of the undersigned waives: (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (iv) any right he/she/it may have to require that an action be brought against Franchisee or any other person as a condition of liability; (v) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guarantee by the undersigned; (vi) any law or statute which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; (vii) any and all other notices and legal or equitable defenses to which he may be entitled; and (viii) **any and all right to have any legal action under this Guarantee decided by a jury.**

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B. Each of the undersigned consents and agrees that: **(i)** his/her/its direct and immediate liability under this Guarantee will be joint and several; **(ii)** he/she/it will render any payment or performance required under the Agreement if Franchisee fails or refuses punctually to do so; **(iii)** such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; **(iv)** such liability will not be diminished, relieved or otherwise affected by any amendment of the Agreement, any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guarantee, which will be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Franchisee to Franchisor or its affiliates under the Agreement; and **(v)** monies received from any source by Franchisor for application toward payment of the obligations under the Agreement and under this Guarantee may be applied in any manner or order deemed appropriate by Franchisor. In addition: **(a)** each Guarantor acknowledges that the obligations under this Guarantee will continue to remain in force and effect unless Franchisor in its sole discretion, in writing, releases him/her/it from this Guarantee; and **(b)** following any Transfer, the obligations of each Guarantor under this Guarantee will continue to remain in force and effect unless Franchisor in its sole discretion, in writing, releases the Guarantor from this Guarantee. Notwithstanding the provisions of the previous sentence, unless prohibited by applicable law, the obligations contained in Sections 16.3 of the Agreement will remain in force and effect for a period of 2 years after any such release by Franchisor. A release by Franchisor of any Guarantor will not affect the obligations of any other Guarantor.

C. If Franchisor brings a legal action to enforce this Guarantee, the prevailing party in that proceeding will be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. In any judicial proceeding, these costs and expenses will be determined by the court and not by a jury.

D. If Franchisor utilizes legal counsel (including in-house counsel employed by Franchisor or its affiliates) in connection with any failure by the undersigned to comply with this Guarantee, the undersigned will reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

E. This Guarantee will inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Franchisor's interests in and rights under this Guarantee are freely assignable, in whole or in part, by Franchisor. Any assignment will not release the undersigned from this Guarantee.

G. Section 20 of the Agreement is incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee will have the meaning given them in the Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature.

GUARANTORS:

Date: _____

By: _____

Print Name: _____

Title: _____

Address: _____

Date: _____

By: _____

Print Name: _____

Title: _____

Address: _____

EXHIBIT C
NON-COMPETITION AND NON-SOLICITATION AGREEMENT
(LIMITED PRINCIPALS)

This Non-Competition and Non-Solicitation Agreement (“Agreement”) is entered into as of _____ (“Effective Date”) by and between Workout Anytime Franchising Systems, LLC (“Franchisor”) and _____ (“Obligor”).

RECITALS

Obligor is an owner of the legal entity identified in Exhibit A that is a party to the Franchise Agreement identified in Exhibit 1 or a manager and/or primary operator of Franchisee’s Workout Anytime franchised health club facility (“Club”).

Obligor acknowledges that Franchisor has a legitimate business interest in protecting its franchise and franchisees from unfair competition by an existing or former franchisee who: **(1)** has had special, intimate knowledge of Franchisor’s methods and trade secrets and confidential information for the operation of a Workout Anytime Club; **(2)** is able to take advantage of the knowledge and experience gained in running a Workout Anytime Club, and use such knowledge and experience in operating a new competing business without having to continue to pay royalties and other fees for such information, thereby placing other franchisees at a competitive disadvantage; or **(3)** diverts business and customers from a current or former Workout Anytime Club to a competitor of Franchisor

Obligor acknowledges that Franchisor has a legitimate business interest in re-franchising the territory of a former franchisee and Franchisor would suffer irreparable damage absent this Agreement because it would be unable to attract new franchisees to the area served by its former franchisee.

Obligor acknowledges that Franchisor requires the execution of this Agreement as an ancillary requirement to Franchisor’s simultaneous grant of a franchise to Franchisee.

NOW, THEREFORE, the parties agree as follows:

1. Consideration in Exchange for Obligor’s Covenants. Obligor acknowledges and confirms that Franchisor’s willingness to execute and perform under the Franchise Agreement is expressly conditioned on execution of this Agreement by Obligor and that serves as valuable and adequate consideration received in exchange for Obligor’s promises and covenants made in this Agreement.

2. Obligor’s In-Term Non-Competition and Non-Solicitation Covenants. During the term of the Franchise Agreement, and without geographic limits, Obligor will not directly or indirectly (such as through corporations or other entities controlled by the Obligor or by or through or in conjunction with any other individual person or persons including, but not limited to, Obligor’s spouse (if any) and employees) undertake any of the following:

a. Divert or attempt to divert any business or customer of any Club to any competitor or do anything injurious or prejudicial to the goodwill associated with Franchisor’s Marks, methods, the Workout Anytime Franchise System, or Franchisor’s business practices.

b. Own, maintain, engage in, be associated with, be employed by, advise, assist, invest in, be landlord to, franchise, or have any interest in any health club, gymnasium, or fitness center business which is the same or substantially like or competitive with any Workout Anytime Club,

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c. Use, communicate, disseminate, provide access, or divulge to anyone at any time any confidential information or trade secrets of Franchisor, or at any time copy, duplicate, record or otherwise reproduce any confidential information or trade secrets of Franchisor, including without limitation those materials contained within the secure password protected Franchise resource section of Franchisor's website, except as expressly permitted in the Franchise Agreement.

3. Obligor's Post-Term Non-Competition and Non-Solicitation Covenants. For purposes of this Section 3, the word "Conclusion" means the termination, assignment or transfer and/or expiration of the Franchise Agreement corresponding to this Agreement, regardless of whether such termination/expiration occurs prior to, or at the end of, such Franchise Agreement's term (the "Term").

a. Upon the Conclusion of the Term, Obligor will not:

(i) Directly or indirectly, for a 2 year period following the Conclusion of the Term, and without geographic limitation, divert or attempt to divert any business or customer of any health club facility to any competitor, or do anything injurious or prejudicial to the goodwill associated with Franchisor's Marks, methods or the Workout Anytime Franchise System.

(ii) For a 2 year period following the Conclusion of the Term within 25 miles of the location of the Club, own, maintain, engage in, be associated with, be employed by, advise, assist, invest in or have any interest in any business that engages in or offers franchises for businesses that engage in or operate gymnasiums, fitness, or workout facilities which is the same as, or substantially like or competitive with any Workout Anytime Club.

b. Upon the Conclusion of the Term, Obligor will not, at any time, directly or indirectly: (i) communicate, disseminate, provide access, reveal or divulge to anyone, in whole or in part, any of Franchisor's confidential information or trade secrets; (ii) use, copy, duplicate, record or otherwise reproduce at any time any of Franchisor's confidential information or trade secrets; and (iii) use in any manner whatsoever any of the Marks, the methods, Franchisor's Operations Manuals, any of the materials contained within the secure password protected Franchise resource section of Franchisor's website, or any other proprietary or intellectual property rights of Franchisor and the Workout Anytime Franchise system.

c. Upon the Conclusion of the Term, Obligor will immediately return to Franchisor all Operations Manuals, all training materials, all of Franchisor's proprietary software and printed matters, all website materials, all other confidential information and trade secrets, and all of Franchisor's advertising and promotional signs and related items.

4. Severability. The covenants contained in this Agreement will be construed as agreements severable and independent from each other, except that any violation of Section 2 will constitute a material breach and default of the Franchise Agreement and cause for immediate termination of the Franchise Agreement without opportunity to cure. If any Section of this Agreement is deemed by a court of competent jurisdiction to be invalid or unenforceable, then the maximum legally allowable restriction permitted by applicable law will control and bind Obligor.

5. Enforcement Costs. Obligor agrees to pay Franchisor all the costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with its enforcement of this Agreement.

6. Counterparts, Entire Agreement, Amendments. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which together will be

one and the same instrument. The parties may execute such counterparts via fax, or electronically via PDF. This Agreement, together with the Franchise Agreement, contains the entire agreement of the parties pertaining to the subject matter hereof and no prior or contemporaneous representations, inducements, promises, or agreements, oral or otherwise, between the parties not set forth herein will be of any force and effect. Any modifications to this Agreement must be accomplished by a written agreement signed by both parties.

7. **Injunction.** Obligor recognizes and agrees that the injury that Franchisor and certain of its franchisees will suffer in the event of Obligor's breach of any covenant contained in this Agreement cannot be compensated by monetary damages alone, and Obligor therefore agrees that in the event of a breach or threatened breach by Obligor of this Agreement, Franchisor (and its affiliates, successors and assigns), in addition to and not in limitation of, any other rights, remedies, or damages available to Franchisor (and/or its affiliates, successors, and assigns) at law, in equity, under this Agreement or otherwise, will be entitled to seek an injunction from any court of competent jurisdiction in order to prevent or restrain any such breach by Obligor or by Obligor's agents, representatives, employees, partners, co-owners, or any and all other persons directly or indirectly acting for or with him/her/it.

8. **Choice of Law, Venue and Jurisdiction.** This Agreement will be construed and governed under and in accordance with the laws of the State in which the Club is located. Obligor must file any suit against Franchisor only in the federal or state court having jurisdiction where Franchisor's principal offices are located at the time suit is filed. Franchisor may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where Obligor resides or does business or where the Club is or was located or where the claim arose. Obligor consents to the personal jurisdiction of those courts over you and to venue in those courts.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date by their duly authorized representatives.

OBLIGOR:

**WORKOUT ANYTIME FRANCHISING
SYSTEMS, LLC**

Signature: _____

By: _____

Print your name: _____

Title: _____

Print Title (if applicable): _____

Date of Signature: _____

Signature: _____

Print your name: _____

Print Title (if applicable): _____

Date of Signature: _____

Signature: _____

Print your name: _____

Print Title (if applicable): _____

Date of Signature: _____

EXHIBIT B

NON-COMPETITION AND NON-SOLICITATION AND CONFIDENTIALITY AGREEMENT

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

This Non-Competition and Non-Solicitation Agreement (“Agreement”) is entered into as of _____ (“Effective Date”) by and between Workout Anytime Franchising Systems, LLC (“Franchisor”) and _____ (“Obligor”).

RECITALS

Obligor is an owner of the legal entity identified in Exhibit A that is a party to the Franchise Agreement identified in Exhibit 1 or a manager and/or primary operator of Franchisee’s Workout Anytime franchised health club facility (“Club”).

Obligor acknowledges that Franchisor has a legitimate business interest in protecting its franchise and franchisees from unfair competition by an existing or former franchisee who: **(1)** has had special, intimate knowledge of Franchisor’s methods and trade secrets and confidential information for the operation of a Workout Anytime Club; **(2)** is able to take advantage of the knowledge and experience gained in running a Workout Anytime Club, and use such knowledge and experience in operating a new competing business without having to continue to pay royalties and other fees for such information, thereby placing other franchisees at a competitive disadvantage; or **(3)** diverts business and customers from a current or former Workout Anytime Club to a competitor of Franchisor

Obligor acknowledges that Franchisor has a legitimate business interest in re-franchising the territory of a former franchisee and Franchisor would suffer irreparable damage absent this Agreement because it would be unable to attract new franchisees to the area served by its former franchisee.

Obligor acknowledges that Franchisor requires the execution of this Agreement as an ancillary requirement to Franchisor’s simultaneous grant of a franchise to Franchisee.

NOW, THEREFORE, the parties agree as follows:

1. Consideration in Exchange for Obligor’s Covenants. Obligor acknowledges and confirms that Franchisor’s willingness to execute and perform under the Franchise Agreement is expressly conditioned on execution of this Agreement by Obligor and that serves as valuable and adequate consideration received in exchange for Obligor’s promises and covenants made in this Agreement.

2. Obligor’s In-Term Non-Competition and Non-Solicitation Covenants. During the term of the Franchise Agreement, and without geographic limits, Obligor will not directly or indirectly (such as through corporations or other entities controlled by the Obligor or by or through or in conjunction with any other individual person or persons including, but not limited to, Obligor’s spouse (if any) and employees) undertake any of the following:

a. Divert or attempt to divert any business or customer of any Club to any competitor or do anything injurious or prejudicial to the goodwill associated with Franchisor’s Marks, methods, the Workout Anytime Franchise System, or Franchisor’s business practices.

b. Own, maintain, engage in, be associated with, be employed by, advise, assist, invest in, be landlord to, franchise, or have any interest in any health club, gymnasium, or fitness center business which is the same or substantially like or competitive with any Workout Anytime Club,

c. Use, communicate, disseminate, provide access, or divulge to anyone at any time any confidential information or trade secrets of Franchisor, or at any time copy, duplicate, record or otherwise reproduce any confidential information or trade secrets of Franchisor, including without limitation those materials contained within the secure password protected Franchise resource section of Franchisor's website, except as expressly permitted in the Franchise Agreement.

3. Obligor's Post-Term Non-Competition and Non-Solicitation Covenants. For purposes of this Section 3, the word "Conclusion" means the termination, assignment or transfer and/or expiration of the Franchise Agreement corresponding to this Agreement, regardless of whether such termination/expiration occurs prior to, or at the end of, such Franchise Agreement's term (the "Term").

a. Upon the Conclusion of the Term, Obligor will not:

(i) Directly or indirectly, for a 2 year period following the Conclusion of the Term, and without geographic limitation, divert or attempt to divert any business or customer of any health club facility to any competitor, or do anything injurious or prejudicial to the goodwill associated with Franchisor's Marks, methods or the Workout Anytime Franchise System.

(ii) For a 2 year period following the Conclusion of the Term within 25 miles of the location of the Club, own, maintain, engage in, be associated with, be employed by, advise, assist, invest in or have any interest in any business that engages in or offers franchises for businesses that engage in or operate gymnasiums, fitness, or workout facilities which is the same as, or substantially like or competitive with any Workout Anytime Club.

b. Upon the Conclusion of the Term, Obligor will not, at any time, directly or indirectly: (i) communicate, disseminate, provide access, reveal or divulge to anyone, in whole or in part, any of Franchisor's confidential information or trade secrets; (ii) use, copy, duplicate, record or otherwise reproduce at any time any of Franchisor's confidential information or trade secrets; and (iii) use in any manner whatsoever any of the Marks, the methods, Franchisor's Operations Manuals, any of the materials contained within the secure password protected Franchise resource section of Franchisor's website, or any other proprietary or intellectual property rights of Franchisor and the Workout Anytime Franchise system.

c. Upon the Conclusion of the Term, Obligor will immediately return to Franchisor all Operations Manuals, all training materials, all of Franchisor's proprietary software and printed matters, all website materials, all other confidential information and trade secrets, and all of Franchisor's advertising and promotional signs and related items.

4. Severability. The covenants contained in this Agreement will be construed as agreements severable and independent from each other, except that any violation of Section 2 will constitute a material breach and default of the Franchise Agreement and cause for immediate termination of the Franchise Agreement without opportunity to cure. If any Section of this Agreement is deemed by a court of competent jurisdiction to be invalid or unenforceable, then the maximum legally allowable restriction permitted by applicable law will control and bind Obligor.

5. Enforcement Costs. Obligor agrees to pay Franchisor all the costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with its enforcement of this Agreement.

6. Counterparts, Entire Agreement, Amendments. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which together will be

one and the same instrument. The parties may execute such counterparts via fax, or electronically via PDF. This Agreement, together with the Franchise Agreement, contains the entire agreement of the parties pertaining to the subject matter hereof and no prior or contemporaneous representations, inducements, promises, or agreements, oral or otherwise, between the parties not set forth herein will be of any force and effect. Any modifications to this Agreement must be accomplished by a written agreement signed by both parties.

7. **Injunction.** Obligor recognizes and agrees that the injury that Franchisor and certain of its franchisees will suffer in the event of Obligor's breach of any covenant contained in this Agreement cannot be compensated by monetary damages alone, and Obligor therefore agrees that in the event of a breach or threatened breach by Obligor of this Agreement, Franchisor (and its affiliates, successors and assigns), in addition to and not in limitation of, any other rights, remedies, or damages available to Franchisor (and/or its affiliates, successors, and assigns) at law, in equity, under this Agreement or otherwise, will be entitled to seek an injunction from any court of competent jurisdiction in order to prevent or restrain any such breach by Obligor or by Obligor's agents, representatives, employees, partners, co-owners, or any and all other persons directly or indirectly acting for or with him/her/it.

8. **Choice of Law, Venue and Jurisdiction.** This Agreement will be construed and governed under and in accordance with the laws of the State in which the Club is located. Obligor must file any suit against Franchisor only in the federal or state court having jurisdiction where Franchisor's principal offices are located at the time suit is filed. Franchisor may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where Obligor resides or does business or where the Club is or was located or where the claim arose. Obligor consents to the personal jurisdiction of those courts over you and to venue in those courts.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date by their duly authorized representatives.

OBLIGOR:

**WORKOUT ANYTIME FRANCHISING
SYSTEMS, LLC**

Signature: _____

By: _____

Print your name: _____

Title: _____

Print Title (if applicable): _____

Date of Signature: _____

Signature: _____

Print your name: _____

Print Title (if applicable): _____

Date of Signature: _____

Signature: _____

Print your name: _____

Print Title (if applicable): _____

Date of Signature: _____

EXHIBIT C

DEVELOPMENT AGREEMENT



DEVELOPMENT AGREEMENT

Developer

Effective Date

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EXHIBITS

EXHIBIT A - DEVELOPMENT INFORMATION

EXHIBIT B - GUARANTEE AND ASSUMPTION OF OBLIGATIONS

Workout Anytime Franchising Systems, LLC

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is entered into as of _____ ("Effective Date") by and between Workout Anytime Franchising Systems, LLC, a Georgia Limited Liability Company ("Workout Anytime," "Franchisor," "us" or "we"), whose principal address is 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia, 30009, and _____, a _____ ("Developer," "you" or "your") whose principal address is _____.

RECITALS

We own a proprietary system for developing, opening and operating 24 hour health and fitness facilities for the general public through a uniform system which has high standards of service, uses quality equipment, and operates under the business format created and developed by us known as the Workout Anytime Franchise System ("System").

The distinguishing characteristics of the System include, but are not limited to, the name and mark "Workout Anytime," workable and functional interior and exterior designs, confidential operating procedures, standards and specifications for equipment, services, products, and both management and marketing programs. All distinguishing characteristics may be changed, improved, and further developed by us.

The System is identified by certain trade names, service marks, logos, emblems, and indicia of origin, including "Workout Anytime®" and "24/7 Get Fit®," "Workout Anytime 24/7®" and other trade names and service marks which are now, or may be in the future, designated by us for use with the System ("Marks").

We continue to use, develop and control the use of the Marks to identify to the public the source of services and products marketed under the System, and which represent the System's high standards of quality, cleanliness, appearance and service.

You recognize the benefits to be derived from being identified with the System. You also recognize the value of the Marks and the continued uniformity of image to you, us and other franchisees. You understand the importance to the System of our high and uniform standards of quality, cleanliness, appearance and service, and further recognize the necessity of developing and opening your Workout Anytime health and fitness facilities ("Franchised Club(s)") in conformity within the System.

You recognize that to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on you, including adherence to our reasonable present and future requirements regarding the types of services offered, advertising, physical facilities, operational techniques, and related matters.

You have applied to us for, and we desire to grant to you, the right to establish and operate an agreed-upon number of Franchised Clubs within a specified geographic Development Area ("Development Area") and in accordance with a specified schedule ("Development Schedule"), subject to the terms and conditions of this Agreement.

NOW, THEREFORE, the parties agree as follows:

SECTION 1. GRANT OF DEVELOPMENT RIGHTS

1.1 Grant and Development Area. We hereby grant you, subject to the terms and conditions of this Agreement, the right to develop Franchised Clubs in the Development Area during the term of this Agreement (“Development Term”). The Development Term begins on the Effective Date and, unless this Agreement is terminated at an earlier date as provided in Section 5 expires on the first to occur of: **(a)** the date that the last Franchised Club is required to be opened pursuant to the Development Schedule in attached Exhibit A; or **(b)** the date that the last Franchised Club required by the Development Schedule opens for business. There is no renewal term for this Agreement.

1.2 Development Rights Only. This Agreement is not a license or franchise agreement. It does not give you the right to operate Franchised Clubs or use the System or the Marks, nor does it give you any right to license others to operate Franchised Clubs. Each Franchised Club developed pursuant to this Agreement must be established and operated in strict accordance with a separate Franchise Agreement.

SECTION 2. TERRITORIAL PROTECTION AND RESERVATION OF RIGHTS

2.1 Limited Exclusivity. Except as reserved in Section 2.2, we will not, during the Development Term, operate or franchise others to operate Workout Anytime Businesses in the Development Area, provided you are in compliance with the terms of this Agreement and any other agreements with us or our affiliates, and you are current on all obligations due to us and our affiliates.

2.2 Our Reservation of Rights. The System (including the products, services and merchandise sold under the Marks) has been developed, and is designed, to function effectively in a wide variety of environments, many of which are not practically available to you. Accordingly, we reserve to ourselves and our affiliates the rights to:

- A. Grant other franchises or licenses for, and operate company or affiliate-owned, health and fitness businesses operated in private establishments located in the Development Area, if access to those businesses is limited to employees of the business or transient guests of the business.
- B. Establish, and license others to establish, Workout Anytime businesses at any location outside the Development Area, notwithstanding their proximity to the Development Area or the actual or threatened impact on your Franchised Clubs.
- C. Own and operate health and fitness businesses under different trademarks at any location inside or outside of the Development Area, or grant others the right to own and operate health and fitness businesses under different trademarks at any locations inside or outside of the Development Area.
- D. Sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise from any location or to any purchaser (including members of your Franchised Clubs), through any channel or method of distribution (including, but not limited to, sales made by or through mail order and/or on the Internet) and retain all revenues from those

sales, so long as those sales are not conducted from a Workout Anytime business operated at a location inside the Development Area.

