**FRANCHISE DISCLOSURE DOCUMENT**

9ROUND FRANCHISING, LLC
A South Carolina limited liability company
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Simpsonville, South Carolina 29681
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http://www.youtube.com/9roundtv
https://www.linkedin.com/company/9-round-boxing-kickboxing

You will operate a fitness center featuring a specialized program that is developed around a system of nine challenging circuit training stations, that incorporates boxing and kickboxing exercises, and that includes personal trainer assistance and nutrition services.

The total investment necessary to begin operation of a 9ROUND franchise ranges from $94,175.00 to $196,775.00. This includes $8,000.00 to $37,500.00 that must be paid to the franchisor or an affiliate. Please refer to Item 5 for additional information regarding Initial Fees, including our Development Incentive Program.

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.**

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact: Shannon Hudson, 847 NE Main Street, Simpsonville, South Carolina 29681, (864) 962-4600, or FDD@9round.com.

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

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

Issuance Date: April 21, 2021

**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 D. |
| **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 B 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 9Round business in my area?** | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you. |
| **Does the franchisor have a troubled legal history?** | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings. |
| **What's it like to be a 9Round franchisee?** | Item 20 or Exhibit D lists 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 A.

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

**Special Risks to Consider About *This* Franchise**

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

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

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

Effective Date: See State Effective Dates Page

**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.**

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(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 thirty (30) days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and 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 six (6) months advance notice of franchisor's intent not to renew the franchise.

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

(f) A provision requiring that litigation be conducted 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.**

Any questions regarding this notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Franchise Section, 525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor, Lansing, Michigan 48913, telephone (517) 373-7117.

**THIS MICHIGAN NOTICE ONLY APPLIES TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

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

To simplify the language in this disclosure document, "we" or "us" means 9Round Franchising, LLC, the franchisor. "You" means the person or entity that buys the franchise. If the franchisee is a corporation, partnership or other entity, the term "you" does not include the franchisee's owners unless otherwise stated. Certain provisions of the Franchise Agreement will apply to your owners and will be noted in this disclosure document.

The Franchisor, its Parent and Affiliates

We are a South Carolina limited liability company formed on December 15, 2008. We currently do business only under our corporate name and under the trade name "9ROUND". Our principal business address is 847 NE Main Street, Simpsonville, South Carolina 29681. Our agents for service of process are disclosed in Exhibit A to this disclosure document. We have no controlling parent company.

We acquired the intellectual property related to the 9ROUND concept from our affiliate, 9Round, LLC ("9RSC"), upon our inception in 2008. 9RSC maintains its principal business address at 847 NE Main Street Simpsonville, South Carolina 29681. 9RSC has operated one 9Round gym since 2008. On June 30, 2019, 9RSC sold its 9Round gym to 9Round Franchising, LLC.

Our affiliate, H&S Empire LLC ("H&S"), has operated two businesses of the type you will operate since 2013, which are located in Greenville and Simpsonville, South Carolina. H&S shares our principal business address at 847 NE Main Street, Simpsonville, South Carolina 29681, and has never offered franchises in any line of business. On June 30, 2019, H&S Empire sold two 9Round gyms to 9Round Franchising, LLC.

We have been offering franchises of the type described in this disclosure document since April 2009. Our subsidiary, 9Round International, LLC ("9Round International"), a South Carolina limited liability company, offers master franchise opportunities outside the United States and Canada. 9Round International's principal business address is 847 NE Main Street, Simpsonville, South Carolina 29681. Our former subsidiary, 9Round Franchising of Canada, Inc. ("9Round Canada"), a Canadian corporation, offered franchises of the type described in this disclosure document in Canada from February 2014 to December 2018. On January 1, 2019, 9Round Canada amalgamated into our current subsidiary, 9RFranchising Canada, ULC ("9RFranchising Canada"), and 9RFranchising Canada has offered franchises of the type described in this disclosure document since January 1, 2019. 9RFranchising Canada's registered address is Suite 2300, Bentall 5, 550 Burrard Street, Box 30, Vancouver, BC V6C 2B5, Canada.

Neither we nor any of our affiliates has ever offered franchises in any other line of business. None of our affiliates provide products or services to our franchisees. Other than the 9Round Centers we own and operate, we have never operated a business of the type described in this disclosure document.

The Franchise Offered

We have developed a proprietary business format and system ("System") for operating a fitness center ("Center") that features a specialized program developed around a system of nine challenging circuit training stations, that incorporates boxing and kickboxing exercises, and that includes personal trainer assistance and nutrition services. The 9ROUND program combines strength, cardiovascular exercises and circuit training for the entire body to achieve results.

Our System includes a distinct interior layout, design, décor, color scheme, graphics, fixtures and furnishings, operating and customer service standards and procedures including proprietary workout routines, advertising and marketing specifications and requirements, and other standards, specifications, techniques and procedures that we designate (collectively, the "Standards"). Centers operating under the System are identified by the trade name and service mark "9ROUND" and other trademarks, service marks and trade identifiers that we designate (the "Marks").

We grant qualified candidates the right to operate one or more 9ROUND Centers according to our Franchise Agreement (see Exhibit C) and our Standards which will be communicated to you via our confidential operating manuals (the "Manual") (see Item 11). Please see Item 5 regarding our Development Incentive Programs.

The Market and Competition

The market for fitness and workout centers and clubs is well developed and very competitive. You will compete with other fitness clubs offering similar services, including national franchise systems and other regional and local chains. You also will compete to a certain extent with public recreation centers and not-for-profit community organizations, such as the YMCA. Before selecting a site for your Center, you should survey the area for existing competitors and be aware that a competitor may enter the market at any time.

Typically, our services are sold to individuals and are not seasonal, although you may experience peak months and membership fluctuations. For example, January is typically a busier month for health clubs.

Laws and Regulations

In addition to laws and regulations that apply to businesses generally, your Center will be subject to various federal, state, and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act.

The physical fitness industry, particularly providing services through for-profit clubs, is subject to extensive regulation at the local, state, and federal levels. Many states have enacted specific laws (1) regulating membership contract length and terms, advertising and limitations on pre-opening sales, and (2) requiring bonding, buyer's remorse cancellation rights for limited periods (usually three (3) to ten (10) days after sale), and cancellation and partial refund rights for medical or relocation reasons. At the federal level, health clubs who sell memberships on credit may be subject to the federal Truth-In-Lending Act and Regulation Z and various other credit-related statutes like the Equal Credit Act and Fair Debt Collection Practices Act.

Some states have laws that require and regulate the content of service contracts or that require the presence of at least one (1) person trained in administering CPR or the use of an external defibrillator. Many states also require that certain types of fitness centers be equipped with working defibrillators.

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. Before purchasing the franchise, we strongly urge you to hire an attorney to review local, state, and federal laws that may affect your operations or impact your operating costs.

## ITEM 2
## BUSINESS EXPERIENCE

Founder, CEO, and Manager (Director): Shannon Hudson

Shannon is the creator and founder of the 9ROUND business model and system, and has served as our CEO and Manager (Director) since our inception in December, 2008. Shannon opened the first 9ROUND Center in March, 2008, which currently operates in Greenville, South Carolina. Since July, 2008, he also has served as a Manager of 9RSC, which operated a 9ROUND Center in Greenville, South Carolina through June 30, 2019. Since December, 2013, Shannon has served as Manager of H&S, which operated 9Round Centers through June 30, 2019.

Chief Operations Officer and Manager (Director): Heather Hudson

Heather has served as our COO and Manager (Director) since our inception in December, 2008. Since July 2008, Heather also has served as a Manager of 9RSC, which operated a 9ROUND Center in Greenville, South Carolina through June 30, 2019. Since December, 2013, Heather has served as Manager of H&S, which operated 9Round Centers through June 30, 2019.

Chief Financial Officer: Tim A. Walker

Tim has served as our Chief Financial Officer since December 2020. Before serving in this position, from March 2019to December 2020, Tim served as Chief Financial Officer of Wild Wing Café. From April 2014 to December 2018, he was the Chief Financial Officer of Eat Here Brands, the owner/operator of chef-driven and high growth Babalu Tapas and Tacos, Five Guys Franchise locations and several fine dining restaurants.

General Counsel: Patrick Autry

Patrick has served as our General Counsel since February 2020. Before serving in this position, Patrick was counsel for Denny's Corporation since February 2009, most recently serving as Associate General Counsel and Ethics and Compliance Officer until February 2020.

Vice President of Operations: Janice Branam

Janice has served as our Vice President of Operations since October 2020. Prior to joining 9Round, Janice founded FIRST Franchise Services in December 2019 and consulted franchisors from December 2019 to October 2020. Janice served as Vice President of Operations and Training at Teriyaki Madness from February 2018 to December 2019. She previously served as Senior Vice President of Ops Excellence and Vice President of Training for Smashburger from October 2009 to November 2017.

Director of Fitness Programming and Franchisee Training: Drew Stauffacher

Drew has served as Director of Fitness Programming for 9Round Franchising, LLC since January 2019. Drew was an owner of two (2) 9ROUND gyms from August of 2014 to March 2020.

Director of Franchise Resales: Brian Burke

Brian has served as the Director of Franchise resales for 9Round Franchising, LLC since September 2021. Brian served as Ongoing Franchise Business Support for 9Round Franchising, LLC since November 2018. Brian began working with 9Round Franchising LLC in November 2016 as a franchise business coach. Brian is a prior 9ROUND franchisee who operated three (3) different gyms between December 2010 and May 2020.

Director of Marketing: Anna Lynch

Anna has served as our Director of Marketing, leading our marketing team, since November 2015.

Franchise Systems Specialist: Britiney Evans

Britiney currently leads the Field Visit Program for 9Round Franchising, LLC. Britiney began working at 9Round Franchising, LLC in June 2017 as a franchise business coach. Before working at 9Round home office Britiney operated a successful 9Round location from July 2012 to May 2017.

Manager of Franchise Development: Lura Powers

Lura has served as our Manager of Franchise Development since April 2021. Before serving in this role, Lura served as Franchise Expansion Manager at SERVPRO Industries, Inc. from October 2015 to April 2021.

Manager (Director): Kenneth S. Esterow

Kenneth Esterow has been on our board of managers since April, 2021. Kenneth has been a Partner in TZP Group Portfolio Operations Group since February 2018 and serves on the Board of Directors for Triangle Home Fashions, LLC., Pyramid Hotel Group, LLC. and Lift Brands, Inc. From January 2014 to November 2017, Kenneth was President and Chief Executive Officer, and Director of Bankrate, Inc. (NYSE: RATE), until the sale of Bankrate to Red Ventures.

## ITEM 3
## LITIGATION

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

## ITEM 4
## BANKRUPTCY

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

## ITEM 5
## INITIAL FEES

You will pay us an initial Franchise Fee when you sign a Franchise Agreement, which secures your Preliminary Designated Area. If you are acquiring franchise rights for a new, single Center, the initial franchise fee is $37,500.

You will pay us a sum of approximately $5,000 before you open your Center for your initial print kit and grand opening event marketing kit and for digital marketing management.

If you are a veteran or a former member of the U.S. Armed Forces and were honorably discharged (you must provide us with a copy of your DD214), we will reduce your initial Franchise Fee for your first Center by twenty percent (20%) for an initial franchise fee of $30,000 for your first Center ("Veteran Discount"). This one-time Veteran Discount is in addition to the discounts under the Market Accelerator Programs, should you choose to participate in the Market Accelerator Programs.

A $8,000 Franchise Fee will be utilized for existing Franchisees purchasing an existing franchise location with a new, then-current Franchise Agreement that has a new ten (10)-year term. A Franchise Fee of $18,000 will be utilized for existing Franchisees purchasing an existing location and assuming the existing Franchise Agreement's then-current Term, Royalty, and Brand Building Fund, but otherwise entering into a new, then-current Franchise Agreement.

A $10,000 Franchise Fee will be utilized for new Franchisees purchasing an existing location with a new, then-current Franchise Agreement that has a new ten (10)-year term. A Franchise Fee of $20,000 will be utilized for new Franchisees purchasing an existing location and assuming the existing Franchise Agreement's then-current Term, Royalty, and Brand Building Fund, but otherwise entering into a new, then-current Franchise Agreement.

The initial Franchise Fee is payable in full when the Franchise Agreement is signed and is nonrefundable. The initial Franchise Fee is uniform for all new franchisees but may differ for franchisees under prior existing agreements.

Market Accelerator Programs

If you are simultaneously acquiring franchise rights for two or more Centers as part of our **Development Incentive Program**, you will receive significant cost savings. The total initial franchise fee for two Centers is $55,000. The total initial franchisee fee for three Centers is $70,000 and for four Centers is $85,000. Each additional Center purchased simultaneously will have an initial franchise fee of $12,500.

| **Development Incentive Program** | **Amount** |
|---|---|
| Initial Franchise Fee for two Centers | $55,000 |
| Initial Franchise Fee for three Centers | $70,000 |
| Initial Franchise Fee for four Centers | $85,000 |
| Each additional Center Initial Franchise Fee | $12,500 |
| Total initial franchisee fees if you were to open five Centers | $97,500 |

You must open the first Center for business no later than ten (10) months after the Franchise Agreement is signed. If you acquired franchise rights for two or more Centers as part of one of our Development Incentive Program, you will sign two or more Franchise Agreements (as applicable) at the same time. You must open the second Center no later than twenty-two (22) months after signing. You will receive an additional twelve (12) months to open each additional Center after the second (e.g., thirty-four (34) months for the third,

forty-six (46) months for the fourth). If you fail to open a Center within the required time periods, we may terminate the Franchise Agreement or, at our election, may eliminate any designated area protection afforded in the Franchise Agreement.

If you do not participate in our Development Incentive Program but later would like to acquire franchise rights as part of our **Step Up Program**, the total initial franchise fee for the second Center is $25,000 (a discount of $12,500 off the initial Franchise Fee). The total initial franchise fee for the third Center is $20,000, and each subsequent Center has an initial Franchise Fee of $18,000 each.

| **Step Up Program** | **Amount** |
|---|---|
| Initial Franchise Fee for first Center | $37,500 |
| Second Center Initial Franchise Fee | $25,000 |
| Third Center Initial Franchise Fee | $20,000 |
| Fourth+ Center Initial Franchise Fee | $18,000 |

**ITEM 6**
**OTHER FEES**

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Royalty Fee | $600 per month. | Monthly | See Item 11 for more information the Royalty Fee. |
| Brand Building Fund | $200 or 2% of Net Sales, whichever is greater, per month. | Monthly | See Item 11 for more information about Net Sales and the Brand Building Fund. |
| Local Advertising Spend, Local Marketing Fund, or Cooperative Advertising[2] Contribution | At least $12,000 per calendar year, and more may be required if you are failing to sufficiently add new members[3] | Monthly | See Item 11 for more information about our right to set up and require participation in a Local Marketing Fund or an advertising cooperative. |
| Technology Fee[4] | $80 per month. | Monthly | Subject to increase. The fee may be collected through billing software with your monthly royalties. |
| Insurance | $118 per month. | Monthly or annually | Subject to increase. The fee may be collected through billing software with your monthly royalties |
| PULSE Heart Rate Zone System | $139 per month. | Monthly | Subject to increase by our approved vendor. The fee may be collected through billing software with your monthly royalties. |
| Daily workout screens system[5] | $149 per month. | Monthly | Subject to increase. The fee may be collected through billing software with your monthly royalties. |
| Email Marketing Software | $25 per month based on twelve (12) month commitment. | Monthly | Subject to increase by our approved vendor. The fee may be higher if you select month-to-month commitment. The fee may be collected through billing software with your monthly royalties. |
| Email Fee | $2 per 9Round email address per month. | Monthly | Subject to increase. The fee may be collected through billing software with your monthly royalties. |

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Audits | Cost of audit plus interest at 12% or the maximum rate allowable by law. | Immediately upon receipt of bill. | You pay for cost of audit only if it shows an understatement of memberships or revenue. |
| Ongoing Field Visit | $2,500 | As arranged | Optional Ongoing Field Visit will take place upon request from Franchisee. |
| 9RoundNOW[6] | $5 per member per month.[7] | Monthly | Subject to increase. The fee may be collected through billing software with your monthly royalties. |
| Assignment Fee | $500 | Upon application to assign your Franchise Agreement | Payable when you assign your Franchise Agreement to corporation or other business entity owned by you or when you alter the percentage ownership of any minority partner, member, or other owner of your business, other than the Principal Owner. |
| Relocation Fee | $1,500 - $5,000 | Upon application to relocate your Center | Payable when you relocate your Center. |
| Costs and Attorneys' Fees | Will vary under circumstances. | As incurred | Payable only if your non-compliance with the Franchise Agreement causes us to incur legal expenses. |
| Interest | 12% per annum. | Upon demand | Payable only if you fail to pay amounts owed to us when due. |
| Indemnification | Will vary under the circumstances. | As incurred | You must reimburse us if we are held liable for claims arising out of your franchise operations. |
| Supplier Review Fee | Our costs and expenses, which we expect will range from $1,000 to $5,000, but may exceed this range depending on the product. | As incurred | See Item 8 for more information on approved suppliers. |
| Quality Assurance | Our out of pocket costs | Upon demand | If you fail to submit a "walk |

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Inspections | which will vary. | | through" video, you must reimburse us for our costs, including travel costs, that we incur related to evaluating or inspecting your Center with our personnel or third party "mystery shoppers." |
| Modernization and Maintenance Costs | Our reasonable costs and expenses which will vary. | Upon demand | You must maintain the Center premises and modernize them every five (5) years. If you fail to do so, we may complete these for you, and you must pay us our reasonable costs. |
| Securities Offering Costs | Will vary under the circumstances. | Upon demand | If you engage in a private offering of securities, we must review the prospectus or other offering documents and you will pay our costs for that review. |
| Ongoing Training | $99 to $500 per person plus your travel expenses. If our representative provides additional training at your Center, we may require you to reimburse our related travel and lodging costs for our representative. | Upon demand | Subject to increase. We may require you and other key employees of the Center to attend ongoing training, which will be held at a location that we designate. |
| Renewal Fee | 25% of the then-current Initial Franchise Fee. | Before renewal, at least six (6) months but not twelve (12) months prior to end of expiring term. | See Item 17 for Renewal Term and Conditions of Renewal |
| Administrative Fee | $250 per enforcement effort (i.e. written or verbal notification and follow up), and $250 per week for each week that the issue remains unresolved. | Upon demand | We may assess an administrative fee to compensate us for our efforts to address the failure to comply with our Franchise Agreement or Brand Standards. |

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Management Fee | 5% of the Center's gross revenues, plus reimbursement of our reasonable costs and expenses. | Upon demand | If you are in default of the Franchise Agreement, we may send our personnel to manage the Center until the default is cured. |
| Liquidated Damages[7] | For ceasing operations or committing a default that results in termination of your franchise rights, the lesser of $20,000 or the estimated present value of monthly fees through the end of the franchise term;<br>For selling unauthorized products, an amount equal to 70% of gross revenues derived from the sale;<br>For offering unauthorized services, an amount equal to 100% of gross revenues derived from the offering of services. | Upon demand | |

Notes:

Note 1. All fees are imposed by, payable to, and collected by us unless otherwise noted. All fees are imposed uniformly and are non-refundable upon payment. As noted in the chart above, several fees paid to us are subject to adjustment over the ten (10)-year agreement term based on increases in the Consumer Price Index (CPI). Adjustments based on the CPI will be made no more than once per year.

Note 2. Each local advertising cooperative may elect to increase the monthly contribution to the cooperative if approved by a two-thirds majority of the members, and the minimum contribution is subject to adjustment by an amount not to exceed the increase in the CPI. Centers owned by us and our affiliates are also members of their respective local cooperative and each company-owned Center has the same voting rights as the franchised locations within the cooperative. If our company-owned Centers comprise the majority of a given cooperative the maximum and minimum fees for that cooperative will be consistent with the range stated in this Item 6 (subject to adjustment for increases in the CPI).

We offer optional assistance with local marketing. Fees will vary depending on availability, market size, and strategy.

Note 3. If you fail to add at least thirty (30) new members (excluding trial memberships or memberships lasting less than a full month) during a rolling three (3)-month period, we may require that you spend at least $1,500 per month on marketing for the longer of either three (3) months or until you are adding at least thirty (30) new members on a rolling three (3)-month basis.

Note 4. As technology and member demands change, we anticipate providing different or additional services available to members. Some of these services may include different or additional member service fees and you agree to participate in our future member service initiatives and pay the applicable fees that we impose periodically. Currently, member services include access to the online franchisee portal which provides nutritional and fitness information and recipes. The Technology Fee includes online membership services, any 9Round app, and the 9Round website.

Note 5. The daily workout screens system provides a flat screen monitor at each workout station, or round, that demonstrates the training for that individual round for the member to view and mimic. The system currently comprises of nine (9) flat screen monitors with nine (9) individual computers, but is subject to change. The computers download the daily workout via cloud-based software.

Note 6. 9RoundNOW is an on-demand streaming service of kickboxing themed workouts. Members and non-Members can sign up for 9RoundNOW. You may charge a fee to members for 9RoundNOW as an add-on to their monthly membership. We collect $5 per membership. We may collect the fee through billing software with your monthly royalties. Although you are required to offer 9RoundNOW for sale, it is currently not required to be included with each Membership. We reserve the right to require 9RoundNOW with each Membership in the future.

Note 7. If you prematurely cease operations, or if you commit a default that results in termination of your franchise rights, you must pay us, as liquidated damages, the lesser of $20,000 or an amount equal to the average monthly fees paid to us over the past twelve (12) months multiplied by the number of months remaining in the then-current term, reduced to present value at a rate of 6%. If you sell any products or offer any services that we have not authorized for sale, you must pay us an amount equal to 70% of the gross revenue that you derived from the sale of unauthorized products, and 100% of the gross revenues that you derived from the offer of unauthorized services. We have the right to collect these amounts in the same way as we collect payment of royalty fees. We also have the right, in our sole discretion, to collect these amounts immediately or in installments, payable at 6% interest for a term of up to twenty four (24) months.

## ITEM 7
## ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment is to be Made |
|---|---|---|---|---|
| Initial Franchise Fee[1] | $8,000-$37,500 | Lump sum | At signing of the Franchise Agreement | Us |
| Computer, Technology System, Sound System and Security System[2] | $2,500 to $3,000 | As arranged | Before opening as incurred | Vendors |
| Lease Deposits, Utilities, and Insurance[3] | $2,000 to $5,500 | As arranged | Before opening | Landlord, Utility Suppliers, and Insurer |
| Leasehold Improvements[4] | $0 to $20,000 | As arranged | Before opening | Contractors |
| Leasehold Finishes and Fixtures[5] | $6,000 to $7,000 | As arranged | Before opening | Contractors |
| Sound Proofing (optional)[6] | $0 to $10,000 | As arranged | Before opening | Contractors |
| Grand Opening Marketing[7] | $10,000 to $15,000 | As arranged | Before opening | Us and Approved Vendors |
| Opening Equipment and Inventory Package[8] | $35,000 to $37,000 | As arranged | Before opening as incurred | Us and Approved Vendors |
| Exterior Signage[9] | $2,000 to $6,000 | As arranged | Before opening | Vendors |
| Heart Rate Zone System[10] | $775 | As arranged | Before opening | Approved Vendor |
| Daily workout screens system[11] | $3,500 to $6,000 | As arranged | Before opening | Us and Approved Vendors |
| Shipping and Handling (for both Grand Opening Marketing Materials and Opening Equipment and Inventory Package) | $4,000 to $5,500 | As arranged | As arranged | Us and Approved Vendors |
| Travel, Lodging and Meals for Initial Training Program[12] | $0 to $2,000 | As arranged | As incurred | See Item 11 and Note 8 |
| Business Licenses and Other Professional Fees[13] | $400 to $1,500 | As arranged | Before opening | Appropriate Licensing Authorities and Third Parties |

| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment is to be Made |
|---|---|---|---|---|
| Additional Funds – three (3) months[14] | $20,000 to $40,000 | As arranged | As incurred | Third Parties |
| Total[15] | $94,175 to $196,775 | | | |

These figures represent the estimated costs to develop a Center and to operate it during the initial phase – which is estimated to be three (3) months. We cannot guarantee that you will not have additional expenses during this period. Your actual costs will depend on how closely you follow the 9ROUND system standards, your management skill, experience and business acumen, local economic conditions, acceptance by local consumers of our approved services, prevailing wage rates, competition, the size of your Center, and other factors. If you purchase franchise rights for multiple Centers under one of our Market Accelerator Programs, you will incur these expenses for each Center you develop, less the applicable initial franchise fee discount. In preparing your budget, you should also consider the potential effect of inflation on future costs. All fees are nonrefundable unless otherwise stated and may not include applicable taxes.

Note 1. An $8,000 Franchise Fee will be utilized for existing Franchisees purchasing an existing franchise location with a new Franchise Agreement that has a new ten (10)-year term. A $10,000 Franchise Fee will be utilized for new Franchisees purchasing an existing location with a new Franchise Agreement that has a new ten (10)-year term. A Franchise Fee of $37,500 will be utilized for new Franchisees opening a new location. See Item 5 for a description of the Initial Franchise Fee and available discounts available in our Market Accelerator Programs and Veteran Discount.

Failure to pay the initial franchise fee upon execution of the Franchise Agreement will result in a non-curable default of the Franchise Agreement by you and we will have the right to immediately terminate the Franchise Agreement in accordance with the relevant terms of the Franchise Agreement.

Note 2. The range includes the estimated cost for computers, software, printers, high-speed internet connection, sound system, television, scanner for membership cards, surveillance system, telephone(s) with answering system, and 9ROUND radio subscription.

Note 3. These estimates are based on leasing a 1,500 to 1,800 square foot facility in vanilla shell condition, located in a strip center in the Greenville, South Carolina area, and include your first month's rent, security deposit, utility deposits, and insurance. The space must be enclosed and separate from other businesses with its own locking door. Except for the security deposit, lease payments generally are not refundable.

The estimated deposits for utilities include electric, gas, and water, but your deposit may vary due to policies of local utility companies.

See Item 8 for more information about our insurance requirements and our designated insurance program. This estimate includes premium for three (3) months of the insurance plan from our designated supplier. If you need additional insurance for your Center (for example, state workers' compensation or a surety bond), you may have additional costs. A surety bond may range from $100 to $500 per year, depending on the state. Workers' compensation coverage may range from $450 to $1,000 and may be more depending on the number of employees and your state requirements.

Note 4. These figures include the estimated cost of interior alterations and improvements to a location in vanilla shell condition. This cost depends on the extent of the renovations needed to convert space into separate areas, costs of labor and materials in the area, local building and other code requirements, landlord construction criteria, any allowance you negotiate with the lessor for construction, and other factors. We recommend that you find a location that needs minimal leasehold improvements or fixtures. You may choose to invest in leasehold improvements, but we do not recommend it.

Note 5. Includes the cost of paint, paneling, mirrors, lighting, and entry and bathroom tile. These estimates do not include the cost of purchasing real property, as we do not expect that you will buy real property. These figures do not incorporate any landlord concessions, such as free rent or landlord build out of your space.

Note 6. We recommend, but do not require, that you soundproof your Center, according to our specifications. The figures included reflect these costs.

Note 7. If you acquire franchise rights for a new Center, you must spend a minimum of $15,000, as determined by us, for local grand opening marketing up to sixteen (16) weeks before the opening of your Center and approximately eight (8) weeks after the opening of your Center. If you acquire the franchise rights to an existing Center, you must spend a minimum of $10,000, as determined by us, for local new ownership marketing commencing when you acquire the Center and lasting for approximately twelve (12) weeks thereafter. You may spend more than the minimum amount. Approximately $3,000 is paid directly to us for your print kit and your grand opening event marketing kit, both of which contain various promotional materials. Approximately $2,000 will be paid to us for digital marketing management. The remaining amount will be paid to approved vendors for their respective products or services. Pre-opening and grand opening or new ownership marketing will consist of a variety of marketing tactics including, but not limited to, digital advertising, email marketing, local networking, participation in local community events, public relations, and other marketing and advertising initiatives or materials intended to publicize the opening of the Center. Amounts that you spend on pre-opening and grand opening or new ownership marketing do not count toward any other advertising obligations you have under the Franchise Agreement.

Note 8. The Opening Equipment and Inventory Package includes the exercise equipment and floor mats necessary to operate the Center (including items such as punching bags, weights, jump ropes, medicine balls and racks, speed bags, speed bag platforms and high-end industrial quality floor mats), interior signage, entry furniture and displays, and your initial opening inventory of retail items (including gloves, hand wraps, heart rate monitors, apparel, and nutritional products).

Note 9. This includes estimated purchase cost of exterior signage and related delivery and installation. You may use a local vendor.

Note 10. You must purchase our 9ROUND Heart Rate Zone system called 9ROUND PULSE. You also must purchase all equipment required to implement and use the system, which includes a minimum 60-inch flat screen television to display live workout statistics. You also must pay us an additional monthly license fee, currently $139 per month and subject to change.

Note 11. You must purchase hardware for our 9ROUND daily workout screens system from us or approved vendors. You must purchase all equipment to implement and use the system, which currently includes nine (9) flat screen monitors and nine (9) computers to be mounted at each workout station, or round, that will demonstrate the daily training applicable at each station. You also must pay us an additional monthly license fee, currently $149 per month and subject to change.

Note 12. Training is held at our corporate headquarters (currently, Simpsonville, South Carolina). You are responsible for all costs associated with attending such as travel, room and board. At our discretion, we may host training virtually. See Item 11 for more information about training.

Note 13. We recommend that you hire an attorney to help you evaluate this franchise offering, to identify the laws and regulations that may apply to your Center, to help you set up a business entity, to review and negotiate your lease and for whatever other purpose you deem appropriate.

Note 14. The figures in the chart represent the estimated amount of working capital you will need to cover other initial operating expenses for a period of three (3) months. This includes the minimum $1,000 per month that you must spend on local advertising and marketing. These figures are estimates, and we cannot guarantee you will not have additional expenses starting the business. The figures in the chart include the

estimated amounts of employee salary or wages and rent, excluding any distributions or draw to the franchisee.

Note 15. The total estimated initial investment is an estimate only of the range of start-up expenses you may incur. We relied on our principals' combined expertise when preparing these figures. The actual amount of additional funds you will need depends on a variety of factors, including the size of your Center, the time of year when you start your business, type and quantity of exercise equipment in your Center, implementation of a marketing plan, your own management skill, economic conditions, competition in your area, and other factors. The estimate of initial investment funds is based on owner-operated business, and does not include salaries or benefits for full-time employees. As your business grows, you may choose to hire employees to carry out support service tasks. The estimate does not include any finance charges, interest, or debt service obligation, or your living expenses. You should have sufficient capital or other means to pay for your living expenses for at least twelve (12) months.

You should also allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs.

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

Site Selection

You must operate the Center at a location that meets our then-current site selection requirements and that we have approved. If you lease the location, you and the landlord must execute the standard form of lease addendum (attached to the Franchise Agreement as Attachment E).

You must construct and equip your Center according to our approved design, specifications and standards. In addition to meeting our design specifications and standards, it is your responsibility to ensure that your building plans comply with the Americans with Disabilities Act and all other federal, state and local laws. You must also use equipment (including hardware and software for the Technology System, as further described in Item 11), signage, fixtures, furnishings, products, supplies and marketing materials that meet our specifications and standards.

Approved and Designated Suppliers

Currently, we are the only approved supplier of your ongoing inventory of gloves, supportive hand wraps, punching bags, certain print materials, heart rate monitors and belts, apparel, furniture, and website and nutrition services. Other than this, neither we nor our affiliates are approved suppliers of any other products or services, and none of our officers hold an interest in any other privately-held suppliers, or a material interest in any publicly-held suppliers, to our franchise system. Occasionally, our officers may own non-material interest in publicly-held companies that may be suppliers to our franchise system.

You must purchase from approved sources, which may include us, our required opening equipment and inventory package (which includes equipment and initial inventory), grand opening advertising services, and, in the case of new licenses, pre-opening advertising services, certain heart rate monitoring equipment, hardware for the digital training screens system, 9ROUND radio services, point of sale system, email marketing subscription package, and business text messaging service. You also must maintain and communicate at all times and for all business purposes through an email address provided by our approved vendor.

We will provide you with a list of approved manufacturers, suppliers and distributors ("Approved Suppliers List") and other approved equipment, signs, stationery, supplies and other items or services that we periodically designate as necessary to operate the Facility ("Approved Supplies List"). We, an affiliate, or a third-party vendor or supplier, may be the only approved supplier for certain products. The Supplies List also may include other specific products without reference to a particular manufacturer, or they may designate the specifications and standards for other approved products. We may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem advisable.

You may use in the operation of the Center only the proprietary or non-proprietary equipment that we specify, and must purchase and lease all equipment that we designate from our approved suppliers.

Except for instances where we designate a single source supplier, if you wish to purchase any products or services for which we have established approved suppliers from an unapproved supplier, you may request our consent in writing. If we request, you must submit samples and other information as we require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets our specifications and quality and safety standards. We generally will notify you in writing of supplier approval or disapproval within thirty (30) days of our receipt of all the information and samples we request. You must pay the reasonable cost of the inspection and evaluation and the actual cost of the test. The supplier also may be required to sign a supplier agreement. We may re-inspect the facilities and products of any supplier of an approved supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. Once approved, you may contract directly with the approved supplier. We will send written notice of any revocation of an approved supplier or item.

We apply the following general criteria in approving a proposed supplier: (1) ability to make product in conformity with our specifications; (2) reputation and integrity of supplier; (3) financial condition and insurance coverage of the supplier; and (4) system-wide strategic direction and system uniformity.

Insurance

You must maintain at your expense the types of insurance and the minimum policy limits specified in the Manual and our written directives. Where applicable law permits us to designate an insurance provider, we require our franchisees to purchase insurance from our preferred insurance provider.

Your insurance policies must be underwritten by approved insurers licensed and admitted to write coverage in the state in which the Center is located and with a rating of "A" or better. They must protect you, us, and our affiliates, and our and our affiliates' respective, past, present, and future officers, directors, owners, members, managers, employees, consultants, attorneys, and agents against any loss, liability, personal injury, death, property damage, or expense whatsoever arising out of or occurring upon or in with the condition, operation, management, use, or occupancy of your Center. The policy must provide for the following coverages:

| Type of Insurance | Amount |
|---|---|
| General Liability including Hired Non-Owned Auto, Sexual Abuse or Sexual Molestation Liability, Medical Expense, and Business Income Coverage | $1,000,000 per occurrence; $5,000,000 in the aggregate |
| Property | $50,000 |
| Professional | $1,000,000 |

In addition, you must carry workers' compensation and employer liability coverage as required by the jurisdiction in which you operate the Center.

We, our affiliates, and other parties we designate must be named as additional insureds on a primary non-contributory basis under each policy, except for policies required by statute in your jurisdiction, including, but not limited to, workers' compensation and employer's liability insurance policies. You and your insurers must also waive rights of subrogation against us. We may require additional types of coverage or increase the required minimum amount of coverage upon reasonable notice. We recommend, and may require in the future, that you to obtain cyber liability insurance. Your obligation to obtain coverage is not limited in any way by insurance that we maintain. Upon our request or as specified in the Manual, you must provide us with certificates of insurance evidencing the required coverage. Your insurer(s) must commit not to cancel or amend the policy or policies without at least thirty (30) days' prior written notice to us. If you fail to obtain and maintain required insurance coverage, 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.

Marketing and Promotional Materials

You may only use marketing and promotional materials that meet our standards (see Item 11 for more information on advertising and marketing).

Revenue Derived from Franchisee Purchases and Leases

We have an agreement with various merchandise suppliers where we receive a rebate of up to 35% of the sale price of each item.

During our fiscal year ending on December 31, 2020, we derived $5,501,158 from franchisee purchases and leases, which amount represents 33% of our total revenue of $16,574,757, based on our audited financial statements.

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that your required purchases or leases (meaning purchases or leases from approved or designated sources) will represent approximately 35%-55% of your total purchases and leases in establishing the franchised business, and approximately 15%-25% of your total purchases and leases in operating the franchised business.

Description of Purchasing Cooperatives; Purchasing Arrangements

We negotiate purchase arrangements for the benefit of the System but not on behalf of individual franchisees. This does not guarantee that the price for these products or services will be lower than other products or services on the market. We are not aware of any purchasing or distribution cooperatives in the System as of the date of this disclosure document. We do not provide you any material benefits (such as renewal rights or the right to acquire additional franchises) based on your purchases from approved or designated suppliers.

## ITEM 9
## FRANCHISEE'S OBLIGATIONS

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

| Obligation | | Section in Franchise Agreement | Disclosure Document Item |
|---|---|---|---|
| a. | Site selection and acquisition/lease | Sections 2B, 2C and 5A | Items 7 and 11 |
| b. | Pre-opening purchases/leases | Sections 5A, 5B, 5C, 6A and 6C | Items 5, 6, 7 and 8 |
| c. | Site development and other pre-opening requirements | Sections 2B, 2C, 5A, 5B and 5C | Items 7, 8 and 11 |
| d. | Initial and ongoing training | Sections 7B and 7C | Items 5, 6 and 11 |
| e. | Opening | Section 5D | Items 5 and 11 |
| f. | Fees | Sections 5G, 5H, 6K, 7C, 8, 9, 11C(ix) and 11H | Items 5, 6 and 7 |
| g. | Compliance with standards and policies/Operating Manual | Section 6 | Items 6, 7, 8, 11, 14 and 16 |
| h. | Trademarks and proprietary information | Sections 2A, 2D, 3, 6H, 10E and 10F | Items 13 and 14 |
| i. | Restrictions on products/services offered | Section 6 | Items 6, 7, 8, 11, and 16 |
| j. | Warranty and customer services requirements | No provisions relating to warranty requirements. Customer services, see Sections 6 and 9C | Items 6 and 11 |
| k. | Territorial development and sales quotas | Sections 2B, 2C, 5G, and Attachment A | Item 12 |
| l. | Ongoing product/service purchases | Section 6 | Items 6, 7 and 8 |
| m. | Maintenance, appearance, modernization and remodeling requirements | Section 5 | Items 8 and 11 |
| n. | Insurance | Section 10C | Items 7 and 8 |
| o. | Advertising | Section 8 | Items 6, 7 and 11 |
| p. | Indemnification | Section 10B | Item 6 |
| q. | Owner's participation/ management/staffing | Sections 7 and 15F | Item 15 |
| r. | Records/reports | Sections 6D and 9I | Not Applicable |
| s. | Inspections/audits | Sections 5C, 5D, 6E and 9I | Items 6 and 11 |

| Obligation | | Section in Franchise Agreement | Disclosure Document Item |
|---|---|---|---|
| t. | Transfer | Section 11 | Items 6 and 17 |
| u. | Renewal | Section 4B | Item 17 |
| v. | Post-termination obligations | Sections 10D and 14 | Item 17 |
| w. | Non-competition covenants | Section 10D | Item 17 |
| x. | Dispute resolution | Section 12 | Item 17 |
| y. | Guarantee | Section 15F | Item 15 |

## ITEM 10
## FINANCING

As of the date of this disclosure document we do not offer direct or indirect financing and we do not guarantee your note, lease or obligation.

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

**Except as listed below, 9Round Franchising, LLC, is not required to provide you with any assistance.**

Before you open your Center, we will:

1. Provide you with our then-current site selection criteria, and the general design for your Center (Franchise Agreement, Sections 5A and 5C).
2. Provide you with the names of Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 6C).
3. Provide you with access to the Manual that details the specifications and procedures incidental to the operation of the Center. (Franchise Agreement, Section 6G). These include specifications for equipment, signs, fixtures, opening inventory, and supplies. We do not install the equipment, signs, or fixtures, but we provide installation instructions for certain items.
4. Provide the training programs described below (Franchise Agreement, Sections 7B and 7C).
5. Provide grand opening assistance (Franchise Agreement, Section 8B).

During the operation of your Center, we will:

1. Provide updates to the Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 6C).
2. Evaluate your business and provide ongoing support and service as we determine necessary (Franchise Agreement, Section 6E).
3. Provide refresher training courses as we determine necessary (Franchise Agreement, Section 7C).

Advertising and Marketing

If you acquire franchise rights for a new Center, up to sixteen (16) weeks before the Center opens for business and approximately eight (8) weeks after the Center opens for business, you must pay us and approved vendors for local grand opening marketing. If you acquire franchise rights to an existing location, commencing when you acquire the Center and lasting for approximately twelve (12) weeks thereafter, you must pay us and approved vendors for local new ownership marketing. After receiving your grand opening or new ownership marketing payments, we and our approved vendors will provide to you digital marketing services and grand opening or new ownership marketing materials, and in the case of new licenses, pre-opening marketing materials, for promoting the launch of your Center.

You must use your best efforts to aggressively promote and advertise the Center in your local area and participate in any local promotional programs that we establish. On an ongoing basis, you must spend at least $12,000 per calendar year (an average of $1,000 per month, which may be more during peak months and less during non-peak months) on advertising or marketing that conforms to our standards and specifications. If you fail to add thirty (30) memberships (excluding trial memberships or memberships lasting less than a full month) over any rolling three (3)-month period during the Term of your Franchise Agreement, you may be required to increase your advertising or marketing spend to at least $1,500 per month for the longer of either three (3) months or until your new membership count achieves the minimum requirements. We reserve the right to audit your marketing and advertising to ensure it conforms to our standards and specifications. The advertising program for the products and services offered by 9ROUND Centers currently consists of print, direct mail, digital advertising and special promotions designed for use by franchisees in their local markets. We are not required to spend any amount on advertising in the area or territory where your franchise is located.

Any marketing material not designed or provided by us must be pre-approved; you must submit your marketing materials to us for approval prior to using (print, electronic or other forms of media) and actively

promote your Center and the system through use of approved local marketing and marketing materials. We will not unreasonably withhold approval of your marketing materials, which must be factually accurate and current, dignified, up-to-date, and in good condition, and must accurately depict the 9ROUND Marks.

Brand Building Fund

You must pay us a Brand Building Fund contribution of $200, or 2% of Net Sales, whichever is greater, per month. "Net Sales" is defined as the aggregate of all revenue from the sale of services and products from all sources in connection with the business at your Center or online whether for check, cash, credit, or otherwise (and regardless of collectability), and all proceeds from any business interruption insurance, but does not include (a) the sale price of products returned in good faith by customers of the business, (b) any sales tax or other taxes collected from customers of the business by you for remittance to the appropriate taxing authority, and (c) the value of any allowance issued or granted to any customer of the business that is credited in full or partial satisfaction of the price of any services and products offered in connection with the business. This is a fee that you pay to us, and not a contribution to an advertising fund or any kind of group or pooled advertising program. Payments are accounted for as general operating revenue, and we do not provide a separate accounting for how this revenue is spent. In consideration for this fee, we provide general marketing and promotional services for the 9ROUND brand. These services may include any or all of the following: creative development services (such as designing new logos, graphics, and promotional pieces), public relations services, web design services, social media, developing and implementing promotions, tie-ins, contests, or sweepstakes, direct mail advertising, sponsorships and endorsements, trade association memberships (such as IHRSA). Services may be provided by in-house personnel or third-party service providers and vendors.

Local Marketing Fund or Cooperative; Franchisee Advertising Council

We have the right to designate, in our discretion, any geographical area in which at least two 9ROUND franchises are located as a "designated advertising area" for the purposes of establishing a Local Marketing Fund that we control ("Local Marketing Fund") or local or regional advertising cooperative controlled by its members ("Cooperative"). If a Local Marketing Fund or Cooperative is established in your market, you will be required to participate and contribute. Any amount contributed to a Local Marketing Fund or Advertising Co-op will be in addition to, and not in lieu of, the Brand Building Fund. We have the right to determine the amount of contribution, in our sole judgment, provided that aggregate monthly contributions will not exceed $750 per month (subject to adjustment for increases in the Consumer Price Index). Any contributions you make to a Local Marketing Fund or Cooperative will count toward the minimum local advertising and marketing expenditure described above.

If we have established a Cooperative in your area, you must participate in the Cooperative and its programs, execute any participating documents we require and abide by its bylaws. A Cooperative may vote to increase the required contribution amount referenced above if approved by members representing at least two-thirds of the Centers in the Cooperative. Each Center in the Cooperative will have one vote. Centers owned by us and our affiliates will be a member of the Cooperative and will make the same contribution and have the same voting rights as franchised locations. Each Cooperative will be required to adopt governing bylaws that meet our approval and that we may require the Cooperative to amend from time to time. The Cooperatives must submit to us its meeting minutes on our request. All advertising cooperatives must obtain our written approval of all promotional and advertising materials, creative execution and media schedules prior to their implementation. The members of each Cooperative and their elected officers will be responsible for the administration of the Cooperative. If you wish to obtain an accounting of your local Cooperative you may do so by submitting your request in writing to the officers of the Cooperative. We reserve the right to administer the Cooperatives' funds and will require payment from its members via electronic funds transfer or collected through billing software with your monthly royalties. The governing documents are available for review upon reasonable request. We reserve the right to require advertising and marketing cooperatives to be formed, changed, dissolved or merged.

In the future, we may elect to form an advertising council composed of franchisees to advise us on advertising policies. As of the date of this disclosure document, there is no advertising council in effect for the franchise system.

Technology System

You must acquire, maintain, and use all computer hardware and related accessories and peripheral equipment, including the point of sale, music, heart rate monitor system, daily workout screens system, on-demand streaming service, and computer system (collectively, the "Technology System") that we require for use by the Center, and may not use any cash registers or computer hardware, accessories or peripheral equipment that we have not approved for use. Requirements for use may include, among other things, connection to remote servers, off-site electronic repositories, and high-speed internet connections, and establishment of one or more e-mail accounts.

You must: *(i)* use any proprietary software programs, system documentation manuals, and other proprietary materials that we provide to you in connection with your operation of the Center; *(ii)* input and maintain in your computer such data and information as we require in the Manual and other written directives; *(iii)* purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever we adopt such new or upgraded programs, manuals, and materials system-wide; and *(iv)* purchase from our approved supplier a 9ROUND radio subscription which is currently $34-$89 a month for each Center, depending on the subscription package you select; *(v)* purchase from our approved supplier an email marketing subscription package, which is currently $25 a month for a twelve (12) month commitment, though pricing may be higher if you select month-to-month; *(vi)* purchase from our approved supplier a business text messaging service, which is currently $99 a month for a twelve (12) month commitment, though pricing may be higher if you select month-to-month. You must enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner we require, and pay all fees imposed by us or any third-party software and software service providers hereunder. As technology or software is developed in the future, we may, in our sole discretion, require you to: *(i)* add to your Technology System memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software; and *(ii)* replace or upgrade your Technology System and software at your sole expense.

The Technology System will collect and compile customer identification data and other membership data. We may independently access from a remote location, at any time, all information (including member information) input to and compiled by your Technology System or an off-site server.

The point-of-sale membership management equipment, including computer, scanner, printer, signature pad (optional), and credit card reader, costs between $1,000 to $1,500 and currently $149 a month for support. The credit and debit card processing software is without initial charge at this time. Leasing is not available. You are obligated to repair and maintain all point of sale and computer systems necessary for the operation of your business. We estimate that this cost may be up to $300 per year. You are required to update and upgrade all necessary point of sale and computer systems in response to changes in the Operating Manual, or changes in our policies that are communicated to you in writing. There are no restrictions on the frequency or cost of such updating and upgrades.

The daily workout screens system equipment, including computers and monitors, installation costs are approximately $6,000 to $8,000 and $149 a month payable to us for service and support.

The PULSE heart rate zone system equipment initial outlay cost is approximately $775 and $139 a month payable to us for service and support.

Site Selection

You will select the site for the Center within the Preliminary Designated Area that will be identified on the Summary Page when you sign the Franchise Agreement. You will identify a site within the Preliminary

Designated Area (or if no sites are available in the Preliminary Designated Area, in proximity to it) for our approval. In evaluating the site, we will consider the following factors: demographics, visibility, ability to reflect image to be portrayed by 9ROUND businesses, access and parking, and market type (rural, suburban, and urban). Our then-current criteria for site selection may include additional factors. Within fifteen (15) days after you have submitted all requested information concerning the site, we will notify you whether or not the site is approved. You must acquire a site for the Center within one hundred and twenty (120) days after the Franchise Agreement is signed, or we may terminate the Franchise Agreement (Section 2B, 13B and 13D) or, at our election, may eliminate any designated area protection afforded in the Franchise Agreement (Section 2B).

Typical Length of Time Before You Open Your Center

Franchisees typically begin operating their Centers within four (4) to ten (10) months from the time they sign the franchise agreement or pay any consideration for the franchise. Factors that may impact this time period include the extent of your site selection activities after you sign the Franchise Agreement, local real estate market conditions, and the time it takes to prepare a site survey, negotiate with the landlord, finalize your lease, complete leasehold improvements, and obtain necessary permits.

You must open the Center for business no later than ten (10) months after the Franchise Agreement is signed. If you acquired franchise rights for two (2) or three (3) Centers as part of one (1) of our Market Accelerator Programs, you will sign two (2) or three (3) Franchise Agreements (as applicable) at the same time. You must open the second Center no later than twenty-two (2) months after signing. You will receive an additional twelve (12) months to open each additional Center after the second (e.g., thirty-four (34) months for the third, forty-six (46) months for the fourth). If you fail to open a Center within the required time periods, we may terminate the Franchise Agreement or, at our election, may eliminate any designated area protection afforded in the Franchise Agreement by providing you written notice.

Manual

We will provide you with an electronic copy of our Operating Manual, which currently consists of fifty six (56) pages and is a definitive source of information that includes brand standards and information on how to run your 9Round Center. The Table of Contents for the Operating Manual including number of pages on each subject, is included herein as Exhibit E. In addition to the Operating Manual, we also communicate operations information to franchisees through system bulletins, newsletters, and our online franchisee portal.

## INITIAL TRAINING PROGRAM

We will provide the following initial training to at least two people in your organization. Unless we agree in writing that you may designate someone else to attend training, you (or each owner of the franchisee entity) must complete the initial training program to our satisfaction within thirty (30) days of signing your location lease. If you have a general manager, he or she must also complete training to our satisfaction. We do not charge for this training, but you must pay the travel and living expenses and supply costs for you and your employees. Our training program is four (4) days and includes:

| Subject | Classroom Hours | On The Job Training | Location |
|---|---|---|---|
| The 9ROUND System | 1 Hour | 1 Hour | Greenville, SC or as we otherwise specify. |
| 9ROUND Standards, Client Satisfaction and Retention | 1 Hour | 2 Hours | Greenville, SC or as we otherwise specify |
| 9ROUND Workout Stations, Boxing and Kickboxing Disciplines | | 3 Hours | Greenville, SC or as we otherwise specify |

| Subject | Classroom Hours | On The Job Training | Location |
|---|---|---|---|
| Equipment Specifications and Cleanliness of Center | 1 Hour | 1 Hour | Greenville, SC or as we otherwise specify |
| Floor Design | 1 Hour | | Greenville, SC or as we otherwise specify |
| Safety Procedures | 1 Hour | 1 Hour | Greenville, SC or as we otherwise specify |
| Teaching Techniques | 1 Hour | 1 Hour | Greenville, SC or as we otherwise specify |
| Business Operations | 1 Hour | | Greenville, SC or as we otherwise specify |
| Boxing and Kickboxing Disciplines | | 2 Hours | Greenville, SC or as we otherwise specify |
| Merchandising, Supplements Product Sales and Promotions | 2 Hours | | Greenville, SC or as we otherwise specify |
| Floor Operations and Drills | 2 Hours | | Greenville, SC or as we otherwise specify |
| Membership Packages and Overcoming Client Objections | 1 Hour | | Greenville, SC or as we otherwise specify |
| Training Clients and Workout | | 3 Hours | Greenville, SC or as we otherwise specify |
| Daily Operations and Checklists | 1 Hour | | Greenville, SC or as we otherwise specify |
| Technology and Web Site | 1 Hour | | Greenville, SC or as we otherwise specify |
| Administrative and Bookkeeping Responsibilities | 2 Hours | | Greenville, SC or as we otherwise specify |
| Training Clients and Workout | | 4 Hours | Greenville, SC or as we otherwise specify |
| Starting Your 9ROUND Business | 1 Hour | | Greenville, SC or as we otherwise specify |
| Marketing Your Business To Attract Clients | 1 Hour | | Greenville, SC or as we otherwise specify |
| Strategic Planning | 2 Hours | | Greenville, SC or as we otherwise specify |
| Staffing and Working with Trainers | 1 Hour | | Greenville, SC or as we otherwise specify |
| Boxing and Kickboxing Disciplines | | 2 Hours | Greenville, SC or as we otherwise specify |
| Follow Up and Review of previous topics (as needed) | 2 Hours | | Greenville, SC or as we otherwise specify |
| Total | 23 Hours | 20 Hours | |

The training program will be conducted by or under the supervision of Shannon Hudson and Heather Hudson, and other instructors as we designate periodically. Shannon Hudson has been immersed in martial arts and fitness training since 1987 and has been with us since our inception in 2008. Heather Hudson has been involved in martial arts and fitness training since 2005 and has been with us since our inception in 2008. The training is subject to change.

Periodically, we may offer ongoing training programs and we may charge a fee for attending these training programs. Currently, our fee ranges from $99 to $500 per person, plus the wages, travel and living expenses, and supply costs for you and your employees. If our representative provides additional training at your Center, we may require you to reimburse us our related out-of-pocket costs. If you designate a new general manager after the initial training program, the new general manager must complete the training to our satisfaction. We reserve the right to charge a fee to train any replacement general manager. We have the right to develop certification programs for Center personnel who provide personal fitness instruction, teach any form of exercise, or provide any kind of fitness or nutrition instruction or counseling. If we implement a certification program for a particular service provider, the service provider must become certified and comply with all certification requirements before providing services. We may charge a fee which you must pay for providing certification-related courses and services. In addition, we may hold and require that your Principal Owner (a person who owns a 25% or greater interest in the franchisee entity) and general manager

or other designated employees attend, at your expense, any conference, meeting, convention, or seminar to present new methods and programs for operation, training, management, sales or marketing.

## ITEM 12
## TERRITORY

When the Franchise Agreement is signed, you will select a general geographic area in which you intend to operate your Center ("Preliminary Designated Area"). We generally will approve your selection unless we determine, in our sole judgment, that it may negatively affect the interest of another 9ROUND franchisee or is otherwise unavailable for development under our current policies.

Your Preliminary Designated Area will be identified on the Summary Page of the Franchise Agreement. Within one hundred and twenty (120) days after the Franchise Agreement is signed, you must acquire a site for the Center within the Preliminary Designated Area If no sites are available in the Preliminary Designated Area, we generally will approve a site in proximity to the Preliminary Designated Area that meets with our then-current site selection criteria. Once you have acquired the site, we will amend the Franchise Agreement to reflect the site (which will become the Center's "Authorized Location") and to define your "Designated Area" around the Authorized Location. If your approved site is within the Preliminary Designated Area, your Designated Area will be substantially the same as your Preliminary Designated Area in terms of size, shape or demographics. Once defined on Attachment A of the Franchise Agreement, your Designated Area will remain constant throughout the initial term of the franchise.

A minimum Designated Area will consist of one city block and, in suburban and rural areas, may be as large as a three (3)-mile driving distance from the anticipated location. The actual size and boundaries of your Designated Area will depend upon a variety of factors, including the shared territory with another 9ROUND Center, if any; population base; median age; income level; density of population; growth trends of population; the density of residential and business entities; and major topographical features which clearly define contiguous areas, like rivers, mountains, major freeways, and underdeveloped land areas.

Unless approved by us, all membership sales must be made face-to-face, although you may solicit membership sales ***within*** your Designated Area by mail, telemarketing (so long as you abide by all applicable federal, state, and local laws and the no-call lists) or other non-face-to-face basis. You may solicit, advertise and accept memberships online or outside your Designated Area only with our prior approval or according to our then-current policies. There are no other restrictions on your right to solicit or accept memberships inside or outside of your Designated Area. You may not sell merchandise or services through other channels of distribution such as the internet, catalog sales, telemarketing or other direct marketing without our prior written approval.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. During the term of this Agreement, however, neither we nor our affiliates will develop or operate, or grant to anyone else the right to develop or operate, a 9ROUND Center physically located in the Designated Area. We and our affiliates have the right to develop and operate and grant others the right to develop and operate 9ROUND Centers outside the Designated Area, regardless of their proximity to the Designated Area or any negative impact they may have on your Center. We have the right to develop and sell, or authorize others to develop and sell, online memberships for streaming live and on-demand workouts nationwide, including in your territory.

We also have the right to develop and operate, and grant others the right to develop and operate, fitness clubs and other businesses under a different trademark within and outside the Designated Area, which may be similar to or competitive with 9ROUND Centers. We will not operate, franchise or license the operation of a fitness center with 90% or more of its business based on a boxing and kickboxing circuit training program in your Designated Area, except in connection with our acquisition of a multi-unit brand. If we acquire a multi-unit brand (through a stock purchase, asset purchase, merger or otherwise), we or our affiliate may operate, franchise or license the operation of the acquired brand within and outside the Designated Area without offering any rights to you.

Certain locations are by their nature unique and separate in character from sites generally developed as 9ROUND Centers ("Special Sites"). These Special Sites are excluded from the Designated Area and we have the right to develop, license or franchise Centers at these locations within or outside your Designated Area: (1) military bases; (2) public transportation facilities, including, without limitation, airports, limited access highway travel plazas and other transportation terminals; (3) sports facilities, including race tracks, big-box fitness facilities, gyms, or sports clubs; (4) student unions or other similar buildings on college or university campuses; (5) hotels, resorts or similar short-term lodging; (6) apartment or condominium complexes; and (7) corporate office buildings or office parks.

We reserve to ourselves all other rights to use the System and Marks anywhere and in any manner including, without limitation, the right to offer, sell or distribute items such as workout and training videos, equipment, athletic gear, etc., associated with the System (now or in the future) or identified by the Marks, or any other trademarks, service marks or trade names, through any distribution channels or methods, without compensation to any franchisee. These distribution channels or methods may include, without limitation, retail stores, mail order, wholesale or the internet (or any other existing or future form of electronic commerce). Our reserved rights also include the right to provide and to license third parties to provide the 9ROUND program, and other ancillary programs developed by or for us or our affiliates, at host locations (such as apartments, condo associations, corporate office buildings, schools, community centers and other gyms and fitness centers).

There are no restrictions on our rights to solicit or accept orders in or outside of your Designated Area. We are not required to compensate you for soliciting or accepting orders in the Designated Area.

Except for the territorial protections described above, you may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Continuation of your Designated Area does not depend on the achievement of a certain sales volume, market penetration or other contingency. You do not have any right to sublicense or sub-franchise within or outside of the Designated Area. You do not receive the right to acquire additional franchises within or outside of your Designated Area (although we may allow you to open another Center if you sign another Franchise Agreement with us and meet our requirements).

If you fail to acquire a site for the Center within one hundred and twenty (120) days after the Franchise Agreement is signed, instead of terminating the Agreement, we may amend the Franchise Agreement to eliminate the Authorized Location, Designated Area, or Preliminary Designated Area protection and open that area for development by us or another franchisee. If you participate in the Market Accelerator Program and fail to meet the deadlines for one or more Centers, we may eliminate the Authorized Location, Designated Area, or Preliminary Designated Area protection for the remaining Franchise Agreements for Centers yet to be developed (but not for any Center that is already open). We also may unilaterally modify your Designated Area upon renewal or if you transfer your franchise rights (see Item 17). Other than described above, we have no right to modify your territorial rights except by mutual written consent of the parties.

You may relocate your Center under certain circumstances and subject to our approval. You must pay us a relocation fee in connection with any relocation of your Center. If you need to relocate because of condemnation, destruction, or expiration or cancellation of your lease for reasons other than your breach, we will permit you to relocate the Center to a site that is acceptable to us, that is within your Designated Area, that is reasonably suited for a Center, and that does not infringe on the rights of any other 9ROUND franchisee. The new Center must be open and operating within sixty (60) days after you discontinue operation at the present Center. If you voluntarily decide to relocate the Center, you must notify us of your intent to relocate at least sixty (60) days before you close the present Center. You also must have procured a site within your Designated Area that we accept fifteen (15) days prior to closure, have opened the new Center for business within four (4) days after closing the present Center, and must have complied with any other conditions that we reasonably require. You must pay the costs of any relocation, and we reserve the right to charge you for any reasonable costs that we incur. Upon relocation of your Center for any reason, we may modify your Designated Area, in our sole judgment, to take into account the designated areas of neighboring Centers and other factors. We have

the right to refuse to consent to a relocation if you lose the right to occupy the Center premises because of the termination of your lease due to your breach.

## ITEM 13
## TRADEMARKS

We own the following Marks, which are registered on the Principal Register of the U.S. Patent and Trademark Office. All required affidavits have been filed.

| Trademark | Register | Registration Date | Registration Number |
|---|---|---|---|
| 9ROUND | Principal | July 22, 2014 | 4571726 |
| | Principal | March 21, 2015 | 4713987 |
| 9R | Principal | May 12, 2015 | 4736191 |
| | Principal | September 22, 2015 | 4818919 |
| 9ROUND PULSE | Principal | June 27, 2017 | 5233947 |
| | Principal | June 27, 2017 | 5233948 |
| TRAIN. TRACK. TRIUMPH. | Principal | June 27, 2017 | 5233949 |
| KICKBOXOLOGY | Principal | August 7, 2018 | 5536965 |
| STRONGER IN 30 MINUTES | Principal | February 12, 2019 | 5674684 |
| KICKBOX DETOX | Principal | December 10, 2019 | 5934186 |

There are no agreements currently in effect which significantly limit our rights to use or license the use of the marks in any manner material to you.

You may not make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing. We may change the System presently identified by the Marks including the adoption of new Marks, new program offerings, new equipment or new techniques and you must adopt the changes in the System, as if they were part of the Franchise Agreement at the time of its execution. You must comply, at your cost, within a reasonable time if we notify you to discontinue or modify your use of any Mark. We will have no liability or obligation as to your modification or discontinuance of any Mark. Any goodwill resulting from your use of the Marks inures to our benefit.

There are currently no effective material determinations by the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks. There are no infringing uses actually known to us that could materially affect your use of the Marks.

If there is any infringement of, or challenge to, your use of the Marks, you must immediately notify us, and we will take action that we deem appropriate. We have the right to control all administrative proceedings and litigation involving the Marks. The Franchise Agreement does not require us to take affirmative action if notified of the claim. The Franchise Agreement also does not require us to participate in your defense or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding based on your use of the Marks, or if the proceeding is resolved unfavorably to you. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you must make the changes or substitutions at your own expense.

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

There are no registered copyrights or patents, or pending patent applications, material to the franchise. We claim copyright protection, however, for several elements of the System including the design elements of our Marks, and the content of our Manual, training materials, web site, 9RoundNOW, and promotional and other materials.

There are currently no effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are no infringing uses actually known to us that could materially affect your use of the patents or copyrights.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and copyrights and we have the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify us promptly of any infringement or unauthorized use of the patents or copyrights of which you become aware.

You must keep confidential during and after the term of the Franchise Agreement all proprietary information, including but not limited to the manuals. Upon termination of your Franchise Agreement, you must return to us all proprietary information, including but not limited to the manuals and all other copyright material. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of proprietary information. You must comply with all changes to the manuals at your cost.

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

During the term of the Franchise Agreement, you (if franchisee is an individual) or your general manager must devote sufficient time and best efforts to the management of the Center. You are expected to stay informed about our organizational plans, initiatives and direction by regular review of communications sent to you electronically or otherwise.

You or your general manager must provide direct on-premises supervision to the Center. The general manager must complete our training course. He or she need not have any equity interest in the franchisee or the business entity that owns or operates the franchise. If he or she fails to satisfactorily complete the training program, you may designate a different individual and you must notify us immediately. We may request that you are present at the Center for any inspection or evaluation we conduct.