E. Purchase, be purchased by, merge or combine with, businesses that directly compete with Workout Anytime business.

F. Own, operate and franchise clubs offering the same or similar services under the Marks in non-traditional venues such as airports, train stations, military bases, educational facilities, hospitals, health care facilities and casinos.

G. Engage in any other activities not expressly prohibited by this Agreement.

SECTION 3. FEES

3.1 Development Fee. In connection with your commitment to develop the number of Franchised Clubs outlined in Exhibit A, you agree to pay a development fee equal to \$45,000 (for the first Franchised Club), plus \$45,000 times the number of Clubs we grant you the right to open after the first Club (the "Development Fee"). The Development Fee and Franchise Fees are payable as follows: (a) \$45,000 upon signing of the Development Agreement for the first Club; plus (b) \$10,000 for each additional club to be developed due upon signing the Development Agreement; plus (c) \$10,000 for each Club due at the signing of each Franchise Agreement; plus (c) \$25,000 for each club due upon the earlier of: (i) signing of an executed lease for your location or (ii) 6 months prior to the date you are due to open each Club for business. The Development Fee is fully earned by us when paid and is not refundable.

SECTION 4. DEVELOPMENT SCHEDULE

4.1 Development Schedule. During the Development Term, you must develop, open and continuously operate in the Development Area the number of Franchised Clubs specified in the Development Schedule. For each Franchised Club to be developed during the Development Term, you must develop and open the Franchised Club by the applicable opening date listed in the Development Schedule ("Opening Date"). Your strict compliance with the Development Schedule is essential to this Agreement. Any failure by you to develop and open a Franchised Club by the applicable Opening Date will constitute a material, non-curable breach of this Agreement, which will permit us to terminate this Agreement immediately by giving you written notice of termination. **TIME IS OF THE ESSENCE.**

4.2 Execution of Franchise Agreements. After your receipt of an approved letter of intent for the site, we will prepare and forward to you a Franchise Agreement. The form of Franchise Agreement for the Franchised Clubs to be developed by you pursuant to this Agreement will be the standard form in general use at the time that you receive the approved letter of intent for the site of the applicable Franchised Club. Within 15 days after you receive the Franchise Agreement, you must sign the Franchise Agreement and return it to us along with the balance of Development Fee attributable to that Franchised Club.

SECTION 5. DEFAULT AND TERMINATION

5.1 Grounds for Termination. In addition to the grounds for termination stated elsewhere in this Agreement, we may terminate this Agreement, and the rights granted by this Agreement, upon written notice to you without an opportunity to cure upon the occurrence of any of the following events:

- A.** You fail to develop and open a Franchised Club by the applicable Opening Date.
- B.** At any time during the Development Term, you fail to have open and operating the number of Franchised Clubs required by the Development Schedule.
- C.** You are insolvent or unable to pay your creditors (including us); file a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization; there is filed against you a petition in bankruptcy, an arrangement for the benefit of creditors or petition for reorganization that is not dismissed within 60 days of the filing; you make an assignment for the benefit of creditors; or a receiver or trustee is appointed for you and not dismissed within 60 days of the appointment.
- D.** Execution is levied against your business or property; suit to foreclose any lien or mortgage against the premises or equipment of any Franchised Club developed hereunder is instituted against you and is not dismissed within 60 days; or the real or personal property of any Franchised Club developed hereunder is sold after levy thereupon by any sheriff, marshal or constable.
- E.** There is a material breach of any obligation under Section 8.
- F.** Any Transfer that requires our prior written consent occurs without your having obtained that prior written consent.
- G.** You remain in default beyond the applicable cure period, if any, under any other agreement with us or our affiliates.

5.2 Statutory Limitations. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Agreement, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

SECTION 6. OBLIGATIONS ON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement:

6.1 You will have no further right to develop or open Franchised Clubs in the Development Area, except that you will be entitled to complete and open a Franchised Club for which you have begun construction. We will have the right to operate, and license others to operate, Workout Anytime Clubs anywhere in the Development Area except as otherwise provided in an effective franchise agreement.

6.2 You must promptly return to us all materials and information furnished by us or our affiliates, except materials and information furnished with respect to a Franchised Club which is open and operating pursuant to an effective franchise agreement.

6.3 We will retain all fees paid to us pursuant to this Agreement or a franchise agreement executed pursuant to this Agreement.

6.4 You and all persons and entities subject to the covenants contained in Section 8 will continue to abide by those covenants and must not, directly or indirectly, take any action that violates those covenants.

6.5 You must immediately pay to us and our affiliates all sums due and owing us or our affiliates pursuant to this Agreement.

SECTION 7. TRANSFER AND ASSIGNMENT

7.1 Transfers By Us. We have the unrestricted right to transfer or assign ownership interests in us and all or any part of our interest in this Agreement to any person or legal entity without your consent. You agree that we will have no liability after the effective date of transfer or assignment for the performance of, or any failure to perform, any obligations transferred. We also have the right to delegate to others the performance of any of our duties under this Agreement.

7.2 Your Governing Documents.

A. If you are (or Transfer your interests in this Agreement to) a business entity, during the Term, your (or the transferee's) governing documents must provide that your (or its) activities are limited exclusively to the development of Workout Anytime businesses and that no Transfer (as defined in Section 7.4.A.) of an ownership interest may be made except in accordance with Section 7.4. Any stock or other ownership certificates that you issue must bear a conspicuous printed legend to that effect.

B. You represent that you have furnished us with a list of all holders of a direct or indirect equity interests in you and their respective percentage interests, as well as copies of your governing documents (and any amendments thereto) and any other corporate documents, books or records that we may request, and that all such information is current as of the date on which you sign this Agreement. Your direct and indirect owners and their respective equity interests as of the Effective Date are identified in Exhibit A. You must promptly update this information as changes occur.

7.3 Guarantees. All holders of direct or indirect equity interests in you of 10% or more ("Principal Owners") must jointly and severally guarantee your payment and performance under this Agreement and must bind themselves to the terms of this Agreement pursuant to the Guarantee and Assumption of Obligations attached as Exhibit B ("Guarantee"). Notwithstanding the foregoing, we reserve the right, in our sole discretion, to waive the requirement that some or all of the Principal Owners execute the Guarantee and/or to limit the scope of the Guarantee. We reserve the right to require that any guarantor provide personal financial statements to us from time to time.

You acknowledge that, unless otherwise agreed to in writing by us, it is our intent to have individuals (and not corporations, limited liability companies or other business entities) execute the Guarantee. Accordingly, if any Principal Owner is not an individual, we will have the right to have the

Guarantee executed by individuals who have only an indirect ownership interest in you. (By way of example, if a Principal Owner is a corporation, we have the right to require that the Guarantee be executed by individuals who have an ownership interest in that corporation.)

If you, any guarantor or any parent, subsidiary or affiliate of yours holds any interest in other businesses that are franchised by us, at our request, the party who owns that interest will execute, concurrently with this Agreement, a form of cross-guarantee to us for the payment of all obligations for those businesses, unless waived in writing by us in our sole discretion. For purposes of this Agreement, an affiliate of yours is any company controlled, directly or indirectly, by you or your parent or subsidiary.

7.4 Transfers by You.

A. Definition of Transfer. For purposes of this Agreement, a “Transfer” by you means any sale, assignment, transfer, conveyance, merger, give away, pledge, mortgage or other encumbrance, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings) of: **(i)** any interest in this Agreement; **(ii)** if you are a business entity, any direct or indirect ownership interests in you; or **(iii)** substantially all of your assets pertaining to your operations under this Agreement.

B. No Transfer Without Our Consent. You acknowledge that this Agreement is personal to you and we have selected you as a developer based on our reliance on your (and your direct and indirect owners’) character, skill, aptitude and business and financial capacity. Neither you nor any of your direct or indirect owners may undertake any Transfer or permit any Transfer to occur without obtaining our prior written consent. The decision as to whether to consent to a Transfer will be made in the exercise of our business judgment, but our consent will not be unreasonably withheld. We have the right to communicate with and counsel you, your direct and indirect owners and the proposed transferee on any aspect of a proposed Transfer. You agree to provide any information and documentation relating to the proposed Transfer that we reasonably require, including, but not limited to, a copy of the proposed offer. Unless otherwise agreed, we do not waive any claims against the transferring party if we consent to a Transfer.

Except as otherwise provided in this Section 7.4, if you or your direct or indirect owners propose to undertake a Transfer, the following conditions apply:

(1) You and your direct and indirect owners must:

(a) Be in compliance with all obligations to us under this Agreement and any other agreements you have with us, our affiliates, any lenders that have provided financing to you and your major suppliers as of the date of the request for our consent to the Transfer.

(b) Advise us in writing of any proposed Transfer, submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, submit a copy of all contracts and all other agreements or proposals and submit all other information requested by us relating to the proposed Transfer.

(c) Make the Transfer only in conjunction with a simultaneous Transfer of the same rights and interest with respect to all agreements with us in the Development Area.

(2) The proposed transferee (and, if the proposed transferee is a business entity, all persons that have any direct or indirect ownership interest in the proposed transferee as we may require)

must demonstrate to our satisfaction extensive experience in high quality operations of a character and complexity similar to a Workout Anytime business; must meet the managerial, operational, experience, quality, character and business standards for a developer promulgated by us from time to time; must possess a good character, business reputation and credit rating; must have an organization whose management culture is compatible with our management culture; and must have adequate financial resources and working capital to meet the development obligations under this Agreement. If the proposed transferee is an existing Workout Anytime business franchisee, the transferee and its direct and indirect owners must not be in default under their agreements with us and must have substantially complied with our operating standards.

(3) An assignment agreement and/or any other agreements that we require to reflect the Transfer must be signed by the transferor and the proposed transferee. In addition, we may require, at our option, that amendments to this Agreement and/or our then-current standard form of development agreement (for a term ending on the expiration of the Development Term) be signed.

(4) You, your Principal Owners, all of your guarantors under this Agreement and the transferee must execute a general release, in a form prescribed by us, of all claims against us, our affiliates and our and their past, present and future affiliates, officers, directors, members, managers, shareholders, agents and employees. You, your Principal Owners and your guarantors under this Agreement will remain liable to us for all obligations arising before the effective date of the Transfer.

(5) The price and other proposed terms of the Transfer must not, in our reasonable business judgment, have the effect of negatively impacting the prospect for the future viability of your Franchised Clubs.

(6) If the transferee is a business entity, those persons or entities designated by us, which may include, but are not limited to, those with a direct or indirect ownership interest of 10% or more in the transferee, must execute our then-current form of Guarantee.

(7) The proposed transferee and those of its employees that we designate must complete all training course we require and pay our then-current training fee.

(8) Each of your affiliates that have entered into a franchise agreement with us must, as of the date of the request for our consent to the Transfer, be in compliance with all obligations to us under those agreements and with all obligations under any agreement with any lenders that have provided financing pursuant to an arrangement with us.

C. Transfer upon Death or Permanent Incapacity. If the Transfer is a transfer of direct or indirect ownership interests in you following the death or permanent incapacity (as reasonably determined by us) of a person that has a direct or indirect ownership interest in you, that person's executor, administrator or personal representative must apply to us in writing within 3 months after the death or declaration of permanent incapacity for consent to Transfer the person's interest. The Transfer will be subject to the provisions of this Section 7.4, as applicable. In the case of Transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of this Section 7.4, the executor may Transfer the decedent's interest to another successor that we have accepted, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not disposed of under this Section 7.4.C. within 6 months after the date of death or appointment of a personal representative, we may terminate this Agreement without opportunity to cure.

D. Transfer for Convenience of Ownership. If you are an individual or a partnership, we will consent to the Transfer of this Agreement to a business entity that you form for the convenience of ownership, provided that: **(i)** the entity has and will have no business other than the operation of Workout Anytime businesses; **(ii)** you comply with the requirements in Sections 7.2 and the provisions of Section 7.4.B., as applicable; and **(c)** the owners hold equity interests in the new entity in the same proportion shown on Exhibit A.

SECTION 8. COVENANTS

8.1 Confidential Information. During and after the Development Term, you may not communicate, divulge or use for any purpose other than the development of Franchised Clubs any confidential information, knowledge, trade secrets or know-how which may be communicated to you or which you may learn by virtue of this Agreement. You may divulge confidential information only to your professional advisers, your employees who must have access to the information to develop Franchised Clubs, your contractors and your landlord, provided that you obtain our prior consent. All information, knowledge and know-how relating to us, our business plans or the System are deemed confidential for purposes of this Agreement, except information that you can demonstrate came to your attention by lawful means prior to our disclosure, or that is or becomes a part of the public domain other than through you. At our request, you will require your employees, and any other person or entity to whom you wish to disclose any confidential information to sign agreements providing that they will maintain the confidentiality of the disclosed information. The agreements, which may be provided by us, must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreements.

8.2 Restrictions During Development Term. You acknowledge and agree that: **(i)** pursuant to this Agreement, you will have access to valuable trade secrets, specialized training and confidential information from us and our affiliates regarding the development, operation, management, purchasing, sales and marketing methods and techniques of the System; **(ii)** the System and the opportunities, associations and experience established by us and acquired by you under this Agreement are of substantial and material value; **(iii)** in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; **(iv)** we would be unable to adequately protect the System and its trade secrets and confidential information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among Workout Anytime businesses if franchisees were permitted to hold interests in competitive businesses; and **(v)** restrictions on your right to hold interests in, or perform services for, competitive businesses will not hinder your activities. Accordingly, you agree that, during the Development Term, you will not, without our prior written consent, either directly or indirectly through any other person or entity:

A. Divert or attempt to divert any business or customer, or potential business or customer, of any Workout Anytime business to any Competitive Business (as defined in Section 8.2.D).

B. Own, manage, engage in, advise, make loans to, be employed by, assist or have any interest in any Competitive Business.

C. During the Development Term, there is no geographical limitation on these restrictions.

D. As used in this Agreement, the term “Competitive Business” means any business that engages in or operates gymnasiums or workout facilities or offers fitness instruction or personal training.

8.3 Restrictions After Termination, Expiration or Transfer. In light of your acknowledgments and agreements as set forth in Section 8.2, you agree that for a period of 2 years following the expiration, termination or transfer of this Agreement, you covenant and agree that you will not own, manage, engage in, advise, make loans to, be employed by, assist or have any interest in any Competitive Business that is (or is intended to be) located at or within 25 miles of the Development Area or within 25 miles of any other Workout Anytime business.

8.4 Modification. We have the right, in our sole discretion, to reduce the scope of any covenant in this Section 8 effective immediately upon your receipt of written notice, and you agree that you will comply with any covenant as so modified, which will be fully enforceable notwithstanding the provisions of Section 9.3. If any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable. If, at any time during the 2-year period following expiration, termination or transfer of this Agreement, you fail to comply with your obligations under this Section, that period of noncompliance will not be credited toward your satisfaction of the 2-year obligation. Following the resolution of any dispute regarding the enforceability of this Section that is resolved in our favor, the 2-year period (or such other period as may be deemed reasonable by the court) will run from the date of the resolution.

8.5 Applicability. If you are a business entity, all officers, directors, stockholders, partners, members, trustees, beneficiaries and/or principals of you, the franchisee, and any persons controlled by, controlling or under common control with you must execute our standard form of Non-Competition, Non-Solicitation and Confidentiality Agreement. This Section 8 does not prohibit you, any Principal Owner or any guarantor under this Agreement from having: **(a)** interests in any other franchise-related agreement with us or our affiliates that remains in effect; or **(b)** ownership of less than 5% of the outstanding equity securities of any publicly-held corporation, as defined in the Securities and Exchange Act of 1934.

SECTION 9. MISCELLANEOUS

9.1 Relationship of Parties. This Agreement does not create a fiduciary or other special relationship or make you or us an agent, legal representative, joint venturer, joint employer, partner, employee or servant of each other for any purpose. You are not authorized to make any contract, agreement, warranty or representation on our behalf, or to create any obligation, express or implied, on our behalf. During the Development Term, you agree to hold yourself out to the public as an independent contractor under license from us.

9.2 Consents and Waivers. Whenever our prior written approval, acceptance or consent is required under this Agreement, you agree to make a timely written request to us for our consent. Our approval, acceptance or consent must be in writing and signed by an authorized officer or manager to be effective. We make no warranties or guarantees upon which you may rely by providing any waiver, approval, consent or suggestion to you in connection with this Agreement and assume no liability or obligation to you therefor, or by reason of any neglect, delay, or denial of any request therefor. We will not, by virtue of any waivers, approvals, consents, advice or services provided to you, assume responsibility or liability to you or to any third parties to which we would not otherwise be subject.

No delay or failure to exercise any right under this Agreement or to insist upon your strict compliance with any obligation or condition, and no custom or practice that differs from the terms of this

Agreement, will constitute a waiver of our right to exercise the contractual right or demand your strict compliance with the terms of this Agreement. Our waiver of any particular default does not affect or impair our rights with respect to any subsequent default you may commit. Our waiver of a default by another franchisee does not affect or impair our right to demand your strict compliance with the terms of this Agreement. Our acceptance of any payments due from you does not waive any prior defaults.

9.3 Entire Agreement. Each element of this Agreement is essential and material. This Agreement, the documents referred to in this Agreement and the attachments to this Agreement constitute the entire agreement between you and us with respect to the development of Franchised Clubs and supersede all prior negotiations, representations, correspondence and agreements concerning the same subject matter. Except for our Franchise Disclosure Document and any Franchise Agreements signed pursuant to this Agreement (if applicable), there are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly set forth in this Agreement, no amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and executed in writing. Notwithstanding anything in this Agreement to the contrary, or in any related agreement, nothing is intended to disclaim the representations we made in the franchise disclosure document.

9.4 Severability and Construction. Each provision of this Agreement is severable from the others. If, for any reason, any provision is determined by a court to be invalid, the invalidity will not impair the operation of the remaining provisions of this Agreement. The latter will continue to be given full force and effect and bind us and you; the invalid provision(s) will be deemed not to be a part of this Agreement. Each provision of this Agreement that, expressly, or by reasonable implication, is to be performed, in whole or in part, after the expiration, termination or Transfer of this Agreement will survive expiration, termination or Transfer. This Agreement will not be interpreted in favor of or against any party based on a party's sophistication or based on the party that drafted this Agreement. Except as expressly otherwise provided, nothing in this Agreement is intended, or will be deemed, to confer any rights or remedies upon any person or legal entity other than you and us.

9.5 Our Discretion. Whenever we have a right and/or the discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make that decision or exercise our right and/or discretion on the basis of our judgment of what is in the best interests of the System. Our judgment of what is in the best interests of the System, at the time our decision is made or our right or discretion is exercised, can be made without regard to whether: **(a)** other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by us; **(b)** our decision or the action taken promotes our financial or other individual interest; **(c)** our decision or the action taken applies differently to you and one or more other franchisees or our company-owned or affiliate-owned operations; or **(d)** our decision or the action taken is adverse to your interests. We will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations under this Agreement.

9.6 Notices. Notices related to this Agreement will be effective upon receipt (or first rejection) and may be given by any of the following delivery methods: **(a)** certified or registered mail; **(b)** U.S. Priority Mail or national commercial delivery service (e.g., UPS, Federal Express); or **(c)** email (if receipt is verified within 24 hours of transmission). Either party can change its notice address by informing the other party. Notices sent will be sent to the addresses listed on the first page of this Agreement. A copy of notices to us will also be sent to Andrew Beilfuss, Esq., Quarles & Brady, 411 East Wisconsin Avenue, Suite 2400, Milwaukee, WI 53202-4426.

9.7 Miscellaneous. All references to gender and number will be construed to include such other gender and number as the context may require. All captions in this Agreement are intended solely for the convenience of the parties and none will be deemed to affect the meaning or construction of any provision of this Agreement. This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Agreement may be signed using electronic signatures, and those signatures will have full legal force and effect. Time is of the essence of this Agreement for each provision in which time is a factor.

9.8 Injunctive Relief. You recognize that your failure to comply with the terms of this Agreement, including, but not limited to, the failure to fully comply with the restrictions contained in Section 8 or the failure to comply with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will be entitled to declaratory and injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security.

9.9 Compliance with U.S. Laws. You acknowledge that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (“Order”), we are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Order. Accordingly, you represent and warrant to us that, as of the date of this Agreement, neither you nor any person holding any ownership interest in you, controlled by you, or under common control with you is designated under the Order as a person with whom business may not be transacted by us, and that you: **(a)** do not, and hereafter will not, engage in any terrorist activity; **(b)** are not affiliated with and do not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and **(c)** are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

SECTION 10. DISPUTE RESOLUTION

10.1 Choice of Law. Except as provided in this Section 10.1, this Agreement and the relationship between the parties is governed by and will be construed in accordance with the laws of the state of Georgia. Notwithstanding the foregoing: **(a)** the covenants in Section 8 will be governed by the laws of the state in which the Franchised Business is located; and **(b)** nothing in this Section is intended, or will be deemed, to make any Georgia law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if that law would not otherwise be applicable.

10.2 Arbitration. Except as qualified below, any dispute between the parties or any of their respective affiliates, officers, directors, employees, agents or owners arising out of, in connection with or in relation

to this Agreement, the parties' relationship or a Franchised Club must be submitted to binding arbitration under the authority of the Federal Arbitration Act without reference to any state arbitration statutes and must be determined by arbitration administered by the American Arbitration Association ("AAA") pursuant to its then-current commercial arbitration rules and procedures. The arbitration will take place in the city where our headquarters are located at the time the demand for arbitration is filed. The arbitration will be heard by a single arbitrator who has at least 10 years of experience in franchise law. The arbitrator must follow the law and not disregard the terms of this Agreement.

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 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 certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties must submit all claims to the jurisdiction of the courts.

The decision of the arbitrator will be final and binding on all parties to the dispute; however, either party may appeal the award to the AAA and the arbitrator may not under any circumstances: **(a)** stay the effectiveness of any award pending termination of this Agreement; **(b)** assess punitive or exemplary damages; **(c)** make any award which extends, modifies, or suspends any lawful term of this Agreement or any reasonable standard of business performance set by us.

Notwithstanding the foregoing, the parties agree that the following claims will not be subject to arbitration: **(i)** any action for declaratory or equitable relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder; **(ii)** any action in ejectment or for possession of any interest in real or personal property; or **(iii)** any action by us to collect any sums due to us.

10.3 Choice of Forum. The parties agree, for any action not subject to arbitration, you must file any suit against us only in the federal or state court having jurisdiction where our principal offices are located at the time suit is filed. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed or in the jurisdiction where you reside or do business or where the Club is or was located or where the claim arose. You consent to the personal jurisdiction of those courts over you and to venue in those courts.

10.4 Limitation of Actions. Any legal action or proceeding (including a proceeding related to the offer and sale of a franchise to you) brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of 2 years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, regardless of when discovered. The preceding limitation period does not apply: **(a)** with respect to payments owed by one party to the other; **(b)** if prohibited by applicable law; or **(c)** if applicable law provides for a shorter limitations period.

10.5 Mutual Waiver of Jury Trial. Each of us irrevocably waives trial by jury in any action not subject to arbitration.

10.6 Mutual Waiver of Punitive Damages. Each of us waives any right to or claim of punitive, exemplary, multiple or consequential damages against the other in litigation and agrees to be limited to the recovery of actual damages sustained.

10.7 Remedies Not Exclusive. Except as provided in Sections 10.1 through 10.6, no right or remedy that the parties have under this Agreement is exclusive of any other right or remedy under this Agreement or under applicable law.

10.8 Reimbursement of Costs and Expenses. If either party brings an action to enforce this Agreement, the party prevailing in that proceeding will be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of, the proceeding. If we utilize legal counsel (including in-house counsel employed by us) in connection with any failure by you to comply with this Agreement, you must reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

10.9 Rights of Parties are Cumulative. The parties' rights under this Agreement are cumulative and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement that it is entitled by law or this Agreement to exercise or enforce.

SECTION 11. ACKNOWLEDGMENTS

You represent and warrant to us (and you agree that these representations, acknowledgments and warranties will survive termination of this Agreement) that:

11.1 We have entered, and will continue to enter, into agreements with other franchisees. The manner in which we enforce our rights and the franchisees' obligations under any of those other agreements will not affect our ability to enforce our rights or your obligations under this Agreement.

11.2 The fees paid by you pursuant to this Agreement are not refundable for any reason.

11.3 Nothing in this Agreement prohibits us or our affiliates from: **(a)** operating or licensing others to operate Workout Anytime businesses at any location other than in the Development Area during the Development Term; **(b)** operating or licensing others to operate health club facilities, other than Workout Anytime businesses, at any location; **(c)** utilizing the System or any part of the System in any manner other than operation by us or our affiliates of a Workout Anytime business in the Development Area; **(d)** developing and owning other franchise systems for the same or similar products and services using trade names and trademarks other than the Marks; and/or **(e)** purchasing, being purchased by, merging or combining with, businesses that directly compete with Workout Anytime businesses.

11.4 Although this Agreement contains provisions requiring you to develop Franchised Clubs in compliance with the System: **(a)** we and our affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of your business or employment decisions; **(b)** neither you nor we intend for us or our affiliates to incur any liability in connection with or arising from any aspect of the System or your use of the System; and **(c)** you are the sole employer of your employees and you and we are not joint employers.

11.5 You will be solely responsible for: **(a)** hiring, training and supervising efficient, competent and courteous employees of good character for the operation of the Franchised Clubs; **(b)** the terms of their employment and compensation; and **(c)** the proper training of the employees in the operation of the Franchised Clubs.

11.6 Your execution of this Agreement does not and will not conflict or interfere, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any third party to which you, any of your owners or any affiliate of yours is a party, including, but not limited to, any noncompetition provision.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives.

DEVELOPER:

By: _____

Print Name: _____

Title: _____

Date: _____

FRANCHISOR:

**WORKOUT ANYTIME FRANCHISING
SYSTEMS, LLC**

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT A
DEVELOPMENT INFORMATION

1. Development Area. The Development Area will be _____

Your rights in the Development Area are subject to the limitations described in Section 2. Any political boundaries contained in the description of the Development Area will be considered fixed as of the Effective Date and will not change notwithstanding a political reorganization or a change in those boundaries. Unless otherwise specified, all street boundaries are deemed to include only the inside portion of the stated boundary.

2. Development Fee. The Development Fee is \$_____.

3. Development Schedule. During the Development Term, you will develop and continue to operate a total of ____ Franchised Clubs in the Development Area in accordance with the following schedule:

Franchised Club Number	Opening Date	Cumulative Number of Franchised Clubs to be Open and Operating on the Opening Date, Including the Franchised Club to be Established

4. Ownership: The following is a list of all holders of a direct or indirect equity interest in you and their respective percentage interests:

Name	Address	Percentage Ownership Interest

EXHIBIT B

GUARANTEE AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution of the foregoing Development Agreement dated as of _____ (“Agreement”) by and between Workout Anytime Franchising Systems, LLC (“Franchisor”) and _____ (“Developer”), the undersigned (collectively, “Guarantors”) hereby personally and unconditionally agree as follows:

1. Guarantee and Assumption of Developer’s Obligations. Guarantors hereby: (A) guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that Developer and any assignee of Developer’s interest under the Agreement will: (i) punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and (ii) punctually pay all other monies owed to Franchisor and/or its affiliates; (B) agree to be personally bound by each and every provision in the Agreement, including, without limitation, the provisions of Section 8; and (C) agree to be personally liable for the breach of each and every provision in the Agreement.

2. General Terms and Conditions. The following general terms and conditions will apply to this Guarantee:

A. Each of the undersigned waives: (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (iv) any right he/she/it may have to require that an action be brought against Developer or any other person as a condition of liability; (v) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the execution of and performance under this Guarantee by the undersigned; (vi) any law or statute which requires that Franchisor make demand upon, assert claims against or collect from Developer or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Developer or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; (vii) any and all other notices and legal or equitable defenses to which he may be entitled; and (viii) **any and all right to have any legal action under this Guarantee decided by a jury.**

B. Each of the undersigned consents and agrees that: (i) his/her/its direct and immediate liability under this Guarantee will be joint and several; (ii) he/she/it will render any payment or performance required under the Agreement if Developer fails or refuses punctually to do so; (iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; (iv) such liability will not be diminished, relieved or otherwise affected by any amendment of the Agreement, any extension of time, credit or other indulgence which Franchisor may from time to time grant to Developer or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guarantee, which will be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Developer to Franchisor or its affiliates under the Agreement; and (v) monies received from any source by Franchisor for application toward payment of the obligations under the Agreement and under this Guarantee may be applied in any manner or order deemed appropriate by Franchisor. In addition: (a) each Guarantor acknowledges that the

obligations under this Guarantee will continue to remain in force and effect unless Franchisor in its sole discretion, in writing, releases him/her/it from this Guarantee; and **(b)** following any Transfer, the obligations of each Guarantor under this Guarantee will continue to remain in force and effect unless Franchisor in its sole discretion, in writing, releases the Guarantor from this Guarantee. Notwithstanding the provisions of the previous sentence, unless prohibited by applicable law, the obligations contained in Sections 8.3 of the Agreement will remain in force and effect for a period of 2 years after any such release by Franchisor. A release by Franchisor of any Guarantor will not affect the obligations of any other Guarantor.

C. If Franchisor brings a legal action to enforce this Guarantee, the prevailing party in that proceeding will be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. In any judicial proceeding, these costs and expenses will be determined by the court and not by a jury.

D. If Franchisor utilizes legal counsel (including in-house counsel employed by Franchisor or its affiliates) in connection with any failure by the undersigned to comply with this Guarantee, the undersigned will reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

E. This Guarantee will inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Franchisor's interests in and rights under this Guarantee are freely assignable, in whole or in part, by Franchisor. Any assignment will not release the undersigned from this Guarantee.

G. Section 10 of the Agreement is incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee will have the meaning given them in the Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature.

GUARANTORS:

Date: _____

Print Name: _____

Address: _____

Date: _____

Print Name: _____

Address: _____

EXHIBIT D

STATE ADMINISTRATORS AND DESIGNATION OF SERVICE OF PROCESS

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed.

STATE	AGENCY	PROCESS, IF DIFFERENT
California	Department of Financial Protection and Innovation <i>Los Angeles</i> 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500 <i>Sacramento</i> 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 <i>San Diego</i> 1455 Frazee Road, Suite 315 San Diego, CA 92108 (619) 525-4233 <i>San Francisco</i> One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565 Toll Free (866) 275-2677	Commissioner, Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division P.O. Box 40 Honolulu, HI 96810 (808) 586-2727 (808) 586-2740 (808) 586-2744	Commissioner of Securities of Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813
Illinois	Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62701 (217) 782-4465	

STATE	AGENCY	PROCESS, IF DIFFERENT
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section G. Mennen Williams Building, 1st Floor 525 W. Ottawa St. Lansing, MI 48913 (517) 335-7567	
Minnesota	Minnesota Department of Commerce Securities Unit 85 7 th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1500	Minnesota Department of Commerce Securities Unit Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 Phone: (212) 416-8222	Attention: New York Secretary of State New York Department of State The Division of Corporations One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 12231-0001 (518) 473-2492
North Dakota	North Dakota Securities Department 600 Boulevard Avenue, State Capitol Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner 600 East Boulevard Avenue State Capitol, Fifth Floor Bismarck, ND 58505-0510

STATE	AGENCY	PROCESS, IF DIFFERENT
Rhode Island	Securities Division Department of Business Regulation 1511 Pontiac Avenue John O. Pastore Complex – Bldg 69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219-3630 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division 150 Israel Rd. SW Tumwater, WA 98501 (360) 902-8760	Director of Dept. of Financial Institutions Securities Division 150 Israel Rd. SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701 -or 345 West Washington Avenue Fourth Floor Madison, WI 53703 (608) 266-2801 (608) 266-2139	Administrator, Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703

EXHIBIT E

PERSONAL DATA DISCLOSURE AND FRANCHISEE OWNERSHIP INFORMATION FORM

I. PERSONAL DATA DISCLOSURE

This information will be kept strictly confidential. Please provide all available information. Should certain information not be available at this time, such as your new health club facility telephone number, please provide it immediately upon its availability, but no later than your scheduled facility opening date.

Your Name _____

Home Address _____

City/State/Zip Code _____

SSN - -

Date of Birth _____

Home Phone _____

Work Phone _____

Cell Phone _____

E-mail Address _____

Workout Anytime Phone _____

Workout Anytime Fax _____

Facility's Address _____

City/State/Zip Code _____

Signed: _____

Date: _____

II. FRANCHISEE OWNERSHIP INFORMATION FORM

1. FULL NAME(S) OF FRANCHISEE [If this franchise is owned by a legal entity, only insert the name of the legal entity; if this franchise is owned by one or more individuals, only insert the name(s) of such individual(s):

Entity Name: _____

Individual Owner(s): _____

2. THE FRANCHISE WILL BE OWNED BY (Check which one applies):

_____ SOLE PROPRIETOR Fed. Tax I.D. # _____

_____ PARTNERSHIP Fed. Tax I.D. # _____

_____ CORPORATION Fed. Tax I.D. # _____

_____ LIMITED LIABILITY COMPANY Fed. Tax I.D. # _____

_____ OTHER BUSINESS ENTITY Fed. Tax I.D. # _____
(Please explain on a separate piece of paper)

3. NAMES OF ALL OWNERS, PARTNERS, SHAREHOLDERS OR MEMBERS AND PERCENTAGE OF OWNERSHIP INTEREST: (Please use separate sheet if necessary)

NAME: _____ % OF OWNERSHIP: _____

SOCIAL SECURITY NUMBER: _____

NAME: _____ % OF OWNERSHIP: _____

SOCIAL SECURITY NUMBER: _____

NAME: _____ % OF OWNERSHIP: _____

SOCIAL SECURITY NUMBER: _____

4. LIST OF DIRECTORS, MANAGERS OR GENERAL PARTNERS: (Please use separate sheet if necessary)

NAME: _____

SOCIAL SECURITY NUMBER: _____

NAME: _____

SOCIAL SECURITY NUMBER: _____

NAME: _____

SOCIAL SECURITY NUMBER: _____

NAME: _____

SOCIAL SECURITY NUMBER: _____

5. LIST OF OFFICERS: (Please use separate sheet if necessary)

NAME: _____

TITLE: _____

SOCIAL SECURITY NUMBER: _____

NAME: _____

TITLE: _____

SOCIAL SECURITY NUMBER: _____

NAME: _____

SOCIAL SECURITY NUMBER: _____

TITLE: _____

NAME: _____

SOCIAL SECURITY NUMBER: _____

TITLE: _____

6. DESIGNATED CONTACT PERSON:

NAME: _____

TITLE: _____

ADDRESS: _____

PHONE: _____

E-MAIL: _____

EXHIBIT F

SPECIFIC STATE ADDENDUM

STATE ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following are additional disclosures for our Multistate Franchise Disclosure Document. Various state franchise laws require us to make these additional disclosures. These additional disclosures will not apply to you unless you meet the jurisdictional requirements of the applicable state franchise registration and disclosure law independently without reference to these additional disclosures. These disclosures supplement our Disclosure Document and supersede any conflicting information contained in the main body of the Disclosure Document:

FOR THE STATE OF CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO THE EXECUTION OF AGREEMENT.

California 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.

- a. The franchisor, any person or franchise broker in Item 2 of the FDD is not 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 such persons from membership in such association or exchange.
- b. California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
- c. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.) (Cal. Code Regs. Title 10 §310.114.1). Franchisees must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.
- d. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law. (Cal. Code Regs. Title 10 §310.114.1)
- e. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. (Cal. Code Regs. Title 10 §310.114.1)

- f. The interest rate shall not exceed 10% annually.
- g. The franchise agreement requires binding arbitration. The arbitration will occur at Fulton County, Georgia with the costs being borne by each party. Prospective 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 provisions of a franchise agreement restricting venue to a forum outside the State of California. (Cal. Code Regs. Title 10 §310.114.1)
- h. The franchise agreement requires application of the laws of the State of Georgia. This provision may not be enforceable under California law. (Cal. Code Regs. Title 10 §310.114.1)
- i. No statement, questionnaire, or acknowledgment signed or agreed to by a franchise in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- j. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
- k. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
- l. Franchisees must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
 - (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
 - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
 - (d) Violations of any provision of this division.
- m. The earnings claims figure(s) do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information. . (Cal. Code Regs. Title 10 §310.114.1)

n. OUR WEBSITE (www.workoutanytime.com) 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 FINANCIAL PROTECTION AND INNOVATION AT www.dpfi.ca.gov.

FOR THE STATE OF CONNECTICUT

1. Item 3 is amended to read as follows:

Neither the Franchisor nor any person identified in Items 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.

Neither the Franchisor nor any other person identified in Items 1 or 2 above has during the ten (10) year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.

Neither the Franchisor nor any person identified in Items 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.

Neither Company nor any person identified in Item 2 above 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) suspending or expelling these persons from membership in the association or exchange.

FOR THE STATE OF ILLINOIS

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: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Illinois law governs the agreements between the parties to this franchise. 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 outside of Illinois.

A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

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.

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.

In Illinois, the Physical Fitness Facility Medical Emergency Preparedness Act, 210 ILCS 74/15 and 74/15(b) (West 2016) sets forth that an automated external defibrillator is required; and that "a physical fitness facility must ensure that there is a trained AED user on staff during staffed business hours. For purposes of this Act, "trained AED user" has the meaning ascribed to that term in section 10 of the Automated External Defibrillator Act.

The Office of the Illinois Attorney General 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 addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

FOR THE STATE OF INDIANA

1. Item 8 of the Disclosure Document is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

2. Items 6 and 9 of the Disclosure Document are amended to add the following:
The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

3. Item 17 of the Disclosure Document is amended to add the following:
Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

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

Item 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee.

Item 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.

Item 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

FOR THE STATE OF MARYLAND

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. The Office of the Maryland Attorney General 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 addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens. This financial assurance requirement was imposed by the Office of the Maryland Attorney General due to Franchisor's financial condition.
2. Item 17 is modified to provide as follows: "This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."
3. Item 17(b) is modified to also provide, "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. Item 17(h) is modified to also provide, "The provision in the Franchise Agreement that provides that we may terminate the agreement upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.)."
5. Item 17(u) is modified to also provide, "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."
6. Item 17(v) is modified to also provide, "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."
7. All representations (including the Franchisee Disclosure Questionnaire) requiring prospective franchisees to assent to a release, estoppel or waiver or liability are not intended to nor shall they act as a release, estoppel or waiver of liability incurred under the Maryland Franchise Registration and Disclosure Law.
8. No statement, questionnaire, or acknowledgment signed or agreed to by a Franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FOR THE STATE OF MINNESOTA

1. Item 13 of the Disclosure Document is amended as follows:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the marks, so long as you were using the marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. Item 17 of the Disclosure Document is amended as follows:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Agreement.

Item 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

Item 20 of the Franchise Disclosure Document is amended as follows:

Franchisor has posted a surety bond with the Minnesota Department of Commerce Securities Section in the amount of \$35,000. This condition of registration was imposed by the Minnesota Department of Commerce due to Franchisor's financial condition.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise 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.

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 (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchisee.

FOR THE STATE OF NEW YORK

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 SERVICES OR 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 ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR

PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies 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 the "Summary" sections of Item 17(c), titled "**Requirements for a 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.
4. 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.

5. 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 the franchisee by Article 33 of the General Business Law of the State of New York
6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

FOR THE STATE OF NORTH DAKOTA

Item 5 of the Disclosure Document is amended to add the following:

The payment of the Initial Franchise Fee are not due until such time as the franchisor has fulfilled its pre-opening obligations and the franchisee has commenced business pursuant to the franchise agreement.

Item 17 (c) of the Disclosure Document and Section 2 of the Franchise Agreement requires the franchisee to sign a general release upon renewal of the franchise agreement. Those provisions are deleted in their entirety.

Item 17 (i) of the Disclosure Document and Section 6 of the Area Development Agreement requires the franchisee to consent to termination or liquidated damages. Those provisions are deleted in their entirety.

Item 17 (r) of the Disclosure Document and Section 16.3 of the Franchise Agreement discloses the existence of certain covenants restricting competition to which franchisees must agree. Those provisions are deleted in their entirety.

Item 17 (u) of the Disclosure Document and Section 8 of the Area Development Agreement which require the franchisee to agree to arbitration or mediation of disputes in Georgia is amended to provide that the site of arbitration or mediation must be agreeable to all parties and must not be remote from the franchisee's place of business.

Item 17 (v) of the Disclosure Document and Section 8 of the Area Development Agreement provide that franchisees must consent to the jurisdiction of courts in Georgia. Those sections are deleted in their entirety.

Section 17 (w) of the Disclosure Document and Section 8 of the Area Development Agreement provide that the agreement shall be construed according to the laws of the state of Georgia. Those sections are amended to substitute “North Dakota” for references to “Georgia”.

FOR THE STATE OF SOUTH DAKOTA

Item 5 of the Disclosure Document is amended to add the following:

The payment of the Initial Franchise Fee are not due until such time as the franchisor has fulfilled its pre-opening obligations and the franchisee has commenced business pursuant to the franchise agreement.

FOR THE STATE OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Workout Anytime Franchising Systems, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Item 5 of the Disclosure Document is amended to add the following:

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.

The following statements are added to Item 17.h:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise agreement without reasonable cause. If any grounds for default or termination stated in the franchise agreement or development agreement, do 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.

FOR THE STATE OF WASHINGTON

Item 5 of the Disclosure Document is amended to add the following:

“Persons who receive financial incentives to refer franchise prospects to Franchisors may be required to register as franchise brokers under the laws of Washington state.”

“The payment of the Initial Franchise Fee is not due until such time as the franchisor has fulfilled its pre-opening obligations and the franchisee is open for business pursuant to the franchise agreement. With respect to each business the franchisee opens under the Development Agreement, the Franchisor will collect the Initial Franchise Fee proportionally with respect to each franchised business. The Initial Franchise Fee will not be due in full after Franchisee develops its first outlet”

Item 17 of the Disclosure Document is amended to add the following:

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.

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

**RIDER TO THE WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER is made and entered into on _____, 20____ (the “Effective Date”) by and between **WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC**, a limited liability company formed under the laws of the State of Georgia, with its principal business address at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009, (“we,” “us,” or, “our”), and _____, a _____ [corporation, limited liability company, general partnership, or limited partnership] formed under the laws of the State of _____, [or a sole proprietorship] with its principal business address at _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Workout Anytime that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.
2. Illinois law governs the agreements between the parties to this franchise..
3. 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: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
4. 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 outside of Illinois.
5. A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.
6. 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.
7. 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.
8. In Illinois, the Physical Fitness Facility Medical Emergency Preparedness Act, 210 ILCS 74/15 and 74/15(b) (West 2016) sets forth that an automated external defibrillator is required; and that “a physical fitness facility must ensure that there is a trained AED user on staff during staffed business hours. For purposes of this Act, “trained AED user” has the meaning ascribed to that term in section 10 of the Automated External Defibrillator Act.

9. The Office of the Illinois Attorney General 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 addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

Workout Anytime Franchising Systems, LLC,
a Georgia limited liability company

By: _____

Name: _____

Title: _____

FRANCHISE OWNER

[Print Name of Franchise Entity]

By: _____
[Signature of person signing
on behalf of entity]

Title of Signatory: _____

**RIDER TO THE WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER is made and entered into on _____, 20____ (the “**Effective Date**”) by and between **WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC**, a limited liability company formed under the laws of the State of Georgia, with its principal business address at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009, (“**we**,” “**us**,” or “**our**”), and _____, a _____ [**corporation, limited liability company, general partnership, or limited partnership**] formed under the laws of the State of _____, [**or a sole proprietorship**] with its principal business address at _____ (“**you**” or “**your**”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20____ (the “Area Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) you are domiciled in Illinois, and/or (b) the Workout Anytime that you will operate under the Area Development Agreement and Franchise Agreement will be located in Illinois.
2. 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: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. Illinois law governs the agreements between the parties to this franchise.
4. A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.
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 outside of Illinois.
6. 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.
7. 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.
8. In Illinois, the Physical Fitness Facility Medical Emergency Preparedness Act, 210 ILCS 74/15 and 74/15(b) (West 2016) sets forth that an automated external defibrillator is required; and that “a physical fitness facility must ensure that there is a trained AED user on staff during staffed business hours. For purposes of this Act, “trained AED user” has the meaning ascribed to that term in section 10 of the Automated External Defibrillator Act.