All officers, directors, members and all managers, instructors and other employees having access to our proprietary information must execute non-disclosure agreements in a form we accept. If we so require, your managers, instructors and other employees receiving training must execute covenants not to compete in a form that we approve.

Any individual or entity that holds, directly or indirectly any equity interest in the franchisee must sign a personal guaranty. If this is your second or additional franchise, your entity must sign a corporate guaranty.

## ITEM 16
## RESTRICTIONS ON LOCATION AND WHAT THE FRANCHISEE MAY SELL

You must offer at the Center all of the products, equipment and services that we periodically require and you may not offer at the Center any unapproved products or use the premises for any purpose other than the operation of the Center. We have the unlimited right to change the types of authorized services you may offer.

If permitted by state and local law, you must be open for business for the numbers of days and hours we require, currently a minimum of fifty-eight (58) hours per week (we recommend seventy (70) hours per week). You may solicit and accept Memberships within your Designated Area. We may periodically negotiate contracts with corporations, affinity groups and insurance plans that will require that certain terms or discounts be offered to members of that corporation, affinity group or insurance plan by all franchisees at all locations ("National Accounts"). You must provide the special terms and discounts to these National Accounts. You are not otherwise limited in the customers to whom you may sell products or services.

You may not install or maintain on the Center premises any gaming, entertainment or vending machine without our prior written approval and you must agree to participate in any vending or media program we establish for the system.

You must participate in all marketing promotions that we prescribe, including price promotions to the extent permitted by applicable law. We also have the right to establish your membership and retail prices to the extent permitted by applicable law.

## ITEM 17
## RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

### THE FRANCHISE RELATIONSHIP

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

| Provision | | Section in Franchise or Other Agreement | Summary |
|---|---|---|---|
| a. | Length of the franchise term | Section 4A | Term is ten (10) years. |
| b. | Renewal or extension of the term | Section 4B | Renewal for one additional ten (10)-year term. |
| c. | Requirements for franchisee to renew or extend | Section 4B | You must meet our then-current criteria and qualifications for new franchising; you must give us written notice of your decision to renew at least six (6) months but not more than twelve (12) months before the end of the expiring term; you must sign our then-current form of Franchise Agreement, the terms and conditions of which may be materially different than the terms and conditions of our current Franchise Agreement and which may contain terms less favorable to you, including different fees and a different Designated Area, and, as applicable, a renewal instrument amending relevant terms of the new Franchise Agreement, or an instrument extending for the duration of the renewal term, all covenants, conditions and provisions of your existing Franchise Agreement; you must pay a renewal fee; you must have complied with the modernization requirements for your Center; you are not in default and have satisfied your obligations on a timely basis; if leasing, you have written proof of your ability to remain in possession of the Center premises throughout the renewal term and provide any then-required lease addendum; you comply with our training requirements; and you sign a release (provided that any release will not be inconsistent with any state law regulating franchising). |

| Provision | | Section in Franchise or Other Agreement | Summary |
|---|---|---|---|
| d. | Termination by franchisee | Section 13B | You may terminate the Franchise Agreement only for a material breach by us, provided you give us written notice of the breach and allow at least sixty (60) days' notice and opportunity to cure such breach and, if not cured, wait ninety (90) days from the original notice of breach before terminating the Franchise Agreement. This provision is subject to state laws. |
| e. | Termination by franchisor without cause | Not applicable | Not applicable. |
| f. | Termination by franchisor with cause | Sections 13A | We can terminate the Franchise Agreement only if you default or fail to comply with your obligations. |
| g. | "Cause" defined – curable defaults | Sections 13A and 13B | You have ten (10) days to cure the non-submission of reports and non-payment of amounts due and owing; seven (7) days to cure defaults relating to misuse of our Marks and the sale of unauthorized products and services; and thirty (30) days to cure defaults for the failure to abide by our other standards and requirements in connection with the operation of your business, and any other default not listed in h below. |

| Provision | | Section in Franchise or Other Agreement | Summary |
|---|---|---|---|
| h. | "Cause" defined – non-curable defaults | Sections 13A and 13B | Non-curable defaults include: failure to acquire a site for the Center within one hundred and twenty (120) days after the Franchise Agreement is signed, or to open the Center for business within nine (9) months after the Franchise Agreement is signed, abandonment, loss of lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to relocate, closing of Center, insolvency, unapproved assignments or transfers, convictions, intentionally understating or underreporting Memberships or fees, multiple defaults, or failure to cure within seven (7) days of notice a default which materially impairs the goodwill associated with any of our Marks. We also may terminate the franchise agreement in the event of (1) termination, on account of your default, of any other franchise agreement between you or your affiliate and us or (2) abandonment or unauthorized closure of any other Center operated under a franchise agreement between you or your affiliate and us. |
| i. | Franchisee's obligations on termination/non-renewal | Sections 10D and 14A-C | Obligations include complete de-identification and payment of amounts due, assignment of your lease to us upon our demand, assignment to us of your telephone numbers, return of manuals and proprietary materials, refunding members, and our right to purchase assets of the Center (also see o and r below). |
| j. | Assignment of contract by franchisor | Section 11F | No restriction on our right to assign. |
| k. | "Transfer" by franchisee – defined | Section 11A | Includes any transfer of your interest in the Franchise Agreement or in the business or any ownership change listed in Section 11A of the Franchise Agreement. |
| l. | Franchisor approval of transfer by franchisee | Section 11B | We have the right to approve all transfers but will not unreasonably withhold approval. |
| m. | Conditions for franchisor approval of transfer | Sections 11B-D | Transferee meets all of our then-current requirements for one of the franchise development programs then being offered, transferee must sign our then-current form of Franchise Agreement, the terms and conditions |

| Provision | | Section in Franchise or Other Agreement | Summary |
|---|---|---|---|
| | | | of which may be materially different than the terms and conditions of our current Franchise Agreement and which may contain terms less favorable to the transferee, including different fees and a different Designated Area; all amounts owed by prior franchisee paid, required modernization is completed, training completed, required guaranties signed, necessary financial reports and other data on franchise business is prepared, and release signed by you (provided release will not be inconsistent with any state law regulating franchising (also see r below). |
| n. | Franchisor's right of first refusal to acquire franchisee's business | Section 11E | We can match any offer for your Center assets and, in the case of a proposed stock sale, we can purchase your Center assets at a price determined by an appraiser, unless you and we agree otherwise. |
| o. | Franchisor's option to purchase franchisee's business | Section 14B | Upon expiration or termination, we have the right to assume your lease for the Center premises, to assume all membership contracts, to assume all telephone numbers used in connection with the operation of your Center, and to purchase or designate a third party that will purchase all or any portion of the assets of your Center, including the equipment, fixtures, signs, furnishings, supplies, leasehold improvements and inventory. Qualified appraiser(s) will determine price as described in the Franchise Agreement. |
| p. | Death or disability of franchisee | Section 11D | You can transfer your franchise right to your heir or successor in interest like any other transfer, but if assignee is an existing franchisee, your spouse or your child, no Initial Franchise Fee is required. |
| q. | Non-competition covenants during the term of the franchise | Section 10D | No direct or indirect involvement in the operation of any fitness business other than one authorized in the Franchise Agreement. Non-compliance provisions are subject to state law. |

| Provision | | Section in Franchise or Other Agreement | Summary |
|---|---|---|---|
| r. | Non-competition covenants after the franchise is terminated or expires | Section 10D | No direct or indirect involvement in a competing business for two (2) years at the premises of the former Center; within twenty five (25) miles of the former Center; within any other franchisee's Designated Area; or within twenty five (25) miles of any other business or Center using the System. Non-compliance provisions are subject to state law. |
| s. | Modification of agreement | Section 15D | No modifications generally, but we have the right to change the Manual and the list of authorized trademarks. We also have the right to define your Designated Area once you have acquired a site for the Center. |
| t. | Integration/merger clause | Section 15B | Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the disclosure document and Franchise Agreement may not be enforceable. We do not disclaim any representations made in this disclosure document. |
| u. | Dispute resolution by mediation | Section 12 | Except for certain claims, all disputes must first be submitted to mediation.. |
| v. | Choice of forum | Section 15I | Litigation must be in the city where our corporate headquarters are located (currently, Simpsonville, South Carolina), except as restricted or prohibited by applicable state law regulating franchising. |
| w. | Choice of law | Section 15H | South Carolina law governs construction of the Franchise Agreement and the parties' relationship, except as restricted or prohibited by applicable state law regulating franchising. |

## ITEM 18
## PUBLIC FIGURES

We currently do not use any public figure to promote our franchise; however, in the future and in our sole discretion, we may use social media influencers to promote the 9ROUND brand.

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

We do not make any financial performance 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 future income, you should report it to the franchisor's management by contacting Shannon Hudson, 847 NE Main Street, Simpsonville, South Carolina 29681 (864) 962-4600, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20
## OUTLETS AND FRANCHISEE INFORMATION

**Table 1**
**Systemwide Outlet Summary**
**For Years 2018 to 2020**

| Outlet Type | Year | Outlets and the Start of the Year | Outlets at the End of the Year | Net Change |
|---|---|---|---|---|
| Franchised | 2018 | 490 | 577 | +87 |
| | 2019 | 577 | 571 | -6 |
| | 2020 | 571 | 487 | -84 |
| Company Owned | 2018 | 7 | 7 | 0 |
| | 2019 | 7 | 7 | 0 |
| | 2020 | 7 | 7 | 0 |
| Total Outlets | 2018 | 497 | 584 | +87 |
| | 2019 | 584 | 578 | -6 |
| | 2020 | 578 | 494 | -84 |

**Table 2**
**Transfers of Outlets from Franchisees to New Owners (other than Franchisor)**
**For Years 2018 to 2020**

| State | Year | Number of Transfers |
|---|---|---|
| Alabama | 2018 | 0 |
| | 2019 | 0 |
| | 2020 | 0 |
| Arizona | 2018 | 0 |
| | 2019 | 0 |
| | 2020 | 2 |
| California | 2018 | 2 |
| | 2019 | 7 |
| | 2020 | 2 |
| Colorado | 2018 | 6 |
| | 2019 | 0 |
| | 2020 | 2 |
| Connecticut | 2018 | 1 |
| | 2019 | 1 |
| | 2020 | 0 |
| Delaware | 2018 | 0 |
| | 2019 | 1 |
| | 2020 | 0 |
| Florida | 2018 | 4 |
| | 2019 | 5 |
| | 2020 | 3 |
| Georgia | 2018 | 0 |

| State | Year | Number of Transfers |
|---|---|---|
| | 2019 | 0 |
| | 2020 | 2 |
| Illinois | 2018 | 1 |
| | 2019 | 1 |
| | 2020 | 0 |
| Indiana | 2018 | 0 |
| | 2019 | 0 |
| | 2020 | 1 |
| Iowa | 2018 | 1 |
| | 2019 | 0 |
| | 2020 | 0 |
| Kansas | 2018 | 2 |
| | 2019 | 0 |
| | 2020 | 0 |
| Kentucky | 2018 | 1 |
| | 2019 | 0 |
| | 2020 | 0 |
| Maryland | 2018 | 1 |
| | 2019 | 0 |
| | 2020 | 0 |
| Massachusetts | 2018 | 1 |
| | 2019 | 1 |
| | 2020 | 0 |
| Michigan | 2018 | 2 |
| | 2019 | 2 |
| | 2020 | 0 |
| Minnesota | 2018 | 2 |
| | 2019 | 0 |
| | 2020 | 2 |
| Missouri | 2018 | 2 |
| | 2019 | 3 |
| | 2020 | 6 |
| Nebraska | 2018 | 1 |
| | 2019 | 3 |
| | 2020 | 0 |
| Nevada | 2018 | 0 |
| | 2019 | 1 |
| | 2020 | 0 |
| New Hampshire | 2018 | 1 |
| | 2019 | 0 |
| | 2020 | 0 |
| New York | 2018 | 0 |
| | 2019 | 0 |
| | 2020 | 0 |

| State | Year | Number of Transfers |
|---|---|---|
| North Carolina | 2018 | 6 |
| | 2019 | 5 |
| | 2020 | 2 |
| Ohio | 2018 | 0 |
| | 2019 | 0 |
| | 2020 | 2 |
| Oregon | 2018 | 1 |
| | 2019 | 0 |
| | 2020 | 1 |
| Pennsylvania | 2018 | 1 |
| | 2019 | 0 |
| | 2020 | 0 |
| South Carolina | 2018 | 2 |
| | 2019 | 0 |
| | 2020 | 2 |
| South Dakota | 2018 | 0 |
| | 2019 | 0 |
| | 2020 | 0 |
| Tennessee | 2018 | 0 |
| | 2019 | 2 |
| | 2020 | 0 |
| Texas | 2018 | 13 |
| | 2019 | 10 |
| | 2020 | 5 |
| Utah | 2018 | 0 |
| | 2019 | 0 |
| | 2020 | 1 |
| Virginia | 2018 | 2 |
| | 2019 | 0 |
| | 2020 | 0 |
| Washington | 2018 | 1 |
| | 2019 | 1 |
| | 2020 | 0 |
| Wisconsin | 2018 | 2 |
| | 2019 | 0 |
| | 2020 | 4 |
| Total | 2018 | 56 |
| | 2019 | 43 |
| | 2020 | 37 |

**Table 3**
**Status of Franchise Outlets**
**For Years 2018 to 2020**

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Outlets at End of Year |
|---|---|---|---|---|---|---|---|---|
| Alabama | 2018 | 8 | 2 | 0 | 0 | 0 | 0 | 10 |
| | 2019 | 10 | 3 | 0 | 0 | 0 | 1 | 12 |
| | 2020 | 12 | 2 | 0 | 0 | 0 | 3 | 11 |
| Arizona | 2018 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| | 2019 | 5 | 1 | 0 | 0 | 0 | 0 | 6 |
| | 2020 | 6 | 1 | 0 | 0 | 0 | 0 | 7 |
| Arkansas | 2018 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2019 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2020 | 4 | 0 | 0 | 0 | 0 | 1 | 3 |
| California | 2018 | 54 | 20 | 0 | 0 | 0 | 1 | 73 |
| | 2019 | 73 | 11 | 0 | 0 | 0 | 7 | 77 |
| | 2020 | 77 | 7 | 0 | 0 | 0 | 12 | 72 |
| Colorado | 2018 | 15 | 3 | 0 | 0 | 0 | 0 | 18 |
| | 2019 | 18 | 1 | 0 | 0 | 0 | 4 | 15 |
| | 2020 | 15 | 1 | 0 | 0 | 0 | 4 | 12 |
| Connecticut | 2018 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 0 | 1 | 0 | 1 | 3 |
| Delaware | 2018 | 2 | 4 | 0 | 0 | 0 | 0 | 6 |
| | 2019 | 6 | 0 | 0 | 0 | 0 | 1 | 5 |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| Florida | 2018 | 34 | 12 | 0 | 0 | 0 | 2 | 44 |
| | 2019 | 44 | 11 | 0 | 0 | 0 | 1 | 54 |
| | 2020 | 54 | 4 | 0 | 0 | 0 | 7 | 51 |
| Georgia | 2018 | 11 | 5 | 0 | 0 | 0 | 0 | 16 |
| | 2019 | 16 | 2 | 0 | 0 | 0 | 1 | 17 |
| | 2020 | 17 | 0 | 0 | 0 | 0 | 1 | 16 |
| Idaho | 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2019 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Illinois | 2018 | 11 | 3 | 0 | 0 | 0 | 0 | 14 |
| | 2019 | 14 | 2 | 0 | 0 | 0 | 3 | 13 |
| | 2020 | 13 | 1 | 0 | 0 | 0 | 3 | 11 |
| Indiana | 2018 | 10 | 3 | 0 | 0 | 0 | 0 | 13 |
| | 2019 | 13 | 1 | 0 | 0 | 0 | 2 | 12 |
| | 2020 | 12 | 0 | 0 | 0 | 0 | 1 | 11 |
| Iowa | 2018 | 2 | 0 | 0 | 0 | 0 | 1 | 1 |
| | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| Kansas | 2018 | 7 | 1 | 0 | 0 | 0 | 0 | 8 |
| | 2019 | 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| | 2020 | 8 | 1 | 0 | 0 | 0 | 1 | 8 |
| Kentucky | 2018 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Outlets at End of Year |
|---|---|---|---|---|---|---|---|---|
| | 2019 | 5 | 0 | 0 | 0 | 0 | 2 | 3 |
| | 2020 | 3 | 0 | 0 | 0 | 0 | 2 | 1 |
| Louisiana | 2018 | 2 | 0 | 0 | 0 | 0 | 1 | 1 |
| | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| Maine | 2018 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2019 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| Maryland | 2018 | 6 | 1 | 0 | 0 | 0 | 2 | 5 |
| | 2019 | 5 | 0 | 0 | 0 | 0 | 1 | 4 |
| | 2020 | 4 | 0 | 0 | 0 | 0 | 1 | 3 |
| Massachusetts | 2018 | 6 | 2 | 0 | 0 | 0 | 0 | 8 |
| | 2019 | 8 | 0 | 0 | 0 | 0 | 1 | 7 |
| | 2020 | 7 | 0 | 0 | 0 | 0 | 2 | 5 |
| Michigan | 2018 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| | 2019 | 12 | 1 | 0 | 0 | 0 | 4 | 9 |
| | 2020 | 9 | 0 | 0 | 0 | 0 | 1 | 8 |
| Minnesota | 2018 | 14 | 3 | 0 | 0 | 0 | 3 | 14 |
| | 2019 | 14 | 0 | 0 | 0 | 0 | 2 | 12 |
| | 2020 | 12 | 0 | 0 | 0 | 0 | 5 | 7 |
| Missouri | 2018 | 24 | 0 | 0 | 0 | 0 | 0 | 24 |
| | 2019 | 24 | 2 | 0 | 0 | 0 | 1 | 25 |
| | 2020 | 25 | 0 | 0 | 0 | 0 | 4 | 21 |
| Montana | 2018 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2019 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Nebraska | 2018 | 4 | 2 | 0 | 0 | 0 | 0 | 6 |
| | 2019 | 6 | 0 | 0 | 0 | 0 | 1 | 5 |
| | 2020 | 5 | 1 | 0 | 0 | 0 | 0 | 6 |
| Nevada | 2018 | 1 | 3 | 0 | 0 | 0 | 0 | 4 |
| | 2019 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2020 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| New Hampshire | 2018 | 8 | 3 | 0 | 0 | 0 | 0 | 11 |
| | 2019 | 11 | 0 | 0 | 0 | 0 | 1 | 10 |
| | 2020 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| New Jersey | 2018 | 5 | 4 | 0 | 0 | 0 | 2 | 7 |
| | 2019 | 7 | 0 | 0 | 0 | 0 | 2 | 5 |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 2 | 3 |
| New Mexico | 2018 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2019 | 2 | 0 | 0 | 0 | 0 | 2 | 0 |
| | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New York | 2018 | 6 | 2 | 0 | 0 | 0 | 0 | 8 |
| | 2019 | 8 | 1 | 0 | 0 | 0 | 2 | 7 |
| | 2020 | 7 | 2 | 0 | 0 | 0 | 3 | 6 |
| North Carolina | 2018 | 35 | 3 | 0 | 0 | 0 | 3 | 35 |
| | 2019 | 35 | 2 | 0 | 0 | 0 | 2 | 35 |
| | 2020 | 35 | 1 | 0 | 0 | 0 | 8 | 28 |
| North Dakota | 2018 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Outlets at End of Year |
|---|---|---|---|---|---|---|---|---|
| | 2019 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ohio | 2018 | 20 | 0 | 0 | 0 | 0 | 1 | 19 |
| | 2019 | 19 | 0 | 0 | 0 | 0 | 0 | 19 |
| | 2020 | 19 | 0 | 0 | 0 | 0 | 7 | 12 |
| Oklahoma | 2018 | 3 | 0 | 0 | 0 | 0 | 1 | 2 |
| | 2019 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2020 | 2 | 1 | 0 | 0 | 0 | 3 | 0 |
| Oregon | 2018 | 8 | 0 | 0 | 0 | 0 | 2 | 6 |
| | 2019 | 6 | 0 | 0 | 0 | 0 | 2 | 4 |
| | 2020 | 4 | 0 | 0 | 0 | 0 | 1 | 3 |
| Pennsylvania | 2018 | 7 | 1 | 0 | 0 | 0 | 0 | 8 |
| | 2019 | 8 | 0 | 0 | 0 | 0 | 3 | 5 |
| | 2020 | 5 | 1 | 0 | 0 | 0 | 1 | 5 |
| South Carolina | 2018 | 32 | 3 | 0 | 0 | 1 | 7 | 27 |
| | 2019 | 27 | 0 | 0 | 0 | 0 | 1 | 26 |
| | 2020 | 26 | 1 | 0 | 0 | 0 | 13 | 14 |
| South Dakota | 2018 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | 2019 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Tennessee | 2018 | 13 | 1 | 0 | 0 | 0 | 1 | 13 |
| | 2019 | 13 | 0 | 0 | 0 | 0 | 5 | 8 |
| | 2020 | 8 | 0 | 0 | 0 | 0 | 4 | 4 |
| Texas | 2018 | 55 | 24 | 0 | 0 | 0 | 3 | 76 |
| | 2019 | 76 | 17 | 0 | 0 | 0 | 2 | 91 |
| | 2020 | 91 | 3 | 0 | 0 | 0 | 10 | 84 |
| Utah | 2018 | 1 | 2 | 0 | 0 | 0 | 0 | 3 |
| | 2019 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Virginia | 2018 | 21 | 5 | 0 | 0 | 0 | 1 | 25 |
| | 2019 | 25 | 0 | 0 | 0 | 0 | 9 | 16 |
| | 2020 | 16 | 1 | 0 | 1 | 0 | 6 | 10 |
| Washington | 2018 | 6 | 5 | 0 | 0 | 0 | 0 | 11 |
| | 2019 | 11 | 2 | 0 | 0 | 0 | 0 | 13 |
| | 2020 | 13 | 1 | 0 | 0 | 0 | 1 | 13 |
| Wisconsin | 2018 | 21 | 2 | 0 | 0 | 0 | 2 | 21 |
| | 2019 | 21 | 1 | 0 | 0 | 0 | 2 | 20 |
| | 2020 | 20 | 0 | 0 | 0 | 0 | 4 | 16 |
| Totals | 2018 | 490 | 122 | 0 | 0 | 1 | 34 | 577 |
| | 2019 | 577 | 59 | 0 | 0 | 0 | 65 | 571 |
| | 2020 | 571 | 31 | 0 | 2 | 0 | 113 | 487 |

**Table 4**
**Status of Company-Owned Outlets**
**For Years 2018 to 2020**

| State | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired From Franchisees | Outlets Closed | Outlets Sold to Franchisees | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| South Carolina | 2018 | 7 | 1 | 1 | 2 | 0 | 7 |
| | 2019 | 7 | 0 | 0 | 0 | 0 | 7 |
| | 2020 | 7 | 0 | 0 | 0 | 0 | 7 |
| Totals | 2018 | 7 | 1 | 1 | 2 | 0 | 7 |
| | 2019 | 7 | 0 | 0 | 0 | 0 | 7 |
| | 2020 | 7 | 0 | 0 | 0 | 0 | 7 |

**Table 5**
**Projected New Franchised Outlets**
**As of December 31, 2020**

| State | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlet in the Next Fiscal Year | Projected New Company Owned Outlets in the Next Fiscal Year |
|---|---|---|---|
| Alabama | 7 | 2 | 0 |
| Arkansas | 0 | 0 | 0 |
| Arizona | 4 | 1 | 0 |
| California | 23 | 10 | 0 |
| Colorado | 7 | 1 | 0 |
| Delaware | 1 | 1 | 0 |
| District of Columbia | 2 | 1 | 0 |
| Florida | 21 | 4 | 0 |
| Georgia | 2 | 1 | 0 |
| Illinois | 4 | 2 | 0 |
| Indiana | 1 | 0 | 0 |
| Iowa | 3 | 0 | 0 |
| Kansas | 1 | 1 | 0 |
| Kentucky | 0 | 0 | 0 |
| Louisiana | 0 | 0 | 0 |
| Maine | 2 | 1 | 0 |
| Maryland | 1 | 0 | 0 |
| Massachusetts | 1 | 1 | 0 |
| Michigan | 3 | 0 | 0 |
| Minnesota | 12 | 1 | 0 |
| Missouri | 2 | 0 | 0 |
| Nebraska | 1 | 1 | 0 |
| Nevada | 1 | 0 | 0 |
| New Hampshire | 1 | 0 | 0 |
| New Jersey | 1 | 0 | 0 |
| New York | 2 | 2 | 0 |
| North Carolina | 6 | 3 | 0 |
| Ohio | 4 | 0 | 0 |

| State | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlet in the Next Fiscal Year | Projected New Company Owned Outlets in the Next Fiscal Year |
|---|---|---|---|
| Oregon | 3 | 0 | 0 |
| Pennsylvania | 3 | 1 | 0 |
| South Carolina | 2 | 1 | 0 |
| South Dakota | 0 | 0 | 0 |
| Tennessee | 5 | 0 | 0 |
| Texas | 30 | 8 | 0 |
| Vermont | 1 | 1 | 0 |
| Virginia | 4 | 0 | 0 |
| Washington | 8 | 3 | 0 |
| Wisconsin | 1 | 0 | 0 |
| Total | 170 | 47 | 0 |

Attached at Exhibit D is a list of 9ROUND Centers open as of December 31, 2020 and a list of franchisees who are in the process of opening Centers. Exhibit D also includes a list of franchisees who have left the system within the last fiscal year or who have not communicated with us within 10 weeks of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisee has signed, within the last three (3) years, a confidentiality clause with us that would restrict the franchisee's ability to openly communicate with you.

There is a 9ROUND Franchisee Advisory Council (FAC) comprised of ten (10) members representing various geographic areas: eight (8) U.S. 9ROUND franchisees, one (1) Canadian 9ROUND Franchisee, and one (1) 9ROUND franchisor representative. Currently, six (6) franchisee members are nominated and elected each year following 9ROUND's annual World Convention or by any other process as may be announced by us, including by email. One (1) franchisee member shall be the Executive Choice Nominee and selected by our Chief Executive Officer. Any person who owns an interest in a 9ROUND franchise is eligible for nomination, selection, and membership, provided that they meet certain criteria found in the FAC By-laws. Qualified persons may be nominated by franchisees or by others, including 9ROUND management. Each member will be selected for a one (1) year term. To ensure continuity from year to year, two (2) franchisee members from the prior year's FAC will be selected by 9ROUND as members for the following year's FAC.

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

IA9RF
an Independent Association of 9Round Fitness Franchisees
a Chapter of the American Association of Franchisees & Dealers
PO Box 10158
Palm Desert, CA 92255-1058
Phone: 619-209-3775
Fax: 866-855-1988
Email: IA9RF@aafdchapters.org

## ITEM 21
## FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit B are our audited balance sheets as of December 31, 2020, December 31, 2019, and December 31, 2018, and the related consolidated statements of operations and comprehensive income, and changes in member equity and cash flows for the years then ended, and our unaudited year to date income statement and balance sheet as of May 31, 2021.

## ITEM 22
## CONTRACTS

This disclosure document includes a sample of the following contracts:

Exhibit C - Franchise Agreement, Renewal Addendum, and State Specific Addenda

Exhibit F - Sample Membership Agreement

Exhibit G - Sample Form of General Release Agreement

## ITEM 23
## RECEIPTS

Attached to this disclosure document in Exhibit H are two detachable acknowledgments of receipt.

## STATE APPENDIX TO DISCLOSURE DOCUMENT

***FOR THE STATE OF CALIFORNIA***

The State Cover Page is supplemented by the following:

7. THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT A FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING BUT NOT LIMITED TO A TIME LIMIT TO RAISE CLAIMS AGAINST THE FRANCHISOR, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

The California Corporations Code, Section 31125, 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.

Item 3 of the disclosure document is supplemented by the following:

> Neither the franchisor nor any person identified in Item 2 of the disclosure document is subject to any current effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, U.S.C.A., 78a *et. seq.*, suspending or expelling such persons from membership in such association or exchange.

Item 6 of the disclosure document is supplemented by the following:

| | | | |
|---|---|---|---|
| Interest | 12% per annum or the highest lawful interest rate in California, currently 10% per annum | Upon demand | Payable only if you fail to pay amounts owed to us when due. |

Item 17 of the disclosure document is supplemented by the following:

> California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning transfer, termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
>
> You must sign a release if you renew or transfer your franchise. California Corporations Code voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
>
> 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.
>
> The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).
>
> The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
>
> The Franchise Agreement requires application of the laws of South Carolina. This provision may not be enforceable under California law.

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.

While the earnings claims figures do reflect historical gross sales ranges, they do not reflect all operating expenses or other costs and expenses that must be deducted from gross sales to obtain net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

Our website can be found at www.9round.com. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

***FOR THE STATE OF ILLINOIS***

Notwithstanding the provisions of the Franchise Agreement that South Carolina law shall govern, Illinois law shall apply to and govern any claim between the parties under the Franchise Agreement that alleges violation of the Act.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Item 1 of the disclosure document is supplemented by the following paragraphs:

The Illinois Physical Fitness Facility Medical Emergency Preparedness Act requires that a physical fitness facility (which excludes any facility serving less than 100 individuals or that does not employ any persons to provide instruction, training, or assistance for persons using the facility) have at least one automated external defibrillator (AED) and ensure that there is a trained AED user on staff and present during all staffed hours. Other provisions apply. See 210 ILCS 74 *et seq*.

The Illinois Dance Studio Act (which applies to any person or business entity which contract with members of the general public to provide dance studio services, including instruction, training or assistance in dancing, the use of studio facilities, membership in any group formed by a dance studio, and participation in dance competitions or showcases) requires that every contract for dance studio services be in writing and its contents must conform to the Act's requirements. The Act provides for contract execution, cancellation and refund. Other provisions apply. See 815 ILCS 610 *et seq.*

***FOR THE STATE OF MARYLAND***

Item 17 of the disclosure document is supplemented by the following:

(a) Any release or waiver provision contained in the Franchise Agreement or any release required as a condition of the sale, renewal, and/or assignment/transfer of the franchise

shall not apply to any liability incurred under the Maryland Franchise Registration and Disclosure Law (the "Maryland Franchise Law").

(b) Any claims arising under the Maryland Franchise Law must be brought within three years after the grant of the franchise;

(c) Any provision in the Franchise Agreement requiring litigation in a forum outside the State of Maryland will not limit any rights you may have under the Maryland Franchise Law to bring suit in the State of Maryland.

***FOR THE STATE OF MINNESOTA***

Item 13 of the disclosure document is supplemented by the following:

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols ("Marks") or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred that you incur in the defense of your right to use the Marks, so long as you were using the Marks in the manner that we authorized, 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.

Item 17 of the disclosure document is supplemented by the following:

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 (1) a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

To the extent that any condition, stipulation, or provision contained in the Franchise Agreement (including any choice of law provision) purports to require any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota, to waive compliance with the Minnesota Franchises Law, such condition, stipulation, or provision may be void and unenforceable under the non-waiver provision of the Minnesota Franchises Law.

***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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE**

**FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order or any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor nor its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of this Franchise Disclosure Document: (a) filed as a debtor (or had filed against it) a petition to star an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17 (m), entitled "**Conditions for franchisor approval of transfer**".

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this

proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**".

   You may terminate the agreement on any grounds available by law.

7. The following is added the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor**".

   However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**".