9. The Office of the Illinois Attorney General 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 addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

Workout Anytime Franchising Systems, LLC,
a Georgia limited liability company

By: _____

Name: _____

Title: _____

DEVELOPER

[Print Name of Franchise Entity]

By: _____
[Signature of person signing
on behalf of entity]

Title of Signatory: _____

**RIDER TO THE WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is made and entered into on _____, 20____ (the “Effective Date”) by and between **WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC**, a limited liability company formed under the laws of the State of Georgia, with its principal business address at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009, (“we,” “us,” or, “our”), and _____, a _____ [corporation, limited liability company, general partnership, or limited partnership] formed under the laws of the State of _____, [or a sole proprietorship] with its principal _____ business _____ address _____ at _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Workout Anytime that you will operate under the Franchise Agreement will be located in Maryland; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Maryland.

2. **RELEASES.** The following is added to the Franchise Agreement:

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver or liability are not intended to nor shall they act as a release, estoppel or waiver of liability incurred under the Maryland Franchise Registration and Disclosure Law.

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. This 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.

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

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

Workout Anytime Franchising Systems, LLC,
a Georgia limited liability company

By: _____

Name: _____

Title: _____

FRANCHISE OWNER

[Print Name of Franchise Entity]

By: _____
[Signature of person signing
on behalf of entity]

Title of Signatory: _____

**RIDER TO THE WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC
DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is made and entered into on _____, 20____ (the "Effective Date") by and between **WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC**, a limited liability company formed under the laws of the State of Georgia, with its principal business address at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009, ("**we**," "**us**," or, "**our**"), and

_____, a _____
[**corporation, limited liability company, general partnership, or limited partnership**] formed under the laws of the State of _____, [**or a sole proprietorship**] with its principal business address at _____ ("**you**" or "**your**").

1. **BACKGROUND.** We and you are parties to that certain Development Agreement dated _____, 20____ (the "Development Agreement") that has been signed concurrently with the signing of this Rider.

2. **RELEASES.** The following is added to the Development Agreement:

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver or liability are not intended to nor shall they act as a release, estoppel or waiver of liability incurred under the Maryland Franchise Registration and Disclosure Law.

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. This 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 addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

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

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

Workout Anytime Franchising Systems, LLC,
a Georgia limited liability company

DEVELOPER

By: _____

[Print Name of Franchise Entity]

Name: _____

By: _____
[Signature of person signing on
behalf of entity]

Title: _____

Title of signatory: _____

Date: _____

Date: _____

**RIDER TO THE WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER is made and entered into on _____, 20____ (the "Effective Date") by and between **WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC**, a limited liability company formed under the laws of the State of Georgia, with its principal business address at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009, ("we," "us," or, "our"), and _____, a _____ [corporation, limited liability company, general partnership, or limited partnership] formed under the laws of the State of _____, [or a sole proprietorship] with its principal _____ business _____ address _____ at _____ ("you" or "your").

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Workout Anytime that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **RELEASES.** The following is added to the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **RENEWAL AND TERMINATION.** The following is added to the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

4. **GOVERNING LAW.** The Franchise Agreement is amended with the following:

All matters relating to 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, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Georgia, without regard to its conflict of laws rules, except that (1) any Georgia law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Sub-section and (2) nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

5. **CONSENT TO JURISDICTION.** Sub-section 17H. of the Franchise Agreement is deleted and replaced with the following:

Subject to Sub-section 17.F. above and the provisions below, we and you (and your owners) agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the state or federal court of general jurisdiction which is closest to where our principal office then is located, and we and you (and each owner) irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Nonetheless, we and you (and your owners) agree that any of us may enforce any arbitration orders and awards in the courts of the state or states in which you are domiciled or the CLUB is located. Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us, except in certain specified cases, from requiring litigation to be conducted outside Minnesota. Nothing in the Agreement shall abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

6. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** To the extent required by the Minnesota Franchises Law, any restrictions as to punitive damages or jury trials is deleted.

7. **INJUNCTIVE RELIEF.** The Franchise Agreement is amended with the following:

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause us, the Marks, and/or the Franchise System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions (subject to our obligation to arbitrate the underlying claim if required by this Agreement). You agree that we may seek such injunctive relief in addition to such further or other relief as may be available by law or in equity. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

8. **LIMITATIONS OF CLAIMS.** The following is added to the Franchise Agreement:

Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

Workout Anytime Franchising Systems, LLC,
a Georgia limited liability company

FRANCHISE OWNER

By: _____

[Print Name of Franchise Entity]

Name: _____

By: _____
[Signature of person signing on
behalf of entity]

Title: _____

Title of signatory: _____

Date: _____

Date: _____

**RIDER TO THE WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC
DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER is made and entered into on _____, 20____ (the "Effective Date") by and between **WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC**, a limited liability company formed under the laws of the State of Georgia, with its principal business address at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009, ("we," "us," or, "our"), and _____, a _____ [corporation, limited liability company, general partnership, or limited partnership] formed under the laws of the State of _____, [or a sole proprietorship] with its principal _____ business _____ address _____ at _____ ("you" or "your").

1. **BACKGROUND.** We and you are parties to that certain Development Agreement dated _____, 20____ (the "Development Agreement") that has been signed concurrently with the signing of this Rider.

2. **RELEASES.** The following is added to the Development Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **TERMINATION.** The following is added to the Development Agreement:

However, with respect to franchise development rights governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure).

4. **GOVERNING LAW.** The Franchise Agreement is amended with the following:

All matters relating to 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, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Georgia, without regard to its conflict of laws rules, except that (1) any Georgia law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Sub-section and (2) nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

5. **CONSENT TO JURISDICTION.** Section 15 of the Development Agreement is deleted and replaced with the following:

We and you (and your owners) agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the state or federal court of general jurisdiction which is closest to where our principal office then is located, and we and you (and each owner) irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Nonetheless, we and you (and your owners) agree

that any of us may enforce any arbitration orders and awards in the courts of the state or states in which you are domiciled or the CLUB is located. Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us, except in certain specified cases, from requiring litigation to be conducted outside Minnesota. Nothing in the Agreement shall abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

6. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** To the extent required by the Minnesota Franchises Law, any restrictions as to punitive damages or jury trials is deleted.

7. **INJUNCTIVE RELIEF.** The Franchise Agreement is amended with the following:

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause us, the Marks, and/or the Franchise System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions (subject to our obligation to arbitrate the underlying claim if required by this Agreement). You agree that we may seek such injunctive relief in addition to such further or other relief as may be available by law or in equity. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

8. **LIMITATIONS OF CLAIMS.** The following is added to the Development Agreement:

Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

Workout Anytime Franchising Systems, LLC,
a Georgia limited liability company

DEVELOPER

By: _____

[Print Name of Franchise Entity]

Name: _____

By: _____
[Signature of person signing on
behalf of entity]

Title: _____

Title of signatory: _____

Date: _____

Date: _____

**RIDER TO THE WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS RIDER is made and entered into on _____, 20____ (the “Effective Date”) by and between **WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC**, a limited liability company formed under the laws of the State of Georgia, with its principal business address at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009, (“we,” “us,” or, “our”), and _____, a _____ [corporation, limited liability company, general partnership, or limited partnership] formed under the laws of the State of _____, [or a sole proprietorship] with its principal _____ business _____ address _____ at _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of North Dakota and the Workout Anytime that you will operate under the Franchise Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **RELEASES.** The following is added to the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **COVENANT NOT TO COMPETE.** The following is added to the Franchise Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. **ARBITRATION.** The Franchise Agreement is amended to read as follows:

We and you agree that, except for controversies, disputes, or claims related to or based on improper use of the Marks or Confidential Information, all controversies, disputes, or claims between us and our affiliates, and our and their respective shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and/or employees) arising out of or related to:

- (1) this Agreement or any other agreement between you and us (or our affiliates);
- (2) our relationship with you;
- (3) the validity of this Agreement or any other agreement between you and us (or our affiliates); or
- (4) any System Standard;

must be submitted for binding arbitration, Upon demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Sub-section otherwise provides, according to the then current commercial arbitration rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in or within fifteen (15) miles of our then existing principal office; provided, however, that to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ I, et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

5. **GOVERNING LAW.** The Franchise Agreement is amended with the following:

All matters relating to 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, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law and except as otherwise required by North Dakota law, this Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Georgia, without regard to its conflict of laws rules, except that any Georgia law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Sub-section.

6. **CONSENT TO JURISDICTION.** The Franchise Agreement is amended with the following:

Subject to the above and the provisions below, we and you (and your owners) agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the state or federal court of general jurisdiction which is closest to where our principal office then is located, and we and you (and each owner) irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Nonetheless, we and you (and your owners) agree that any of us may enforce any arbitration orders and awards in the courts of the state or states in which you are domiciled or the CLUB is located. Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

7. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** To the extent required by the North Dakota Franchise Investment Law, any restriction as to punitive damages or jury trials found within the Franchise Agreement is deleted.

8. **LIMITATIONS OF CLAIMS.** The following is added to the Franchise Agreement:

The statutes of limitations under North Dakota law apply with respect to claims arising under the North Dakota Franchise Investment Law.

9. Section 4.1 of the Franchise Agreement is amended to add the following: The payment of the Initial Franchise Fee are not due until such time as the franchisor has fulfilled its pre-opening obligations and the franchisee has commenced business pursuant to the franchise agreement.

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

Workout Anytime Franchising Systems, LLC,
a Georgia limited liability company

FRANCHISE OWNER

By: _____

Name: _____

Title: _____

Date: _____

[Print Name of Franchise Entity]

By: _____
[Signature of person signing
on behalf of entity]

Title of Signatory: _____

Date: _____

**RIDER TO THE WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

THIS RIDER is made and entered into on _____, 20____ (the “Effective Date”) by and between **WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC**, a limited liability company formed under the laws of the State of Georgia, with its principal business address at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009, (“we,” “us,” or, “our”), and _____, a _____ [corporation, limited liability company, general partnership, or limited partnership] formed under the laws of the State of _____, [or a sole proprietorship] with its principal business address at _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the Workout Anytime that you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **GOVERNING LAW.** The Franchise Agreement is amended with the following:

All matters relating to 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, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Georgia, without regard to its conflict of laws rules, except that (1) any Georgia law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Sub-section and (2) to the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

3. **CONSENT TO JURISDICTION.** The Franchise Agreement is amended as follows:

Subject to the above and the provisions below, we and you (and your owners) agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the state or federal court of general jurisdiction which is closest to where our principal office then is located, and we and you (and each owner) irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Nonetheless, we and you (and your owners) agree that any of us may enforce any arbitration orders and awards in the courts of the state or states in which you are domiciled or the CLUB is located. Notwithstanding the foregoing, to the extent required by applicable law, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

Workout Anytime Franchising Systems, LLC,
a Georgia limited liability company

FRANCHISE OWNER

By: _____

[Print Name of Franchise Entity]

Name: _____

By: _____
[Signature of person signing
on behalf of entity]

Title: _____

Title of Signatory: _____

Date: _____

Date: _____

**RIDER TO THE WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC
FRANCHISE AGREEMENT
FOR USE IN SOUTH DAKOTA**

THIS RIDER is made and entered into on _____, 20____ (the "Effective Date") by and between **WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC**, a limited liability company formed under the laws of the State of Georgia, with its principal business address at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009, ("we," "us," or, "our"), and _____, a _____ [corporation, limited liability company, general partnership, or limited partnership] formed under the laws of the State of _____, [or a sole proprietorship] with its principal business address at _____ ("you" or "your").

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in South Dakota and the Workout Anytime that you will operate under the Franchise Agreement will be located in South Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in South Dakota.

2. Section 3.1 of the Franchise Agreement is amended to add the following:

"The payment of the Initial Franchise Fee is not due to Franchisor until Franchisor has completed all of its pre-opening requirements to Franchisee and Franchisee is operational."

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

Workout Anytime Franchising Systems, LLC,
a Georgia limited liability company

FRANCHISE OWNER

By: _____

[Print Name of Franchise Entity]

Name: _____

By: _____
[Signature of person signing
on behalf of entity]

Title: _____

Title of Signatory: _____

Date: _____

Date: _____

**RIDER TO THE WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC
FRANCHISE AGREEMENT
FOR USE IN VIRGINIA**

THIS RIDER is made and entered into on _____, 20____ (the “Effective Date”) by and between **WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC**, a limited liability company formed under the laws of the State of Georgia, with its principal business address at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009, (“we,” “us,” or, “our”), and _____, a _____ [corporation, limited liability company, general partnership, or limited partnership] formed under the laws of the State of _____, [or a sole proprietorship] with its principal _____ business _____ address _____ at _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Virginia; and/or (b) the Workout Anytime that you will operate under the Franchise Agreement will be located or operated in Virginia; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in Virginia.
2. Section 3.1 of the Franchise Agreement is amended to add the following:

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.
3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

Workout Anytime Franchising Systems, LLC,
a Georgia limited liability company

By: _____

Name: _____

Title: _____

FRANCHISE OWNER

[Print Name of Franchise Entity]

By: _____
[Signature of person signing
on behalf of entity]

Title of Signatory: _____

**RIDER TO THE WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN VIRGINIA**

THIS RIDER is made and entered into on _____, 20____ (the “Effective Date”) by and between **WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC**, a limited liability company formed under the laws of the State of Georgia, with its principal business address at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009, (“we,” “us,” or, “our”), and _____, a _____ [corporation, limited liability company, general partnership, or limited partnership] formed under the laws of the State of _____, [or a sole proprietorship] with its principal _____ business _____ address _____ at _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20____ (the “Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) you are domiciled in Virginia; and/or (b) the Workout Anytime that you will operate under the Development Agreement will be located or operated in Virginia; and/or (c) any of the offering or sales activity relating to the Development Agreement occurred in Virginia.
2. Section 2 of the Development Agreement is amended to add the following:

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 each franchise agreement. Payment of the Initial Franchise Fee and other initial fees will be due to the franchisor, upon the franchisor’s completion of its pre-opening obligations for each franchise opened under the Development Agreement.
3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below to be effective as of the Effective Date.

Workout Anytime Franchising Systems, LLC,
a Georgia limited liability company

By: _____

Name: _____

Title: _____

Date: _____

DEVELOPER

[Print Name of Franchise Entity]

By: _____
[Signature of person signing
on behalf of entity]

Title of Signatory: _____

Date: _____

**ADDENDUM TO THE WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC
FRANCHISE AGREEMENT
FOR USE IN WASHINGTON**

THIS ADDENDUM is made and entered into on _____, 20____ (the “Effective Date”) by and between **WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC**, a limited liability company formed under the laws of the State of Georgia, with its principal business address at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009, (“we,” “us,” or, “our”), and _____, a _____ [corporation, limited liability company, general partnership, or limited partnership] formed under the laws of the State of _____, [or a sole proprietorship] with its principal _____ business _____ address _____ at _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are a resident of Washington; and/or (b) the Workout Anytime that you will operate under the Franchise Agreement will be located or operated wholly or partly in Washington; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.
2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
3. Sections 3.1 and 3.2 of the Franchise Agreement are amended to add the following: The payment of the Initial Franchise Fee is not due until such time as the franchisor has fulfilled its pre-opening obligations and the franchisee is open for business pursuant to the franchise agreement. With respect to each business the franchisee opens under the Development Agreement, the Franchisor will collect the Initial Franchise Fee proportionally with respect to each franchised business. The Initial Franchise Fee will not be due in full after Franchisee develops its first outlet.
4. Section 13.2 of the Franchise Agreement is amended to state the following: Franchisees have no obligation to indemnify or hold harmless an indemnified party for losses to the extent that they are determined to have been caused solely and directly by the indemnified party’s gross negligence, willful misconduct, strict liability, or fraud.
5. Nothing in Section 21 of the Franchise Agreement is intended to waive any rights you have under the anti-fraud provisions outlined in RCW 19.100.170 of the Washington Franchise Investment Act.
6. Section 17.6(A) of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: “ A. If we terminate this Agreement because of your breach or if you terminate this Agreement without cause, you and we agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of the Royalty Fee and the Brand Development Fee through the remainder of the term of this Agreement. Therefore, you and we agree that a reasonable estimate of such damages, less any cost savings we might have experienced, (“Lost Revenue Damages”) is an amount equal to the net present value of the Royalty Fee and the Brand Development Fee that would have been paid had this Agreement not been terminated, from the date of termination until the earlier of (1) three years from the date of termination; or (2) scheduled expiration of the Term (“Measurement Period”).”

7. The following language is hereby deleted from Section 19.2 of the Franchise Agreement:
- “We make no warranties or guarantees upon which you may rely by providing any waiver, approval, consent or suggestion to you in connection with this Agreement and assume no liability or obligation to you therefor, or by reason of any neglect, delay, or denial of any request therefor. We will not, by virtue of any waivers, approvals, consents, advice or services provided to you, assume responsibility or liability to you or to any third parties to which we would not otherwise be subject.”
7. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
8. 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.
9. 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.
10. 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.
11. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
12. 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.
13. 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.
14. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum on the dates noted below, to be effective as of the Effective Date.

Workout Anytime Franchising Systems, LLC,
a Georgia limited liability company

FRANCHISE OWNER

By: _____

[Print Name of Franchise Entity]

Name: _____

By: _____
[Signature of person signing
on behalf of entity]

Title: _____

Title of Signatory: _____

Date: _____

Date: _____

**ADDENDUM TO THE WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN WASHINGTON**

THIS ADDENDUM is made and entered into on _____, 20____ (the “Effective Date”) by and between **WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC**, a limited liability company formed under the laws of the State of Georgia, with its principal business address at 2325 Lakeview Parkway, Suite 200, Alpharetta, Georgia 30009, (“we,” “us,” or, “our”), and _____, a _____ [corporation, limited liability company, general partnership, or limited partnership] formed under the laws of the State of _____, [or a sole proprietorship] with its principal _____ business _____ address _____ at _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20____ (the “Area Development Agreement”) that has been signed concurrently with the signing of this Rider. This Addendum is annexed to and forms part of the Area Development Agreement. This Addendum is being signed because (a) you are a resident of Washington; and/or (b) the Workout Anytime that you will operate under the Area Development Agreement will be located or operated wholly or partly in Washington; and/or (c) any of the offering or sales activity relating to the Area Development Agreement occurred in Washington.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Area Development Agreement.

3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. RCW 19.100.180 may supersede the Area Development 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 Area Development Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

3. Section 3.1 of the Area Development Agreement is amended to add the following: “The State of Washington has imposed a financial condition under which the Development Fee due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Area Development Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business You open under the Area Development Agreement, the State of Washington will require that the Development Fee be released proportionally with respect to each franchised business.”

4. The following language is hereby deleted from Section 9.2 of the Development Agreement:

“We make no warranties or guarantees upon which you may rely by providing any waiver, approval, consent or suggestion to you in connection with this Agreement and assume no liability or obligation to you therefor, or by reason of any neglect, delay, or denial of any request therefor. We will not, by virtue of any waivers, approvals, consents, advice or services provided to you, assume responsibility or liability to you or to any third parties to which we would not otherwise be subject.”

5. 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 Area Development 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.

6. 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.

7. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

8. 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.

9. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting 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 Area Development Agreement or elsewhere are void and unenforceable in Washington.

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

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum on the dates noted below, to be effective as of the Effective Date.

Workout Anytime Franchising Systems, LLC,
a Georgia limited liability company

DEVELOPER

By: _____

[Print Name of Franchise Entity]

Name: _____

By: _____
[Signature of person signing
on behalf of entity]

Title: _____

Title of Signatory: _____

Date: _____

Date: _____

EXHIBIT G

FINANCIAL STATEMENTS

THIS EXHIBIT INCLUDES AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2022, DECEMBER 31, 2023, AND DECEMBER 31, 2024.

Terms and Conditions

Your access to and use of the information in this e-mail is subject to the following terms and conditions and all applicable laws. By accessing, browsing or copying the information contained herein, you accept, without limitation or qualification, the terms and conditions.

1. The information contained in this e-mail is confidential and intended only for the use of the management of Workout Anytime Franchising Systems, L.L.C. (the Company) and should not be altered. This email was created April 17, 2025 and Bennett Thrasher LLP will maintain a duplicate copy pursuant to our data retention policies. Additional copies may be requested by reference to its unique identification number 185008.
2. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your (or any other) Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.
3. If you intend to publish the information in this e-mail on the Internet, the information should be published in its entirety and we recommend that "distinct boundaries" should be established around the information so that users are warned whenever they enter or leave pages containing information copied from this e-mail using the following language:

Entry Warning:

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Workout Anytime Franchising Systems, L.L.C.

Financial Statements

December 31, 2024 and 2023



Workout Anytime Franchising Systems, L.L.C.

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Independent Auditor's Report

To the Members of
Workout Anytime Franchising Systems, LLC.

Opinion

We have audited the accompanying financial statements of Workout Anytime Franchising Systems, LLC. (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in members' deficit and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and 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. 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 the Company 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the Company'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 the Company'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.

Bennett Thrasher LLP

Atlanta, Georgia
April 16, 2025

Workout Anytime Franchising Systems, L.L.C.

Balance Sheets

December 31, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 466,036	\$ 157,724
Accounts receivable	479,074	427,963
Deferred commissions, current	96,815	98,485
Prepaid expenses and other current assets	43,949	90,608
Total current assets	1,085,874	774,780
Property and equipment, net	87,747	83,810
Operating lease right-of-use asset, net	536,608	687,531
Deferred commissions, net of current portion	701,432	788,323
Reacquired area development	1,565,506	365,506
Other assets	170,445	173,111
Total assets	<u>\$ 4,147,612</u>	<u>\$ 2,873,061</u>
Liabilities and Members' Deficit		
Current liabilities:		
Accounts payable	\$ 93,627	\$ 544,974
Accrued expenses	221,412	223,748
Notes payable, current	320,000	-
Related party notes payable, current	522,439	894,228
Due to members	30,000	60,000
Due to related party	-	1,479
Current portion of operating lease liability	164,573	152,838
Deferred revenue, current	277,688	272,747
Total current liabilities	1,629,739	2,150,014
Paycheck Protection Program loans	-	4,156
Notes payable, net of current portion	630,000	150,000
Related party notes payable, net of current portion	237,596	591,476
Operating lease liability, net of current portion	416,943	581,516
Deferred revenue, net of current portion	1,944,777	2,212,350
Total liabilities	4,859,055	5,689,512
Commitments and contingencies (Note 7)		
Members' deficit	<u>(711,443)</u>	<u>(2,816,451)</u>
Total liabilities and members' deficit	<u>\$ 4,147,612</u>	<u>\$ 2,873,061</u>

See accompanying notes to the financial statements.

Workout Anytime Franchising Systems, L.L.C.

Statements of Operations

For the Years Ended December 31, 2024 and 2023

	2024	2023
Revenues:		
Royalty and monthly fees	\$ 7,343,461	\$ 6,494,552
Commissions	831,293	740,136
Initial franchise fees	530,633	281,997
Other	492,334	444,413
Total revenues	9,197,721	7,961,098
Operating expenses:		
Salaries and benefits	2,575,065	2,419,808
General and administrative	1,948,545	2,695,677
Commissions	934,137	1,735,199
Product costs	521,011	395,993
Marketing and advertising	516,607	744,047
Depreciation and amortization	36,616	24,237
Total operating expenses	6,531,981	8,014,961
Income (loss) from operations	2,665,740	(53,863)
Other expense:		
Other (expense) income, net	(4,795)	70,761
Interest expense	(173,888)	(104,332)
Total other expense	(178,683)	(33,571)
Net income (loss)	\$ 2,487,057	\$ (87,434)

See accompanying notes to the financial statements.

Workout Anytime Franchising Systems, L.L.C.

Statements of Changes in Members' Deficit For the Years Ended December 31, 2024 and 2023

Balance at December 31, 2022	\$ (1,643,792)
Distributions	(85,225)
Member redemption	(1,000,000)
Net loss	<u>(87,434)</u>
Balance at December 31, 2023	(2,816,451)
Distributions	(382,049)
Net income	<u>2,487,057</u>
Balance at December 31, 2024	<u>\$ (711,443)</u>

See accompanying notes to the financial statements.

Workout Anytime Franchising Systems, L.L.C.

Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Net income (loss)	\$ 2,487,057	\$ (87,434)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	36,616	24,237
Non-cash lease expense	150,923	153,689
Changes in operating assets and liabilities:		
Accounts receivable	(51,111)	(53,036)
Deferred commissions	88,561	(34,913)
Prepaid expenses and other current assets	46,659	16,132
Other assets	-	(365,505)
Accounts payable	(451,347)	156,079
Accrued expenses	(2,336)	(41,376)
Operating lease liabilities	(152,838)	(106,866)
Deferred revenue	(262,632)	77,003
Net cash provided (used) by operating activities	<u>1,889,552</u>	<u>(261,990)</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(37,887)</u>	<u>(67,918)</u>
Net cash used by investing activities	<u>(37,887)</u>	<u>(67,918)</u>
Cash flows from financing activities:		
Payments on Paycheck Protection Program loan	(4,156)	(9,045)
Payments on member notes	(31,479)	(57,586)
Net repayments from notes payable	(400,000)	(9,045)
Net (repayments) borrowings from related party notes payable	(725,669)	729,880
Redemption of member units	-	(300,000)
Distributions paid	<u>(382,049)</u>	<u>(100,226)</u>
Net cash (used) provided by financing activities	<u>(1,543,353)</u>	<u>253,978</u>
Net increase (decrease) in cash and cash equivalents	308,312	(75,930)
Cash and cash equivalents, beginning of year	<u>157,724</u>	<u>233,654</u>
Cash and cash equivalents, end of year	<u>\$ 466,036</u>	<u>\$ 157,724</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 165,743</u>	<u>\$ 94,544</u>
Right-of-use assets acquired under operating leases	<u>\$ -</u>	<u>\$ 841,220</u>
Note payable issued for redemption of member units	<u>\$ -</u>	<u>\$ 700,000</u>
Non-cash acquisition of area development rights	<u>\$ 1,200,000</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Workout Anytime Franchising Systems, L.L.C.

Notes to the Financial Statements December 31, 2024 and 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Workout Anytime Franchising Systems, L.L.C. (the Company) franchises fitness facilities throughout the United States, Canada, and Central America, and provides management services for the personal training programs offered at these fitness facilities. The Company was organized on April 5, 2004. At December 31, 2024 and 2023, there were 193 and 188 franchised fitness facilities open and operating under the Workout Anytime name, respectively. At December 31, 2024, there were 108 fitness facilities under varying stages of development.

Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Franchise Operations

The Company enters into franchise agreements with unrelated third parties to operate fitness centers using the Company's brand within a defined geographical area. The franchisees are required to operate their fitness centers in compliance with a franchise agreement that includes adherence to operating and quality control procedures established by the Company. The Company does not provide loans, leases, or guarantees to franchisees or their employees and vendors.

Revenue Recognition

In accordance with Accounting Standards Codification (ASC) 606, revenue is recognized when the customer obtains control of promised goods or services in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. To achieve this core principle, the Company applies the following five steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to performance obligations in the contract
- Recognize revenue as performance obligations are satisfied

Revenues consist primarily of fees from fitness facilities operated by franchisees and fees from developers with exclusive rights to open clubs in specific areas of the United States. Revenues from franchisees include non-refundable initial and renewal franchise fees, continuing royalties, brand development fees, advertising contributions, development and training materials, website maintenance and management services for personal training programs offered based upon a fixed fee and percentage of club revenue. The Company's responsibilities under the franchise agreements include providing training, operating manuals and approving site selection and otherwise supporting the franchise in opening the clubs. These activities are highly interrelated, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation, which is satisfied by providing a right to use the Company's intellectual property over the term of each franchise agreement.

Non-refundable initial and renewal franchise fees and development fees are payable by the franchisee upon the execution of the agreement. These fees are initially recorded to deferred revenue and are amortized on a straight-line basis to franchise fee revenue over the term of the underlying franchise agreement, which begins at the execution of the franchise agreement.

Franchisee royalties and brand development fees are calculated as a fixed fee and a percentage of club revenue. During December 31, 2024 and 2023, franchisee royalties were 4% to 6% and brand development fees were up to 2% to be paid monthly over the term of the franchise agreement. Franchise agreement royalties, inclusive of brand development fees, represent sales-based revenues that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as franchised club sales occur. Advertising contributions range from 0% to 1.5% based on monthly club revenue.

Products and supplies revenues are recognized when shipped to the franchisee or developer. The product and supplies revenue is included in other revenues in the accompanying statements of operations.

Franchise conference revenues consist of franchisee registration fees and corporate sponsorship from preferred vendors. Revenue is recognized when the conference takes place. The franchise conference revenue is included in other revenues in the accompanying statements of operations.

The Company receives commission payments from certain vendors when the franchisees use the preferred vendor arrangements. The amounts of the commissions depend upon the system's volume of purchases from the vendors. The Company recognizes revenue for these commissions in the period in which the underlying transaction takes place or the point in which the commission due is determinable.

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity date of three months or less to be cash and cash equivalents. At times, cash and cash equivalent balances may exceed federally insured amounts. The Company believes it mitigates any risk by depositing cash and investing in cash equivalents with major financial institutions.

Accounts Receivable

Accounts receivable is primarily comprised of recurring monthly fees not received by the Company as of December 31, 2024 and 2023. The Company considers the accounts receivable to be fully collectible; accordingly, no allowance for credit losses is provided. The Company uses the services of two third-party billing companies to collect royalties and other monthly fees from the franchisees.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation, and amortization. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows: furniture and fixtures, 7 years; equipment, 5 years; software, 3 years; and leasehold improvements, the lesser of the expected lease term or the estimated useful lives of the underlying assets. Expenditures for maintenance and repairs are charged to expense as incurred. Additions and betterments are capitalized.

Leases

The Company determines if an arrangement is a lease or contains a lease at inception. Operating lease assets and liabilities are recognized based on the present value of the remaining lease payment, discounted using the discount rate for the lease upon commencement. The Company has elected the practical expedient to use the risk-free rate as the discount rate for operating leases, which was 3.99%. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Rental escalation, renewal options, and termination options, when applicable, have been factored into the Company's determination of lease payments. When applicable, real estate taxes, insurance, maintenance, and operating expenses are included in the measurement of the lease liability when payments are fixed and are excluded and recognized in the period in which the obligation is incurred when payments are variable. The Company does not separate lease and non-lease components of contracts. The Company has elected the practical expedient to not apply the recognition requirement to leases with a term of less than one year (short-term leases).

Impairment of Long-Lived Assets

The Company's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. In the opinion of management, no long-lived assets were impaired as of December 31, 2024 and 2023.

Deferred Commissions

Sales commissions earned by the Company's development team for acquiring new franchisees are considered incremental and recoverable costs of obtaining and implementing a contract with a customer. Sales commissions on new development or franchise agreements are deferred and amortized on a straight-line basis over the defined term of the contract, generally 10 or 15 years. Sales commissions paid based on club ownership transfers of existing clubs are expensed as incurred. The Company determined the amortization period by taking into consideration standard contract terms and conditions.

Advertising

The Company expenses advertising costs as incurred. Direct marketing and advertising expense totaled \$516,607 and \$744,047 for the years ended December 31, 2024 and 2023, respectively.

Income Taxes

The Company is a limited liability company and is taxed as a partnership for Federal and state income tax purposes. Accordingly, no provision for income taxes is reflected in the financial statements.

The Company applies the provisions of accounting standards for income taxes. These standards require that a tax position be recognized or derecognized based on a 'more-likely-than-not' threshold. This applies to positions taken or expected to be taken in a tax return. The Company does not believe its financial statements include any material uncertain tax positions.

Reclassification

Certain prior year amounts have been reclassified to conform to current year presentation. These classifications had no material effect on previously reported results of operations or members' deficit.

Note 2: Property and Equipment

Property and equipment consists of the following:

	2024	2023
Equipment	\$ 137,449	\$ 129,955
Furniture and fixtures	108,767	78,901
Software	47,674	47,674
Leasehold improvements	<u>27,673</u>	<u>27,147</u>
	321,563	283,677
Less: accumulated depreciation and amortization	<u>(233,816)</u>	<u>(199,867)</u>
	<u>\$ 87,747</u>	<u>\$ 83,810</u>

Depreciation and amortization expense associated with property and equipment totaled \$33,949 and \$21,570 for the years ended December 31, 2024 and 2023, respectively.

Note 3: Reacquired Development Rights

In July 2024, the Company reacquired certain area development rights as management believes development activities as well as services to franchisees in the area needed improvement. The Company agreed to pay \$1,200,000 over a period of time to the former developer (See Note 4). The Company reacquired certain area development rights in prior years for \$365,506. Together, these reacquired area development rights total \$1,565,506 and are considered intangible assets with indefinite lives. The Company periodically reviews these assets for impairment. In addition to controlling the management of these activities, the Company receives full royalties going forward. As of December 31, 2024 and 2023, management does not believe these assets are impaired.

Note 4: Debt

Paycheck Protection Program Loans

During the second quarter of fiscal years 2020 and 2021, the Company applied for and received loans pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief and Economic security Act (the CARES Act) enacted March 27, 2020, in the principal amounts of \$459,463 and \$436,752, respectively (the PPP Loans). Proceeds from the PPP Loans are available to fund designated expenses, including certain payroll costs, group health care benefits and other permitted expenses, including rent and interest on mortgages and other debt obligations incurred before February 15, 2020. Under the terms of the PPP, up to the entire amount of principal and accrued interest may be forgiven to the extent the proceeds of the PPP Loans are used for qualifying expenses as described in the CARES Act and applicable implementing guidance issued by the U.S. Small Business Administration (SBA) under the PPP.

The Company applied for forgiveness in 2021 and during July 2022, received forgiveness from the SBA in the amounts of \$422,752 and \$436,752, respectively. The Company will continue to be subject to additional review by the SBA over the next four years, which could result in reversal of the forgiveness. As of December 31, 2024 and 2023, the outstanding balance on the combined loan totaled \$0 and \$14,151, respectively.

Economic Injury Disaster Loan

In May 2020, the Company was authorized by the SBA to receive an Economic Injury Disaster Loan (EIDL) totaling \$150,000. The note bears interest at 3.75% per annum. Monthly installment payments of \$731, applied first to accrued interest and then to the outstanding principal, begin 12 months from the date of the note. During 2022, the SBA extended the payment deferment period to 30 months from the date of the note. Any remaining balance of principal and interest will be payable 30 years from the date of the loan. The Company may prepay this note in part or in full at any time, without notice or penalty. The note is secured by substantially all assets of the Company. At December 31, 2024 and 2023, the balance on this loan totaled \$150,000. As of December 31, 2024 and 2023, accrued interest totaled \$6,190 and \$9,788, respectively, and is included within accrued expenses in the accompanying balance sheets.

Long-Term Debt

As discussed in Note 3, in July 2024, the Company entered into an agreement to reacquire certain area development rights in exchange for a note payable of \$1,200,000. The note bears interest at 0% per annum and requires monthly payments of \$26,666 through July 2027. At December 31, 2024 the note payable totaled \$800,000.

At December 31, 2024, future minimum payments on long-term debt and the EIDL are as follows:

Year Ending December 31,	
2025	\$ 320,000
2026	320,000
2027	162,697
2028	3,294
2029	3,419
Thereafter	<u>140,590</u>
	<u>\$ 950,000</u>

Note 5: Related Party Transactions

From time to time, the Company enters into related party notes payable agreements. Related party notes payable consisted of the following at December 31:

	2024	2023
\$1,000,000 note payable, interest of 10% per annum, payments of \$58,333 payable quarterly through April 2026	\$ 350,000	\$ 583,333
\$68,000 note payable, interest of 11.5% per annum, payments of \$2,242 payable monthly through November 2026	27,872	68,000
Various notes payable, due in monthly installments ranging from \$2,307 to \$13,878; bearing interest rates ranging from 2.00% to 11.50%; maturing from April 2025 through November 2026	<u>382,163</u>	<u>824,376</u>
	760,035	1,475,709
Less: current portion of long-term debt	<u>(522,439)</u>	<u>(844,233)</u>
Long-term debt, less current portion	<u>\$ 237,596</u>	<u>\$ 631,476</u>

At December 31, 2024, future minimum payments on member notes payable and the redemption note payable are as follows:

Year Ending December 31,	
2025	\$ 522,439
2026	<u>237,596</u>
	<u>\$ 760,035</u>

Note 6: Right-of-use Asset and Liability

Operating Leases

The Company leases office space under a non-cancelable operating lease expiring in March 2028. The lease generally requires that the Company pay taxes, maintenance, and insurance.

ROU asset represents the Company's right to use an underlying asset for the lease term and lease liability represents the Company's obligation to make payments arising from the lease. The Company's leases may include options to extend or terminate the lease. These options to extend are included in the lease term when it is reasonably certain that the option will be exercised.

The Company has made an accounting policy election to not recognize ROU assets and liabilities for leases with a term of twelve months or less unless the lease includes an option to renew or purchase the underlying asset that is reasonably certain to be exercised. The Company has also elected not to separate non-lease components from the associated lease components and instead account for each separate lease component as a single lease component in the determination of lease liabilities and corresponding ROU assets.

The Company has made the private company election to apply the risk-free rate to discount lease payments to present value, which was equal to 3.99% at adoption.

Operating lease expense for the years ended December 31, 2024 and 2023 totaled \$150,923 and \$153,689, respectively, and is included in general and administrative expenses in the accompanying statements of operations.

Future operating lease payments as of December 31, 2024 for each of the next four years and thereafter are as follows:

Year Ending December 31,	
2025	\$ 184,788
2026	190,344
2027	196,008
2028	<u>50,478</u>
Total	621,618
Less amount representing interest	<u>(40,102)</u>
Present value of future minimum lease payments	581,516
Less current obligations under leases	<u>(164,573)</u>
Long-term obligations	<u>\$ 416,943</u>

Note 7: Commitments and Contingencies

Litigation

The Company from time to time may be a defendant in legal actions generally incidental to its business. Although it is difficult to predict the outcome of any potential or threatened litigation, management believes that any ultimate liability will not materially impact the financial position and results of operations of the Company.

Significant Concentrations

As of December 31, 2024 and 2023, approximately 35% and 66%, respectively, of the Company's accounts payable balance related to one vendor.

For the year ended December 31, 2024, purchases from one vendor accounted for approximately 18% of total purchases.

Note 8: Subsequent Events

On April 8, 2025, the Company and franchisee entity merged to form a new company, Workout Anytime Global, LLC, resulting in a change of control event. In conjunction with this transaction, notes payable related to the acquisition of area development rights (Note 3) and redemption of stockholder were repaid in full. Additionally, the Company reacquired area development rights of certain states for a cash payment of \$1,405,718.

The Company has evaluated all subsequent events between the balance sheet date of December 31, 2024, and the date of the report, the date the financial statements were available for issuance, and has concluded that all subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

Terms and Conditions

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1. The information contained in this e-mail is confidential and intended only for the use of the management Workout Anytime Franchising Systems, LLC (the Company) and should not be altered. This email was created April 30, 2024 and Bennett Thrasher LLP will maintain a duplicate copy pursuant to our data retention policies. Additional copies may be requested by reference to its unique identification number 185008.
2. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your (or any other) Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.
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Workout Anytime Franchising Systems, LLC

Financial Statements

December 31, 2023 and 2022



Workout Anytime Franchising Systems, LLC

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Independent Auditor's Report

To the Members of
Workout Anytime Franchising Systems, LLC

Opinion

We have audited the accompanying financial statements of Workout Anytime Franchising Systems, LLC (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, changes in members' deficit and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Workout Anytime Franchising Systems, LLC as of December 31, 2023 and 2022, and the results of its operations and 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. 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 the Company 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the Company'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 the Company'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.

Bennett Thrasher LLP

April 30, 2024

Workout Anytime Franchising Systems, LLC

Balance Sheets

December 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 157,724	\$ 233,654
Accounts receivable	427,963	374,927
Deferred commissions, current	98,485	87,780
Prepaid expenses and other current assets	<u>90,608</u>	<u>106,740</u>
Total current assets	774,780	803,101
Property and equipment, net	83,810	37,462
Operating lease right-of-use asset, net	687,531	-
Deferred commissions, net of current portion	788,323	764,115
Other assets	<u>538,617</u>	<u>160,778</u>
Total assets	<u>\$ 2,873,061</u>	<u>\$ 1,765,456</u>
Liabilities and Members' Deficit		
Current liabilities:		
Accounts payable	\$ 544,974	\$ 388,895
Accrued expenses	223,748	265,124
Loans payable, current	9,995	9,895
Member notes payable, current	650,900	31,205
Redemption note payable, current	233,333	-
Due to members	60,000	117,586
Due to related party	1,479	1,479
Current portion of operating lease liability	152,838	-
Deferred revenue, current	<u>272,747</u>	<u>217,247</u>
Total current liabilities	2,150,014	1,031,431
Paycheck Protection Program loans	4,156	13,301
Economic Injury Disaster loan	150,000	150,000
Member notes payable, net of current portion	241,476	23,669
Redemption note payable, net of current portion	350,000	-
Operating lease liability, net of current portion	581,516	-
Deferred revenue, net of current portion	<u>2,212,350</u>	<u>2,190,847</u>
Total liabilities	5,689,512	3,409,248
Commitments and contingencies (Note 6)		
Members' deficit	<u>(2,816,451)</u>	<u>(1,643,792)</u>
Total liabilities and members' deficit	<u>\$ 2,873,061</u>	<u>\$ 1,765,456</u>

See accompanying notes to the financial statements.

Workout Anytime Franchising Systems, LLC

Statements of Income

For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenues:		
Royalty and monthly fees	\$ 6,494,552	\$ 5,752,643
Commissions	740,136	640,754
Initial franchise fees	281,997	223,205
Other	<u>444,413</u>	<u>599,157</u>
Total revenues	<u>7,961,098</u>	<u>7,215,759</u>
Operating expenses:		
Commissions	1,735,199	1,777,183
Product costs	395,993	796,055
Salaries and benefits	2,419,808	2,185,308
Marketing and advertising	744,047	544,058
General and administrative	2,695,677	2,441,391
Depreciation and amortization	<u>24,237</u>	<u>24,592</u>
Total operating expenses	<u>8,014,961</u>	<u>7,768,587</u>
Loss from operations	<u>(53,863)</u>	<u>(552,828)</u>
Other income (expense):		
Gain on debt forgiveness	-	859,504
Other income, net	70,761	101,927
Interest expense	<u>(104,332)</u>	<u>(18,645)</u>
Total other (expense) income	<u>(33,571)</u>	<u>942,786</u>
Net (loss) income	<u>\$ (87,434)</u>	<u>\$ 389,958</u>

See accompanying notes to the financial statements.

Workout Anytime Franchising Systems, LLC

Statements of Changes in Members' Deficit For the Years Ended December 31, 2023 and 2022

Balance at December 31, 2021	\$ (2,033,750)
Net income	<u>389,958</u>
Balance at December 31, 2022	(1,643,792)
Distributions	(85,225)
Redemption of member units	(1,000,000)
Net loss	<u>(87,434)</u>
Balance at December 31, 2023	<u>\$ (2,816,451)</u>

See accompanying notes to the financial statements.