   The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

***FOR THE STATE OF NORTH DAKOTA***

1. The Securities Commissioner for the State of North Dakota has held that the provisions stated below in (a) through (h) are unfair, unjust, or inequitable to North Dakota Franchisees (Section 51-19-09, N.D.C.C.) and may be unenforceable under North Dakota Law:

   (a) A provision requiring a North Dakota franchisee to sign a general release upon renewal of the Franchise Agreement;

   (b) A provision requiring a North Dakota franchisee to consent to termination penalties or liquidated damages;

   (c) A provision requiring a North Dakota franchisee to consent to the jurisdiction of courts outside the state of North Dakota;

   (d) A provision requiring a choice of law contrary to the North Dakota Franchise Investment Law;

   (e) A provision restricting the time in which a North Dakota franchisee may make a claim to less than the applicable North Dakota statute of limitations;

   (f) A provision calling for the waiver by a North Dakota franchisee of the right to trial by jury;

   (g) A provision requiring a North Dakota franchisee to consent to a waiver of exemplary and punitive damages; and

   (h) A provision requiring the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the Franchise Agreement.

2. North Dakota Century Code Section 9-08-06 subjects covenants not to compete to the provisions of that statute. The covenants not to compete contained within the Franchise Agreement are subject to Section 9-08-06 and may be unenforceable under North Dakota law.

3. The site of any mediation of the parties' disputes shall be at a site mutually agreeable to all parties. If all parties cannot agree upon a location, mediation shall be Fargo, North Dakota.

***FOR THE STATE OF RHODE ISLAND***

Section 19-28.1-14 of the Rhode Island Franchise Act ("Act") provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

***FOR THE COMMONWEALTH OF VIRGINIA***

Item 1 of the disclosure document is supplemented by the following:

> Health spas in Virginia are regulated by the Department of Agriculture, Office of Consumer Affairs who can be reached at (804)786-1343.

Item 6 of the disclosure document is supplemented by the following:

> Any securities offered or sold by the Investor Franchisee as part of the 9Round Franchising, LLC franchise must either be registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act.

Item 17 of the Franchise Disclosure Document is amended as follows:

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the Franchise Disclosure Document for 9Round Franchising, LLC, for use in the Commonwealth of Virginia is supplemented by the following:

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

***FOR THE STATE OF WASHINGTON***

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, 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 the 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 right or remedies under the Act such as 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 additional, 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 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 franchisee agreement or elsewhere are void and unenforceable in Washington.

**Use of Franchise Brokers**. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

***FOR THE STATE OF WISCONSIN***

Item 17 of the disclosure document is supplemented by the following:

For franchisees subject to the Wisconsin Fair Dealership Law, Ch. 135, Stats., provisions in the Fair Dealership Law supersede any inconsistent provisions of the Franchise Agreement or a related contract.

**EXHIBIT A**
**LIST OF STATE ADMINISTRATORS**
**LIST OF AGENTS FOR SERVICE OF PROCESS**

## *LIST OF STATE ADMINISTRATORS*

**California**
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7500

**Hawaii**
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

**Illinois**
Office of Attorney General
500 S. Second Street
Springfield, Illinois 62706
(217) 782-4465

**Indiana**
Franchise Section, Securities Division
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

**Maryland**
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-7042

**Michigan**
Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Bldg., 1st Floor
Lansing, Michigan 48913
(517) 373-7117

**Minnesota**
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1600

**New York**
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222

**North Dakota**
North Dakota Securities Department
600 East Blvd. Avenue
State Capitol, Fifth Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

**Oregon**
Division of Consumer and Business Services
350 Winter St. N.E. Labor & Industries Bldg., Rm 21
Salem, Oregon 97310
(503) 378-4387

**Rhode Island**
Department of Business Regulation
Securities Division
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920
(401) 462-9527

**South Dakota**
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

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

**Washington**
Department of Financial Institutions, Securities Div.
150 Israel Road, S.W.
Tumwater, Washington 98501
(360) 902-8760

**Wisconsin**
Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, WI 53705
(608) 266-8559

## *LIST OF AGENTS FOR SERVICE OF PROCESS*

**California**
Commissioner of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013

**Hawaii**
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

**Illinois**
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

**Indiana**
Indiana Secretary of State
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204

**Maryland**
Maryland Securities Commissioner
Office of the Attorney General
200 St. Paul Place
Baltimore, Maryland 21202-2020

**Michigan**
Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
525 W. Ottawa Street
G. Mennen Williams Bldg., 1st Floor
Lansing, Michigan 48913

**Minnesota**
Commissioner of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

**New York**
Secretary of State of The State of New York
One Commerce Plaza
99 Washington Avenue
Albany, New York 12231

**North Dakota**
Securities Commissioner
600 East Boulevard Avenue, 5th Floor
Bismarck, North Dakota 58505

**Oregon**
Director
Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310

**Rhode Island**
Director of Department of Business Regulation
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920

**South Dakota**
Director
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501

**Virginia**
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

**Washington**
Director
Department of Financial Institutions
150 Israel Road, S.W.
Tumwater, Washington 98501

**Wisconsin**
Commissioner of Securities

4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705

**EXHIBIT B**
**FINANCIAL STATEMENTS**

# 9Round Franchising, LLC

*Report on Consolidated Financial Statements*

*For the years ended December 31, 2020 and 2019*

# 9Round Franchising, LLC

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elliott davis

**Independent Auditor's Report**

To the Members
9Round Franchising, LLC
Simpsonville, South Carolina

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of 9Round Franchising, LLC and its subsidiaries (collectively the "Company"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations and comprehensive income, changes in members' equity (deficit) and cash flows for the years then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and the fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of 9Round Franchising, LLC and its subsidiaries as of December 31, 2020 and 2019, and the results of their operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Elliott Davis, LLC

Greenville, South Carolina
March 31, 2021

## 9Round Franchising, LLC

***Consolidated Balance Sheets***

***As of December 31, 2020 and 2019***

| | 2020 | 2019 |
|---|---|---|
| **Assets** | | |
| ***Current assets*** | | |
| Cash and cash equivalents | $ 6,758,306 | $ 3,550,867 |
| Trade accounts receivable | 709,025 | 928,825 |
| Inventory | 1,467,269 | 2,001,175 |
| Prepaid expenses | 443,207 | 536,782 |
| Current portion of deferred franchise costs | 684,571 | 603,616 |
| Due from related parties | 10,083 | - |
| Income taxes receivable | - | 9,016 |
| Current portion of notes receivables | 14,132 | 19,842 |
| Total current assets | 10,086,593 | 7,650,123 |
| ***Noncurrent assets*** | | |
| Property, plant and equipment, net | 3,654,729 | 5,602,744 |
| Notes receivable, net of current portion | 285 | 12,543 |
| Intangibles, net | 78,933 | 142,255 |
| Deferred franchise costs, net of current portion | 3,226,328 | 4,400,232 |
| Deferred tax asset | 104,257 | 141,887 |
| Other assets | 2,886 | 11,834 |
| Total noncurrent assets | 7,067,418 | 10,311,495 |
| Total assets | $ 17,154,011 | $ 17,961,618 |
| **Liabilities and Members' Equity (Deficit)** | | |
| ***Current liabilities*** | | |
| Accounts payable | $ 277,189 | $ 407,954 |
| Accrued expenses | 358,487 | 343,532 |
| Income taxes payable | 16,601 | - |
| Current portion of deferred franchise revenue | 1,885,169 | 1,729,480 |
| Current portion of capital lease payable | 45,337 | 38,217 |
| Other current liabilities | 172,492 | 169,036 |
| Total current liabilities | 2,755,275 | 2,688,219 |
| ***Long-term liabilities*** | | |
| Capital lease payable, net of current portion | 2,573,613 | 4,478,604 |
| Deferred franchise revenue, net of current portion | 9,201,435 | 12,117,207 |
| Total long-term liabilities | 11,775,048 | 16,595,811 |
| Total liabilities | 14,530,323 | 19,284,030 |
| ***Members' equity (deficit)*** | 2,623,688 | (1,322,412) |
| Total liabilities and members' equity (deficit) | $ 17,154,011 | $ 17,961,618 |

***See Notes to Consolidated Financial Statements***

## 9Round Franchising, LLC

***Consolidated Statements of Operations and Comprehensive Income***

***For the years ended December 31, 2020 and 2019***

| | 2020 | 2019 |
|---|---|---|
| ***Revenues*** | | |
| Franchise fee revenue | $ 3,400,682 | $ 3,246,071 |
| Master and area license fee revenue | 269,386 | 256,723 |
| Royalty revenue | 2,534,514 | 3,838,083 |
| Fee revenue | 2,419,676 | 3,332,218 |
| Product revenue | 5,501,158 | 9,880,754 |
| Rebate revenue | 1,378,703 | 1,741,198 |
| Other revenue | 1,070,638 | 1,037,117 |
| Total revenues | 16,574,757 | 23,332,164 |
| ***Cost of product revenue*** | 3,502,729 | 5,928,468 |
| ***Operating expenses*** | | |
| Advertising and marketing | 833,547 | 2,487,717 |
| Depreciation and amortization | 654,019 | 629,878 |
| Commissions | 1,452,795 | 1,397,158 |
| Professional fees | 452,350 | 811,717 |
| Personnel costs | 3,375,199 | 3,030,145 |
| Other operating expenses | 2,885,165 | 3,528,736 |
| Total operating expenses | 9,653,075 | 11,885,351 |
| Income from operations | 3,418,953 | 5,518,345 |
| ***Other income (expense)*** | | |
| Interest expense | (225,171) | (185,641) |
| Interest income | 6,351 | 6,163 |
| Unrealized foreign currency gain | 154 | 1,887 |
| Gain on forgiveness of Paycheck Protection Program loan | 550,000 | - |
| Other income (expense), net | 290,906 | (30,126) |
| Total other income (expense), net | 622,240 | (207,717) |
| Income before income taxes | 4,041,193 | 5,310,628 |
| ***Income tax expense*** | (57,767) | (6,459) |
| Net income | 3,983,426 | 5,304,169 |
| ***Other comprehensive income (loss)*** | | |
| Changes in cumulative translation adjustments | 6,766 | (8,244) |
| Total comprehensive income | $ 3,990,192 | $ 5,295,925 |

***See Notes to Consolidated Financial Statements***

## 9Round Franchising, LLC

***Consolidated Statements of Changes in Members' Equity (Deficit)***

***For the years ended December 31, 2020 and 2019***

| | Accumulated Other Comprehensive Loss | Accumulated Earnings (Deficit) | Total Members' Equity (Deficit) |
|---|---|---|---|
| ***Balance, January 1, 2019*** | $ (19,649) | $ (1,629,826) | $ (1,649,475) |
| Distributions to members | - | (4,968,862) | (4,968,862) |
| Net income | - | 5,304,169 | 5,304,169 |
| Other comprehensive loss | (8,244) | - | (8,244) |
| ***Balance, December 31, 2019*** | (27,893) | (1,294,519) | (1,322,412) |
| Distributions to members | - | (44,092) | (44,092) |
| Net income | - | 3,983,426 | 3,983,426 |
| Other comprehensive income | 6,766 | - | 6,766 |
| ***Balance, December 31, 2020*** | $ (21,127) | $ 2,644,815 | $ 2,623,688 |

***See Notes to Consolidated Financial Statements***

## 9Round Franchising, LLC

***Consolidated Statements of Cash Flows***

***For the years ended December 31, 2020 and 2019***

| | 2020 | 2019 |
|---|---|---|
| ***Cash flows from operating activities*** | | |
| Net income | $ 3,983,426 | $ 5,304,169 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 654,019 | 629,878 |
| Decrease in discount on notes receivable | (698) | 116 |
| Gain on termination of capital lease | (281,713) | - |
| Gain on forgiveness of Paycheck Protection Program loan | (550,000) | - |
| Loss on modification of capital lease | - | 81,874 |
| Write-off of uncollectible notes and long-term receivables | - | 9,000 |
| Bad debt expense | (21,140) | - |
| Deferred taxes | 37,540 | (4,113) |
| Changes in operating assets and liabilities: | | |
| Trade accounts receivable | 239,811 | 25,623 |
| Inventory | 533,906 | 416,129 |
| Prepaid expenses | 92,410 | (196,689) |
| Deferred franchise costs | 1,149,416 | 180,386 |
| Due from related parties | (10,083) | 117,908 |
| Other assets | - | 2,787 |
| Accounts payable | (131,043) | (290,284) |
| Accrued expenses | 19,070 | (184,764) |
| Income taxes payable | 3,456 | (21,536) |
| Other current liabilities | 23,977 | 111,469 |
| Deferred franchise revenue | (2,816,460) | 13,992 |
| Other long-term liabilities | - | (62,620) |
| Net cash provided by operating activities | 2,925,894 | 6,133,325 |
| ***Cash flows from investing activities*** | | |
| Purchase of property, plant and equipment | (211,675) | (745,922) |
| Issuance of notes receivable | (3,500) | (23,800) |
| Collections on notes receivable | 22,163 | 32,979 |
| Net cash used for investing activities | (193,012) | (736,743) |
| ***Cash flows from financing activities*** | | |
| Principal payments on capital leases | (38,217) | (55,865) |
| Proceeds from Paycheck Protection Program loan | 550,000 | - |
| Distributions to members | (44,092) | (4,968,862) |
| Net cash provided by (used for) financing activities | 467,691 | (5,024,727) |
| Net increase in cash and cash equivalents | 3,200,573 | 371,855 |
| Exchange rate effect on cash and cash equivalents | 6,866 | 45,456 |
| ***Cash and cash equivalents, beginning of year*** | 3,550,867 | 3,133,556 |
| ***Cash and cash equivalents, end of year*** | $ 6,758,306 | $ 3,550,867 |
| ***Supplemental disclosure*** | | |
| Cash paid for interest | $ 225,171 | $ 185,641 |
| Property and equipment purchased under a capital lease obligation | $ - | $ 322,278 |
| Modification of a capital lease | $ - | $ (1,565,274) |
| Termination of a capital lease | $ (1,577,941) | $ - |

***See Notes to Consolidated Financial Statements***

## Note 1. Summary of Significant Accounting Policies and Activities

*Description of business:*

9Round Franchising, LLC and its subsidiaries (collectively the "Company") were formed for the purpose of granting franchises for the establishment and operation of a center ("Center") offering a service-oriented boxing and kickboxing fitness program combining strength, cardiovascular exercises and circuit training for the entire body to achieve results. A 9Round Center offers boxing and kickboxing fitness programs that provide professional assistance to clients for a total body workout using our proprietary system of challenging workout stations. A 9Round Center franchise will offer clients a variety of comprehensive services that include but are not limited to teaching various boxing and kickboxing disciplines in addition to selling retail and fitness products utilizing the Company's proprietary business format and system.

On December 15, 2008, 9Round Franchising, LLC was formed under the laws of the State of South Carolina.

On November 27, 2013, the Company incorporated 9Round Franchising of Canada, Inc. under the British Columbia Corporations Act. On November 8, 2018 the Company incorporated 9RFranchising Canada, ULC under the British Columbia Corporations Act. On January 1, 2019, 9Round Franchising of Canada, Inc. was amalgamated as one company under the name 9RFranchising Canada, ULC. On July 31, 2018, 9Round Attic Holdings, LLC was formed under the laws of the State of South Carolina and is the U.S. parent of 9RFranchising Canada, ULC. 9Round Attic Holdings, LLC and 9RFranchising Canada, ULC are wholly owned subsidiaries of 9Round Franchising, LLC.

On December 16, 2014, the Company formed 9Round International, LLC under the laws of the State of South Carolina. 9Round International, LLC is a wholly owned subsidiary of 9Round Franchising, LLC.

During 2008, the Company began offering franchises pursuant to federal and state laws that regulate the sale of franchises including the Federal Trade Commission's Franchise Rule. The Company's accounting for franchising operations is in accordance with franchisor accounting, generally accepted in the United States of America.

The franchise agreements typically require the franchisee to pay an initial, nonrefundable fee, as well as continuing royalties to the Company generally based upon a fixed fee stated in the contract. In most cases, under these arrangements, franchisees are granted the right to use and operate the location for a period of ten years with an additional ten-year renewal option contingent on payment of a renewal fee.

*Principles of consolidation:*

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of 9Round Franchising, LLC and its wholly owned subsidiaries, 9RFranchising Canada, ULC and 9Round International, LLC. All significant intra-entity balances and transactions have been eliminated.

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Cash and cash equivalents:*

The Company places its cash with high quality financial institutions. The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. At times, such investments may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limits. The Company has not experienced losses in such investments and does not believe it is exposed to any significant risk on its cash and cash equivalents.

*Trade accounts receivable:*

Trade accounts receivable consist primarily of franchise fees, royalties, and other fees due from franchisees, less an allowance for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. No interest is charged on outstanding receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts. As of December 31, 2020 and 2019, no allowance for uncollectible accounts was recorded.

*Inventory:*

Inventory consisting of gym supplies, personal equipment, and apparel is stated at lower of cost or net realizable value. Net realizable value represents the estimated selling price for inventory less all estimated costs to sell. The cost of inventory is based on the first-in, first-out (FIFO) basis, and includes expenditures incurred in acquiring the inventory and other costs incurred in bringing them to their existing location and condition. A provision or write off is made for any obsolete or damaged inventory identified by management. Damaged inventory is written down as identified. Obsolescence is assessed based on factors such as consumable inventory and comparison of the level of inventory holding to the projected likely future sales using factors existing at the reporting date. As of December 31, 2020 and 2019 there was no reserve for slow-moving or obsolete inventory.

*Deferred franchise costs:*

Deferred franchise costs consist of commissions and other direct costs relating to initial franchise fees, development agreements and license fees for which revenue has not been recognized are deferred until the related revenue is recognized.

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Property, plant and equipment:*

Property, plant and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the asset, and leasehold improvements are amortized over the shorter of the estimated useful lives or the period of the respective leases. The estimated useful lives of the assets are as follows:

| | **Estimated Useful Life** |
|---|---|
| Buildings | 30.25 Years |
| Leasehold improvements | 30.25 Years |
| Furniture and fixtures | 7 Years |
| Vehicles, software and equipment | 3-5 Years |

Upon disposition, the asset cost and related accumulated depreciation are removed from the books and the resulting gain or loss is included in other expenses in the accompanying consolidated statements of operations and comprehensive income. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

*Notes receivable:*

Notes receivable consist of amounts due from new franchisees when a portion of the franchise sale has been financed by the Company, less an allowance for uncollectible notes for estimated losses resulting from franchisees' failure to make note payments in accordance with the terms of their respective loan agreements. Management determines the allowance for uncollectible notes by identifying troubled accounts and by using historical experience applied to an aging of accounts. Amounts charged to the allowance for uncollectible notes are accounted for as a reduction in franchise fee revenue. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for uncollectible notes. As of December 31, 2020 and 2019, no allowance for uncollectible notes was recorded. Certain notes receivable from franchisees do not have a stated interest rate, the Company determines an effective interest rate in accordance with Accounting Standards Codification ("ASC") 835-30-35 *Interest on Receivables and Payables*. The Company recognizes interest income from these notes in the period earned.

*Intangible assets:*

Intangible assets primarily consist of certain legal and related costs incurred in connection with trademark applications as well as costs to acquire the franchise development rights for Wisconsin from a franchisee. The Company capitalizes such costs to the extent that an economic benefit is anticipated from the resulting trademark and development rights or an alternative future use is available to the Company. Amortization of trademark costs and development rights is provided for by the straight-line method over the estimated useful lives of the assets. The Company's assessment of future economic benefit of its intangible assets involves management judgment, and a different conclusion could result in impairment charge up to the carrying value of these assets.

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Impairment of long-lived assets:*

The Company reviews long-lived assets 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 the asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Management believes there is no impairment with long-lived assets as of December 31, 2020 and 2019.

*Revenue recognition:*

The Company recognizes revenue in accordance with Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers.

The Company's revenue primarily consists of franchise revenue, master and area license fee revenue, product revenue, rebate revenue, and Company-owned gym revenue. The Company's products and services are sold primarily to customers in the United States, Canada and certain international markets. Our results of operations are substantially affected by economic conditions, which can vary significantly by market and can be impacted by consumer disposable income levels and spending habits.

*Franchise revenue:* Franchise revenue consists primarily of initial and renewal franchise fees, royalties, advertising revenue, and other fees.

Our franchise agreements include (a) the right to use our symbolic intellectual property over the term of each franchise agreement, (b) pre-opening services, such as training, and (c) ongoing services, such as management of the advertising contributions, development of training materials and gym monitoring. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. Revenue from franchise agreements, which consists of royalties, advertising, and other frees, is recognized evenly over the term of the agreement with the exception of sales-based fees.

Sales-based royalty and sales-based advertising revenues are recognized in the period in which the sales occur. Sales-based royalties and sales-based advertising are variable consideration related to the Company's performance obligation to the franchisees to maintain the intellectual property being licensed.

Franchise fee revenue consists of initial and transfer franchise fees. Initial franchise fees are billed and received upon the signing of the franchise agreement. Recognition of these fees occur over time based on the term of the underlying franchise agreement. In the event a franchise agreement is terminated, any remaining deferred fees are recognized in the period of termination.

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Revenue recognition, continued:*

*Master and area license revenue:* The Company sells master and area licenses that grant the sole rights to develop 9Round Centers and grant individual franchises within a specific geographical area. These agreements transfer franchise rights within a geographical area permitting the opening of a number of franchised outlets. Decisions regarding the number of outlets and their locations are primarily made by the master franchisee with approval of the Company. The Company believes the license and development rights are distinct from the franchise agreements.

Similar to the franchise agreements, the right to use our symbolic intellectual property over the term of the license agreement is accounted for as a single performance obligation recognized evenly over the term of the license agreement. In the event a license agreement is terminated, any remaining deferred fees are recognized in the period of termination.

*Product revenue*: Revenue from the sale of products is recognized upon transfer of control to the customer, which is typically upon shipment. The Company has elected to treat shipping and handling activities related to contracts with customers as costs to fulfill the promise to transfer the associated equipment and not as a separate performance obligation. The Company collects and remits sales taxes on transactions with customers and reports such amounts under the net method in the consolidated statements of operations and comprehensive income. Accordingly, these taxes are not included in gross revenue.

*Rebate revenue*: Rebates are received based on purchases of goods or services by a franchisee to approved vendors required in the franchise agreements. Revenue is recognized at a point in time each month.

*Company-owned gym revenue*: Gym revenue consists of membership fees and merchandise sales. Membership revenue is a stand-ready performance obligation with a series of distinct time increments and therefore is a single performance obligation. Revenue from gym memberships is recognized evenly over the term of the membership agreement. The Company records revenue from sales of merchandise upon delivery of the good to the customer, which is when our performance obligation is satisfied.

Revenue from products and merchandise sales and rebates is recognized at a point in time, whereas franchise fee, master and area license fee, royalty, and fee revenue are recognized over time. Total revenue recognized at a point in time and over time was as follows for the years ended December 31:

| | 2020 | 2019 |
|---|---|---|
| Revenue recognized at a point in time | $ 7,948,915 | $ 12,659,069 |
| Revenue recognized over time | 8,625,842 | 10,673,095 |
| | $ 16,574,757 | $ 23,332,164 |

With the exception of initial, renewal, and master area and license fees, all other revenue is either collected on the date of transaction or within one month. The Company believes its franchising, master and area licensing agreements do not contain a significant financing component because (a) the timing of the upfront payment does not arise for the reason of provision of financing to the Company and (b) the sales-based royalty is variable and based on factors outside the Company or the franchisee's control.

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Income taxes:*

The Company is taxed as a partnership for federal income tax purposes. Consequently, federal income taxes are not provided for or payable by the Company. The Company is subject to various state level taxes. The Company has elected to file composite filings for state income taxes in those states in which the Company meets the requirements for composite filing. The Company is considered a non-resident in foreign jurisdictions and is subject to corporate withholding taxes for payments of royalties and similar payments made by its foreign franchisees. The Company recognizes these withholding taxes in the provision for income taxes in the consolidated statements of operations and comprehensive income. The Company's net income or loss is allocated to the members who are taxed individually on their share of each Company's earnings.

The Company recognizes income tax related interest and penalties in interest expense and other operating expenses, respectively, in the consolidated statements of operations and comprehensive income.

9Round International, LLC is a single member LLC and, as such, is treated as a division of 9Round Franchising, LLC for federal income tax purposes.

Because of its status, the Company is disregarded as a separate entity for income tax purposes, therefore the Company itself does not file an income tax return separate and apart from its parent, 9Round Franchising, LLC.

9RFranchising Canada, ULC is taxed as a corporation in Canada and accounts for income taxes in accordance with generally accepted accounting standards, which requires the use of the liability method of accounting for income taxes. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred income taxes are provided for the temporary differences in basis of the Company's assets and liabilities and their reported amounts. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are determined based on the enacted rates that are expected to be in effect when these differences are expected to reverse. Deferred tax expense or benefit is the result of the changes in the deferred tax assets and liabilities. The Company records a valuation allowance to reduce deferred tax assets if it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The Company recognizes income tax related interest and penalties in interest expense and other operating expenses, respectively, in the consolidated statements of operations and comprehensive income.

*Advertising:*

All costs associated with advertising and marketing are expensed in the period incurred. Advertising and marketing costs were approximately $834,000 and $2,488,000 for the years ended December 31, 2020 and 2019, respectively.

*Personnel costs:*

Personnel costs include all salaries, wages, and contract labor paid to employees and contract laborers. Personnel costs also include charges for employee benefits, various payroll taxes and other payroll related fees.

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Shipping and handling costs:*

Amounts billed to a customer in a sales transaction related to shipping and handling are included in revenue in the accompanying consolidated statements of operations and comprehensive income. Costs incurred for shipping and handling are included in cost of revenues in the accompanying consolidated statements of operations and comprehensive income.

*Presentation of sales taxes:*

The states and municipalities in which the Company operates impose sales tax on all of the Company's nonexempt revenue. The Company collects sales tax from its franchisees and remits the entire amount to the appropriate taxing authority. The Company's policy is to exclude the tax collected and remitted from revenue and cost of product revenue in the accompanying consolidated statements of operations and comprehensive income. The Company accrues sales tax liabilities as it records sales, maintaining the amount owed to the taxing authorities as a current liability.

*Other comprehensive income:*

Other comprehensive income consists of foreign currency translation adjustments.

*Foreign currency:*

Foreign currency denominated assets and liabilities are translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Results of operations and cash flows are translated using the average exchange rates throughout the period. The effect of exchange rate fluctuations on translation of assets and liabilities is included as a component of member’s equity in accumulated other comprehensive loss. Gains and losses from foreign currency transactions are included in other income and expense.

*Use of estimates:*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and assumptions.

*Fair value of assets and liabilities:*

The carrying values of all of the Company's financial instruments approximate their fair values. The Company applies the guidance related to fair value for certain non-financial assets and liabilities. The non-financial assets and liabilities include items such as long-lived assets and intangibles.

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Recent accounting pronouncements:*

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases (Subtopic 842)*. The ASU will require companies to recognize lease assets and lease liabilities on the balance sheet and disclose key information about leasing arrangements. In May 2020, in response to the global 2019 novel coronavirus (or "COVID-19") pandemic, the FASB voted to delay the effective date of this guidance to fiscal years beginning after December 15, 2021. Early adoption is permitted. Management is currently evaluating the impact of this standard on its consolidated financial position, results of operations, and cash flows.

On January 28, 2021, the FASB issued ASU 2021-02, *Franchisors – Revenue from Contracts with Customer (Subtopic 952-606): Practical Expedient*. The ASU introduces a new practical expedient that simplifies the application of the guidance about identifying performance obligations. The practical expedient permits franchisors that are not public business entities to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. If an entity has already adopted Topic 606, the amendments in this ASU are effective in interim and annual periods beginning after December 15, 2020. Early application is permitted. For those entities, this guidance should be applied retrospectively to the date Topic 606 was adopted. Management is currently evaluating the impact of this standard on its consolidated financial position, results of operations, and cash flows.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

*Subsequent events:*

The Company has evaluated events and transactions for potential recognition or disclosure through March 31, 2021, the date the consolidated financial statements were available for issuance.

**Note 2. Property, Plant and Equipment**

Property, plant and equipment consisted of the following as of December 31, 2020 and 2019:

| | 2020 | 2019 |
|---|---|---|
| Leasehold improvements | $ 1,317,658 | $ 1,209,793 |
| Furniture and fixtures | 209,024 | 209,024 |
| Vehicles and equipment | 272,592 | 214,253 |
| Software | 409,840 | 409,840 |
| Construction in progress | 115,642 | 70,173 |
| | 2,324,756 | 2,113,083 |
| Less: accumulated depreciation | (1,170,923) | (736,448) |
| | 1,153,833 | 1,376,635 |
| Buildings under capital leases – net of accumulated amortization of $236,615 and $361,402 in 2020 and 2019, respectively | 2,500,896 | 4,226,109 |
| Property and equipment, net | $ 3,654,729 | $ 5,602,744 |

**Note 2. Property, Plant and Equipment, Continued**

Depreciation expense for the years ended December 31, 2020 and 2019 was approximately $591,000 and $567,000, respectively, which includes approximately $147,000 and $161,000 of amortization expense related to capital leases for the years ended December 31, 2020 and 2019, respectively.

**Note 3. Intangible Assets**

Intangible assets consisted of the following as of December 31, 2020 and 2019:

| | December 31, 2020 | | |
|---|---|---|---|
| | Cost | Accumulated Amortization | Net |
| Development rights | $ 179,708 | $ 157,244 | $ 22,464 |
| Trademark | 94,115 | 37,646 | 56,469 |
| | $ 273,823 | $ 194,890 | $ 78,933 |

| | December 31, 2019 | | |
|---|---|---|---|
| | Cost | Accumulated Amortization | Net |
| Development rights | $ 179,708 | $ 103,333 | $ 76,375 |
| Trademark | 94,115 | 28,235 | 65,880 |
| | $ 273,823 | $ 131,568 | $ 142,255 |

Amortization expense for the years ended December 31, 2020 and 2019 was approximately $63,000. The estimated amortization of intangible assets for the years subsequent to December 31, 2020, is as follows:

| | |
|---|---|
| 2021 | $ 31,875 |
| 2022 | 9,412 |
| 2023 | 9,412 |
| 2024 | 9,412 |
| 2025 | 9,412 |
| Thereafter | 9,410 |
| | $ 78,933 |

**Note 4. Contract Balances**

Contract balances related to contracts with customers consist of receivables, deferred franchise costs, and deferred revenue. See Note 1 for details on accounts receivable.

Deferred franchise costs (contract asset) consist of commissions and other direct costs relating to initial franchise fees, developmental agreements, and license fees for which revenue has not been recognized.

**Note 4. Contract Balances, Continued**

Deferred franchise revenue (contract liability) represents that portion of the total revenue from initial franchise, license, and development agreements attributable to service required to be provided by the Company that have not yet been performed.

The opening balance of deferred franchise costs and deferred franchise revenue as of January 1, 2019 was $5,136,360 and $13,753,623, respectively.

**Note 5. Capital Lease Obligations**

The Company leases its office facilities in Simpsonville, South Carolina under capital leases, which including renewals, expire between March 2048 and July 2049. The interest rate implicit on these leases ranges from 1.5% to 11.6%.

Future minimum lease payments under capital leases together with the present value of net minimum lease payments are as follows as of December 31, 2020:

| | |
|---|---|
| 2021 | $ 117,636 |
| 2022 | 119,582 |
| 2023 | 121,566 |
| 2024 | 123,591 |
| 2025 | 125,655 |
| Thereafter | 3,499,962 |
| Total minimum lease payments | 4,107,992 |
| Less: amount representing interest | (1,489,042) |
| Present value of net minimum lease payments | 2,618,950 |
| Current installments of capital lease obligations | (45,337) |
| | $ 2,573,613 |

**Note 6. Paycheck Protection Program**

In April 2020, the Company executed a term note with a financial institution which provided for an unsecured loan in the amount of $550,000, pursuant to the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The PPP term note had a two-year term and bears interest at a fixed rate of 1 percent per annum. Monthly principal and interest payments are deferred for six months after the date of disbursement. The PPP term note may be prepaid at any time prior to maturity with no prepayment penalties. The PPP also provides that this loan may be partially or wholly forgiven if the funds are used for certain qualifying expense as described in the CARES Act, and later amended by the Paycheck Protection Program Flexibility Act (the "Flexibility Act") signed into law in June 2020. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, and utilities. In December 2020, the Small Business Administration approved the Company's PPP Forgiveness Application and remitted payment to the lender for the full amount. Accordingly, the Company recognized $550,000 as a gain from extinguishment of debt for the year ended December 31, 2020. No liability and interest expense for the PPP loan is reflected in the Company's consolidated financial statements.