Workout Anytime Franchising Systems, LLC

Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Net (loss) income	\$ (87,434)	\$ 389,958
Adjustments to reconcile net (loss) income to net cash used by operating activities:		
Depreciation and amortization	24,237	24,592
Non-cash lease expense	153,689	-
Gain on debt forgiveness	-	(859,504)
Changes in operating assets and liabilities:		
Accounts receivable	(53,036)	(37,832)
Deferred commissions	(34,913)	(99,456)
Prepaid expenses and other current assets	16,132	(48,914)
Other assets	(380,506)	(85,000)
Accounts payable	156,079	247,045
Accrued expenses	(41,376)	89,552
Deferred rent	-	(16,203)
Operating lease liabilities	(106,866)	-
Deferred revenue	77,003	321,796
Net cash used by operating activities	<u>(276,991)</u>	<u>(73,966)</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(67,918)</u>	<u>(6,060)</u>
Net cash used by investing activities	<u>(67,918)</u>	<u>(6,060)</u>
Cash flows from financing activities:		
Payments on Paycheck Protection Program loan	(9,045)	(13,515)
Payments to members	(57,586)	(113,250)
Borrowings from member notes payable	893,000	65,000
Payments on member notes	(172,165)	(10,126)
Redemption of member units	(300,000)	-
Distributions paid	<u>(85,225)</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>268,979</u>	<u>(71,891)</u>
Net decrease in cash and cash equivalents	(75,930)	(151,917)
Cash and cash equivalents, beginning of year	<u>233,654</u>	<u>385,571</u>
Cash and cash equivalents, end of year	<u>\$ 157,724</u>	<u>\$ 233,654</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 94,544</u>	<u>\$ 14,482</u>
Right-of-use assets acquired under operating leases	<u>\$ 841,220</u>	<u>\$ -</u>
Note payable issued for redemption of member units	<u>\$ 700,000</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Workout Anytime Franchising Systems, LLC

Notes to the Financial Statements December 31, 2023 and 2022

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Workout Anytime Franchising Systems, LLC (the Company) franchises fitness facilities throughout the United States, Canada, and Central America, and provides management services for the personal training programs offered at these fitness facilities. The Company was organized on April 5, 2004. At December 31, 2023 and 2022, there were 188 and 182 franchised fitness facilities open and operating under the Workout Anytime name, respectively. At December 31, 2023, there were 149 fitness facilities under varying stages of development.

Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Franchise Operations

The Company enters into franchise agreements with unrelated third parties to operate fitness centers using the Company's brand within a defined geographical area. The franchisees are required to operate their fitness centers in compliance with a franchise agreement that includes adherence to operating and quality control procedures established by the Company. The Company does not provide loans, leases, or guarantees to franchisees or their employees and vendors.

Revenue Recognition

In accordance with Accounting Standards Codification (ASC) 606, revenue is recognized when the customer obtains control of promised goods or services in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. To achieve this core principle, the Company applies the following five steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to performance obligations in the contract
- Recognize revenue as performance obligations are satisfied

Revenues consist primarily of fees from fitness facilities operated by franchisees and fees from developers with exclusive rights to open clubs in specific areas of the United States. Revenues from franchisees include non-refundable initial and renewal franchise fees, continuing royalties, brand development fees, advertising contributions, development and training materials, website maintenance and management services for personal training programs offered based upon a fixed fee and percentage of club revenue. The Company's responsibilities under the franchise agreements include providing training, operating manuals and approving site selection and otherwise supporting the franchise in opening the clubs. These activities are highly interrelated, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation, which is satisfied by providing a right to use the Company's intellectual property over the term of each franchise agreement.

Non-refundable initial and renewal franchise fees and development fees are payable by the franchisee upon the execution of the agreement. These fees are initially recorded to deferred revenue and are amortized on a straight-line basis to franchise fee revenue over the term of the underlying franchise agreement, which begins at the execution of the franchise agreement.

Franchisee royalties and brand development fees are calculated as a fixed fee and a percentage of club revenue. During December 31, 2023 and 2022, franchisee royalties were 4% to 6% and brand development fees were up to 1% to be paid monthly over the term of the franchise agreement. Franchise agreement royalties, inclusive of brand development fees, represent sales-based revenues that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as franchised club sales occur. Advertising contributions range from 0% to 1% based on monthly club revenue.

Products and supplies revenues are recognized when shipped to the franchisee or developer. The product and supplies revenue is included in other revenues in the accompanying statements of income.

Franchise conference revenues consist of franchisee registration fees and corporate sponsorship from preferred vendors. Revenue is recognized when the conference takes place. The franchise conference revenue is included in other revenues in the accompanying statements of income.

The Company receives commission payments from certain vendors when the franchisees use the preferred vendor arrangements. The amounts of the commissions depend upon the system's volume of purchases from the vendors. The Company recognizes revenue for these commissions in the period in which the underlying transaction takes place or the point in which the commission due is determinable. As of December 31, 2023 and 2022, the Company had in place a commission agreement with a services vendor that provides for monthly commissions based on transaction volume of the vendor.

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity date of three months or less to be cash and cash equivalents. At times, cash and cash equivalent balances may exceed federally insured amounts. The Company believes it mitigates any risk by depositing cash and investing in cash equivalents with major financial institutions.

Accounts Receivable

Accounts receivable is primarily comprised of recurring monthly fees not received by the Company as of December 31, 2023 and 2022. The Company considers the accounts receivable to be fully collectible; accordingly, no allowance for credit losses is provided. The Company uses the services of two third-party billing companies to collect royalties and other monthly fees from the franchisees.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation, and amortization. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows: furniture and fixtures, 7 years; equipment, 5 years; software, 3 years; and leasehold improvements, the lesser of the expected lease term or the estimated useful lives of the underlying assets. Expenditures for maintenance and repairs are charged to expense as incurred. Additions and betterments are capitalized.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. In the opinion of management, no long-lived assets were impaired as of December 31, 2023 and 2022.

Deferred Commissions

Sales commissions earned by the Company's development team for acquiring new franchisees are considered incremental and recoverable costs of obtaining and implementing a contract with a customer. Sales commissions on new development or franchise agreements are deferred and amortized on a straight-line basis over the estimated customer relationship which the Company has determined to be the term of the contract, generally 10 or 15 years. Sales commissions paid based on club ownership transfers of existing clubs are expensed as incurred. The Company determined the estimated customer relationship by taking into consideration standard contract terms and conditions, contract renewals and other factors.

Advertising

The Company expenses advertising costs as incurred. Marketing and advertising expense totaled \$744,047 and \$544,058 for the years ended December 31, 2023 and 2022, respectively.

Income Taxes

The Company is a limited liability company and is taxed as a partnership for Federal and state income tax purposes. Accordingly, no provision for income taxes is reflected in the financial statements.

The Company applies the provisions of accounting standards for income taxes. These standards require that a tax position be recognized or derecognized based on a 'more-likely-than-not' threshold. This applies to positions taken or expected to be taken in a tax return. The Company does not believe its financial statements include any material uncertain tax positions.

New Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*, which is codified in Accounting Standards Codification 842 Leases (ASC 842) and supersedes current lease guidance. The guidance requires lessees to recognize the following for all leases (with the exception of short-term leases) at the commencement date: a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset (ROU asset), which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

The Company adopted ASC 842 on January 1, 2022 using the modified retrospective approach and as a result did not restate prior periods. The Company elected the package of three practical expedients permitted within the standard pursuant to which the Company did not reassess initial direct costs, lease classification or whether contracts contain or are leases. As of December 31, 2022, the Company was under a month-to-month lease arrangement and as such the adoption of ASC 842 did not result in the recognition of ROU assets or corresponding operating lease liabilities. In 2023, the Company entered into a long-term lease resulting in the recognition of a ROU asset of \$841,220 with a corresponding lease liability of \$841,220.

Note 2: Property and Equipment

Property and equipment consists of the following:

	2023	2022
Equipment	\$ 129,955	\$ 133,071
Furniture and fixtures	78,901	55,839
Software	47,674	48,971
Leasehold improvements	<u>27,147</u>	<u>7,064</u>
	283,677	244,945
Less: accumulated depreciation and amortization	<u>(199,867)</u>	<u>(207,483)</u>
	<u><u>\$ 83,810</u></u>	<u><u>\$ 37,462</u></u>

Depreciation and amortization expense associated with property and equipment totaled \$21,570 and \$21,925 for the years ended December 31, 2023 and 2022, respectively.

Note 3: Debt

Paycheck Protection Program Loans

During the second quarter of fiscal years 2020 and 2021, the Company applied for and received loans pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief and Economic security Act (the CARES Act) enacted March 27, 2020, in the principal amounts of \$459,463 and \$436,752, respectively (the PPP Loans). Proceeds from the PPP Loans are available to fund designated expenses, including certain payroll costs, group health care benefits and other permitted expenses, including rent and interest on mortgages and other debt obligations incurred before February 15, 2020. Under the terms of the PPP, up to the entire amount of principal and accrued interest may be forgiven to the extent the proceeds of the PPP Loans are used for qualifying expenses as described in the CARES Act and applicable implementing guidance issued by the U.S. Small Business Administration (SBA) under the PPP.

The Company applied for forgiveness in 2021 and during July 2022, received forgiveness from the SBA in the amounts of \$422,752 and \$436,752, respectively. The Company will continue to be subject to additional review by the SBA over the next four years, which could result in reversal of the forgiveness. As of December 31, 2023 and 2022, the outstanding balance on the combined loan totaled \$14,151 and \$23,196, respectively. The outstanding balance bears interest at 1% per annum and requires monthly interest and principal payments of \$840 through April 2025.

Economic Injury Disaster Loan

In May 2020, the Company was authorized by the SBA to receive an Economic Injury Disaster Loan totaling \$150,000. The note bears interest at 3.75% per annum. Monthly installment payments of \$731, applied first to accrued interest and then to the outstanding principal, begin 12 months from the date of the note. During 2022, the SBA extended the payment deferment period to 30 months from the date of the note. Any remaining balance of principal and interest will be payable 30 years from the date of the loan. The Company may prepay this note in part or in full at any time, without notice or penalty. The note is secured by substantially all assets of the Company. At December 31, 2023 and 2022, the balance on this loan totaled \$150,000. As of December 31, 2023 and 2022, accrued interest totaled \$9,788, and is included within accrued expenses in the accompanying balance sheets.

At December 31, 2023, future minimum payments on long-term debt are as follows:

Year Ending December 31,

2024	\$ 9,995
2025	3,307
2026	-
2027	2,697
2028	3,294
Thereafter	<u>144,009</u>
	<u>\$ 163,302</u>

Note 4: Related Party Transactions

Amounts due to members totaled \$60,000 and \$117,586 as of December 31, 2023 and 2022, respectively. These amounts represent reimbursable expenses paid by the members on behalf of the Company. These amounts are due on demand and bear no interest.

Member notes payable consisted of the following at December 31:

	2023	2022
\$65,000 note payable, interest of 8% per annum, payments of \$2,940 payable monthly through August 2024	\$ 33,796	\$ 54,874
\$300,000 note payable, interest of 2% per annum, payments of \$13,878 payable monthly through April 2025	265,580	-
\$50,000 note payable, interest of 10% per annum, payments of \$2,307 payable monthly through July 2025	50,000	-
\$100,000 note payable, interest of 10% per annum, payments of \$4,164 through August 2025	100,000	-
\$100,000 note payable, interest of 10% per annum, payments of \$4,164 through August 2025	100,000	-
\$275,000 note payable, interest of 11.5% per annum, payments of \$9,068 through November 2026	275,000	-
\$68,000 note payable, interest of 11.5% per annum, payments of \$2,242 through November 2026	68,000	-
	<u>\$ 892,376</u>	<u>\$ 54,874</u>

In accordance with the Company's operating agreement, employee members are required to sell their ownership to the Company upon a termination of employment. The Company was subject to an arbitration process with a former employee relating to the valuation of the units. On April 9, 2023, a settlement was reached on this matter and the Company redeemed the former employee's member units for \$1,000,000, which will be paid over a three-year period. The Company made an initial payment of \$300,000 and entered into a promissory note for the remaining \$700,000. The note bears interest at 10% per annum and requires quarterly payments of \$58,333 through April 2026. At December 31, 2023, the note payable totaled \$583,333.

At December 31, 2023, future minimum payments on member notes payable and the redemption note payable are as follows:

Year Ending December 31,

2024	\$ 884,233
2025	347,169
2026	<u>244,307</u>
	<u>\$ 1,475,709</u>

Note 5: Right-of-use Asset and Liability

Operating Leases

The Company leases office space under a non-cancelable operating lease expiring in March 2028. The lease generally requires that the Company pay taxes, maintenance, and insurance.

ROU asset represents the Company's right to use an underlying asset for the lease term and lease liability represents the Company's obligation to make payments arising from the lease. The Company's leases may include options to extend or terminate the lease. These options to extend are included in the lease term when it is reasonably certain that the option will be exercised.

The Company has made an accounting policy election to not recognize ROU assets and liabilities for leases with a term of twelve months or less unless the lease includes an option to renew or purchase the underlying asset that is reasonably certain to be exercised. The Company has also elected not to separate non-lease components from the associated lease components and instead account for each separate lease component as a single lease component in the determination of lease liabilities and corresponding ROU assets.

The Company has made the private company election to apply the risk-free rate to discount lease payments to present value, which was equal to 3.99% at adoption.

Operating lease expense for the year ended December 31, 2023 totaled \$153,689 and is included in general and administrative expenses in the accompanying statements of income. Rent expense for the office lease totaled \$116,678 for the year ended December 31, 2022 and is included in general and administrative expenses in the accompanying statements of income.

Future operating lease payments as of December 31, 2023 for each of the next five years and thereafter are as follows:

Year Ending December 31,	
2024	\$ 179,364
2025	184,788
2026	190,344
2027	196,008
2028	<u>50,477</u>
Total	800,981
Less amount representing interest	<u>(66,627)</u>
Present value of future minimum lease payments	734,354
Less current obligations under leases	<u>(152,838)</u>
Long-term obligations	<u>\$ 581,516</u>

Note 6: Commitments and Contingencies

Litigation

The Company from time to time may be a defendant in legal actions generally incidental to its business. Although it is difficult to predict the outcome of any potential or threatened litigation, management believes that any ultimate liability will not materially impact the financial position and results of operations of the Company.

Significant Concentrations

As of December 31, 2023 and 2022, approximately 66% and 60%, respectively, of the Company's accounts payable balance related to one vendor.

Note 7: Subsequent Events

The Company has evaluated all subsequent events between the balance sheet date of December 31, 2023, and the date of the report, the date the financial statements were available for issuance, and has concluded that all subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

ALSO INCLUDED ARE THE UNAUDITED INTERIM FINANCIAL INFORMATION FOR THE PERIOD JANUARY 1 TO MARCH 31, 2025. THE UNAUDITED FINANCIAL INFORMATION IS PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Workout Anytime Franchising Systems, LLC

Balance Sheet

As of March 31, 2025

UNAUDITED

ASSETS

Current Assets

Total Checking/Savings 398,364.77

Total Accounts Receivable 2,400.00

Other Current Assets

Total 1210 · Due From Billing Companies 569,480.54

Total 1500 · Prepaid Assets 208,372.15

Total Other Current Assets 777,852.69

Total Current Assets 1,178,617.46

1390 · Accumulated Depreciation -240,379.85

Total Fixed Assets 81,907.20

Other Assets

Total Other Assets 2,913,620.39

TOTAL ASSETS 4,174,145.05

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Total Accounts Payable 118,422.41

Total Credit Cards 28,998.74

Other Current Liabilities

Total Other Current Liabilities 1,488,947.80

Total Current Liabilities 1,636,368.95

Long Term Liabilities

Total Long Term Liabilities 2,510,282.46

Total Liabilities 4,146,651.41

Equity

Total Equity 27,493.64

TOTAL LIABILITIES & EQUITY 4,174,145.05

Workout Anytime Franchising Systems, LLC

Profit & Loss

January through March 2025

UNAUDITED

Ordinary Income/Expense

Income

31000 · Initial Contract Fee Income	
3100 · Initial Franchise Fee Amortized	69,494.97
3110 · Transfer Fees	77,500.00
Total 31000 · Initial Contract Fee Income	146,994.97
3200 · Recurring Fees	
3210 · Draft %	862,270.62
3215 · 1st Month Dues %	37,188.97
3220 · PT %	102,596.66
3230 · Other Income %	107,722.98
3250 · Monthly Franchise Fees	224,447.58
3260 · Insurance %	32,477.22
3330 · Monthly Technology & Web Fees	221,475.00
Total 3200 · Recurring Fees	1,588,179.03
3300 · Advertising Income	
3310 · Monthly Advertising Fees	8,300.00
3315 · Matrix Adv Commission	35,860.87
3320 · Advertising %	444,266.89
Total 3300 · Advertising Income	488,427.76
3600 · Other Revenue	
3650 · Club SMS Revenue	15,850.80
3664 · Upshow	10,215.00
3670 · Career Plug Revenue	465.00
3677 · Commission - ABC	197,592.60
3600 · Other Revenue - Other	0.00
Total 3600 · Other Revenue	224,123.40
Total Income	2,447,725.16

Cost of Goods Sold

4000 · Commissions Paid	
4100 · Franchise Sales Comm Amortized	24,203.64
4150 · Franchise Sales Comm Current	8,750.00
4200 · AD Royalty Commissions	129,094.28
Total 4000 · Commissions Paid	162,047.92
4300 · Other Costs	
4364 · Upshow	8,250.00
4365 · Club Inspection	23,760.00
4370 · Career Plug Costs	4,880.00
Total 4300 · Other Costs	36,890.00

Total COGS	198,937.92
Gross Profit	2,248,787.24
Expense	
Total 4400 · National Advertising Expense	173,177.15
Total 4500 · Franchisor Marketing	35,625.06
Total 4600 · Payroll Expense	828,562.04
Total 5100 · Bank Transaction & Service Chgs	641.12
5250 · Consulting Fees	22,500.00
5280 · Dues and Subscriptions	20,366.78
Total 5330 · Gifts	66.48
5410 · Business Insurance	32,685.00
Total 5500 · Meals and Entertainment	50,409.04
Total 5700 · Office Expenses	50,919.31
Total 5800 · Professional Services	57,108.00
Total 5900 · Occupancy Expense	45,047.66
Total 6100 · Taxes & Licenses	505.00
Total 6300 · Travel	69,589.33
Total Expense	1,387,201.97
Net Ordinary Income	861,585.27
Other Income/Expense	
Other Expense	
Net Other Expense	-27,252.35
Net Income	834,332.92

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LIST OF FRANCHISEES

***Franchisee that are also Area Developers**

Alabama

WOA Athens AL LLC
dba Workout Anytime Athens, AL
611 US-72
Athens, AL 35611
256 434 1176

WOAT Partners Leeds, Inc.*
dba Workout Anytime Leeds
7480 Parkway Drive
Leeds, AL 35094
205 702 2789

Vanguard Fitness, Inc
dba WOA Jacksonville AL
1555 Pelham Rd South, Ste D
Jacksonville, AL
256 460 6496

SAE Florence, Inc*
dba Workout Anytime Florence
992 Cox Creek Pkwy
Florence, AL 35630
256 349 5745

WOAT Shoals, Inc*
dba Workout Anytime Muscle Shoals
300 S Wilson Dam Road
Muscle Shoals AL 35661
256 978 4376

WOA Sylacauga, LLC
dba Workout Anytime Sylacauga
544 W Fort Williams Street
Sylacauga, AL 35150
256 487 6287

Vanguard Fitness, Inc
dba Workout Anytime Valley
3731 20th Avenue
Valley, AL 36854
334 219 0150

Vanguard Fitness, Inc
dba Workout Anytime Anniston
3214 McClellan Blvd
Anniston, AL 36201
256 460 6495

Rock Solid Life Corporation
dba Workout Anytime Pell City
613 Martin St N Ste 100
Pell City, AL 35125
205 813 6040

Opelika Gym Guys LLC
dba Workout Anytime Opelika
501 2nd Ave
Opelika, AL 36801
334 737 6645

AP12 Enterprises, LLC
dba Workout Anytime Calera
225 Supercenter Dr
Calera, AL 35040
205 690 8799

Arkansas

Fit Fix, LLC
dba Workout Anytime Paragould
1704 Linwood Drive Ste 1
Paragould, AR 72450
870 215 0635

WOATNEA, LLC
dba Workout Anytime Hilltop-Jonesboro
3410 E Johnson Ave Ste V
Jonesboro, AR 72401
870 336 0290

WOATNEA, LLC
dba Workout Anytime Southwest-Jonesboro
3106 Southwest Dr Ste D
Jonesboro, AR 72404
870 938 0007

Arizona

AlphaPrep Fitness, LLC
dba Workout Anytime Madera Village
9115 E. Tanque Verde Rd, Suite 7
Tucson, AZ 85749
520-276-4265

Florida

Ram Family Fitness 3, LLC
dba Workout Anytime Lakewood Park
4806 N. Kings Highway
Fort Pierce, FL 34951
772-242-3266

Off the X Fitness, LLC
dba Workout Anytime Panama City Beach
12117 Panama City Beach Pkwy
Panama City Beach, FL 32407
850 708 1247

MCB1 Fitness LLC
dba Workout Anytime Longwood
165 Wekiwa Springs Road, Ste C 151
Longwood, FL 32779
407 450 5646

Robins Nest 5, LLC
dba Workout Anytime Ft Walton Beach
99 Eglin Parkway NE, 28A
Fort Walton Beach, FL 32548
850 533 0555

Robins Nest 6, LLC
dba Workout Anytime Destin
981 Highway 98 E, Ste 8
Destin, FL 32541
850 428 2333

CRB6 Enterprise Inc
dba Workout Anytime Jacksonville Oakleaf
9526 Argyle Forest Blvd, Suite B7
Jacksonville, FL 32222
904 900 7519

CRB6 Enterprise Inc
dba Workout Anytime Green Cove
1425 S Orange Avenue
Green Cove Springs, FL 32043
904 900 7518

CRB6 Enterprise Inc
dba Workout Anytime Duval Station
731 Duval Station Rd, Ste 115
Jacksonville, FL 32218
904 900 7520