**Note 7. Income Taxes**

The Company is taxed as a partnership under the provisions of Subchapter K of the Internal Revenue Code. Consequently, federal income taxes are not provided for or payable by the Company. 9Round International, LLC is a single member LLC and, as such, is treated as a division of 9Round Franchising, LLC for federal income tax purposes. Because of its status, the Company is disregarded as a separate entity for income tax purposes, therefore the Company itself does not file an income tax return separate and apart from its parent, 9Round Franchising, LLC. 9Round Franchising, LLC files income tax returns in the U.S. federal jurisdiction, and the various states in which it operates. 9Round Franchising, LLC is subject to routine audits by taxing jurisdictions. 9Round Franchising, LLC believes it is no longer subject to income tax examinations for the years prior to 2016.

The Company is considered a non-resident in foreign jurisdictions and is subject to corporate withholding taxes for payments of royalties and similar payments made by its foreign franchisees.

In accordance with FASB ASC 740-10, *Income Taxes*, 9Round Franchising, LLC is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities.

9Round Franchising, LLC has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. 9Round Franchising, LLC believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial condition, results of operations or cash flows. Accordingly, 9Round Franchising, LLC has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2020 and 2019.

9RFranchising Canada, ULC is taxed as a general corporation under the Canadian federal tax regulations, and for the years ending December 31, 2020 and 2019, 9RFranchising Canada, ULC was subject to provincial taxes. 9RFranchising Canada, ULC is solely owned by 9Round Attic Holdings, LLC, and as such, is treated as a disregarded entity for U.S. federal income tax purposes. The activity of 9RFranchising Canada, ULC is reported on the U.S. partnership income tax returns.

9RFranchising Canada, ULC files income tax returns in the Canadian federal jurisdiction. 9RFranchising Canada, ULC is subject to routine audits by taxing jurisdictions. 9RFranchising Canada, ULC is no longer subject to income tax examinations for the years prior to 2016.

The income tax expense consisted of the following for the years ended December 31, 2020 and 2019:

| | 2020 | 2019 |
|---|---|---|
| Current: | | |
| Foreign | $ (20,138) | $ (16,708) |
| Deferred: | | |
| Foreign | (37,629) | 10,249 |
| Income tax expense | $ (57,767) | $ (6,459) |

**Note 7. Income Taxes, Continued**

Deferred income taxes are provided for temporary differences between the basis of assets and liabilities for financial reporting purposes and income tax purposes.

The components of the net deferred tax asset as of December 31, 2020 and 2019 consisted of the following:

| | 2020 | 2019 |
|---|---|---|
| Deferred tax asset: | | |
| Deferred revenue | $ 295,561 | $ 385,654 |
| Deferred tax liability: | | |
| Deferred franchise costs | (191,304) | (243,767) |
| Net deferred tax asset | $ 104,257 | $ 141,887 |

In accordance with FASB ASC 740-10, *Income Taxes*, 9RFranchising Canada, ULC is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities.

9RFranchising Canada, ULC has analyzed tax positions taken for filing with the Canadian Revenue Agency. 9RFranchising Canada, ULC believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial condition, results of operations or cash flows. Accordingly, 9RFranchising Canada, ULC has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions as of December 31, 2020 and 2019.

**Note 8. Operating Leases**

The Company leases its warehouse facilities, seven Company-owned gyms and office equipment under certain month-to-month and non-cancelable leases that mature between December 2020 and December 2027.

For the years ended December 31, 2020 and 2019, rent and lease expense was approximately $171,000 and $178,000 respectively.

The future minimum lease payments under operating leases are as follows:

| | |
|---|---|
| 2021 | $ 310,696 |
| 2022 | 290,747 |
| 2023 | 253,215 |
| 2024 | 196,510 |
| 2025 | 182,528 |
| Thereafter | 317,577 |
| Total | $ 1,551,273 |

**Note 9. Related Party Transactions**

The majority members own an interest in H&S Empire, LLC ("H&S"). During both years, the Company leased its main office facilities and warehouse facilities from H&S under capital lease agreements (Note 5). The warehouse facilities capital lease agreement was terminated at the end of December 2020.

**Note 10. Summary of Franchises**

The following is a summary of changes in the number of U.S. franchises during the years ended December 31, 2020 and 2019:

| | 2020 | 2019 |
|---|---|---|
| Outlets in operation at beginning of year | 578 | 583 |
| Outlets opened during the year | 31 | 59 |
| Outlets terminated or closed during the year | (115) | (64) |
| Outlets in operation at end of year | 494 | 578 |
| | | |
| Franchised outlets | 487 | 571 |
| Affiliate and company owned outlets | 7 | 7 |

**Note 11. Commitments and Contingencies**

Various legal actions and claims which have arisen in the normal course of business may be pending against the Company from time to time. It is the opinion of management that the ultimate resolution of these contingencies will not have a material effect on the financial condition, results of operations or liquidity of the Company.

The World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. During 2020, Congress passed the CARES Act and various other acts extending and supplementing the benefits which amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Company. To date, the Company has experienced a decline in revenue due to the impacts from the pandemic. The Company's franchised locations make it reasonably possible that the Company is vulnerable to the risk of a near-term severe impact in the event state or local governments impose more stringent guidelines in attempts to limit the spread of the virus in the geographic regions in which the Company and its franchisees operate.

Additionally, it is reasonably possible that estimates made in the consolidated financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions, including losses on inventory and impairment losses related to other long-lived assets.

**Note 12. Subsequent Events**

On February 12, 2021, the Company entered into a loan agreement with a financial institution in the principal amount of approximately $576,000 pursuant to a second draw PPP Loan which provided additional support under the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act (the "Economic Aid Act). The term of the PPP Loan is for five years with an interest rate of 1.0% per annum, which payments may be deferred up to the first sixteen months of the term of the loan. After the initial deferral period, the loan requires monthly payments of principal and interest until maturity with respect to any portion of the PPP Loan which is not forgiven. A PPP Loan recipient may apply for, and be granted, forgiveness for all or a portion of loans granted under the program. Such forgiveness will be determined based upon the use of loan proceeds for payroll costs, rent and utility costs, and the maintenance of employee and compensation levels.

# 9Round Franchising, LLC

***Report on Consolidated Financial Statements***

***For the years ended December 31, 2019 and 2018***

## 9Round Franchising, LLC

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elliott davis

**Independent Auditor's Report**

To the Members
9Round Franchising, LLC
Simpsonville, South Carolina

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of 9Round Franchising, LLC and its subsidiaries (collectively the "Company"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations and comprehensive income, changes in members' deficit and cash flows for the years then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and the fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of 9Round Franchising, LLC and its subsidiaries as of December 31, 2019 and 2018, and the results of their operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Change in Accounting Principle**

As discussed in Note 1 to the consolidated financial statements, the Company has changed its method of accounting for revenue from contracts with customers effective January 1, 2019 due to the adoption of Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)* and all subsequent ASU's that modified Topic 606.

**Subsequent Events**

As discussed in Note 11 to the consolidated financial statements, the Company has been adversely impacted and may continue to be adversely impacted by the COVID-19 global pandemic. Our opinion is not modified with respect to that matter.

Elliott Davis, LLC

Greenville, South Carolina
April 1, 2020

## 9Round Franchising, LLC

***Consolidated Balance Sheets***

***As of December 31, 2019 and 2018***

| | 2019 | 2018 |
|---|---|---|
| **Assets** | | |
| ***Current assets*** | | |
| Cash and cash equivalents | $ 3,550,867 | $ 3,133,556 |
| Trade accounts receivable | 928,825 | 951,201 |
| Inventory | 2,001,175 | 2,417,304 |
| Prepaid expenses | 536,782 | 339,994 |
| Current portion of deferred franchise costs | 603,616 | 1,273,257 |
| Due from related parties | - | 230,125 |
| Income taxes receivable | 9,016 | - |
| Current portion of notes receivables | 19,842 | 31,622 |
| Total current assets | 7,650,123 | 8,377,059 |
| ***Noncurrent assets*** | | |
| Property, plant and equipment, net | 5,602,744 | 6,582,772 |
| Notes receivable, net of current portion | 12,543 | 19,058 |
| Intangibles, net | 142,255 | 205,580 |
| Deferred franchise costs, net of current portion | 4,400,232 | 3,863,103 |
| Deferred tax asset | 141,887 | 131,638 |
| Other assets | 11,834 | 14,619 |
| Total noncurrent assets | 10,311,495 | 10,816,770 |
| Total assets | $ 17,961,618 | $ 19,193,829 |
| **Liabilities and Members' Deficit** | | |
| ***Current liabilities*** | | |
| Accounts payable | $ 407,954 | $ 697,726 |
| Accrued expenses | 343,532 | 525,585 |
| Income taxes payable | - | 12,375 |
| Current portion of deferred franchise revenue | 1,729,480 | 3,153,556 |
| Current portion of capital lease payable | 38,217 | 111,140 |
| Other current liabilities | 169,036 | 57,567 |
| Total current liabilities | 2,688,219 | 4,557,949 |
| ***Long-term liabilities*** | | |
| Capital lease payable, net of current portion | 4,478,604 | 5,622,668 |
| Deferred franchise revenue, net of current portion | 12,117,207 | 10,600,067 |
| Other long-term liabilities | - | 62,620 |
| Total long-term liabilities | 16,595,811 | 16,285,355 |
| Total liabilities | 19,284,030 | 20,843,304 |
| ***Members' deficit*** | (1,322,412) | (1,649,475) |
| Total liabilities and members' deficit | $ 17,961,618 | $ 19,193,829 |

***See Notes to Consolidated Financial Statements***

## 9Round Franchising, LLC

***Consolidated Statements of Operations and Comprehensive Income***

***For the years ended December 31, 2019 and 2018***

| | 2019 | 2018 |
|---|---|---|
| ***Revenues*** | | |
| Franchise fee revenue | $ 3,246,071 | $ 2,741,148 |
| Master and area license fee revenue | 256,723 | 326,878 |
| Royalty revenue | 3,838,083 | 3,364,411 |
| Fee revenue | 3,332,218 | 2,877,582 |
| Product revenue | 9,880,754 | 9,373,747 |
| Rebate revenue | 1,741,198 | 1,725,837 |
| Other revenue | 1,037,117 | 545,032 |
| Total revenues | 23,332,164 | 20,954,635 |
| ***Cost of product revenue*** | 5,928,468 | 5,470,565 |
| ***Operating expenses*** | | |
| Advertising and marketing | 2,487,717 | 1,821,976 |
| Depreciation and amortization | 629,878 | 474,590 |
| Commissions | 1,397,158 | 1,125,532 |
| Professional fees | 811,717 | 845,330 |
| Rent and lease expense | 30,604 | 47,293 |
| Personnel costs | 3,030,145 | 2,660,324 |
| Other operating expenses | 3,498,132 | 3,050,401 |
| Total operating expenses | 11,885,351 | 10,025,446 |
| Income from operations | 5,518,345 | 5,458,624 |
| ***Other income (expense)*** | | |
| Interest expense | (185,641) | (77,790) |
| Interest income | 6,163 | 7,836 |
| Unrealized foreign currency gain (loss) | 1,887 | (17,374) |
| Loss on disposal of property, plant and equipment | - | (10,036) |
| Other (expense) income, net | (30,126) | 19,756 |
| Total other income (expense), net | (207,717) | (77,608) |
| Income before income taxes | 5,310,628 | 5,381,016 |
| ***Income tax (expense) benefit*** | (6,459) | 48,404 |
| Net income | 5,304,169 | 5,429,420 |
| ***Other comprehensive loss*** | | |
| Changes in cumulative translation adjustments | (8,244) | (16,325) |
| Total comprehensive income | $ 5,295,925 | $ 5,413,095 |

***See Notes to Consolidated Financial Statements***

## 9Round Franchising, LLC

***Consolidated Statements of Changes in Members' Deficit***

***For the years ended December 31, 2019 and 2018***

| | Accumulated Other Comprehensive Loss | Accumulated Deficit | Total Members' Deficit |
|---|---|---|---|
| ***Balance, January 1, 2018*** | $ (3,324) | $ (1,556,692) | $ (1,560,016) |
| Distributions to members | - | (5,502,554) | (5,502,554) |
| Net income | - | 5,429,420 | 5,429,420 |
| Other comprehensive loss | (16,325) | - | (16,325) |
| ***Balance, December 31, 2018*** | (19,649) | (1,629,826) | (1,649,475) |
| Distributions to members | - | (4,968,862) | (4,968,862) |
| Net income | - | 5,304,169 | 5,304,169 |
| Other comprehensive loss | (8,244) | - | (8,244) |
| ***Balance, December 31, 2019*** | $ (27,893) | $ (1,294,519) | $ (1,322,412) |

***See Notes to Consolidated Financial Statements***

## 9Round Franchising, LLC

***Consolidated Statements of Cash Flows***

***For the years ended December 31, 2019 and 2018***

| | 2019 | 2018 |
|---|---|---|
| ***Cash flows from operating activities*** | | |
| Net income | $ 5,304,169 | $ 5,429,420 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 629,878 | 474,490 |
| Decrease in discount on notes receivable | 116 | (2,269) |
| Loss on disposal of property, plant and equipment | - | 10,036 |
| Loss on modification of capital lease | 81,874 | - |
| Write-off of uncollectible notes and long-term receivables | 9,000 | 44,088 |
| Deferred taxes | (4,113) | (60,938) |
| Changes in operating assets and liabilities: | | |
| Trade accounts receivable | 25,623 | (315,334) |
| Inventory | 416,129 | (1,780,835) |
| Prepaid expenses | (196,689) | 227,630 |
| Deferred franchise costs | 180,386 | 98,414 |
| Due from related parties | 117,908 | (178,076) |
| Other assets | 2,787 | (11,733) |
| Accounts payable | (290,284) | 13,776 |
| Accrued expenses | (184,764) | 189,142 |
| Income taxes payable | (21,536) | (32,126) |
| Other current liabilities | 111,469 | - |
| Deferred franchise revenue | 13,992 | 478,193 |
| Other long-term liabilities | (62,620) | - |
| Net cash provided by operating activities | 6,133,325 | 4,583,878 |
| ***Cash flows from investing activities*** | | |
| Purchase of property, plant and equipment | (745,922) | (657,695) |
| Purchase of intangible assets | - | (59,521) |
| Issuance of notes receivable | (23,800) | (27,500) |
| Collections on notes receivable | 32,979 | 51,705 |
| Net cash used for investing activities | (736,743) | (693,011) |
| ***Cash flows from financing activities*** | | |
| Principal payments on capital leases | (55,865) | (96,699) |
| Distributions to members | (4,968,862) | (5,502,554) |
| Net cash used for financing activities | (5,024,727) | (5,599,253) |
| Net increase (decrease) in cash and cash equivalents | 371,855 | (1,708,386) |
| Exchange rate effect on cash and cash equivalents | 45,456 | (62,827) |
| ***Cash and cash equivalents, beginning of year*** | 3,133,556 | 4,904,769 |
| ***Cash and cash equivalents, end of year*** | $ 3,550,867 | $ 3,133,556 |
| ***Supplemental disclosure*** | | |
| Cash paid for interest | $ 185,641 | $ 77,794 |
| Cash paid for income taxes | $ - | $ 1,569 |
| Property and equipment purchased under a capital lease obligation | $ 322,278 | $ 2,415,232 |
| Modification of a capital lease | $ (1,565,274) | $ - |
| Intangible assets purchase financed | $ - | $ 120,187 |

***See Notes to Consolidated Financial Statements***

## Note 1. Summary of Significant Accounting Policies and Activities

*Description of business:*

9Round Franchising, LLC and its subsidiaries (collectively the "Company") were formed for the purpose of granting franchises for the establishment and operation of a center ("Center") offering a service-oriented boxing and kickboxing fitness program combining strength, cardiovascular exercises and circuit training for the entire body to achieve results. A 9Round Center offers boxing and kickboxing fitness programs that provide professional assistance to clients for a total body workout using our proprietary system of challenging workout stations. A 9Round Center franchise will offer clients a variety of comprehensive services that include but are not limited to teaching various boxing and kickboxing disciplines in addition to selling retail and fitness products utilizing the Company's proprietary business format and system.

On December 15, 2008, 9Round Franchising, LLC was formed under the laws of the State of South Carolina.

On November 27, 2013, the Company incorporated 9Round Franchising of Canada, Inc. under the British Columbia Corporations Act. On January 1, 2019, 9Round Franchising of Canada, Inc. was amalgamated as one company under the name 9RFranchising Canada, ULC. 9RFranchising Canada, ULC is a wholly owned subsidiary of 9Round Franchising, LLC.

On December 16, 2014, the Company formed 9Round International, LLC under the laws of the State of South Carolina. 9Round International, LLC is a wholly owned subsidiary of 9Round Franchising, LLC.

During 2008, the Company began offering franchises pursuant to federal and state laws that regulate the sale of franchises including the Federal Trade Commission's Franchise Rule. The Company's accounting for franchising operations is in accordance with franchisor accounting, generally accepted in the United States of America.

The franchise agreements typically require the franchisee to pay an initial, nonrefundable fee, as well as continuing royalties to the Company generally based upon a fixed fee stated in the contract. In most cases, under these arrangements, franchisees are granted the right to use and operate the location for a period of ten years with an additional ten year renewal option contingent on payment of a renewal fee.

*Principles of consolidation:*

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of 9Round Franchising, LLC and its wholly owned subsidiaries, 9RFranchising Canada, ULC and 9Round International, LLC. All significant intra-entity balances and transactions have been eliminated.

*Cash and cash equivalents:*

The Company places its cash with high quality financial institutions. The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. At times, such investments may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limits. The Company has not experienced losses in such investments and does not believe it is exposed to any significant risk on its cash and cash equivalents.

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Trade accounts receivable:*

Trade accounts receivable consist primarily of franchise fees, royalties, and other fees due from franchisees, less an allowance for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. No interest is charged on outstanding receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts. As of December 31, 2019 and 2018, no allowance for uncollectible accounts was recorded.

*Inventory:*

Inventory consisting of gym supplies, personal equipment, and apparel is stated at lower of cost or net realizable value. Net realizable value represents the estimated selling price for inventory less all estimated costs to sell. The cost of inventory is based on the first-in, first-out (FIFO) basis, and includes expenditures incurred in acquiring the inventory and other costs incurred in bringing them to their existing location and condition. A provision or write off is made for any obsolete or damaged inventory identified by management. Damaged inventory is written down as identified. Obsolescence is assessed based on factors such as consumable inventory and comparison of the level of inventory holding to the projected likely future sales using factors existing at the reporting date. As of December 31, 2019 and 2018 there was no reserve for slow-moving or obsolete inventory.

*Deferred franchise costs:*

Deferred franchise costs consist of commissions and other direct costs relating to initial franchise fees, development agreements and license fees for which revenue has not been recognized are deferred until the related revenue is recognized.

*Property, plant and equipment:*

Property, plant and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the asset, and leasehold improvements are amortized over the shorter of the estimated useful lives or the period of the respective leases. The estimated useful lives of the assets are as follows:

| | **Estimated Useful Life** |
|---|---|
| Buildings | 30.25 Years |
| Leasehold improvements | 30.25 Years |
| Furniture and fixtures | 7 Years |
| Vehicles, software and equipment | 3-5 Years |

Upon disposition, the asset cost and related accumulated depreciation are removed from the books and the resulting gain or loss is included in other expenses in the accompanying consolidated statements of operations and comprehensive income. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Notes receivable:*

Notes receivable consist of amounts due from new franchisees when a portion of the franchise sale has been financed by the Company, less an allowance for doubtful accounts for estimated losses resulting from franchisees' failure to make note payments in accordance with the terms of their respective loan agreements. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Amounts charged to the allowance for doubtful accounts are accounted for as a reduction in franchise fee revenue. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful notes. As of December 31, 2019 and 2018, no allowance for uncollectible notes was recorded. Certain notes receivable from franchisees do not have a stated interest rate, the Company determines an effective interest rate in accordance with Accounting Standards Codification ("ASC") 835-30-35 *Interest on Receivables and Payables*. The Company recognizes interest income from these notes in the period earned.

*Intangible assets:*

Intangible assets primarily consist of certain legal and related costs incurred in connection with trademark applications as well as costs to acquire the franchise development rights for Wisconsin from a franchisee. The Company capitalizes such costs to the extent that an economic benefit is anticipated from the resulting trademark and development rights or an alternative future use is available to the Company. Amortization of trademark costs and development rights is provided for by the straight-line method over the estimated useful lives of the assets. The Company's assessment of future economic benefit of its intangible assets involves management judgment, and a different conclusion could result in impairment charge up to the carrying value of these assets.

*Impairment of long-lived assets:*

The Company reviews long-lived assets 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 the asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Management believes there is no impairment with long-lived assets as of December 31, 2019 and 2018.

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Revenue recognition:*

The Company recognizes revenue in accordance with Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers.

The Company's revenue consists of franchise revenue, master and area license fee revenue, product revenue, rebate revenue, and Company-owned gym revenue. The Company's products and services are sold primarily to customers in the United States, Canada and certain international markets. Our results of operations are substantially affected by economic conditions, which can vary significantly by market and can be impacted by consumer disposable income levels and spending habits.

*Franchise revenue:* Franchise revenue consists primarily of initial and renewal franchise fees, royalties, advertising revenue, and other fees.

Our franchise agreements include (a) the right to use our symbolic intellectual property over the term of each franchise agreement, (b) pre-opening services, such as training, and (c) ongoing services, such as management of the advertising contributions, development of training materials and gym monitoring. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. Revenue from franchise agreements, which consists of royalties, advertising, and other frees, is recognized evenly over the term of the agreement with the exception of sales-based fees.

Sales-based royalty and sales-based advertising revenues are recognized in the period in which the sales occur. Sales-based royalties and sales-based advertising are variable consideration related to the Company's performance obligation to the franchisees to maintain the intellectual property being licensed.

Franchise fee revenue consists of initial and transfer franchise fees. Initial franchise fees are billed and received upon the signing of the franchise agreement. Recognition of these fees occur over time based on the term of the underlying franchise agreement. In the event a franchise agreement is terminated, any remaining deferred fees are recognized in the period of termination.

*Master and area license revenue:* The Company sells master and area licenses that grant the sole rights to develop 9Round Centers and grant individual franchises within a specific geographical area. These agreements transfer franchise rights within a geographical area permitting the opening of a number of franchised outlets. Decisions regarding the number of outlets and their locations are primarily made by the master franchisee with approval of the Company. The Company believes the license and development rights are distinct from the franchise agreements.

Similar to the franchise agreements, the right to use our symbolic intellectual property over the term of the license agreement is accounted for as a single performance obligation recognized evenly over the term of the license agreement. In the event a license agreement is terminated, any remaining deferred fees are recognized in the period of termination.

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Revenue recognition, continued:*

*Product revenue*: Revenue from the sale of products is recognized upon transfer of control to the customer, which is typically upon shipment. The Company has elected to treat shipping and handling activities related to contracts with customers as costs to fulfill the promise to transfer the associated equipment and not as a separate performance obligation. The Company collects and remits sales taxes on transactions with customers and reports such amounts under the net method in the consolidated statements of operations and comprehensive income. Accordingly, these taxes are not included in gross revenue.

*Rebate revenue*: Rebates are received based on purchases of goods or services by a franchisee to approved vendors required in the franchise agreements. Revenue is recognized at a point in time each month.

*Company-owned gym revenue*: Gym revenue consists of membership fees and merchandise sales. Membership revenue is a stand-ready performance obligation with a series of distinct time increments and therefore is a single performance obligation. Revenue from gym memberships is recognized evenly over the term of the membership agreement. The Company records revenue from sales of merchandise upon delivery of the good to the customer, which is when our performance obligation is satisfied.

Revenue from products and merchandise sales and rebates is recognized at a point in time, whereas franchise fee, master and area license fee, royalty, and fee revenue is recognized over time. Total revenue recognized at a point in time and over time was as follows for the years ended December 31:

| | 2019 | 2018 |
|---|---|---|
| Revenue recognized at a point in time | $ 12,659,069 | $ 11,644,616 |
| Revenue recognized over time | 10,673,095 | 9,310,019 |
| | $ 23,332,164 | $ 20,954,635 |

With the exception of initial, renewal, and master area and license fees, all other revenue is either collected on the date of transaction or within one month. The Company believes its franchising, master and area licensing agreements do not contain a significant financing component because (a) the timing of the upfront payment does not arise for the reason of provision of financing to the Company and (b) the sales-based royalty is variable and based on factors outside the Company or the franchisee's control.

*Income taxes:*

The Company is taxed as a partnership for federal income tax purposes. Consequently, federal income taxes are not provided for or payable by the Company. The Company is subject to various state level taxes. The Company has elected to file composite filings for state income taxes in those states in which the Company meets the requirements for composite filing. The Company is considered a non-resident in foreign jurisdictions and is subject to corporate withholding taxes for payments of royalties and similar payments made by its foreign franchisees. The Company recognizes these state income taxes and withholding taxes in the provision (benefit) for income taxes in the consolidated statements of operations and comprehensive income. The Company's net income or loss is allocated to the members who are taxed individually on their share of each Company's earnings. The

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Income taxes, continued:*

Company recognizes income tax related interest and penalties in interest expense and other operating expenses, respectively, in the consolidated statements of operations and comprehensive income.

9Round International, LLC is a single member LLC and, as such, is treated as a division of 9Round Franchising, LLC for federal income tax purposes.

Because of its status, the Company is disregarded as a separate entity for income tax purposes, therefore the Company itself does not file an income tax return separate and apart from its parent, 9Round Franchising, LLC.

9RFranchising Canada, ULC is a corporation and accounts for income taxes in accordance with generally accepted accounting standards, which requires the use of the liability method of accounting for income taxes. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred income taxes are provided for the temporary differences in basis of the Company's assets and liabilities and their reported amounts. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are determined based on the enacted rates that are expected to be in effect when these differences are expected to reverse. Deferred tax expense or benefit is the result of the changes in the deferred tax assets and liabilities. The Company records a valuation allowance to reduce deferred tax assets if it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The Company recognizes income tax related interest and penalties in interest expense and other operating expenses, respectively, in the consolidated statements of operations and comprehensive income.

*Advertising:*

All costs associated with advertising and marketing are expensed in the period incurred. Advertising and marketing costs were approximately $2,488,000 and $1,822,000 for the years ended December 31, 2019 and 2018, respectively.

*Personnel costs:*

Personnel costs include all salaries, wages, and contract labor paid to employees and contract laborers. Personnel costs also include charges for employee benefits, various payroll taxes and other payroll related fees.

*Shipping and handling costs:*

Amounts billed to a customer in a sales transaction related to shipping and handling are included in revenue in the accompanying consolidated statements of operations and comprehensive income. Costs incurred for shipping and handling are included in cost of revenues in the accompanying consolidated statements of operations and comprehensive income.

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Presentation of sales taxes:*

The states and municipalities in which the Company operates impose sales tax on all of the Company's nonexempt revenue. The Company collects sales tax from its franchisees and remits the entire amount to the appropriate taxing authority. The Company's policy is to exclude the tax collected and remitted from revenue and cost of product revenue in the accompanying consolidated statements of operations and comprehensive income. The Company accrues sales tax liabilities as it records sales, maintaining the amount owed to the taxing authorities as a current liability.

*Other comprehensive income:*

Other comprehensive income consists of foreign currency translation adjustments.

*Foreign currency:*

Foreign currency denominated assets and liabilities are translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Results of operations and cash flows are translated using the average exchange rates throughout the period. The effect of exchange rate fluctuations on translation of assets and liabilities is included as a component of member’s equity in accumulated other comprehensive loss. Gains and losses from foreign currency transactions are included in other income and expense.

*Use of estimates:*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and assumptions.

*Fair value of assets and liabilities:*

The carrying values of all of the Company's financial instruments approximate their fair values. The Company applies the guidance related to fair value for certain non-financial assets and liabilities. The non-financial assets and liabilities include items such as long-lived assets and intangibles.

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Recent accounting pronouncements:*

*Recently Adopted*

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. Topic 606 is effective for annual reporting periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Company adopted Topic 606 with a date of the initial application of January 1, 2019, using the full retrospective transition method.

As part of the adoption of Topic 606, the Company elected to use the following transition practical expedients: (1) revenue from contracts which begin and end in the same fiscal year has not been restated; (2) hindsight when determining the transaction price for contracts that include variable consideration, rather than estimating variable consideration amounts in the comparative reporting period; (3) the amount of transaction price allocated to unsatisfied performance obligations and when those amounts are expected to be recognized, for the reporting periods prior to the date of initial application of the guidance, have not been disclosed; and (4) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate.

The following tables summarize the effect of adopting Topic 606 on our consolidated financial statement line items.

| | As of December 31, 2018 | | |
|---|---|---|---|
| | As Previously Reported | Effect of Topic 606 Adoption | As Adjusted |
| Deferred franchise costs - current | $ 1,529,369 | $ (256,112) | $ 1,273,257 |
| Deferred franchise costs - noncurrent | - | 3,863,103 | 3,863,103 |
| Deferred tax asset | 40,272 | 91,366 | 131,638 |
| Deferred revenue - current | 3,961,507 | (807,951) | 3,153,556 |
| Deferred revenue - noncurrent | - | 10,600,067 | 10,600,067 |
| Members' equity (deficit) | 4,444,284 | (6,093,759) | (1,649,475) |

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Recent accounting pronouncements, continued:*

| | For the year ended December 31, 2018 | | |
|---|---|---|---|
| | As Previously Reported | Effect of Topic 606 Adoption | As Adjusted |
| Franchise fee revenue | $ 4,488,490 | $ (1,747,342) | $ 2,741,148 |
| Master and area license fee revenue | 410,000 | (83,122) | 326,878 |
| Commissions | 1,641,463 | (515,931) | 1,125,532 |
| Income tax (expense) benefit | (7,070) | 55,474 | 48,404 |
| Net income (loss) | 6,688,479 | (1,259,059) | 5,429,420 |
| Changes in cumulative translation adjustment | (26,700) | 10,375 | (16,325) |
| Total comprehensive income | 6,661,779 | (1,248,684) | 5,413,095 |

| | For the year ended December 31, 2018 | | |
|---|---|---|---|
| | As Previously Reported | Effect of Topic 606 Adoption | As Adjusted |
| Net income | $ 6,688,479 | $ (1,259,059) | $ 5,429,420 |
| Deferred taxes | (5,464) | (55,474) | (60,938) |
| Changes in operating assets and liabilities: | | | |
| Deferred franchise costs | 600,109 | (501,695) | 98,414 |
| Deferred franchise revenue | (1,338,035) | 1,816,228 | 478,193 |

| | For the year ended December 31, 2018 | | |
|---|---|---|---|
| | Accumulated Other Comprehensive Loss | Members' Equity (Deficit) | Total |
| Balance, January 1, 2018 – as reported | $ (3,324) | $ 3,288,383 | $ 3,285,059 |
| Cumulative-effect adjustment of Topic 606 | - | (4,845,075) | (4,845,075) |
| Balance, January 1, 2018 – as adjusted | $ (3,324) | $ (1,556,692) | $ (1,560,016) |
| Year ended December 31, 2018 – as reported | (26,700) | 1,185,925 | 1,159,225 |
| Effect of Topic 606 adoption | 10,375 | (1,259,059) | (1,248,684) |
| Balance, December 31, 2018 – as adjusted | $ (19,649) | $ (1,629,826) | $ (1,649,475) |

**Note 1. Summary of Significant Accounting Policies and Activities, Continued**

*Recent accounting pronouncements, continued:*

The adoption of Topic 606 had two primary impacts on our consolidated financial statements related to (1) previously recognized revenue for initial and renewal fees and master and area license fees and (2) previously recognized commissions and other direct costs relating to initial franchise fees, development agreements and license fees. This resulted in cumulative effect adjustments as of January 1, 2018 and adjustments to previously reported amounts as of and for the year ended December 31, 2018. The deferred revenue and deferred franchise costs will be amortized over the remaining life of the individual franchise and license agreements.

*Not Yet Adopted*

In February 2016, the FASB amended the Lease topic of the Accounting Standards Codification to revise certain aspects of recognition, measurement, presentation, and disclosure of lease transactions. In November 2019, the FASB issued Accounting Standards Update ("ASU") 2019-10 *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842) – Effective Dates* which deferred the Lease topic effective date for certain entities by an additional year. The amendments will be effective for fiscal years beginning after December 15, 2020, and interim period within fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of this standard on its financial position, results of operations and cash flows.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

*Subsequent events:*

The Company has evaluated events and transactions for potential recognition or disclosure through April 1, 2020, the date the consolidated financial statements were available for issuance.

**Note 2. Property, Plant and Equipment**

Property, plant and equipment consisted of the following as of December 31, 2019 and 2018:

| | 2019 | 2018 |
|---|---|---|
| Leasehold improvements | $ 1,209,793 | $ 687,134 |
| Furniture and fixtures | 209,024 | 128,498 |
| Vehicles and equipment | 214,253 | 184,858 |
| Software | 409,840 | 356,285 |
| Construction in progress | 70,173 | 39,000 |
| | 2,113,083 | 1,395,775 |
| Less: accumulated depreciation | (736,448) | (442,829) |
| | 1,376,635 | 952,946 |
| Buildings under capital leases – net of accumulated amortization of $361,402 and $200,681 in 2019 and 2018, respectively | 4,226,109 | 5,629,826 |
| Property and equipment, net | $ 5,602,744 | $ 6,582,772 |

**Note 2. Property, Plant and Equipment, Continued**

Depreciation expense for the years ended December 31, 2019 and 2018 was approximately $567,000 and $406,000, respectively, which includes approximately $161,000 and $172,500 of amortization expense related to capital leases for the years ended December 31, 2019 and 2018, respectively.

**Note 3. Intangible Assets**

Intangible assets consisted of the following as of December 31, 2019 and 2018:

| | December 31, 2019 | | |
|---|---|---|---|
| | Cost | Accumulated Amortization | Net |
| Development rights | $ 179,708 | $ 103,333 | $ 76,375 |
| Trademark | 94,115 | 28,235 | 65,880 |
| | $ 273,823 | $ 131,568 | $ 142,255 |

| | December 31, 2018 | | |
|---|---|---|---|
| | Cost | Accumulated Amortization | Net |
| Development rights | $ 179,708 | $ 49,420 | $ 130,288 |
| Trademark | 94,115 | 18,823 | 75,292 |
| | $ 273,823 | $ 68,243 | $ 205,580 |

Amortization expense for the years ended December 31, 2019 and 2018 was approximately $63,000 and $68,000, respectively. The estimated amortization of intangible assets for the years subsequent to December 31, 2019, is as follows:

| | |
|---|---|
| 2020 | $ 63,324 |
| 2021 | 31,875 |
| 2022 | 9,412 |
| 2023 | 9,412 |
| 2024 | 9,412 |
| Thereafter | 18,820 |
| | $ 142,255 |

**Note 4. Contract Balances**

Contract balances related to contracts with customers consist of receivables, deferred franchise costs, and deferred revenue. See Note 1 for details on accounts receivable.

Deferred franchise costs (contract asset) consist of commissions and other direct costs relating to initial franchise fees, developmental agreements, and license fees for which revenue has not been recognized.

**Note 4. Contract Balances, Continued**

Deferred franchise revenue (contract liability) represents that portion of the total revenue from initial franchise, license, and development agreements attributable to service required to be provided by the Company that have not yet been performed.

The opening balance of deferred franchise costs and deferred franchise revenue as of January 1, 2018 was $5,037,946 and $13,527,884, respectively.

**Note 5. Capital Lease Obligations**

The Company leases its office and warehouse facilities in Simpsonville and Greer, South Carolina under capital leases, which including renewals, expire between March 2048 and July 2049. The interest rate implicit on these leases ranges from 1.5% to 11.6%.

Future minimum lease payments under capital leases together with the present value of net minimum lease payments are as follows as of December 31, 2019:

| | |
|---|---|
| 2020 | $ 265,369 |
| 2021 | 268,754 |
| 2022 | 272,191 |
| 2023 | 275,682 |
| 2024 | 279,228 |
| Thereafter | 8,240,372 |
| Total minimum lease payments | 9,601,596 |
| Less: amount representing interest | (5,084,775) |
| Present value of net minimum lease payments | 4,516,821 |
| Current installments of capital lease obligations | (38,217) |
| | $ 4,478,604 |

**Note 6. Income Taxes**

The Company is taxed as a partnership under the provisions of Subchapter K of the Internal Revenue Code. Consequently, federal income taxes are not provided for or payable by the Company. 9Round International, LLC is a single member LLC and, as such, is treated as a division of 9Round Franchising, LLC for federal income tax purposes. Because of its status, the Company is disregarded as a separate entity for income tax purposes, therefore the Company itself does not file an income tax return separate and apart from its parent, 9Round Franchising, LLC. 9Round Franchising, LLC files income tax returns in the U.S. federal jurisdiction, and the various states in which it operates. 9Round Franchising, LLC is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. 9Round Franchising, LLC believes it is no longer subject to income tax examinations for the years prior to 2015.

The Company is considered a non-resident in foreign jurisdictions and is subject to corporate withholding taxes for payments of royalties and similar payments made by its foreign franchisees.

**Note 6. Income Taxes, Continued**

In accordance with FASB ASC 740-10, *Income Taxes*, 9Round Franchising, LLC is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities.

9Round Franchising, LLC has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. 9Round Franchising, LLC believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial condition, results of operations or cash flows. Accordingly, 9Round Franchising, LLC has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2019 and 2018.

9RFranchising Canada, ULC is taxed as a general corporation under the Canadian federal tax regulations. For the years ending December 31, 2019 and 2018, 9RFranchising Canada, ULC was subject to provincial taxes.

9RFranchising Canada, ULC files income tax returns in the Canadian federal jurisdiction. 9RFranchising Canada, ULC is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. 9RFranchising Canada, ULC is no longer subject to income tax examinations for the years prior to 2015.

The income tax (expense) benefit consisted of the following for the years ended December 31, 2019 and 2018:

| | 2019 | 2018 |
|---|---|---|
| Current: | | |
| Foreign | $ (16,708) | $ (12,376) |
| Deferred: | | |
| Foreign | 10,249 | 60,780 |
| Income tax (expense) benefit | $ (6,459) | $ 48,404 |

Deferred income taxes are provided for temporary differences between the basis of assets and liabilities for financial reporting purposes and income tax purposes.

The significant components of the deferred tax asset as of December 31, 2019 and 2018 consisted of the following:

| | 2019 | 2018 |
|---|---|---|
| Deferred tax asset: | | |
| Deferred revenue | $ 385,654 | $ 401,542 |
| Deferred franchise costs | (243,767) | (269,904) |
| Net deferred tax asset | $ 141,887 | $ 131,638 |

**Note 6. Income Taxes, Continued**

In accordance with FASB ASC 740-10, *Income Taxes*, 9RFranchising Canada, ULC is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities.

9RFranchising Canada, ULC has analyzed tax positions taken for filing with the Canadian Revenue Agency. 9RFranchising Canada, ULC believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial condition, results of operations or cash flows. Accordingly, 9RFranchising Canada, ULC has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions as of December 31, 2019 and 2018.

**Note 7. Operating Leases**

The Company leases its office and warehouse facilities, seven corporate stores and office equipment in Simpsonville and Greer, South Carolina under certain month-to-month and non-cancelable leases that mature between December 2020 and March 2024.

For the years ended December 31, 2019 and 2018, rent and lease expense was approximately $178,000 and $47,300 respectively.

The future minimum lease payments under operating leases are as follows:

| | |
|---|---|
| 2020 | $ 164,816 |
| 2021 | 152,013 |
| 2022 | 124,070 |
| 2023 | 78,200 |
| 2024 | 13,132 |
| Total | $ 532,231 |

**Note 8. Related Party Transactions**

The majority members own an interest in H&S Empire, LLC (“H&S”). During both years, the Company leased its main office facilities and warehouse facilities from H&S under capital lease agreements (Note 5).

During 2018, the majority members owned four franchise locations which the Company reported the activity of those four locations as related party balances on the consolidated balance sheets and statements of operations and comprehensive income.

**Note 9. Summary of Franchises**

The following is a summary of changes in the number of U.S. franchises during the years ended December 31, 2019 and 2018:

| | 2019 | 2018 |
|---|---|---|
| Outlets in operation at beginning of year | 583 | 497 |
| Outlets opened during the year | 59 | 121 |
| Outlets terminated or closed during the year | (64) | (35) |
| Outlets in operation at end of year | 578 | 583 |
| | | |
| Franchised outlets | 571 | 576 |
| Affiliate and company owned outlets | 7 | 7 |

**Note 10. Commitments and Contingencies**

Various legal actions and claims which have arisen in the normal course of business may be pending against the Company from time to time. It is the opinion of management that the ultimate resolution of these contingencies will not have a material effect on the financial condition, results of operations or liquidity of the Company.

**Note 11. Subsequent Events**

The 2019 novel coronavirus (or "COVID-19") has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. It is unknown the extent to which COVID-19 may spread, may have a destabilizing effect on financial and economic activity and may increasingly have the potential to negatively impact the Company's and its customers' costs, demand for the Company's products and services, and the global economy. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. As a result, a significant number of the Company's franchisee locations have been temporarily closed. In the event that these locations remained close for an extended period of time, these conditions will adversely affect the Company's business, financial condition, and results of operations. COVID-19 may result in health or other government authorities requiring further closures and restrictions for an unknown period impacting the Company's operations or other businesses of the Company's customers and suppliers, which could significantly disrupt the Company's operations and the operations of the Company's customers. The extent of the adverse impact of the COVID-19 outbreak on the Company cannot be predicted at this time.

# 9Round Franchising, LLC
# YTD Income Statement
# May 2021

| | YTD 2021 |
|---|---|
| ***Revenues*** | |
| Franchise fee revenue | $ 367,734 |
| Master and area license fee revenue | 18,000 |
| Royalty revenue | 1,039,190 |
| Fee revenue | 1,215,377 |
| Product revenue | 2,088,332 |
| Rebate revenue | 606,440 |
| Other revenue | 347,878 |
| **Total revenues** | 5,682,951 |
| *Cost of revenues* | 1,284,136 |
| **Gross profit** | **4,398,816** |
| ***General and administrative expenses*** | |
| Operations support | 576,335 |
| Advertising and marketing | 369,192 |
| Special event expenses | 3,992 |
| Commissions | 140,733 |
| IT expenses | 201,641 |
| Professional fees | 215,611 |
| Personnel costs | 1,411,599 |
| Gym expenses | 287,681 |
| Other G&A expenses | 344,042 |
| ***Total G&A expenses*** | 3,550,825 |
| **Operating income** | **847,991** |
| ***Nonoperating expense (income)*** | |
| Interest expense, net | 28,881 |
| Depreciation and amortization | 219,396 |
| Miscellaneous | (529,449) |
| ***Total nonoperating expense*** | **(281,172)** |
| ***Net Income*** | **1,129,163** |

# 9Round Franchising, LLC
# Balance Sheet
# End of May 2021

| | Amount |
|---|---|
| **ASSETS** | |
| Current Assets | |
| Bank | $6,612,583 |
| Accounts Receivable | $837,970 |
| Other Current Asset | $4,730,332 |
| **Total Current Assets** | **$12,180,884** |
| **Fixed Assets** | **$5,138,422** |
| Other Assets | |
| 17000 - Notes Receivable | $487 |
| 18000 - Security Deposits | $2,886 |
| 18500 - Intangible Assets | $311,641 |
| 18600 - Accumulated Amortization | ($232,709) |
| **Total Other Assets** | **$82,304** |
| **Total ASSETS** | **$17,401,610** |
| **Liabilities & Equity** | |
| Current Liabilities | |
| Accounts Payable | $305,252 |
| Credit Card | $147,373 |
| Other Current Liability | |
| 20900 - Accrued Purchases | $2,966 |
| 20910 - Accrued Purchases Freight | ($8,012) |
| 22000 - Misc Current Liabilities | $224,829 |
| 22600 - Income Taxes Payable | $17,523 |
| 23000 - Current Portion of LTD | $46,114 |
| 23500 - Deferred Franchise Fees | $8,921,992 |
| 23525 - Deferred Master License Fees | $2,146,062 |
| 23550 - Deferred Management Fee Income | $269,079 |
| 23575 - Deferred Misc Revenue | $176,255 |
| 99910 - Customer Deposits | $188,300 |
| Total Other Current Liability | $11,985,107 |
| **Total Current Liabilities** | **$12,437,733** |
| **Long Term Liabilities** | |
| 27155 - Mgmt Fee Payable to 9Round Franchising | $19,131 |
| 27160 - IC Canada to US | $24,528 |
| 27162 - IC US_Canada | ($24,528) |
| **28000 - Other LT Liabilities** | |
| 28055 - Noncurrent Portion of Capital Lease-847 NE Main St | $2,222,255 |
| 28060 - Noncurrent Portion of Capital Lease-861 NE Main St | $331,853 |
| **Total - 28000 - Other LT Liabilities** | **$2,554,107** |
| **Total Long Term Liabilities** | **$2,573,238** |
| **Equity** | **$2,390,639** |
| **Total Liabilities & Equity** | **$17,401,610** |

# EXHIBIT C
# FRANCHISE AGREEMENT AND STATE ADDENDA

# Franchise Agreement

Summary Page

Franchisee Information:

Complete Business Name: _____

Principal Owner(s): _____ %
(25% or more ownership, direct or indirect) Full Name Percentage Interest

_____ %
Full Name Percentage Interest

_____ %
Full Name Percentage Interest

_____ %
Full Name Percentage Interest

Additional Owners: _____ %
(less than 25% ownership) Full Name Percentage Interest

_____ %
Full Name Percentage Interest

Address for Notices (not a P.O. Box): _____

Telephone No.: _____

Facsimile No.: _____

Mobile Phone: _____

Email Address: _____

Preliminary Designated Area: _____

| | |
|---|---|
| Initial Franchise Fee: | $37,500 |
| Royalty Fee: | $600 per month |
| Brand Building Fund: | $200 or 2% of Net Sales, whichever is greater, per month |
| Technology Fee: | $80 per month* |

*Subject to increase.

See Sections 8 and 9 for additional fee information.

**To be completed by us:**

Effective Date: _____

Franchise Number: _____

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**ATTACHMENTS**


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Attachment B – Information Release
Attachment C-1 – Personal Guaranty
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Attachment C-3 – Corporate Guaranty
Attachment D – Electronic Transfer of Funds Authorization
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Attachment F – Telephone Assignment Agreement
Attachment G – Membership Contract Assignment Agreement
Attachment H – Development Incentive Program Addendum
Attachment I – Step Up Program Addendum
Attachment J – Assignment and Consent Agreement (Individual to Entity)

Franchisee Acknowledgment
Renewal Addendum
State Specific Addendum

# 9ROUND FRANCHISE AGREEMENT

This franchise agreement (the "**Franchise Agreement**" or "**Agreement**") is made between 9Round Franchising, LLC, a South Carolina limited liability company with its principal business located at 847 NE Main Street, Simpsonville, South Carolina 29681 ("**we**" or "**us**"), and the franchisee identified on the Summary Page (the "**Franchisee**" or "**you**"), to be effective on the Effective Date identified on the Summary Page.

## RECITALS

A. We have developed a proprietary business format and system ("**System**") for operating a fitness center (the "**Center**") that features a specialized program developed around a system of challenging circuit training stations, that incorporates boxing and kickboxing exercises, and includes personal trainer assistance and nutrition services.

B. The System includes a distinct interior layout, design, décor, color scheme, graphics, fixtures and furnishings, operating and customer service standards and procedures including proprietary workout routines, advertising and marketing specifications and requirements, and other standards, specifications, techniques and procedures that we designate (collectively, the "**Standards**").

C. Centers operating under the System are identified by the trade name and service mark "9ROUND" and other trademarks, service marks and trade identifiers that we designate to identify businesses operating under the System (the "**Marks**").

D. You have applied for the right to operate a Center using the System and Marks, and we have approved your application in reliance on the representations contained therein, including those concerning your financial resources, your business experience and interests, and the manner in which the Center will be owned and operated.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

## 1. DEFINITIONS

1. For purposes of this Agreement:

A. "**Affiliate**" means an affiliate of a named person identified as any person or entity that is controlled by, controlling or under common control with such named person.

B. **"Owner**" means any person who directly or indirectly owns any interest in the franchisee, including the Principal Owner(s). It includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of a trust. If any "Owner" is, itself, a partnership or other entity, then the term "Owner" includes each individual or entity holding a beneficial ownership in the partnership or entity; the intent being that the term "Owner" is intended to include all individuals holding a beneficial interest in the franchisee, either directly or indirectly.

C. "**Principal Owner**" means any person who directly or indirectly owns a 25% or greater interest in the franchisee when the franchisee is a corporation, limited liability company or a similar entity other than a partnership entity. If the franchisee is a partnership entity, then each general partner is a Principal Owner, regardless of the percentage ownership interest. If the franchisee is one or more individuals, each individual is a Principal Owner of the franchisee. Each franchisee must have at least one Principal Owner.

D. All capitalized terms not defined in this Section or the Recitals have the meaning given in the text of this Agreement.

## 2. GRANT OF LICENSE

2. The following provisions control with respect to the license granted hereunder:

A. Grant of License. We hereby grant you the right and license, and you undertake the obligation, subject to the terms and conditions of this Agreement ***(i)*** to operate a single 9ROUND Center, ***(ii)*** to sell at retail authorized products and services at and from the Center premises, ***(iii)*** to use the Marks in connection with operating and promoting the Center, and ***(iv)*** the right to solicit memberships in the Designated Area. You may not solicit memberships online, in person or through advertising or other direct marketing method outside your Designated Area, except with our prior written approval and in strict accordance with our then-current policies and restrictions (which may include membership assignment policies).

Except when you have our prior written approval, which we may withdraw at any time for any reason, the license granted by this Agreement does not include ***(i)*** any right to sell services or products identified by the Marks at any location other than the Authorized Location, or through any other channels or methods of distribution, including the internet (or any other existing or future form of electronic commerce), catalog sales, telemarketing or other direct marketing, ***(ii)*** any right to sell services or products identified by the Marks to any person or entity for resale or further distribution, or ***(iii)*** except for the designated area protection described in Section 2.C., any right to exclude, control or impose conditions on our development of future franchised, company or affiliate owned Centers at any time or at any location.

B. Authorized Location. You may operate the Center only at the location identified, or to be identified on Attachment A (the "**Authorized Location**"). If the Authorized Location is not known at the time this Agreement is signed, you must acquire an acceptable site for the Center premises no later than one hundred and twenty (120) days from the Effective Date of this Agreement, at which time you authorize us to define the Authorized Location in Attachment A. You must identify a site for the Center that meets our then-current site selection criteria and that is located within the Preliminary Designated Area identified in the Summary Page (see Section 5.A.). Our permission to operate the Center at the Authorized Location constitutes neither a representation nor guarantee that the Center will be successful at the Authorized Location; it means only that the Authorized Location meets our then-current minimum site selection criteria for 9ROUND Centers. You may not use the Center premises or Authorized Location for any purpose other than the operation of a 9ROUND Center during the term of this Agreement. Should you not open your Center in accordance with the timelines required in this Agreement, in addition to our right to terminate this Agreement, we reserve the right to withdraw our approval of, and your rights to, an Authorized Location, Designated Area, or Preliminary Designated Area by providing you written notice.

C. Designated Area.

(i) The Preliminary Designated Area identified on the Summary Page, if any, is the general location where you intend to secure a site for the Center. If a Preliminary Designated Area is specified on the Summary Page, we will not grant anyone else the right to develop or operate a Center in the Preliminary Designated Area for one hundred and twenty (120) days from the Effective Date of this Agreement.

(ii) Once the Authorized Location has been identified, we will determine the boundaries of your "Designated Area," based on our then-current criteria for size, population, demographics, and topographical features, in our sole discretion, and such boundaries will be reflected on Attachment A; provided that the Designated Area will be substantially the same as the Preliminary Designated Area in terms of size, shape or demographics. Your Designated Area is nonexclusive, meaning that it may overlap the designated area of another franchisee. Once defined in Attachment A, your Designated Area will remain constant throughout the initial term of this Agreement. Notwithstanding the foregoing, we may modify your Designated Area if you relocate the Center or you renew or transfer your franchise rights.

(iii) During the term of this Agreement, neither we nor our Affiliates will develop or operate, or grant to anyone else the right to develop or operate a 9ROUND Center that is physically located in the Designated Area (other than at Special Sites, as described in Section 2.D.). We also will not operate, franchise,

or license the operation of a fitness center with 90% or more of its business based on a boxing and kickboxing circuit training program in your Designated Area, except in connection with our acquisition of a multi-unit brand. If we acquire a multi-unit brand (through a stock purchase, asset purchase, merger, or otherwise), we or our Affiliate may operate, franchise, or license the operation of the acquired brand within and outside the Designated Area, without offering any rights or compensation to you.

(iv) You acknowledge and agree that we and our Affiliates have the right to develop and operate and grant others the right to develop and operate 9ROUND Centers outside the Designated Area, regardless of their proximity to the Designated Area or any negative impact they may have on your Center.

(v) We and our Affiliates also have the right to develop and operate and grant others the right to develop and operate fitness centers and other businesses under a different trademark within and outside the Designated Area which may be similar to or competitive with 9ROUND Centers.

(vi) You do not have any right to sublicense or sub-franchise within or outside of the Designated Area. Under this Agreement you do not have the right to operate more than one Center within the Designated Area without our prior written approval, and you must sign a separate Franchise Agreement for an additional Center.

D. Reserved Rights.

(i) We reserve to ourselves all other rights to use the System and Marks anywhere and in any manner including, without limitation, the right to offer, sell or distribute items such as workout and training classes and videos, equipment, athletic gear, etc., associated with the System (now or in the future) or identified by the Marks, or any other trademarks, service marks or trade names, through any distribution channels or methods, without compensation to any franchisee.

(ii) These distribution channels or methods may include, without limitation, retail stores, mail order, wholesale, or on-demand streaming or other means through the internet (including other existing or future form of electronic commerce).

(iii) These rights also include the right to provide and license third parties to provide the 9ROUND workout program and other ancillary programs developed by or for us or our Affiliates at host locations (such as apartments, condo associations, corporate offices, schools, community centers, and inside other gyms and fitness centers) within and outside your Designated Area and without compensation to you.

(iv) You acknowledge and agree that certain locations within and outside the Designated Area are by their nature unique and separate in character from sites generally developed as 9ROUND Centers. As a result, you agree that the following locations ("**Special Sites**") are excluded from the Designated Area and we have the right to develop, license or franchise Centers within such locations: (1) military bases; (2) public transportation facilities, including, without limitation, airports, limited access highway travel plazas and other transportation terminals; (3) sports facilities, including race tracks, big-box fitness facilities, gyms, and sports clubs; (4) student unions or other similar buildings on college or university campuses; (5) hotels, resorts or similar short-term lodging; (6) apartment or condominium complexes; and (7) corporate office buildings or office parks.

E. Additional Centers. This Agreement does not grant you a right to acquire one or more additional franchises. If you or any of your Affiliates is party to an agreement with us to operate any other 9ROUND center, or desires to operate any other 9ROUND center, other than the one contemplated by this Agreement, as of the Effective Date, you and each Affiliate, as applicable, may be required to enter into a Development Incentive Program Addendum in substantially the form attached hereto as Attachment H, or a Step Up Program Addendum in substantially the form attached hereto as Attachment I, as the case may be, to modify the terms of the franchise agreement(s) governing such centers. The parties acknowledge and agree that the Development Incentive Program Addendum or the Step Up Program Addendum, as the case may be, may result in material changes to, and have different provisions than, any other franchise agreement. You and

each Affiliate must also execute and deliver to us a corporate guaranty in substantially the form attached hereto as Attachment C-3 to guaranty the obligations of your and your Affiliates operating under franchise agreements with us.

## 3. TRADEMARK STANDARDS AND REQUIREMENTS

3. You acknowledge and agree that, as between you and us, the Marks are our property. You further acknowledge that your right to use the Marks is specifically conditioned upon the following:

A. Ownership of the Marks. The Marks are our valuable property or the valuable property of our Affiliate, and we are the owner of all right, title and interest in and to the Marks and all past, present or future goodwill of the Center and of the business conducted at the Authorized Location that is associated with or attributable to the Marks. Your use of the Marks will inure solely to our benefit or the benefit of our Affiliate. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest our rights in any of the Marks or the goodwill associated with the Marks, including any use of the Marks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

B. Use of the Marks. You shall use only the Marks designated by us. You may use the Marks only in connection with such services and products as we specify and only in the form and manner we require in writing. You must comply with all trademark, trade name, and service mark notice marking requirements. You may use the Marks only in association with services and products approved by us and that meet our standards or requirements with respect to quality, safety and performance. To the extent permissible by law, you must refrain, and cause each Covered Person (as defined in Section 10.D.(i)) and each of your employees and independent contractors to refrain, from making or publishing any remarks that disparage or derogate us or the 9ROUND brand. This prohibition applies to oral remarks and remarks that are published in print, electronic, and social media. Your use of the Marks on the internet is governed by Section 6.K. below. A breach of your obligations under this Section 3.B. is a material default under this Agreement.

C. Center Identification. You must use the name "9ROUND" as the trade name of the Center and you may not use any other mark or words to identify the Center without our prior written consent. You may not use the word "9ROUND" or any of the other Marks as part of the name of your corporation, partnership, limited liability company or other similar entity. You may use the Marks on various materials, such as business cards, stationery and checks, provided you ***(i)*** accurately depict the Marks on the materials, ***(ii)*** include a statement on the materials indicating that the business is independently owned and operated by you, ***(iii)*** do not use the Marks in connection with any other trademarks, trade names or service marks unless we specifically approve in writing prior to such use, and ***(iv)*** make available to us, upon our request, a copy of any materials depicting the Marks. You must post a prominent sign in the Center identifying you as a 9ROUND franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the Center and that the 9ROUND Mark is owned by us and your use is under a license we have issued to you.

D. Litigation. In the event any person or entity improperly uses or infringes the Marks or challenges your use or our use or ownership of the Marks, we will control all litigation and we have the right to determine whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Mark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Marks in violation of this Agreement.

E. Changes. You may not make any changes or substitutions to the Marks unless we direct in writing. We reserve the right to change the Marks at any time. Upon receipt of our notice to change the Marks, you must cease using the former Marks and commence using the changed Marks, at your expense.

## 4. TERM AND RENEWAL

4. The following provisions control with respect to the term and renewal of this Agreement:

A. Term. The initial term of this Agreement will commence on the Effective Date and will expire at midnight on the day preceding the tenth anniversary of this Agreement. Upon your written request, we may extend this initial term in writing for a limited period of time to correspond with the end of a calendar month.

B. Renewal Term and Conditions of Renewal. You may renew your license for one ten (10)-year renewal term, provided that with respect to each renewal: ***(i)*** you meet our then-current criteria and qualifications for new franchisees; ***(ii)*** you have given us written notice of your decision to renew at least six (6) months but not more than twelve (12) months prior to the end of the expiring term; ***(iii)*** you pay a renewal fee equal to 25% of the then-current initial franchise fee; ***(iv)*** you sign at least six (6) months but not more than twelve (12) months prior to the end of the expiring term, at our sole option either (1) our then-current form of franchise agreement, the terms and conditions of which may be materially different than the terms and conditions of our current franchise agreement and may reflect, among other things, different fees and advertising obligations and a modified Designated Area, and, as applicable, a renewal instrument amending the relevant terms of the new franchise agreement, or (2) an instrument extending for the duration of the renewal term, all the covenants, conditions and provisions contained in this Agreement; ***(v)*** you have complied with the provisions of Section 5.F. regarding modernization and have agreed, in writing, to make such capital expenditures necessary to refurbish, replace and modernize your Center so that it will conform to our then-current standards for Centers; ***(vi)*** you are not in default of this Agreement, any other agreement pertaining to the franchise, any other agreement with us, or any obligation to us, and have satisfied all monetary and material obligations on a timely basis during the term and are in good standing; ***(vii)*** if leasing the Center premises, you have renewed the lease and have provided written proof of your ability to remain in possession of the premises throughout the renewal period; ***(viii)*** you comply with our then-current training requirements; ***(ix)*** you and your Owners and guarantors execute a general release in a form we require in favor of us and our Affiliates and each company's respective present and former officers, directors, managers, and employees; provided, however, that such release will not be inconsistent with any state law regulating franchising; and ***(x)*** you have submitted to us a walk-through video of your Center, or other forms of proof acceptable to us, enabling us to virtually tour and inspect every element of the Center that we require, including without limitation, the storefront of the Center, all exterior and interior signage, the interior of the Center (including the entrance, each station, the restroom, and any additional areas), measurements of equipment placements and distances between equipment or furnishings, all doors, light switches and outlets, and visibility of equipment, furnishing, accessories and licenses.

C. Interim Period. If you continue to accept the benefits of this Agreement after the expiration of the initial term but do not complete the requirements in Section 4.B., then at our sole option, this Agreement may be treated as ***(i)*** expired as of the date of the expiration and you will be operating without a franchise or license to do so and in violation of our rights to the Marks and System; or ***(ii)*** continued on a month-to-month basis (an "**Interim Period**") and all your obligations will remain in full force and effect during the Interim Period as if the Agreement had not expired except that the Royalty Fee will be $2,500 per month (subject to adjustment based on the CPI as provided in Section 9.D.). Each Interim Period expires at the end of each calendar month unless this Agreement is continued as provided in this Section. The Interim Period does not create any new franchise rights and upon expiration of the final Interim Period, you will be bound by all post-term obligations as provided in this Agreement.

## 5. CENTER STANDARDS AND MAINTENANCE

5. You acknowledge and agree that we have the right to establish, from time to time, quality standards regarding the business operations of 9ROUND Centers to protect the distinction, goodwill and uniformity

symbolized by the Marks and the System. Accordingly, you agree to maintain and comply with our quality standards and agree to the following terms and conditions:

A. Site Selection. You must identify a site for the Center within the Preliminary Designated Area that meets our then-current site selection criteria and that we have approved. You must provide us notice of the site you have selected and we have fifteen (15) days to accept or reject the site. If we do not accept the site within fifteen (15) days it will be deemed disapproved. **The parties acknowledge and agree that our site approval is not an assurance that the Center will achieve a certain sales volume or level of profitability; it means only that the proposed site meets our then-current minimum site selection criteria. We assume no liability or responsibility for *(i)* evaluation of the location's soil for hazardous substances; *(ii)* inspection of any structure for asbestos or other toxic or hazardous materials; *(iii)* compliance with the Americans with Disabilities Act ("ADA"); or *(iv)* compliance with any other applicable law. It is solely your responsibility to obtain satisfactory evidence and assurances that the Center premises (and any structures thereon) is free from environmental contamination and is in compliance with the requirements of the ADA and other applicable laws.**

B. Lease. If you propose to occupy the Center premises pursuant to a lease or sublease ("**Lease**"), you may not sign any Lease or enter any other arrangement with a lessor that prevents you from performing your obligations under this Agreement, including any requirements to build out the Center premises to meet our current brand standards, and the Lease and lessor must permit us to exercise our rights pursuant to this Agreement. We may condition our approval of a proposed site on the full execution of a Lease Addendum substantially in the form attached as Attachment E to this Agreement. You may not execute a Lease without the Lease Addendum, except with our prior written consent. You must deliver to us a fully executed copy of the Lease as amended by the Lease Addendum prior to your occupying the site for the Center or within ten (10) days after its execution, whichever occurs first. **The parties acknowledge and agree that our approval of a Lease does not mean that the economic terms of the Lease are favorable; it means only that the Lease contains the minimum lease terms that we require.**

C. Construction; Future Alteration. You must construct and equip the Center in strict accordance with our then-current approved specifications and standards pertaining to equipment, signage, fixtures and design and layout of the building. You must purchase from us or the approved supplier all items contained in the 9ROUND start-up kit, and pay the then-current purchase price therefore in accordance with the then-current payment terms. Without limiting the generality of the foregoing, you must promptly after obtaining possession of the site for the Center ***(i)*** have engaged a third party contractor to prepare the basic plans for your 9ROUND Center; ***(ii)*** purchase or lease and then use only the approved equipment, fixtures, furniture, and signs; ***(iii)*** complete the equipment, fixtures, furniture and sign installation and decorating of the Center in full compliance with plans and specifications we approve and all applicable ordinances, building codes and permit requirements without any unauthorized alterations; ***(iv)*** obtain all necessary permits, licenses and architectural seals and comply with applicable legal requirements relating to the building, signs, equipment and premises, including, but not limited to, the ADA; and ***(v)*** obtain and maintain all required zoning changes, building, utility, sign permits and licenses and any other required permits and licenses. It is your responsibility to comply with the foregoing conditions. Any change to the plans or any replacement, reconstruction, addition or modification in the premises, interior or exterior décor or image, equipment or signage of the Center made after our consent to the initial plans, whether at the request of you, us or a third party, may be made only with our prior written consent.