Robins Nest 7, LLC
dba Workout Anytime Niceville
1033 John Sims Parkway East
Niceville, FL 32578
850 481 3999

CRB6 Enterprise Inc
dba Workout Anytime Orange Park
1339 Blanding Blvd, Ste A
Orange Park, FL 32065
904 900 2071

SOFLO Fitness, Inc
dba Workout Anytime Homestead
28600 SW 137th Ave
Homestead, FL 33033
305 246 5544

Titusville Fitness Ventures, LLC*
dba Workout Anytime Titusville
3265 Garden Street Unit 65B
Titusville, FL 32796
321 607 6100

Merritt Island Fitness Ventures, LLC*
dba Workout Anytime Merritt Island
123 E Merritt Ave
Merritt Island, FL 32953
321 394 8550

WOAT Port Orange Inc
dba Workout Anytime Port Orange
3840C South Nova Rd
Port Orange, FL 32127
386 238 9902

Bay Fitness, Inc
dba Workout Anytime Palm Bay
5270 Babcock Street NE
Palm Bay, FL 32905
321 914 0274

WOAT DUN, LLC
dba Workout Anytime Dunnellon
11352 N Williams St #201
Dunnellon, FL 34432
352 533 6941

Byers, LLC
dba Workout Anytime Fort Pierce
1487 S US Highway 1
Fort Pierce, FL 34950
772 202 2866

Venice Gym, LLC
dba Workout Anytime Venice
478 US Highway 41 Bypass North
Venice, FL 34285
941 615 8246

WOA North Ocala, LLC
dba Workout Anytime North Ocala
2683 NE 35th St
Ocala, FL 34479
352 244 8920

Georgia

CFVN Co, LLC
dba Workout Anytime Blairsville
294 W Hwy 515
Blairsville, GA 30512
706 781 0909

Starboard Way Fitness, LLC
dba Workout Anytime Hartwell
1541 Anderson Highway, Suite D
Hartwell, GA 30643
706 302 6843

J. Hyman, LLC
dba Workout Anytime Peachtree City
300 Crosstown Drive
Peachtree City, GA 30269
770 629 1550

Will Run & Lift Fitness, LLC
dba Workout Anytime Rockmart
1055 Nathan Dean Parkway
Rockmart, GA 30269
470 510 2421

Crossroads WOA, LLC
dba Workout Anytime Buckhead
1715 Howell Mill Road, Suite B1
Atlanta, GA 30318
404 355 7290

PLJ Capital, Inc
dba Workout Anytime Cumming
1485 Peachtree Parkway, Ste D 5-6
Cumming, GA 30041
678 947 0905

Double Down Fitness, Inc
dba Workout Anytime Douglasville
4900 Stewart Mill Road
Douglasville, GA 30135
404 772 2109

Strong Branch Inc
dba Workout Anytime Alpharetta
3000 Old Alabama Road Suite 123B
Alpharetta, GA 30022
678 205 2667

East Cobb WOA, LLC
dba Workout Anytime Marietta South
1275 Powers Ferry Rd
Marietta, GA 30067
770 971 6359

Shepherd Fitness Grayson, LLC
dba Workout Anytime Grayson
2715 Loganville Highway Suite 710
Loganville, GA 30052
865 360 1551

Make It Fun Fitness, LLC
dba Workout Anytime Cascade
3752 Cascade Road, Ste 130-140
Atlanta, GA 30331
404 884 1679

Greenwood Fit, Inc
dba Workout Anytime Hiram
92 Highland Pavilion Way
Hiram, GA 30141
770 943 7101

G7 Fitness, Inc.
dba Workout Anytime Decatur
2836 Lavista Road, Suite C
Decatur, GA 30033
786 897 5405

AG Fitness, Inc
dba Workout Anytime Marietta
800 Whitlock Avenue SW, Suite 106
Marietta, GA 30064
678 355 5530

RDP Fitness, LLC
dba Workout Anytime Dunwoody
4490 Chamblee Dunwoody Rd, Ste A
Dunwoody, GA 30338
678 200 7749

The Patari Group, LLC
dba Workout Anytime Powder Springs
4400 Brownsville Road
Powder Springs, GA 30127
770 222 5900

Spout Springs Fitness, LLC
dba Workout Anytime Flowery Branch
7338 Spout Springs Road
Flowery Branch, GA 30542
678 960 4130

WOAT Smyrna Fitness, Inc.
dba Workout Anytime Smyrna
3100 Highlands Parkway SE
Smyrna, GA 30082
404 939 2859

G4 Fitness, Inc
dba Workout Anytime Suwanee
2133 Lawrenceville-Suwanee Rd, Ste 1
Suwanee, GA 30024
678 323 1595

Dan Hill, LLC
dba Workout Anytime Woodstock
6232 Old Hwy 5
Woodstock, GA 30188
678 401 2521

Yoe Strength, LLC
dba Workout Anytime Milton
13800 GA Hwy 9, Suite N
Milton, GA 30004
678 566 3080

KRW Fitness Group, LLC
dba Workout Anytime Stockbridge
3658 Hwy 138
Stockbridge, GA 30281
678 369 3568

Greenwood Strong, Inc
dba Workout Anytime Kennesaw
1600 Kennesaw Due West Road
Kennesaw, GA 30152
770 422 2279

WOAT Rome, LLC
dba Workout Anytime Rome
154 Hicks Drive
Rome, GA 30161
706 405 3364

Chastain Meadows WOA, LLC
dba Workout Anytime Town Center
2465 Chastain Meadows Parkway, NW
Ste 105
Marietta, GA 30066
678 695 7797

Crawl 2 Walk Fitness, LLC
dba Workout Anytime Ellenwood
3056 Anvil Block Rd, Ste 117
Ellenwood, GA 30294
678 369 4147

HD Fitness, LLC
dba Workout Anytime Locust Grove
2694 Hwy 155
Locust Grove, GA 30248
678 782 7885

J&T Fitness, LLC
dba Workout Anytime Tyrone
1520 Hwy 74N
Tyrone, GA 30290
678 632 1512

WOAT Chatsworth. LLC
dba Workout Anytime Chatsworth
960 GI Maddox Parkway
Chatsworth, GA 30705
706 422 8300

Charles Trippi Fitness, LLC
dba Workout Anytime Watkinsville
2061 Experiment Station Rd
Watkinsville, GA 30677
706 705 6008

Crawl 2 Sprint Fitness, Inc.
dba Workout Anytime McDonough
287 Jonesboro Rd
McDonough, GA 30253
678 782 6070

K2K Fitness, LLC
dba Workout Anytime Snellville
3035 Centerville Hwy, Ste 1
Snellville, GA 30039
678 995 5702

Crawl 2 Jump Fitness, Inc
dba Workout Anytime Lovejoy
10341 Tara Blvd, Unit 2
Jonesboro, GA 30236
678 653 0783

Winder Centre Fitness, LLC
dba Workout Anytime Winder
444 Atlanta Hwy NW, Ste 300
Winder, GA 30680
770 649 3600

Fairwinds Fitness, LLC
dba Workout Anytime Ellijay
500 Highlands Crossing, Ste 105-108
East Ellijay, GA 30540
706 635 2639

WOAT Calhoun, LLC
dba Workout Anytime Calhoun
516 W. Belmont Drive
Calhoun, GA 30701
706 609 0945

Cornelia Fitness, LLC
dba Workout Anytime Cornelia
378 Habersham Hills Circle
Cornelia, GA 30531
706 776 0024

Regal Fitness, LLC
dba Workout Anytime Covington
13015 Browns Bridge Rd Ste 530
Covington, GA 30016
770 648 4015

AMP Fitness, LLC
dba Workout Anytime North Cumming
2655 Freedom Parkway Ste 2627-2631
Cumming, GA 30041
470 253 7190

WOA Lafayette GA LLC
dba Workout Anytime Lafayette
106 Pearl Drive Suite 8
LaFayette, GA 30728
706 638 0400

AGHB Corp
dba Workout Anytime Canton
1449 Riverstone Parkway Ste 109
Canton, GA 30114
678 493 9360

Idaho

Eagles Nest 8, LLC
dba Workout Anytime North Boise
7048 W State Street
Boise, ID 83714
208 509 5599

Indiana

K&M Wharton Properties, LLC
dba Workout Anytime Jeffersonville
1435 E 10th Street
Jeffersonville, IN 47130
812 288 7748

Galex Health and Wellness, LLC.
dba Workout Anytime Noblesville
5633 Pebble Village Ln
Noblesville, IN 46062
317 763 5173

WOATLGP, LLC
dba Workout Anytime Logansport
3304 E. Market St
Logansport, IN 46947
574 306 0313

Kansas

Free State Mind & Body, LLC
dba Workout Anytime East Lenexa
8601 Hauser Court
Lenexa, KS 66215
913 296 7058

Kentucky

KY WOAT, LLC
dba Workout Anytime Louisville - Fern Creek
9350 Cedar Center Way
Louisville, KY 40291
502 742 7055

Greeneville Fitness LLC
dba Workout Anytime Greenwood Square
2945-2 Scottsville Road Ste F
Bowling Green, KY 42104
270-590-1137

Madisonville WOAT
dba Workout Anytime Madisonville
25 South Main Street
Madisonville, KY 42431
270 821 8021

Body Bros., Inc
dba Workout Anytime Versailles
480 Lexington Road
Versailles, KY 40383
859 214 4390

Stinson Fitness, LLC
dba Workout Anytime Lexington
3130 Mapleleaf Drive
Lexington, KY 40509
859 223 0200

WOA Lexington, Inc
dba Workout Anytime South Lexington
3650 Boston Rd, Ste S
South Lexington, KY 40514
859 224 0200

LES Workout, LLC
dba Workout Anytime Campbellsville
102 Central Plaza
Campbellsville, KY 42718
270 469 9814

WOA Nicholasville, Inc
dba Workout Anytime Nicholasville
1035 N. Main Street
Nicholasville, KY 40356
859 881 0200

MaxOut Fitness, LLC
dba Workout Anytime Corbin
1019 Cumberland Falls Highway, Ste 105
Corbin, KY 40701
606 262 7508

Sim Sigg 1, LLC
dba Workout Anytime Hillview
135 Marketplace Dr Ste A
Louisville, KY 40229
502 277 1510

PH Fit, LLC
dba Workout Anytime Lawrenceburg KY
755 W Broadway St Ste 202
Lawrenceburg, KY 40342
502-517-9855

Maine

Rankin WA, LLC
dba Workout Anytime Portland
1100 Brighton Ave, Ste 12
Portland, ME 04102
207 536 1473

Portland WA, LLC
dba Workout Anytime Portland Downtown
511 Congress St
Portland, ME 04101
207 613 9934

Maryland

Workout Anytime of Lanham
Enterprise Plaza
9363 Annapolis Road
Lanham, MD 20706
301 456 0944

New Hampshire

North Hampton WA, LLC
dba Workout Anytime North Hampton
45 Lafayette Rd, Ste 6
North Hampton, NH 03862
603 379 2314

North Carolina

Cornerstone Fitness of NC, LLC
dba Workout Anytime Kannapolis
2218 Roxie Street, NE
Kannapolis, NC 28083
704 298 0715

Hafeez, LLC
dba Workout Anytime Cary
1235 NW Maynard Rd
Cary, NC 27513
919 724 4600

Battleground Fitness NC, LLC*
dba Workout Anytime Greensboro
2403 Battleground Avenue
Greensboro, NC 27408
336 944 3680

Brown 24 Fitness, LLC
dba Workout Anytime Winston Salem
580 Hanes Mall Blvd, Suite 24
Winston Salem, NC 27103
336-776-6853

Asheboro Fitness, LLC*
dba Workout Anytime Asheboro
1414 East Dixie Drive
Asheboro, NC 27203
336 460 9306

Exit Plan Investments, LLC
dba Workout Anytime Indian Trail
5850 We Hwy 74, Ste 100
Indian Trail, NC 28079
704 234 8254

CDW Fitness, LLC
dba Workout Anytime Clinton
337 North Blvd Ste 50
Clinton, NC 28328
910 385 9992

Bostcago Fitness, LLC
dba Workout Anytime Marion
500 North Main Street, Ste 14
Marion, NC 28752
828 559 9061

Up-Lifting Expectations, Inc
dba Workout Anytime Brevard
115 Forest Gate Drive
Pisgah Forest, NC 28768
828 883 9628

HavenWOA, LLC
dba Workout Anytime Spindale
1639 College Ave Ste 100
Spindale, NC 28160
828 305 8100

Holland Business Ventures, Inc.
dba Workout Anytime Mint Hill
6273 Wilson Grove Rd
Mint Hill, NC 28227
571-239-4113

Pine Rentals, LLC
dba Workout Anytime Aberdeen
1303 N Sandhills Blvd
Aberdeen, NC 28315
910 773 0259

Lenoir Fitness, LLC*
dba Workout Anytime Lenoir
340 Blowing Rock Road
Lenoir, NC 28645
828 757 1007

Weaverville Fitness, LLC
dba Workout Anytime Weaverville
129 Weaver Blvd
Weaverville, NC 28787
828 484 6924

Cornerstone Fitness of Charlotte, LLC
dba Workout Anytime Hickory
2515 Springs Rd, Northeast
Hickory, NC 28601
828 838 1301

Dynamic Industry Systems, LLC
dba Workout Anytime Lake Wheeler
2720 Lake Wheeler Rd Ste 122
Raleigh, NC 27603
919 500 9163

Cornerstone Fitness of Mayberry, LLC
dba Workout Anytime Mount Airy
639 W Independence Blvd
Mount Airy, NC 27030
336 339 4721

Ohio

DFFC, LLC
dba Workout Anytime Heath
960 Hebron Road
Heath, OH 43056
740 915 4730

TRIM Fitness 24/7
dba Workout Anytime Monfort Heights
5441 North Bend Road, Suite 106
Cincinnati, OH 45247
513 481 8746

DFPT, LLC
dba Workout Anytime Miamisburg
120 N Heinecke Road
Miamisburg, OH 45342
937 305 4779

HRS Fitness LLC
dba Workout Anytime Kettering
2234 S Smithville Rd
Kettering, OH 45420
937 619 9233

Oklahoma

Neela Gagan Fitness-Oklahoma, LLC
dba Workout Anytime Durant
905 W Main Street
Durant, OK 74701
580 872 4888

Oregon

LETSGETYOUFIT, LLC
dba Workout Anytime Beaverton
14360 SW Allen Blvd
Beaverton, OR 97005
503 605 1200

Pennsylvania

Vincent Fitness, LLC
dba Workout Anytime Levittown
153 Levittown Pkwy, Ste 3-5
Levittown, PA 19054
215 547 4525

Sun Fitness LLC
dba Workout Anytime East Rochester
750 Ohio River Blvd
Rochester, PA 15074
724 480 1688

Moon Fitness, LLC
dba Workout Anytime West View
1030 West View Park Drive
Pittsburg, PA 15229

South Carolina

DJK Holdings LLC
dba Workout Anytime Easley
6525 Calhoun Memorial Hwy
Easley, SC 29640
843-320-7186

J&J Fitness Holdings, LLP
dba Workout Anytime Rock Hills
347 E Main Street
Rock Hill, SC 29730
571-239-4113

WOA Sumter Fitness, LLC
dba Workout Anytime Sumter
493 N Guignard Drive, Suite 140
Sumter, SC 29150
803 773 0101

Low County F&H, LLC.
dba Workout Anytime Summerville
975 Bacons Bridge Road, Suite 100
Summerville, SC 29485
843 285 5131

Fortis Holdings, LLC
dba Workout Anytime Camden
1670 Springdale Drive, Suite 13C
Camden, SC 29020
803 425 0099

University Square Fitness, LLC
dba Workout Anytime North Greenville
5000 Old Buncombe Rd
North Greenville, SC 29617
864 609 4500

Healthy Fitness, LLC
dba Workout Anytime Aiken
1614 Richland Avenue West
Aiken, SC 29801
912-202-6834

WOAT1, LLC
dba Workout Anytime Boiling Springs
1915 Old Furnace Rd, Ste D
Boiling Springs, SC 29316
864 707 1202

J Squared, LLC
dba Workout Anytime Gaffney
108 Wilkinsville Highway
Gaffney, SC 29340
864 480 9992

WOAT2, LLC
dba Workout Anytime Duncan
700 E Main Street Ste 8C
Duncan, SC 29334
864 336 3909

Cornerstone Fitness of Lancaster, LLC
dba Workout Anytime Lancaster
1200 Highway 9 Bypass
Lancaster, SC 29720
803 289 8589

Tennessee

Wittle Jaymo, LLC
dba Workout Anytime Cleveland
221 Ocoee Crossing NW
Cleveland, TN 37312
423 790 7907

WOAT Antioch LLC
dba Workout Anytime Antioch
3536 Murfreesboro Pike
Antioch, TN 37013
615 927 6677

Volunteer Fitness, LLC
dba Workout Anytime Knoxville - Bearden
6739 A Kingston Pike
Knoxville, TN 37919
865 558 3588

Volunteer Fitness Maryville, LLC
dba Workout Anytime Maryville
141 Foothills Mall Drive
Maryville, TN 37801
865 233 5963

Kiva Fitness, Inc
dba Workout Anytime Sevierville
242 Collier Drive
Sevierville, TN 37862
865 640 2270

Eagle Fitness, LLC
dba Workout Anytime Cookeville
120 South Willow Avenue Ste D
Cookeville, TN 38501
931 526 8598

Hermitage Fitness Club, LLC
dba Workout Anytime Hermitage
4656 Lebanon Pike
Hermitage, TN 37076
615 730 7459

WOAT Morristown, LLC
dba Workout Anytime Morristown
2340 Sandstone Drive
Morristown, TN 37814
423 353 1003

WOAT Hixson, LLC
dba Workout Anytime Hixson
5922 Hixson Pike
Hixson, TN 37343
423 870 9878

WOA Northshore, LLC
dba Workout Anytime Northshore
25 Cherokee Boulevard, Suite A
Chattanooga, TN 37405
423 710 1164

Bodies At Work, LLC
dba Workout Anytime Powell
3547 W Emory Road
Powell, TN 37849
865 441 4471

BMD & Associates- Smyrna, LLC
dba Workout Anytime Smyrna
13702 Old Nashville Hwy
Smyrna, TN 37167
615 440 8616

Bodies at Work Broadway, LLC
dba Workout Anytime Halls
7320 Norris Freeway
Knoxville, TN 37918
865 200 5140

WOA Athens TN, LLC
dba WOA Athens
921 Decatur Pike
Athens, TN 37303
423 453 5398

Gallatin WOAT, LLC
dba Workout Anytime Gallatin
565 Village Green Drive, Ste C
Gallatin, TN 37066
615 442 6572

Plateau Fitness, LLC
dba Workout Anytime Crossville
65 Cumberland Plaza
Crossville, TN 38555
931 250 5348

WOA Dayton, LLC
dba Workout Anytime Dayton
200 Able Drive Ste 9
Dayton, TN 37321
423 720 1061

Never 2 L8, LLC
dba Workout Anytime Manchester
2161 Hillsboro Blvd Ste 4B1
Manchester, TN 37355
931 450 1800

Shepherd Fitness, LLC
dba Workout Anytime Ooltewah
9408 Apison Pike, Ste 174
Ooltewah, TN 37363
423 702 8463

WOAT Elizabethton, LLC
dba Workout Anytime Elizabethton
619 W Elk Avenue
Elizabethton, TN 37643
423 547 9628

JDB Holdings, LLC
dba Workout Anytime Seymour
104 Simmons Rd
Seymour, TN 37865
865 773 0107

Greeneville Fitness, LLC
dba Workout Anytime Greeneville TN
1327 Tusculum Blvd
Greeneville, TN 37745
423 329 7711

Hendersonville WOAT, LLC
dba Workout Anytime Hendersonville
500 W Main St
Hendersonville, TN 37075
615 431 1636

WOAT Lawrenceburg, Inc*
dba Workout Anytime Lawrenceburg TN
1952 N Locust Ave
Lawrenceburg, TN 38464
931 279 6165

WOAT Spring Hill, LLC
dba Workout Anytime Spring Hill
4886 Port Royal Rd Ste 200
Spring Hill, TN 37174
931 451 5195

WOA East Ridge TN, LLC
dba Workout Anytime East Ridge
4340 Ringgold Rd Ste 136
Chattanooga, TN 37412
423 475 5878

CC Fitness, LLC
dba Workout Anytime LaFollette
2500 Jacksboro Pike
Jacksboro, TN 37757
423 225 6221

Shepherd Fitness 3, LLC
dba Workout Anytime Jefferson City
119-1 West Broadway Blvd
Jefferson City, TN 37760
865 415 8978

WOAT Waynesboro, Inc.
dba Workout Anytime Waynesboro
307B Hwy 65 East
Tennessee, USA 38485
931-722-3841

Texas

S&T United Partners, LLC
dba Workout Anytime Carrollton
2722 N Josey Lane, Suite 102
Carrollton, TX 75703
903 571 1095

L&G Marketing, LLC
dba Workout Anytime Tyler South
6004 S Broadway, Suite 208
Tyler, TX 75703
903 571 1095

Maroon Four Enterprises, LLC
dba Workout Anytime Princeton
200 S Beauchamp Blvd, Ste 106
Princeton, TX 75407
469 609 0770

Plano Fit, LLC*
dba Workout Anytime Plano
4101 E Park Blvd
Plano, TX 75074
940 220 9863

M4 Duncanville, LLC
dba Workout Anytime Duncanville
111 South Cedar Ridge Drive #115
Duncanville, TX 75116
469 860 9138

M4 Hurst, LLC
dba Workout Anytime Hurst
712 W Pipeline Rd Ste 500
Hurst, TX 76053
430 255 8143

Return to Exercise, LLC
dba Workout Anytime Arlington
4701 W Sublett Road Ste 111
Arlington, TX 76017
817 563 9000

M4 Anna, LLC
dba Workout Anytime Anna
2010 W White St Ste 140
Anna, TX 75409
469 840 4100

MF Beaty, LLC
dba Workout Anytime Lake Worth
4625 Boat Club Rd Ste 241
Fort Worth, TX 76135
682 800 2365