D. Opening. You must open the Center for business no later than ten (10) months from the Effective Date. You may not open your Center for business, however, until we have notified you in writing that you have satisfied your pre-opening obligations as identified in Sections 5.A., 5.B., and 5.C., and we have approved your Center for opening (which approval may be based on our review of a walk-through video that you submit). We are not responsible or liable for any of your pre-opening obligations, losses or expenses you might incur for your failure to comply with these obligations or your failure to open by a particular date. We also are entitled to injunctive relief or specific performance under Section 12.B. for your failure to comply with your obligations.

Further, if you fail to open the Center in the timeframe required by this Agreement, we may, in our sole and unilateral judgment, ***(i)*** exercise our termination rights in accordance with Section 13; or ***(ii)*** amend this Agreement to eliminate the Designated Area protection afforded by Sections 2.B. and 2.C by providing you written notice.

E. Maintenance. The building (exterior and interior), equipment, fixtures, signage and trade dress employed in the operation of your Center must be maintained and refreshed in accordance with our requirements established periodically and any of our reasonable schedules prepared based upon our periodic evaluations of the premises. Within a period of thirty (30) days (as we determine depending on the work needed) after the receipt of any particular report prepared following such an evaluation, you must effect the items of maintenance we designate, including the repair of defective equipment and items such as carpet and the replacement of irreparable or obsolete items of equipment and signage. If, however, any condition presents a threat to members or to public safety, you must effect the items of maintenance immediately, as further described in Section 6.E. If you fail to complete the required maintenance, we reserve the right (but no obligation) to do so on your behalf and you must reimburse us for our costs and expenses.

F. Modernization. From time to time as we require, you must modernize or replace items of the trade dress or equipment as may be necessary for your Center to conform to the standards for similarly situated new 9ROUND Centers. We also require that you substantially renovate the Center once every five (5) years to our then-current standards. You may offer your old equipment to anyone (provided that any Marks affixed to the equipment are removed if the equipment is not being sold to another Center), but we have the right of first refusal to buy the equipment on the same terms and conditions as any potential buyer. You must give us seven (7) days' written notice of any potential sale of your old equipment and a reasonable opportunity to match any offer you have that you intend to accept. We are under no obligation to actually exercise our right of first refusal. A transfer of any interest in this Agreement or your business governed by Section 11 or renewal covered by Section 4 is expressly conditioned upon your (or the transferee, as applicable) modernizing the Center to conform to the standards for new 9ROUND Centers. You acknowledge and agree that the requirements of this Section are both reasonable and necessary to ensure continued public acceptance and patronage of the Center and to avoid deterioration in connection with the operation of your Center. If you fail to make any improvement or perform the maintenance listed above, we may, in addition to our other rights under this Agreement, effect such improvement or maintenance on your behalf and you must reimburse us for the costs and expenses we incur.

G. Relocation. You may not relocate your Center without our prior written consent, which consent will not be unreasonably withheld. Your request for relocation must be made in writing, state your proposed new location, be received by us at least sixty (60) days prior to your intended date of relocation, and accompanied by a relocation fee of $1,500. We will refund $750 of the relocation fee if we do not approve your relocation. If you need to relocate because of condemnation, destruction, or expiration or cancellation of your lease for reasons other than your breach, we will grant you authority to do so at a site acceptable to us that is within your Designated Area, is reasonably suited for a Center, complies with any other site-related obligations set forth in this Agreement (including, without limitation, those related to Leases of a site for your Center), and does not infringe on the rights of any other 9ROUND franchisee, provided that the new Center is open and operating within sixty (60) days after you discontinue operation at the present Center, all in accordance with our then-current standards. If you voluntarily decide to relocate the Center, your right to relocate the Center will be void and your interest in this Agreement will be voluntarily abandoned, unless you have given us notice of your intent to relocate not less than sixty (60) days prior to relocation or closing the Center, whichever occurs first, have procured a site within your Designated Area that we accept fifteen (15) days prior to the earlier of such relocation or closure, have opened the new Center for business within four (4) days of closing the original Center and complied with any other conditions that we reasonably require. Additionally, if you relocate your Center without obtaining our prior written approval and we later approve the relocation, you will be assessed a relocation fee of $5,000, which is non-refundable. All relocation fees may be collected by us pursuant to the methods set forth in Section 9.F. You must pay the costs of any relocation, and we reserve the right to charge

you for any reasonable costs that we incur. Upon relocation of your Center for any reason, we may modify your Designated Area, in our sole judgment, to take into account the designated areas of neighboring Centers and other factors.

If your Center is destroyed or damaged and you repair the Center at the Authorized Location (rather than relocate the Center), you must repair and reopen the Center at the Authorized Location in accordance with our then-current standards for the destroyed or damaged area within twenty (20) days of the date of occurrence of the destruction or damage, or such longer time as we reasonably determine, in our sole judgment, is required given the nature and extent of the damage.

We have the right to refuse to consent to a relocation in the event you lose the right to occupy the Center premises because of the termination of your lease due to your breach. Further, the cancellation of your lease due to your breach is grounds for immediate termination under Section 13.B.(ii).

H. Field Visits. Upon opening a new location or purchasing an existing location, we will provide an initial in-person coaching at your Center. For additional in-person coaching at your Center, you may request an Ongoing Field Visit for a fee $2,500.

## 6. PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

6. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity. The following provisions control with respect to products and operations:

A. Authorized Equipment. You must use in the operation of the Center only the proprietary or non-proprietary equipment that we specify in the then-current Manuals or other written directives. You must purchase or lease all equipment we designate (including the Technology System described below) from our approved suppliers. We will supply to you a copy of the current equipment list prior to opening of the Center. You acknowledge and agree that we may change the list periodically and that you are obligated to conform to the requirements. You may not open or operate the Center with any unapproved equipment.

B. Authorized Products and Services; Memberships. You may offer and sell only approved products and approved services in the Center and must offer for sale the complete range of required products and required services as listed in the approved products and approved services lists, as we may amend from time to time. You must maintain in stock an inventory of approved products sufficient to meet customer demand and as set forth in the manuals for operating a 9ROUND Center. You may not offer, sell or supply any products or services which are not approved products or approved services (including products or services that we have withdrawn), and may not conduct any unapproved workout routines or unapproved modifications to approved workout routines, without our prior written consent. If you sell any products or services which are not approved products or approved services, without our prior written consent, you must pay to us liquidated damages based on the sale of the unauthorized products or services, as stated in Section 13.D., below. You must also conform to all quality and customer service standards we require in writing.

You must offer and sell memberships ("**Memberships**") only on the terms and conditions that we specify periodically which may include, without limitation, price and service offering requirements. You shall participate in and offer all customer membership marketing programs and packages that we develop from time to time, including on-demand streaming service of kickboxing themed workouts. We reserve the right to require the inclusion of on-demand streaming services as part of Memberships. We will communicate to you in writing the details of each program or package, and you shall promptly display all related information at such places within the Center as we may designate. You shall purchase and distribute all collateral merchandise designated by us and shall purchase equipment necessary for use in connection with each such program or package. All Memberships must be evidenced by a written or, if approved or required by us, electronic agreement ("**Membership Agreement**") and all member and billing information must be promptly and accurately entered into the approved system according to our then-current policies. We have the right to communicate directly with your members. You agree that your list of members, including actual and prospective members, is our property and constitutes part of our Confidential Information (defined below). We may require you to use

Membership Agreements that are based on or substantially similar to our then-current standard form of Membership Agreement, with the exception, however, that there may be state and local laws that may require you to alter the Membership Agreement in the jurisdictions under which your Center operates. You must abide by those laws, and you accept sole responsibility for ensuring that your Membership Agreement complies with all applicable laws. Any changes to the form document must be approved in writing by us. The Membership Agreement must include: ***(i)*** a waiver and release of us and our Affiliates and ***(ii)*** a statement identifying the Center as an independently-owned franchised location. We also have the right to establish a reciprocity program that permits members from your Center to use other 9ROUND Centers and permits another 9ROUND Center member to also use your Center under such terms and conditions as we may state in writing from time to time. All Membership Agreements and all billings of any type must be processed through us and our approved processing system (which is currently the Technology System described in Section 6.D.).

You may only solicit memberships within your Designated Area (unless otherwise authorized by us in writing). We or other franchisees may solicit memberships within your Designated Area (for example, if designated areas overlap). Unless approved in writing by us, all membership sales must be made face-to-face, although you may solicit membership sales by mail, telemarketing (so long as you abide by the no-call lists), or other non-face-to-face basis within your Designated Area. You may solicit, advertise and accept memberships online or outside your Designated Area only with our prior written approval or in accordance with our then-current policies. We have the right, but not duty, to prohibit or cancel memberships you sell that will expire beyond the expiration date of your Term or any exercised renewal term. You are solely responsible for all refunds or liabilities to your members due to the cancelation of memberships. You must execute the Membership Contract Assignment Agreement in the form attached at Attachment G.

C. Approved Supplies and Suppliers. We will furnish to you from time to time lists of approved supplies or approved suppliers. You must only use approved equipment, products, fixtures, signs, advertising and marketing materials, music providers, digital communication providers, trademarked items and other items (collectively, "**approved supplies**") in the Center as listed in the approved supplies and approved suppliers lists, as we may amend from time to time. Although we do not do so for every item, we have the right to require you purchase your requirements of products and services (which currently include, without limitation, gloves, supportive hand wraps, punching bags, certain print materials, heart rate monitors and belts, website services, nutrition services, daily workout screens system, point of sale system, music, electronic mail marketing, and business text messaging) from approved or designated sources. You acknowledge and agree that certain approved supplies may only be available from one source, and we or our Affiliates may be that source. You will pay the then-current price in effect for approved supplies you purchase from us or our Affiliates. All inventories, products, operating forms, materials and other items and supplies used in the operation of the Center must be purchased from approved suppliers and any items not included on the approved supplies or approved suppliers list must conform to the specifications and standards we establish from time to time. ALTHOUGH APPROVED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION AND ANY REQUIRED TECHNOLOGY SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS. Except for instances where we designate a single source supplier, if you wish to purchase any products or services for which we have established approved suppliers from an unapproved supplier, you may request our consent in writing. You must pay our costs and expenses, which we expect will range from $1,000 to $5,000, but may exceed this range depending on the product. If we request, you must submit samples and other information as we require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets our specifications and quality and safety standards. We generally will notify you in writing of supplier approval or disapproval within thirty (30) days of our receipt of all the information and samples we request. You must pay the reasonable cost of the inspection and evaluation and the actual cost of the test. The supplier also may be required to sign a supplier agreement. We may re-inspect the facilities and products of any supplier of an approved supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of

our criteria. Once approved, you may contract directly with the approved supplier. We will send written notice of any revocation of an approved supplier or item.

We apply the following general criteria in approving a proposed supplier: (1) ability to make product in conformity with our specifications; (2) reputation and integrity of supplier; (3) financial condition and insurance coverage of the supplier; and (4) system-wide strategic direction and system uniformity.

D. Technology System. You must purchase and use any technology system that we develop or select for the Center or System, including all future updates, supplements and modifications (the "**Technology System**"). The Technology System may include, without limitation, all hardware and software used in the operation of the Center, including ***(i)*** all computer hardware and related accessories and peripheral equipment, digital media, music provider, electronic mail marketing provider, business text messaging provider, audio, computers, monitors, screens, heart rate monitors, telephone systems, and camera and security systems; and ***(ii)*** the billing, electronic point-of-sale cash registers, Center management and back office programs used to record, analyze and report sales and Center operations. Requirements for use may include, among other things, connection to remote servers, off-site electronic repositories, high speed internet connections, and establishment of one or more e-mail accounts.

You must: ***(i)*** use any proprietary software programs, including cloud-based software, system documentation manuals, and other proprietary materials that we provide to you in connection with your operation of the Center; ***(ii)*** input and maintain in your computers such data and information as we require in the Manual and other written directives; and ***(iii)*** purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever we adopt such new or upgraded programs, manuals, and materials. You must enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner we require, and pay all fees imposed by us, our Affiliate or any third-party software and software service providers there under.

You acknowledge that we may independently access from a remote location, at any time, all information input to and compiled by your Technology System or an off-site server, including Member Information. We have the right to require that you install a camera or security system and its related software and services. You further acknowledge and agree that we may independently access from a remote location, at any time, to view and record any images or video recorded by any camera or security systems, and you agree not to interfere with or impair our access to such recordings.

You acknowledge that technology is ever changing and that, as technology or software is developed in the future, we may, in our sole discretion, require you to: ***(i)*** add to your Technology System hardware, memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software, including cloud-based software; and ***(ii)*** replace or upgrade your Technology System and software, including cloud-based software, as we require.

We reserve the right to designate a single source from whom you must purchase the Technology System.

E. Evaluations. We or our authorized representative have the right to enter your Center at all reasonable times when the Center is open to the public for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by you, to inspect and evaluate your premises, equipment and member satisfaction. Our inspections and evaluations may be conducted by our personnel or by a third-party "mystery shopper." Or, at our request, we may require you to conduct and submit to us a "walk-through" video of your Center, conducted in accordance with our Standards, within the time period that we require. If we determine that any condition in the Center presents a threat to members or public health or safety or is not compliant with our specifications or standards, we may take whatever measures we deem necessary, including requiring you to immediately close the Center until the situation is remedied to our satisfaction. There is no limitation on the number of inspections we may conduct or the number of walk through videos we may request, or the scope of any inspection. A breach of your obligations under this Section 6.E. is a material default

under this Agreement. If we request you to submit a "walk-through" video of your Center and you do not comply within the time period that we require, then you must reimburse us for all out-of-pocket costs, including, without limitation, travel and lodging costs, that we incur in connection with any subsequent evaluations or inspections conducted by our personnel or by a third party "mystery shopper."

F. Period of Operation. Subject to any contrary requirements of state or local law, your Center must be open to the public and operated during the hours and on the days that we require. Any variance from this provision must be authorized by us in writing. You acknowledge and agree that if your Center is closed for a period of two (2) or more consecutive business days or five (5) or more business days in any twelve (12)-month period without our prior written consent, such closure constitutes your voluntary abandonment of the franchise and business and we have the right, in addition to other remedies provided for herein, to terminate this Agreement. Your Center must be opened at least fifty-eight (58) hours a week, and we recommend that your Center be open seventy (70) hours a week. We reserve to change the minimum hours of operation as part of our Standards.

G. Operating Procedures. You must adopt and use as your continuing operational routine the required standards, procedures, methods of operation and management and security systems described in our operating manual or other written directives, including, but not limited to, system newsletters or bulletins, and emails that may be sent to you or all franchisees from time to time with information relevant to the System or operation of the Center (collectively, "**Manual**"). We will revise the Manual and these standards and systems periodically to meet changing conditions of operation and will notify of the changes primarily through electronic communications. The Manual at all times is our sole property. You must at all times treat the Manual, and the information it contains, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. You will be required to sign a confidentiality agreement at the time of access. We may from time to time revise the contents of the Manual and you expressly agree to comply with each new or changed requirement. You acknowledge and agree that the Manual and other system communications may only be available on the internet or other online or computer communications. You must perform all exercise and fitness training functions and services as we designate from time to time and may not offer any exercise instruction, class or other services that we do not approve. Your Center must offer or perform all such services, as we periodically modify them.

H. Confidential Information. You may not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person or entity any Confidential Information, except to such employees as must have access to it in order to operate the Center. For purposes of this Agreement, "Confidential Information" means and includes, without limitation, all member information and information concerning prospective and former members (collectively, "**Member Information**"), any and all proprietary information contained in the Manual or otherwise communicated to you in writing, verbally or through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Center (including methods of instruction, room conditions (such as lighting and temperature), music (including type of music, music mix, and decibel level), and workout program (including technique and the sequence of movements). You hereby acknowledge and agree that all Confidential Information, including Member Information, belongs exclusively to us. You and each Owner agree to maintain the confidentiality of all Confidential Information, including Member Information, not to duplicate any materials containing Confidential Information, including Member Information, and not to divulge any Confidential Information, except to other franchisees and to your employees and professional advisors on a need to know basis. You may use the Confidential Information, including Member Information, only for the purpose of operating the Center. This provision will survive expiration of this Agreement.

You must cause your managers, instructors, and any employee with access to Confidential Information, including Member Information, to sign the Confidentiality and Non-Competition Agreement substantially in the form attached as Attachment C-2 to this Agreement. You must provide a copy of each such agreement to us upon our request. You must ensure that the Confidentiality and Non-Competition Agreement

is properly executed with valid consideration as may be required under your state's law, including execution at the inception of employment or by providing some other additional consideration.

I. Compliance with Standards and Specifications; Participation in Joint Advertising Campaigns and Endorsements. You further agree to comply with all System specifications, standards and operating procedures (whether contained in the Manual or any other written communication) relating to the appearance, function, cleanliness, operation and promotion of a 9ROUND Center including, without limitation ***(i)*** sales and marketing procedures and customer service; ***(ii)*** advertising and promotional programs; ***(iii)*** member loyalty and reward programs; ***(iv)*** layout, décor and color scheme of the Center; ***(v)*** appearance and dress of employees; ***(vi)*** safety, maintenance, appearance, cleanliness, sanitation, standards of service, and operation of the Center; ***(vii)*** submission of requests for approval of brands of products, supplies and suppliers; ***(viii)*** use and illumination of signs, posters, displays, standard formats and similar items; ***(ix)*** use of audio equipment and type and decibel levels of music; ***(x)*** use of video equipment and type and decibel level of television broadcasts (including closed captioning requirements); ***(xi)*** types of fixtures, furnishings, and equipment; ***(xii)*** the make, type, location and decibel level of any game, entertainment or vending machine (and restrictions against the use of gaming, entertainment or vending machines); and ***(xiii)*** exercise and any other services you are authorized to offer at the studio.

Upon our request, you must acknowledge receipt of our communications, including electronic communications, and respond to such communications within 24 hours of delivery.

From time to time, we and our Affiliates also may participate in and require your participation in joint advertising campaigns and endorsement of third-party products or services (which participation may include, among other things, broadcasting audio-visual advertising on in-Center televisions or computer monitors or placing promotional items at required locations throughout the Center). You agree to participate in all such campaigns and endorsements according to our directives, provided that we will provide you all promotional items necessary for participation free of charge. You further acknowledge and agree that we or our Affiliates may receive revenue, and may retain all revenue received, on account of your participation and other franchisee's participation in such campaigns and endorsements.

J. Compliance with Law; Licenses and Permits. You have an obligation, both prior to and after purchasing the franchise, to review the laws of the area in which you will be operating to determine what statutes, regulations, ordinances, or other laws may have an impact on your ability to operate the franchise. We are not responsible for reviewing the laws, and we make no representation or warranty (express or implied) that the System we have developed complies with the laws of your particular area. You represent and agree that you have conducted a review of the potentially-applicable laws and that you have provided to us, in writing, a statement of all legal issues that you feel may have a significant impact on your ability to follow the system or to operate your business. You must at all times maintain your premises and conduct your Center operations in compliance with all applicable laws, regulations, codes and ordinances including, without limitation, ***(i)*** all governmental regulations relating to sales, advertising and membership cancellation rights of health club memberships, and all bonding requirements, and ***(ii)*** all applicable laws pertaining to the privacy of consumer, employee and transactional information. If there is a conflict between our standards and policies and actual applicable law, you must comply with the requirements of applicable law, immediately give us notice of said conflict and promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies within the bounds of applicable law. You must secure and maintain in force all required licenses, permits and certificates relating to your Center. You acknowledge that you are an independent business and responsible for control and management of your Center, including, but not limited to, the hiring and discharging of your employees and setting and paying wages and benefits of your employees. You acknowledge that we have no power, responsibility or liability in respect to the hiring, discharging, setting and paying of wages or related matters. You must not publish, disseminate, implement, revise or rescind a data privacy policy without our prior written consent. You must immediately notify us in writing of any claim, litigation, proceeding or complaint (whether from individuals or governmental agencies) that arises from or affects the operation or financial condition of your 9ROUND business or Center.

K. Participation in Internet Websites, Online Communications Networks, and Email Systems; Social Media. You must participate, at your expense, in our 9ROUND website, on-demand streaming services, any intranet or extranet system we may develop, and in other electronic communications systems and networks (including electronic mail system and business text messaging system) as we may require, and must pay associated fees. Required participation includes, without limitation, maintaining and communicating at all times and for all business purposes through an email address provided by our approved vendor and promptly responding to all communications, including electronic communications, sent by us. Our current Technology Fee is listed on the Summary Page of this Agreement. We have the right to determine the content and use of our website, on-demand streaming services, and any intranet or extranet system we may develop and will establish the rules under which franchisees may or must participate. We may change the Technology Fee as our technology needs evolve and you agree to participate in our future member service initiatives and pay the applicable fees. You may not use the Marks or any part or derivative thereof on the internet, except as we expressly permit in writing and as authorized by our then-current policies. Without limiting the generality of the foregoing, you may not use the Marks or any part or derivative of the Marks as part of any URL or domain name or as part of any unauthorized email address and may only register the Marks or any part or derivative of the Marks as part of any user name on any gaming website or social networking website (such as Facebook, Instagram, or Twitter) in accordance with our then-current policies. You also shall refrain from displaying on any website (including commercial websites, gaming websites, and social networking websites) any of our copyrighted works (including the design portion of the Marks), and shall refrain from streaming on any website any video reflecting the Marks or our proprietary workout routines, except with our written permission and in strict accordance with such permission. This includes, without limitation, offering merchandise identified by the Marks on any internet website and uploading or streaming any video on sites such as YouTube. We have the right to terminate our web site, on-demand streaming services, intranet or extranet system at any time. Your general conduct on our website, on-demand streaming services, intranet and extranet system or other online communications and specifically your use of the Marks or any advertising is subject to the provisions of this Agreement. You acknowledge that certain information related to your participation in our website, on-demand streaming services, intranet or extranet system may be considered Confidential Information, including access codes, passwords, usernames, and identification codes. Your right to participate in our website, on-demand streaming services, intranet and extranet system, or otherwise use the Marks or System on the internet or other online communications, will terminate when this Agreement expires or terminates.

You shall follow our mandatory specifications, standards, operating procedures, and rules for using Social Media in connection with your operation of the Center and you agree to comply with any Social Media policy we implement. We have the right (but not the obligation) to create and own all Social Media accounts used in operation of the Center and shall allow your access and use only in strict compliance with our rules. If we allow you to create a Social Media account you must give us all administrator capabilities as if we were the creator of the account. We reserve our right to remove your access to Social Media accounts at any time in our sole discretion. Upon termination of this Agreement for any reason, your access to all Social Media accounts will terminate. The term "Social Media" includes, without limitation, personal blogs; common social networks such as Facebook, Snapchat, Instagram, LinkedIn, Twitter, or YouTube; internet listing sites such as Wikipedia, Google, Foursquare, and Yelp; applications supported by mobile platforms such as iOS and Android; virtual worlds; file, audio, and video-sharing sites; and other similar internet, social networking, or media sites, mobile platforms, or tools.

L. Public Relations. You shall not make any public statements (including giving interviews or issuing press releases) regarding the business or any particular incident, occurrence, or event related to the business or Center, without our prior written approval.

M. Association with Causes. You shall not in the name of 9ROUND or the business, without our prior written approval: ***(i)*** donate money, products, or services to any charitable, political, religious, or other

organization; or ***(ii)*** act in support of any such organization (including acting in support of any such organization on any website or social media platform).

N. System Modifications. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we require under this Agreement to adapt the System to changing conditions, competitive circumstances, business strategies, business practices and other changes as we deem appropriate. This right includes, but is not limited to, the right to introduce new products and services. You must comply with these modifications, additions or rescissions at your expense, subject to the express limitations listed in this Agreement.

You must operate your Center in strict compliance with all applicable laws and with the standard procedures, policies, rules and regulations established by us and incorporated herein or in the Manual or in 9ROUND system bulletins or other publications that are distributed to franchisees from time to time. Such standard procedures, policies, rules and regulations established by us may be revised from time to time as circumstances warrant, and you must comply with all such procedures as they exist from time to time as though they were specifically listed in this Agreement and when incorporated in a system bulletin or other written notice to franchisees, the same is incorporated herein by reference. These standard procedures, policies, rules, and regulations may include operational matters, advertising or marketing matters, employee matters, membership issues, relationships between you and other franchisees, accounting issues, and any other issues that we believe, in our business judgment, are required to generally benefit the 9ROUND System and its franchisees.

O. Pricing Policies. We have the right to establish prices for the products and services you sell, both minimum and maximum, to the extent permitted by applicable law. You agree to comply with all such pricing requirements.

P. National Accounts. From time to time, we will negotiate contracts with corporations, affinity groups and insurance plans that will require that certain terms or discounts be offered to members of that corporation, affinity group, or insurance plan by all franchisees at all locations ("**National Accounts**"). You are required to provide the special terms or discounts to these National Accounts.

Q. Member Administration and Mediation. We or an Affiliate may from time to time engage in administrative tasks related to member administration such as administering online enrollment or membership transfer and reciprocity programs. You agree that we may take those actions in accordance with our then-current policies, which may include transferring members or Membership Contracts to or from your Center and providing on-line member enrollment. You agree that we may make such corrections as necessary, including that if a member is mistakenly transferred to the wrong Center, we may issue credits and charges for the membership dues to the affected Centers. Any actions we take for member administration are for the benefit of the brand and uniformity in the System and not to exercise control over your business.

R. Payment Systems. You shall accept debit cards, credit cards, stored value cards, and other non-cash systems (including, for example, Apple Pay, and Google Wallet) that we specify periodically to enable customers to purchase authorized products and services, and to acquire and install all necessary hardware and software used in connection with these non-cash systems. The parties acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. Accordingly, you shall cause your Center to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Standards Council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information. You are solely responsible for your own education concerning these regulations and standards and for achieving and maintaining applicable compliance certifications. You shall defend, indemnify, and hold us harmless from and against all claims arising out of or related to your violation of the provisions of this Section.

## 7. PERSONNEL AND SUPERVISION STANDARDS

7. The following provisions and conditions control with respect to personnel, training, and supervision:

A. Supervision. You must ensure that the Center is operated in accordance with the terms and conditions of this Agreement. If you employ a general manager, he or she must attend and successfully complete all required training, as listed in Sections 7.B. and 7.C.

B. Training. You must, at your expense, comply with all of the training requirements we require for the Center to be developed under this Agreement. If you employ a general manager, he or she also must comply with all training requirements. Specifically, prior to opening, you must attend our initial training program and complete the training to our satisfaction. In the event you are given notice of default as described in Sections 13.A. and 13.B. and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require as a condition of curing the default that you, at your expense, comply with the additional training requirements we require. Any new general manager must comply with our training requirements within a reasonable time as we specify. Under no circumstances may you permit management of the Center's operations on a regular basis by a person who has not successfully completed to our satisfaction all applicable training we require.

C. Ongoing Training. We may require you and other key employees of the Center to attend, at your expense, ongoing training at our training Center, the Authorized Location or other location we designate, or online. Beyond our initial training program, you must pay our then-current training fee for all training we conduct for you and your travel expenses.

D. Staffing. You shall maintain a competent, conscientious, and trained staff (who shall have been adequately trained by you) in numbers sufficient to service customers promptly and properly (including daily Center opening and closing procedures), and shall take such steps as are necessary to ensure that your employees preserve good customer relations and comply with such dress code as we may require. In addition, you and your employees shall handle all customer complaints, refunds, returns or other adjustments in accordance with our policies as set forth in the Manuals or otherwise in writing. The parties acknowledge and agree that these requirements are necessary to preserve the goodwill identified by the Marks. The parties further acknowledge and agree that we neither dictate nor control labor or employment matters for you or your employees. You are exclusively responsible for hiring personnel, for determining the number of jobs offered or job vacancies to be filled, for determining and changing employee wages and benefits and work hours, and for disciplining and discharging your employees. You are exclusively responsible for labor relations with your employees. You shall defend, indemnify, and hold us harmless against any and all proceedings, claims, investigations, and causes of action instituted by your employees or by others that arise from your employment practices. In the event that you require your employees to sign a noncompetition agreement preventing them from directly competing with you, you shall carve out from such restriction their ability to become a 9ROUND franchisee.

E. Attendance at Meetings. Unless we approve otherwise, you and your manager must attend all sales and operations meetings and annual franchise conventions we may hold or sponsor. If you are not able to attend a meeting or convention, you must notify us prior to the meeting and we may mandate that you substitute a person acceptable to us to attend on your behalf. We may charge reasonable fees for these programs, and you will be responsible for the wages and associated travel and living expenses for yourself and your manager or other designated attendee. We reserve the right to collect these fees through billing software with your monthly royalties.

F. Instructor Certification. We reserve the right to develop certification programs for Center personnel who provide personal fitness instruction, teach any form of exercise, or provide any kind of fitness or nutrition instruction or counseling. We may charge, and you agree to pay a fee for providing certification-related courses and services. We reserve the right to collect these fees through billing software with your monthly royalties.

## 8. ADVERTISING

8. You agree to actively promote your Center, to abide by all of our advertising requirements and to comply with the following provisions:

A. Brand Building Fund. You must pay us each month a Brand Building Fund in the amount set forth in the Summary Pages in consideration for the advertising and marketing services that we provide in our discretion. "Net Sales" is defined as the aggregate of all revenue from the sale of services and products from all sources in connection with the business at your Center or online, whether for check, cash credit, or otherwise, (and regardless of collectability), and all proceeds from any business interruption insurance, but does not include (a) the sale price of products returned in good faith by customers of the business, (b) any sales tax or other taxes collected from customers of the business by you for remittance to the appropriate taxing authority, and (c) the value of any allowance issued or granted to any customer of the business that is credited in full or partial satisfaction of the price of any services and products offered in connection with the business.

B. Grand Opening Marketing Fee. If you acquire franchise rights for a new Center, you must spend a minimum of $15,000, as determined by us, for local grand opening marketing up to sixteen (16) weeks before the opening of your Center and approximately eight (8) weeks after the opening of your Center. If you acquire the franchise rights to an existing Center, you must spend a minimum of $10,000, as determined by us, for local new ownership marketing commencing on the Effective Date of this Agreement and lasting for approximately twelve (12) weeks thereafter. You may spend more than the minimum amount. Approximately $3,000 is paid directly to us for your print kit and your grand opening event marketing kit, both of which contain various promotional materials. Approximately $2,000 will be paid to us for digital marketing management. The remaining amount will be paid to approved vendors for their respective products or services. Pre-opening and grand opening marketing will consist of a variety of marketing tactics including, but not limited to, digital advertising, email marketing, local networking, participation in local community events, public relations, and other marketing and advertising initiatives or materials intended to publicize the opening of your Center. Amounts that you spend on pre-opening and grand opening or new ownership marketing do not count toward any other advertising obligations you have under this Agreement. The Grand Opening Marketing Fee is deemed fully earned upon payment and is non-refundable.