BCW WOAT, LLC
dba Workout Anytime Casa View
2425 Gus Thomasson Road
Dallas, TX 75228
214 758 0179

Mega Fit, LLC
dba Workout Anytime Highland Village
1952 Justin Road, Ste 118
Highland Village, TX 75077
972 885 8764

BCW WOAT Terrell, LLC
dba Workout Anytime Terrell
111 State Highway 205, Ste 106
Terrell, TX 75160
972 210 7298

BCW WOAT 3, LLC
dba Workout Anytime Lake Highlands
8648 Skillman St
Dallas, TX 75243
972 685 2219

BCW WOAT 4, LLC
dba Workout Anytime North Arlington
1701 W Randol Mill Rd Ste 542B
Arlington, TX 76012
682 302 8100

Virginia

Bristol Fitness, Inc.
dba Workout Anytime Bristol
1315 Euclid Avenue
Bristol, VA 24201
276 285 3867

Barronex Gyms, LLC
dba Workout Anytime Ridgewood Farms
1955 Electric Rd
Salem, VA 24153
540 404 9496

Dumfries Dumbbells, LLC
dba Workout Anytime Dumfries
18069 Triangle Shopping Plaza
Suite C-D
Dumfries, VA 22026
703 357 1983

Apollo Athletics, LLC
dba Workout Anytime Harrisonburg
2475 S Main Street, Suite 2B
Harrisonburg, VA 22801
540 684 6642

Phenomenal Gyms at Bull Run, LLC
dba Workout Anytime Manassas
11714 Sudley Manor Drive
Manassas, VA 20109
571 377 8788

Cornerstone Fitness of Fairlawn, LLC
dba Workout Anytime Radford-Fairlawn
7478 Lee Highway
Fairlawn VA 24141
540 744 6244

Barronex Gyms. LLC
dba Workout Anytime Rocky Mount
934 Tanyard Road
Rocky Mount, VA 24151
540 238 2034

SVH Property Management, LLC
dba Workout Anytime Smithfield
1278 Smithfield Plaza
Smithfield, VA 23430
757 744 9584

WOAT Danville, LLC
dba Workout Anytime Danville
211 Nor Dan Dr Ste 1020
Danville, VA 24540
434 233 5155

Chain Breaking Fitness, LLC
dba Workout Anytime Virginia Beach
1077 Virginia Beach Blvd Ste 105
Virginia Beach, VA 23451
757 985 7788

WOAT Lynchburg, LLC
dba Workout Anytime Lynchburg
7621 Timberlake Rd Ste 1000
Lynchburg, VA 24502
434 515 0045

SIGNED BUT NOT OPEN AS OF 12/31/2024

Alabama – 6 Stores

WOAT Clanton Incorporated (1)
Steven Elliott (532)
5227 Lake Crest Circle
Hoover, AL 35226

WOAT Russellville Incorporated (1)
Steven Elliott, Tracy Rhodes (542)
Justin Hines, Tracy Rhodes, Kara Rhodes
5227 Lake Crest Circle
Hoover, AL 35226

Steven Elliott, Justin Hines, Tracy Rhodes (2)
5227 Lake Crest Circle
Hoover, AL 35226

WOA Athens AL, LLC (2)
John Greff (536, 357)
130 Rainbow Dr, Unit 3402
Livingston, TX 77399

Arizona – 3 Stores

AlphaPrep Fitness, LLC (3)
Joe Franzen (468, 469, 470)
18080 S. Rustling Leaf Trail
Corona de Tucson, AZ 85641

Arkansas – 0 Stores

California – 0 Stores

Colorado – 1 Store

Runestone Capital, Inc. (1)
Scott Carlisle (530)
3410 W. North A St.
Tampa, FL 33609

Florida – 18 Stores

Miletti/Edmonds (1)
(342)
708 Staunton Drive
Greensboro NC 27410

Jerry Pugh (3)
(355-357)
949 Stonebridge Circle
Cookeville, TN 38501

Nikki and Tim Bowman (1)
(452)
104 Cheviot Way
Southern Pines, NC 28387

Mike King/McBride (3)
(462-464)
153 Mills Plc
Asheville, NC 28804

Kevin Davis (5)
(488-492)
18184 Shinnicock Hills Plc.
Leesburg, VA 20176

Faith and Fitness 4 Life, LLC (1)
Joseph and Francesca Davenport (526)
Esther Chamberlain
1639 Santos Street
Palm Bay, FL 32909

Beach Vibe Fitness, LLC (1)
James Nguyen (545)
509 Kelly St.
Destin, FL 32541

Runestone Capital, Inc. (2)
Scott Carlisle
3410 W. North A St.
Tampa, FL 33609

WOAT NWI LLC (1)
Allan and Jeff Svihlik (430)
711 N Garfield Street
Valparaiso IN 46383

Georgia – 22 Stores

Matt and Tina Cuneio (1)
(448)
308 Vandiver Ct
Canton, GA 30115
Salim Porter/Regina Gray (2)

(460, 461)
2279 Fieldstone Parkway
Conyers, GA 30013

Shepherd Fitness 2, LLC (1)
Tara & Scott Shepherd (474)
8999 Sunridge Drive
Ooltewah, TN 37363

AMP Fitness, LLC (2)
Patrick McBrayer (479, 480)
225 Curie Drive, Suite 300
Alpharetta, GA 30005

Kevin Davis (3)
(485, 487)
18184 Shinnicock Hills Plc.
Leesburg, VA 20176

Yoma & Shanquiria Owens (2)
(513, 514)
10965 Genova Terrace
Hampton, GA 30228

Mirsad Berkolli (2)
(517, 518)
1794 Timber Creek Road
Cleveland, TN 37323

Find Your Fit, LLC (1)
Meulens/Muhammad (525)
4532 Claiborne Ct
Duluth GA 30096

Get Fit CFVN, LLC (2)
Fisk and Nguyen (538)
359 Chestnut Ridge Rd
Blairsville GA 30512

Avery Rose Fitness, LLC (3)
Brian Munhall (539)
8945 Bannister Rd
Cumming, GA 30028

Sandcastle Fitness LLC (3)
Harley and Katie Campbell (544)
1651 Grove Park Ln
Watkinsville, GA 30677

Idaho – 0 Stores

QB\93542525.1

Illinois – 3 Stores

DJK Fitness LLC (3)
Dan Kania(434-436)
1073 Georgian Place
Bartlett, IL 60103

Indiana – 0 Stores

Kansas – 1 Store

MaxGain Emporia, LLC (1)
Lilliani and Joseph Huang (543)
1410 Industrial Rd
Emporia, KS 66801

Kentucky – 5 Stores

Oliver Hornsby (2)
(328-329)
2700 Meadow Wood Ct
Prospect KY 40059

Mafaz Ansar (3)
(476-478)
1107 Cave Run Lane
Elizabethtown, KY 42701

Maine – 0 Stores

Maryland – 2 Stores

Kevin Davis (2)
(496, 497)
18184 Shinnicock Hills Plc.
Leesburg, VA 20176

Minnesota – 0 Stores

Mississippi – 1 Store

Steven Elliott (1)
5227 Lake Crest Circle
Hoover, AL 35226

Missouri – 0 Stores

New Jersey – 3 Stores

Donovan Powell (3)
(521, 522, 523)

2198 Jones Road
Fort Lee, New Jersey 07024

New Mexico – 0 Stores

North Carolina – 15 Stores

WOAT3, LLC (1)
Jim and Charity Smith (417)
219 Downs Rd
Greenville SC 29617

Kevin Edmonds (1)
(427)
708 Staunton Drive
Greensboro NC 27410

Nikki and Tim Bowman (2)
(453, 454))
104 Cheviot Way
Southern Pines, NC 28387

Matt and Steve Pogue (2)
(505, 506)
100 Valley Drive
High Point , NC 27260

Timothy Edison (3)
(531)
2169 Summerlyn Park Dr.
Kernersville, NC 27284

Cornerstone Fitness of Dallas LLC (1)
Chris Grove, Chris Hill, Lawrence Hayes (540)
1100 Westlake Drive
Kannapolis NC 28081

Cornerstone Fitness HoldCo Inc (5)
Chris Grove, Chris Hill, Lawrence Hayes
110 Westlake Drive
Kannapolis NC 28081

Ohio – 3 Stores

Holly and Bob Surface (2)
(397-398)
384 Sunset Drive
Carlisle OH 45005

Robert Sheppard, Lisa Sun (1)
(482)
35 Crescent St, Unit 717

QB\93542525.1

Waltham, MA 02453

Tennessee – 6 Stores

Jerry Pugh (3)
(440, 441, 442)
949 Stonebridge Circle
Cookeville, TN 38501

URPeak OJB LLC (2)
John Burns (457, 458)
110 Lake Harbor Drive
Hendersonville, TN 37075

Berkolli Enterprises, LLC (1)
Mirsad Berkolli (516)
1640 Powers Ferry Rd, Bldg. 19-200
Marietta, GA 30067

Texas – 7 Stores

Rana Pawan and Manprit Bal (1)
(365)
4813 Golden Eyes Lane
McKinney TX 75070

Kote Ankam (1)
(373)
10037 Bluewater Terrace
Irving TX 75063

Thomas Paul Meyer (1)
(402)
6725 Zermatt Court
Colleyville TX 76014

Tracey Toomer-Couvson, Ryan Stevens (2)
(472, 473)
766 Mission Court
Allen, TX 75013

Kevin Davis (2)
(499, 500)
18184 Shinniecock Hills Place
Leesburg, VA 20176

Virginia – 11 Stores

Randell Glenn Hollins (1)
(404)
2593 Jackson Road
Suffolk VA 23434

Alexis Burrell (2)
(423-424)
200 Leicester Ct.
Chesapeake VA 23322

Kevin Davis (5)
(493-502)
18184 Shinniecock Hills Place
Leesburg, VA 20176

Chris Grove, Chris Hill, Lawrence Hayes (534)
110 Westlake Drive
Kannapolis, NC 28081

West Virginia – 1 Store

Kevin Davis (1)
(498)
18184 Shinniecock Hills Place
Leesburg, VA 20176

Wisconsin – 0 Stores

-

-

Cornerstone Fitness HoldCo Inc (3)

EXHIBIT "J"

FORMER FRANCHISEES

The following franchisees have had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year (December 31, 2024) or have not communicated with the franchisor within ten (10) weeks of the disclosure document issuance date.

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

Transferred Ownership – 8 Stores Total

Florida – 1 Store

RAM Family Fitness, LLC
dba Workout Anytime Fort Pierce
1487 S US Highway 1
Fort Pierce, FL 34950
772 202 2866

Tennessee – 1 Store

BMD & Associates-Antioch
dba Workout Anytime Antioch
3536 Murfreesboro Pike
Antioch, TN 37013
615 927 6677

North Carolina – 2 Stores

Spindale Fitness, LLC
dba Workout Anytime Spindale
1639 College Ave Ste 100
Spindale, NC 28160
828 305 8100

Virginia – 2 Stores

WOAT of Salem, Inc.
dba Workout Anytime Ridgewood Farms
1955 Electric Rd
Salem, VA 24153
540 404 9496

Why Weight Fitness, LLC
dba Workout Anytime Clinton
337 North Blvd Ste 50
Clinton, NC 28328
910 385 9992

WOAT Salem, Inc
dba Workout Anytime Rocky Mount
934 Tanyard Road
Rocky Mount, VA 24151
540 238 2034

South Carolina – 2 Stores

Panilly, LLC
dba Workout Anytime Camden
1670 Springdale Drive, Suite 13C
Camden, SC 29020
803 425 0099

Life Changing Fitness, LLC
dba Workout Anytime Gaffney
108 Wilkinsville Highway
Gaffney, SC 29340
864 480 9992

Closed in 2024 – 7 Stores Total

Georgia – 3 Stores

Crawl 2 Run Fitness, Inc.
dba Workout Anytime Hudson Bridge
1760 Hudson Bridge Road
Stockbridge, GA 30281
678 653 5358

The McClendon Hill Group, LLC
dba Workout Anytime Roswell
4401 Shallowford Road, Ste 144
Roswell, GA 30075
678 277 8119

T.E. Fitness, LLC
dba Workout Anytime Union City
4737 Jonesboro Rd Ste 50-70
Union City, GA 30291
770 742 9544

Indiana – 1 Store

WOAT.M&M, LLC
dba Workout Anytime Warsaw
2880 Frontage Road
Warsaw, IN 46580
574 376 4148

Kentucky – 1 Store

LES Workout, LLC
Dba Workout Anytime Glasgow
930 Happy Valley Rd
Glasgow, KY 42141
270 629 4111

Tennessee – 1 Store

WOAT Lenox Village, LLC
dba Workout Anytime Lenox Village
6900 Lenox Village Drive
Nashville, TN 37211
615 730 9716

Texas – 1 Store

WOAT Wet Plano, LLC
dba Workout Anytime West Plano
3100 Independence Parkway Ste 314
Plano, TX 75075
469 367 0030

EXHIBIT K

TERRITORY DESCRIPTION

Unless otherwise attached hereto and initialed by the parties, the Territory defined by this agreement shall be determined within forty-five (45) days of the signing date of the Agreement.

EXHIBIT L

LEASE AMENDMENT

WORKOUT ANYTIME FRANCHISING SYSTEMS, LLC

LEASE ADDENDUM

This Addendum is attached to and made a part of that certain Lease (the "Lease") by and between _____ ("Landlord") and TBD LLC ("Tenant"), for certain premises located at the _____. In the event of any contradiction or inconsistency between the terms and provisions of this Addendum and the terms and provisions of the Lease to which it is attached, the terms and provisions of this Addendum shall control and be interpreted in such a manner as to override any provision of the Lease which would prevent the spirit and letter of the terms and provisions of this Addendum from being given full force and effect. All defined terms not specifically defined in this Addendum shall be given the same meaning as the defined terms in the Lease.

1. ASSIGNMENT PROVISIONS.

Tenant shall have the right to assign the Lease or sublet the Premises, without charge and without Landlord's consent being required, to Workout Anytime Franchising Systems, LLC ("Franchisor"). Tenant shall also have the right to assign the Lease or sublet the Premises, without charge and with Landlord's reasonable consent being required, to a duly authorized franchisee of Franchisor and thereupon Tenant shall be released from further liability under the Lease. In the event of an assignment to Franchisor, Franchisor shall have the right to reassign the Lease, without charge and with Landlord's reasonable consent being required, to a duly authorized franchisee of Franchisor and to thereupon be released from any further liability under the Lease. Any options to extend the term of the Lease shall automatically transfer to an assignee in connection with a transfer made pursuant to the foregoing paragraph. Tenant shall agree to attorn to any assignee of Landlord provided such assignee will agree not to disturb Tenant's possession of the Premises.

2. WORKOUT ANYTIME NOTICE AND CURE RIGHTS.

Landlord agrees to give Franchisor written notice of any Tenant defaults as a prerequisite to exercising any remedies against Tenant under the Lease. Franchisor shall have Tenant's cure period plus an additional ten (10) days (but in no event less than thirty (30) days total) to cure (at Franchisor's option) any such defaults on Tenant's behalf, and to perform any other acts on Tenant's behalf as may be necessary to keep the Lease in full force and effect. In the event Franchisor executes on its security interest in the Lease and Tenant's fixtures and equipment (pursuant to the terms of its Franchise Agreement with Tenant), such action shall not be deemed a default or assignment under the Lease; provided, however, Franchisor shall thereafter have the right to assign the Lease on Tenant's behalf, without charge and with Landlord's reasonable consent being required, to an authorized franchisee of Franchisor. Notice to Franchisor shall be addressed as follows:

Lease Administrator
Workout Anytime Franchising Systems, LLC
2325 Lakeview Parkway, Suite 200
Alpharetta, GA 30009
O: 770-809-1401
F: 770-809-1403

3. NO RADIUS/RELOCATION CLAUSES.

Any radius restrictions or relocation provisions found in the Lease are hereby deleted.

4. USE CLAUSE.

Tenant shall have the right to use the Premises for purposes of a 24-hour 7 day a week Workout and Fitness Center and conduct retail sales and other ancillary purposes associated therewith including personal training, tanning and hydromassage. Tenant shall be permitted to operate, or allow another concessionaire or licensee to operate in or from the Premises in conjunction with Tenant's operation of its Workout Anytime fitness club.

5. ALTERATIONS.

Tenant may make nonstructural alterations and improvements to the interior of the Premises of \$10,000 or less per alteration without Landlord's prior consent, provided the work is performed in a good and workmanlike manner. Tenant may close its business once every five (5) years for up to thirty (30) days to refurbish and redecorate the Premises.

6. EXCLUSIVE.

Throughout the Term, as it may be extended under the terms of the Lease, Tenant shall have the exclusive right in the Shopping Center to operate a fitness facility. Landlord shall not allow any other party in the Shopping Center to violate the terms or spirit of this exclusivity agreement, and if a violation occurs, in addition to any other remedies Tenant may have at law or in equity, Tenant shall have the right to terminate the Lease upon thirty (30) days' written notice.

7. WORKOUT ANYTIME SIGNAGE.

Landlord hereby grants and approves the following signage rights:

- (a) Opening Signage. Tenant shall have a license to: Erect a banner on Tenant's fascia in accordance with local governmental regulations which sign shall say "Coming Soon – Workout Anytime" or words similar thereto during the period between the Lease execution date and sixty (60) days after the date Tenant opens for business, and display "Grand Opening" banners on or near the Premises during such period. Tenant shall be permitted to place a table on the outside of the premises, including signs and balloons for presales activities.
- (b) Permanent Signage. Landlord agrees to allow Tenant to use the standard sign package approved by Franchisor to the maximum size permitted by local governmental authorities.
- (c) Window Signs. Tenant shall be permitted in accordance with local government regulations to display signs and promotional items in the windows of the Premises, including permanent neon signs, provided the same are consistent with Franchisor's national standards.
- (d) Pylon/Monument/Directory Sign. Tenant shall be provided with a minimum two panels on the existing Shopping Center pylon/monument/directory sign free of charge, and shall be permitted to install a standard sign approved by Franchisor, including logo, on such panel.

8. TENANT FINANCING.

Tenant shall have the right from time to time to grant and assign a mortgage or other security interest in all of Tenant's personal property located within the Premises to its lenders in connection with Tenant's financing arrangements, and any lien of Landlord against Tenant's personal property (whether by statute or under the terms of the Lease) shall be subject and subordinate to such security interest. Landlord shall execute such documents as Tenant's lenders may reasonably request in connection with any such financing.

9. HAZARDOUS MATERIALS.

Landlord represents and warrants that the Premises are free of all asbestos, asbestos containing materials and other hazardous or toxic materials (collectively, "Hazardous Materials"). Tenant shall have no obligation to make any repairs, alterations or improvements to the Premises or incur any costs or expenses whatsoever as a result of Hazardous Materials in or about the Shopping Center, Building or the Premises, other than those Hazardous Materials brought onto such areas by Tenant. Landlord shall be solely responsible for any changes to the Premises relating to Hazardous Materials (at Landlord's expense and not as a charge to Tenant's build out allowance), unless those Hazardous Materials were brought onto the Premises by Tenant. Landlord shall indemnify and hold Tenant harmless from and against all liabilities, costs, damages and expenses which Tenant may incur (including reasonable attorneys' fees) as the result of a breach of Landlord's representation and warranty set forth in this paragraph or the presence of Hazardous Materials in or about the Shopping Center, Building or the Premises, unless those Hazardous Materials were brought onto such areas by Tenant.

10. FRANCHISOR EXPANSION APPROVAL.

Landlord agrees that it will not, without the prior express consent of Workout Anytime Franchising Systems, LLC, which consent may be withheld for any reason, enter into a Lease with Tenant or its affiliates, successors or assigns for additional space in the shopping center for use as a fitness center (with or without classes), exercise facility or gymnasium, personal training facility including CrossFit, or for the expansion of the Tenant's original Premises.

LANDLORD:

TENANT:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT M

STATE EFFECTIVE DATES

State Effective Dates

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

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

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

EXHIBIT “N”

RECEIPTS

RECEIPT

This Disclosure Document Summarizes Certain Provisions Of The Franchise Agreement And Other Information In Plain Language. Read The Disclosure Document And All Agreements Carefully.

If Workout Anytime Franchising Systems, LLC offers you a franchise, it must provide this Disclosure Document to you fourteen (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. See Exhibit “F” to this Disclosure Document to determine whether your State requires delivery of these materials sooner than the referenced fourteen (14) calendar day period. New York requires that you receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Workout Anytime Franchising Systems, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and, if applicable, to your State agency on Exhibit “D” to this Disclosure Document.

The name, principal business address, and telephone number of each “franchise seller” offering the franchise are as follows: Randy Trotter, Terri Harof and Steven C. Strickland, 2325 Lakeview Parkway, Suite 200, Alpharetta, GA 30009; (770) 809-1401; and _____

The Issuance Date of this Disclosure Document is May 13, 2025.

See Exhibit “D” for our registered agents authorized to receive service of process.

I received on the date appearing adjacent to my signature below a Franchise Disclosure Document of Workout Anytime Franchising Systems, LLC dated May 13, 2025, which included the Exhibits (Exhibits “A” through “N”) listed below:

- A. Franchise Agreement
- B. Non-Competition, Non-Solicitation and Confidentiality Agreement
- C. Development Agreement
- D. State Administrators and Agents for Service of Process
- E. Personal Data Disclosure and Franchisee Ownership Information Form
- F. State Specific Addendum (as applicable)
- G. Financial Statements
- H. Operation’s Manual
- I. List of Franchisees
- J. Former Franchises
- K. Territory Description
- L. Lease Addendum
- M. State Effective Dates
- N. Receipts

Date FDD Received:

_____, 20____
Date

Prospective Franchisee – If an entity, all Members or Shareholders must sign

Printed Name

RECEIPT

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- K. Territory Description
- L. Lease Addendum
- M. State Effective Dates
- N. Receipts

Date FDD Received:

_____, 20____
Date

Prospective Franchisee – If an Entity all Members or Shareholders Must sign

Printed Name