C. Minimum Local Advertising Expenditure; Approved Materials. You must use your best efforts to aggressively promote and advertise the Center in your local area, and participate in any local marketing and promotional programs that we establish from time to time (including but not limited to any in-Center marketing or promotions we may choose to run). You must conduct an initial promotional campaign in accordance with our standards and specifications. In addition to any Brand Building Fund contributions, you must spend at least $12,000 during each calendar year (a monthly average of at least $1,000) on approved forms of advertising and marketing in your market area that conform to our standards and specifications. If you fail to add thirty (30) memberships (excluding trial memberships or memberships lasting less than a full month) over any rolling three (3)-month period during the Term of this Agreement, you may be required to increase your advertising or marketing spend to at least $1,500 per month for the longer of either three (3) months or until your membership count achieves the minimum requirements. We reserve the right to audit your marketing and advertising to ensure it conforms to our standards and specifications. Only the types of advertising and marketing that we specify will count toward satisfaction of this requirement. Upon our request, you must provide us with an itemized accounting of your local advertising and marketing expenditures, in the form we require, with supporting documentation of the type we require. You must use only such marketing materials as we furnish, approve, or make available, and the materials must be used only in a manner that we require. Furthermore, any promotional activities you conduct in the Center or on its premises are subject to our approval. We will not unreasonably withhold approval of any sales promotion materials and activities; provided that they are current, in good condition, in good taste, dignified, and accurately depict the Marks (any use of the Marks, or a new variation you propose to the Marks, without our prior written approval is prohibited).

D. Local Marketing Fund and Advertising Co-ops.

(i) In the future, we may also, at our option, designate any geographic area in which at least two 9ROUND franchises are located as a "designated advertising area" for the purposes of establishing a Local Marketing Fund that we control ("**Local Marketing Fund**") or local or regional advertising cooperative controlled by majority vote of its members ("**Local Cooperative**"). In the future, we may, at our option, require you to make a contribution to a Local Marketing Fund or Local Cooperative, as provided in this paragraph. Any amount contributed to a Local Marketing Fund or Local Cooperative will be in addition to, and not in lieu of, the Brand Building Fund described above. We have the right to determine the amount of contribution, in our sole judgment, provided that aggregate monthly contributions will not exceed $750 per month (subject to adjustment based on the CPI as provided in Section 9.D.). If, however, a Local Cooperative chooses to contribute a greater amount and the amount is approved by a two-thirds majority of the Centers in the Local Cooperative, you must contribute such amount. Any contribution you make to a Local Marketing Fund or Local Cooperative will count towards the minimum local advertising expenditures outlined in Section 8.C.

(ii) If established, you must participate in any Local Marketing Fund or Local Cooperative formed to serve the geographic area in which the Center is located, and must promptly execute all participation documents that we require. For Local Cooperatives only, each Center in the Local Cooperative will have one vote. Each Local Cooperative will be required to adopt governing bylaws that meet our approval. We reserve the right to administer the Local Cooperatives' funds and require payment from its members via electronic funds transfer. The members of each Local Cooperative and their elected officers will be responsible for the administration of the Local Cooperative. We have the right to require Local Cooperatives to be formed, changed, dissolved or merged and may set the governing rules and bylaws.

E. Sponsorships and Partnerships. You may not enter into any sponsorship agreements or arrangements or any marketing partnerships without our prior written consent.

## 9. FEES, REPORTING AND AUDIT RIGHTS

9. You must pay the fees described below and comply with the following provisions:

A. Initial Franchise Fee. Upon execution of this Agreement you must pay us an initial franchise fee (the "**Initial Franchise Fee**") in the amount set forth on the Summary Page. The Initial Franchise Fee is deemed fully earned upon payment in consideration for our expenses incurred and services rendered in conjunction with reserving your right to the Preliminary Designated area and is non-refundable. Failure to pay the Initial Franchise Fee upon execution of this Agreement will result in a non-curable default of this Agreement by you, and we will have the right to terminate this Agreement immediately.

B. Royalty Fee and Other Fees. In addition to the Initial Franchise Fee, in consideration of the rights and use of our intellectual property granted to you, you must pay to us a royalty fee (the "**Royalty Fee**") in the amount set forth on the Summary Page. You must pay the Royalty Fee beginning the month that your Center opens and each following month through the term of this Agreement. You will pay the full Royalty Fee for any partial month.

In addition to the Initial Franchise Fee and the Royalty Fee, you must pay to us a brand building fund fee (the "**Brand Building Fund**") and a technology fee, (the "**Technology Fee**") in the amounts set forth on the Summary Page. The Technology Fee is for online membership services, any 9Round app, and the 9Round website.

C. Member Services and Other Fees. Periodically, as technology and member demands evolve, we may change or provide additional member services. You agree to participate in our future member service initiatives and to pay the applicable fees at the then-current rates. We currently charge (i) $139 a month for the PULSE heart rate zone system; (ii) $149 a month for the daily workout screens system; (iii) $118 a month for insurance; (iv) $25 a month for email marketing software based on twelve (12) month commitment with the approved vendor, though pricing may vary if you select month-to-month ; (v) $2 a month per 9ROUND email address granted to your Center; (vi) $5 a month per 9RoundNOW member you sign up for our on-demand streaming services. Each of the proceeding given fees in this Section 9 C. are subject to change or increase. Although you

are required to offer 9RoundNOW for sale, it is currently not required to be included with each Membership. We reserve the right to require 9RoundNOW with each Membership in the future by providing you prior written notice.

D. CPI Adjustment. Certain fees under this Agreement, including the Royalty Fee, Technology Fee, Brand Building Fund, minimum local advertising and marketing expenditures, and Local Marketing Fund or Local Cooperative contribution (unless calculated as a percentage of sales), are subject to adjustment based on any increase in the Consumer Price Index ("**CPI**") (meaning the annual average of the Consumer Price Index for All Urban Consumers, Other goods and services, 1982-1984=100, published by the Bureau of Labor Statistics of the United States Department of Labor). If the Bureau of Labor Statistics ceases publishing the named consumer price index, then the successor or most nearly comparable index as we select will be used. Fees will be changed no more than once per year. The increase will be based on the increase in the CPI Index between January 1 of any year and January 1 of the year of the Effective Date of this Agreement or the previous CPI adjustment.

E. Computations and Remittances. The Royalty Fee, Brand Building Fund contribution, Technology Fee, and the Local Marketing Fund or Local Cooperative contribution are due and owing on the first of the month. Any membership fees and member services fees are due and owing at the end of each month's operation. You must make all payments to us by the 10th of the month the fees are due (or such other day as we designate). You may not withhold payment of any amounts owed to us and hereby waive any and all existing and future claims and offsets against any amounts due under this Agreement. Notwithstanding any designation by you, we will be entitled to apply your payments against any amounts due to us. We also may set off any amounts that may be held by us or our Affiliates on your behalf or owed to you by us or through our Affiliates against amounts you owe to us or our Affiliates.

F. Method of Payment. You must make payments to us and our Affiliates by electronic funds transfer or such alternative methods as we may designate. You must execute and deliver to us, our bank and your bank, as necessary, all forms and documents that we request to permit us to use any payment method we designate, including the electronic transfer of funds authorization attached as Attachment D. You must comply with all procedures we specify from time to time, and take such reasonable action as we request to assist in any of the payment methods. Specifically, you agree that upon notice by us, all payments owed to us and our Affiliates may be deducted from the monies your billing and payment processor collects on your behalf and you hereby authorize the billing and payment processor to deduct such amounts and to pay those amounts to us or our Affiliates ***(i)*** on the due date of such amount in the case of ongoing, continuing fees, such as Royalty Fees and Marketing Fees; or ***(ii)*** as incurred in the case of non-scheduled fees, such as Administrative Fees or purchases of equipment and products. You must maintain a balance in your account sufficient to allow us and our Affiliates to collect the amounts owed to us when due and must notify us at least twenty (20) days before closing or changing the account against which such debits are to be made. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this Section.

G. Interest Charges. Any and all amounts that you owe to us or to our Affiliates will bear interest at the rate of 12% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual.

H. Financial Planning and Management. You are responsible for keeping your own general accounting books. We may periodically request financial information, including but not limited to, a monthly profit plan, monthly balance sheet and monthly statement of profit and loss, membership and purchase records, invoices, inventories, payroll records, cash disbursement journals and general ledger, all of which accurately reflect the operations and condition of your Center operations. You must allow us electronic and manual access to any and all records relating to your Center.

I. Reports and Audit. In the event of an audit, you must verify the accuracy of the membership numbers on the 5th day of each month for the preceding month. Within ten (10) days after the request, you must submit to us a report with respect to our request in the form and content as we periodically require. The report must

include, but not be limited to, the following information for the preceding month: ***(i)*** number of membership sales; and ***(ii)*** if we request, monthly sales summary and monthly balance sheet and statement of profit and loss, including a summary of your costs for utilities, labor, rent and other material cost items. We may also request, at your expense, that you submit to us within ninety (90) days after the end of each fiscal year a detailed balance sheet, profit and loss statement and statement of cash flows for such fiscal year, including all adjustments necessary for fair presentation of the financial statements. You must certify all reports to be true and correct. You acknowledge and agree that we have the right to impose these requirements on you regardless of whether we impose the same requirements on our other franchisees. If any audit determines that you have understated your income or your membership level by more than 2% and such understatement resulted in underpayment of any fees due to us, you must pay us all costs of the audit plus interest on the amount due to us at 12% per annum or the highest rate allowed by law, whichever is less.

We or our authorized representative have the right at all times during the business day to enter the premises where your books and records relative to the Center are kept and to evaluate, copy and audit such books and records. In addition, upon our request, you must provide us the current information regarding the name and telephone number of the landlord, lender or vendors and suppliers for the Center. You agree that we have the right to communicate with the landlord, lender and other vendors related to your operation of the Center regarding the Center or any default by you under an agreement with the landlord, lender or vendor. You hereby authorize the landlord, lender and any vendor associated with your Center to communicate with us and provide us information regarding the Center.

J. Administrative Fee. If at any time your Center fails to conform to System Standards, we have the right to impose and collect from you an administrative fee as described in this paragraph ("**Administrative Fee**"). Specifically, ***(i)*** we may impose and collect from you a $250 Administrative Fee for each "enforcement effort" that we undertake on account of your noncompliance with System Standards (e.g., a letter, email, or telephone communication notifying you of noncompliance or continued noncompliance), and ***(ii)*** if we have notified you of noncompliance and you have failed to correct the issue within seven (7) days, we may impose and collect from you a $250 Administrative Fee per week until the issue has been corrected to our satisfaction. We may provide such notice and any related communications by electronic means (including, without limitation, by facsimile, email, or through any electronic communications system we designate for the System). We also may impose and collect a $250 Administrative Fee if you fail to acknowledge receipt of our notice or communications to you, or to respond to our communications within 24 hours of delivery. This fee is not a penalty, but is intended to compensate us for the additional costs that we incur in enforcing your compliance with System Standards, and is in addition to and not in lieu of any other rights or remedies that we may have based on your noncompliance with System Standards. We may impose and collect the Administrative Fee whether or not the noncompliance at issue is of the type or degree that constitutes a material default of your obligations under this Agreement and, if it is, whether or not a cure period applies. At our option, we may require you to demonstrate full compliance with your obligations by submitting to us a comprehensive walk-through video of your Center premises in accordance with our System Standards.

K. Attorneys' Fees and Costs. Should your non-compliance with the Franchise Agreement cause us to incur attorneys' fees or costs, you will be required to reimburse us for the attorneys' fees and costs incurred. For purposes of this provision, "costs" include all costs of investigation, mediation (if the mediation does not result in settlement), discovery, trial, and appeal (if applicable), including private investigators' fees, experts' fees, clerks' fees, service fees, and court reporter fees.

L. Taxes. If any taxes, fees, or assessments are imposed on royalties or other fees by reason of us acting as franchisor or licensing the Marks or the System under this Agreement (for example, sales tax), you will reimburse us the amount of those taxes, fees, or assessments within fifteen (15) days after receipt of our written notice to you.

M. Cross Payments. If you or any of your Affiliates operates a 9ROUND center other than the one contemplated by this Agreement, as of the Effective Date, you agree that upon notice by us, any amounts owed

to us or our Affiliates related to such other center(s) may be deducted from the monies your billing and payment processor collects on your behalf and you hereby authorize the billing and payment processor to deduct such amounts and to pay those amounts to us or our Affiliates. You agree and acknowledge that such payments include, without limitation, any late payments, interest, administrative fees, and liquidated damages related to such other center or the franchise agreement governing such other center. If we elect to collect liquidated damages in installments, you agree that we may also collect interest at 12% on the amounts owed.

## 10. YOUR OTHER OBLIGATIONS; NON-COMPETE COVENANTS

10. You agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to pay promptly when due: ***(i)*** all payments, obligations, assessments and taxes due and payable to us and our Affiliates, suppliers, lessors, federal, state or local governments, or creditors in connection with your business; ***(ii)*** amounts related to all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the Center or business; and ***(iii)*** all accounts and other indebtedness of every kind incurred by you in the conduct of the Center or business. In the event you default in making any such payment, we are authorized, but not required, to pay the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

B. Indemnification. You waive all claims against us for damages to property or injuries to persons arising out of the operation of your Center. You must fully defend, indemnify, and hold us and our owners, directors, officers, successors and assigns and our Affiliates harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Center (regardless of cause or any concurrent or contributing fault or negligence of us or our Affiliates) or any breach by you or your failure to comply with the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for our costs and attorneys' fees immediately upon our request as they are incurred. This Section will survive the expiration or termination of this Agreement and applies to all losses and expenses even if they exceed the limits of your insurance coverage

C. Insurance.

(i) You must maintain at your expense in full force and effect throughout the initial term and renewal terms the types of insurance and the minimum policy limits and deductibles stated in the Manual from our then-current designated insurance carrier or alternatively, in our sole discretion, a carrier acceptable to us. The insurance policy or policies must protect you, us, our parents, our Affiliates, and each entity's respective, past, present, and future officers, directors, owners, managers, members, employees, consultants, attorneys, and agents against any loss, liability, personal injury, death, property damage, or expense of any kind arising out of, or in connection with the Center, including the condition, operation, management, use, or occupancy of your Center.

(ii) To the fullest extent permitted by law, we and our parents, Affiliates, and subsidiaries (including each entity's respective, past, present, and future officers, directors, owners, managers, members, employees, consultants, attorneys, and agents) must be added/named as additional insureds on all coverages on which additional insureds can be added, even for claims regarding the additional insureds' sole negligence. The coverage offered to the additional insureds will be primary coverage to any other coverage maintained by the additional insureds and will not permit or require such other coverage to contribute to the payment of any loss. Policies must also contain a waiver of subrogation in favor of the additional insureds.

(iii) You must provide to us any documentation we require to evidence your compliance with this Section, where such documents may include, without limitation, additional insured endorsements and your insurance certificates.

(iv) We may require additional types of coverage or increase the required minimum amount of coverage on reasonable notice. Your obligation to obtain coverage is not limited in any way by insurance that we maintain.

(v) You acknowledge that the required minimum insurance requirements do not constitute advice or a representation that such coverages are necessary or adequate to protect you from losses in connection with the Center. Nothing in this Agreement prevents or restricts you from acquiring and maintaining insurance with higher policy limits or lower deductibles than what we require. Your insurer(s) must commit not to cancel or amend the policy or policies without at least thirty (30) days' prior written notice to us.

(vi) We have the right to implement an insurance administration program, pursuant to which we or our designee may facilitate policy procurement, premium payments, and renewals, and we or the service provider may impose a reasonable fee for such services. If implemented, you must participate in the program and pay required fees. To the extent permitted by applicable law, you shall obtain insurance from insurance carriers or brokers that we designate or approve. 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 obtaining the insurance, which you agree to pay on demand.

D. Non-compete Covenants. You agree that you will receive training and Confidential Information that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following non-competition covenants:

(i) Persons Bound. Unless otherwise specified, the term "Covered Person" as used in this Section 10.D. includes, collectively and individually, each Owner (and each Owner's immediate family members, including, without limitation, their spouse, domestic partner, cohabitant, child, stepchild, grandchild, parent, stepparent, parent-in-law, child-in-law, grandparent, sibling, half-sibling, stepsibling, sibling-in-law, aunt, uncle, niece, nephew, or first cousin) and all guarantors, officers, directors, managers, partners, as the case may be, and any of the Center's managers, instructors, and other employees receiving training or Confidential Information. We may require you to obtain from your individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this Section 10.D.

(ii) During Term. During the term of this Agreement, Covered Persons must not directly or indirectly, for themselves or through, on behalf of or in conjunction with any individual or business entity: (1) divert any Center member, prospective Center member or former Center member to any fitness center or club except another 9ROUND Center; or (2) own, operate, lease, franchise, engage in, be connected with, have any interest in, or assist any person or entity engaged in any other fitness center or club (including, but not limited to fitness club, studio, online fitness service, or exercise facility featuring boxing, kickboxing, or a circuit training program) in the United States, except another 9ROUND Center pursuant to a valid franchise agreement with us.

(iii) After Termination. For a period of two (2) years after the transfer, expiration or termination of this Agreement (and with respect to any Owner, for a period of two (2) years after such person ceases to be an Owner, regardless of the reason, and with respect to any of the Center's managers, instructors, or other employees, for a period of two (2) years after such person ceases to be affiliated with you), Covered Persons must not directly or indirectly, for themselves or through, on behalf of or in conjunction with any individual or business entity: (1) divert any Center member, prospective Center member or former Center member to any fitness center or club except another 9ROUND Center; or (2) own, operate, lease, franchise, engage in, be connected with, be employed by, have any interest in, or assist any person or entity engaged in any other fitness center or club (including, but not limited to fitness center, club, studio, online fitness service, or exercise facility featuring boxing, kickboxing or a circuit training program) that is located at or within a twenty five (25)-mile radius of the Authorized Location, that is located within a twenty five (25)-

mile radius of any other 9ROUND Center in operation or under construction, or that is located in the Designated Area of any other 9ROUND franchisee, or, in the instance of online fitness services, it shall not be offered anywhere in the United States. The two-(2) year period described in this paragraph will be tolled during any period of noncompliance.

(iv) Reasonableness. You agree that the scope of the prohibitions stated in this Section 10.D. is reasonable and necessary to protect us and the System (including other franchisees of the System). You agree that the prohibitions in this Section 10.D. must be very broad in order to prevent you from taking information, materials and training we are providing to you on an ongoing basis and using them to either compete with us, or preempt or otherwise restrict our ability to enter new markets. You agree that the time period and the scope of the prohibitions stated in this Section 10.D. are the reasonable and necessary time and distance needed to protect us if this Agreement expires or is terminated for any reason. You also agree that you have many other opportunities available to earn a living, and that these restrictions will not preclude you from engaging in a lawful trade or business for which you otherwise are qualified.

(v) Exception. The purchase of a publicly traded security of a corporation engaged in a competitive business or service will not in itself violate this Section 10.D. so long as you do not own, directly or indirectly, more than 5% of the securities of such corporation.

(vi) Reformation and Reduction of Scope of Covenants. If all or a portion of any covenant contained in this Section 10.D. is held to be unreasonable or unenforceable by a court or agency having valid jurisdiction in any un-appealed final decision to which we are a party, you and each Covered Person will be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 10.D. Notwithstanding the foregoing, we have the unilateral right, in our sole discretion, to reduce the scope of any covenant set forth in Section 10.D., or any portion thereof, which reduction will be effective immediately upon delivery of notice of the reduction.

(vii) Injunctive Relief. You and each Covered Person agree that the violation of any covenant contained in this Section 10.D. would result in immediate and irreparable injury to us for which there is no adequate remedy at law. You and each Covered Person therefore agree that in case of an alleged breach or violation of this Section, we may seek injunctive relief, in addition to all other remedies that may be available to us at equity or law. We will not be required to post a bond or other security for any injunctive proceeding.

(viii) Severability. Each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

E. Innovations. You agree to fully and promptly disclose to us all ideas, plans, improvements, concepts, methods and techniques relating to the development or operation (including marketing, advertising and promotions) of the Center or any similar aspect of the business conceived or developed by you, any Owner or your employees during the term of this Agreement ("**Innovations**"). We and our Affiliates solely own and have the right to authorize other Centers to use any Innovations without any compensation to you, any Owner, or your employees. We and our Affiliates own all related patents, patent applications, and any other intellectual property rights of the Innovations as a work-for-hire. You and your Owners hereby assign to us any rights you or your Owners may have or acquire in the Innovations, including the right to modify the Innovations, and waive and release all rights of restraint and moral rights therein and thereto. You and your Owners agree to assist us in obtaining and enforcing the intellectual property rights to any such Innovation in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your Owners hereby irrevocably designate and appoint us as agent and attorney-in-fact for you and for us to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such Innovations. In the event that the foregoing provisions of this section are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to us a

worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Innovations to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe on you or your Owners' rights therein. Without limiting the foregoing, you and your Owners also agree to provide and disclose to us any improvements or concepts you and your Owners create and conceive concerning the operation of a 9ROUND Center, and that we and our Affiliates shall own, may use, and may permit others to use any such improvements or concepts without compensation to you or your Owners. Nothing in this Section modifies your obligations to comply with the System and the Manual.

F. Copyright. You hereby acknowledge and agree that the ownership of all printed, audio, and visual material and any other material whatsoever (including all Confidential Information) being part of the Center or System (the "**work**") belongs to us or our Affiliates and any copyright in respect to the work belongs to us. In addition, you acknowledge that you have no right to manufacture any component of the work or duplicate the work and agree to purchase all components of (or rights of access to) the work exclusively from us. You have no right to claim any proprietary interest in any of the work. You must immediately notify us of any known infringement to the work or to our copyright interest therein. We have the right to control any litigation related to our copyrights or the work. You agree to assist us, as directed by us, in any claim or action against the infringer.

## 11. TRANSFER OR ASSIGNMENT OF FRANCHISE

11. You agree that the following provisions govern any transfer or assignment or proposed transfer or proposed assignment:

A. Transfers. We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the Center. Consequently, your interest in this Agreement or in the Center, or any Owner's interest in a franchisee that is a partnership or entity, may not be transferred to or assumed by any other person or entity (the "**transferee**"), in whole or in part, unless you have first tendered to us the right of first refusal to acquire this Agreement in accordance with Section 11.E., and if we do not exercise such right, unless our prior written consent is obtained, and the transfer conditions described in Section 11.C. are satisfied. Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the business to a person or entity who shares in the losses or profits of the business in a manner other than as an employee will be considered a transfer for purposes of this Agreement. Specifically, but without limiting the generality of the foregoing, the following events constitute a transfer and you must comply with the right of first refusal, consent, and other transfer conditions in this Section 11:

(i) Any change or series of changes in the percentage of the franchisee entity owned, directly or indirectly, by the Principal Owner (including any addition or deletion of any person or entity who qualifies as a Principal Owner);

(ii) Any change in the general partner of a franchisee that is a general, limited or other partnership entity; or

(iii) For purposes of this Section 11.A., a pledge or seizure of any ownership interests in you or in any Principal Owner that affects the ownership of 25% or more of you or a Principal Owner, which we have not approved in advance in writing.

In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or the business conducted hereunder, such person first must notify us, tender the right of first refusal provided for in Section 11.E., and if we do not exercise such right, must apply for and obtain our consent to the transfer, and satisfy the transfer conditions described in Section 11.C. In addition, you or the assignee must pay the attorneys' fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you.

You may not place in, on, or upon the location of the Center, , any information relating to the sale of the Center, without our prior consent.

B. Consent to Transfer. We may consent or withhold consent to any requested transfer based on our sole discretion. Application for our consent to a transfer and tender of the right of first refusal provided for in Section 11.E. must be made by submission of our form of application for consent to transfer, which must be accompanied by the documents (including a copy of the proposed purchase or other transfer agreement) or other required information. The application must indicate whether you or a Principal Owner proposes to retain a security interest in the property to be transferred. No security interest may be retained or created, however, without our prior written consent and except upon conditions acceptable to us. Any agreement used in connection with a transfer is subject to our prior written approval. Any attempted transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be null and void and will provide us with the right to elect either to default and immediately terminate this Agreement or to collect from you and the guarantors a fee of $10,000.

C. Conditions of Transfer. We condition our consent to any proposed transfer, whether to an individual, a corporation, a partnership or any other entity upon the following:

(i) Transferee Qualifications. The transferee must meet all of our then-current requirements for the franchise we are offering at the time of the proposed transfer, including having demonstrated the transferee has the personal character, financial assets, and business experience we deem suitable to be successful in our System.

(ii) Payment of Amounts Owed. All amounts owed by you to us or any of our Affiliates, your suppliers or any landlord for the Center premises and Authorized Location, or upon which we or any of our Affiliates have any contingent liability must be paid in full.

(iii) Reports. You must have provided all required reports to us in accordance with Section 9.I.

(iv) Modernization. You must have complied with the provisions of Section 5.F.

(v) Guarantee. In the case of an installment sale for which we have consented to you or any Principal Owner retaining a security interest or other financial interest in this Agreement or the business operated hereunder, you or such Principal Owner, and the guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

(vi) Consent to Transfer; General Release. You, each Principal Owner, and each guarantor must execute all transfer documents that we require and in the form we designate, which documents will include a general release of all claims arising out of or relating to this Agreement, your Center, or the parties' business relationship; provided, however, that the release will not be inconsistent with any state law regulating franchising.

(vii) Training. The transferee must, at your or the transferee's expense, comply with the training requirements of Section 7.B.

(viii) Financial Reports and Data. We have the right to require you to prepare and furnish to transferee and us such financial reports and other data relating to the Center and its operations as we deem reasonably necessary or appropriate for assignee and us to evaluate the Center and the proposed transfer. You agree that we have the right to confer with proposed transferees and furnish them with information concerning the Center and proposed transfer without being held liable to you, except for intentional misstatements made to an assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the Center and proposed transfer and must not be construed in any manner or form whatsoever as earnings claims or claims of success or failure.

(ix) Transfer Fee. There is no transfer fee, but a purchaser of an existing 9ROUND franchise will be required to pay a Franchise Fee.

(x) New Franchise Agreement. If the proposed transfer (or a series of transfers) would result in a change in control of the franchisee, the transferee must execute our then-current form of franchise agreement; and each of transferee's Principal Owners must execute our then-current form of personal guaranty and undertaking, and if applicable, corporate guaranty and undertaking. The parties acknowledge and agree that our then-current form of franchise agreement may be materially different than this Agreement and may include, among other things, different fees. Additionally, in the event of a transfer, we have the unilateral right to change or modify the boundaries of the Designated Area under the new franchise agreement. The Designated Area modification, if any, will be noted in the new franchise agreement issued with respect to the transfer.

(xi) Member Information. You must have provided us with a full and accurate list of your current and prospective members, and at our direction, provide the same to the transferee.

(xii) Other Conditions. You must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.

D. Death, Disability or Incapacity. If any individual who is a Principal Owner dies or becomes disabled or incapacitated and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as a Principal Owner, such person or entity must apply for our consent under Section 11.B., comply with the training requirements of Section 7.B, and satisfy the transfer conditions under Section 11.C., as in any other case of a proposed transfer, all within one hundred and eighty (180) days of the death or event of disability or incapacity. During any transition period to an heir or successor-in-interest, the Center still must be operated in accordance with the terms and conditions of this Agreement. If the assignee of the decedent or disabled or incapacitated person is the spouse or child of such person, no Franchise Fee will be payable to us and we will not have a right of first refusal as stated in Section 11.E.

E. Right of First Refusal. If you propose to transfer or assign this Agreement or your interest herein or in the business, in whole or in part, to any third party, including, without limitation, any transfer contemplated by Section 11.D. or any transfer described in Section 11.A., you first must offer to sell to us your interest. In the event of a bona fide offer from such third party, you must obtain from the third-party offeror and deliver to us a statement in writing, signed by the offeror and by you, of the terms of the offer. In the event the proposed transfer results from a change in control of the franchisee or a Principal Owner under Sections 11.A.(i) through 11.A.(iii), or your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, you first must offer to sell to us your interest in this Agreement and the land, building, equipment, furniture and fixtures, and any leasehold interest used in the operation of your Center. Unless otherwise mutually agreed to in writing, the purchase price for our purchase of assets in the event of a transfer that occurs by a change in control or insolvency or bankruptcy filing will be established by a qualified appraiser selected by the parties and in accordance with the price determination formula established in Section 14.B. in connection with an asset purchase upon expiration. In addition, unless otherwise agreed to in writing by us and you, the transaction documents, which we will prepare, will be those customary for this type of transaction and will include representations and warranties then customary for this type of transaction. If the parties cannot agree upon the selection of such an appraiser, we will select a mediator who will select an appraiser..

You or your legal representative must deliver to us a statement in writing incorporating the appraiser's report and all other information we have requested. We then have forty five (45) days from our receipt of the statement setting forth the third-party offer or the appraiser's report and other requested information to accept the offer by delivering written notice of acceptance to you. Our acceptance of any right of first refusal will be on the same price and terms listed in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any noncash consideration included in the offer. If we fail to accept the offer within the forty five (45)-day period, you will be free for sixty (60) days after such period to effect the disposition described in the statement delivered to us provided such transfer is in accordance with this Section 11. You may effect no other sale or assignment of you, this Agreement or the business without first offering the same to us in accordance with this Section 11.E.

F. Transfer by Us. We have the right to sell or assign, in whole or in part, our interest in this Agreement and you hereby consent to any such sale or assignment.

G. Assignment.

(i) Individual Franchisee. If you are in full compliance with this Agreement, you may submit a request to assign this Agreement to a corporate or other business entity ***(i)*** which conducts no business other than operating your Center (and if applicable other 9ROUND Centers), ***(ii)*** in which you maintain management control, ***(iii)*** of which you own and control 100% of the equity and voting power of all issued and outstanding equity interests and ***(iv)*** further provided that all assets of the Center are owned, and the entire Center is conducted by a single business entity. Any assignment meeting the conditions in this Section 11.G.i. will not be subject to the conditions in Section 11.C., however, the corporation or other similar entity must execute a document substantially in a form approved by us and substantially in a form attached hereto as Attachment J in which it agrees to become a party to and be bound by all the provisions of this Agreement, to execute and deliver to us a corporate guaranty, and the Principal Owners must agree to remain personally liable under this Agreement. Your request to assign this Agreement must be accompanied by an assignment fee of $500. This fee is non-refundable and may be collected by us pursuant to the methods set forth in Section 9.F.. The assignment fee will be waived if you submit a request to assign this Agreement pursuant to this Section 11.G.i. within six (6) months of the Effective Date of this Agreement.

(ii) Percentage Ownership. If you are in full compliance with this Agreement, you may submit a request to remove a minority partner, member, or other owner of your business, or to increase or decrease the percentage ownership of any minority partner, member, or other owner of your business. Any change in the percentage ownership of any existing Principal Owner or any change in the percentage ownership of your business that would create a new Principal Owner is considered a transfer and is governed by Section 11.A-C, above. Your request must be accompanied by an assignment fee of $500. This fee is non-refundable and may be collected by us pursuant to the methods set forth in Section 9.F.

H. Securities Offerings.

(i) No Public Offerings. Neither you nor any of your Owners may issue or sell your securities or the securities of any of your Affiliates if: (1) such securities would be required to be registered pursuant to the Securities Act of 1933, as amended, or such securities would be owned by more than 35 persons; or (2) after the issuance or sale, you or such Affiliate would be required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended.

(ii) Private Placements. You, your Owners, and Affiliates may offer securities or partnership interests, by private offering or otherwise, only with our prior written consent, which will not be unreasonably withheld (except for public offerings prohibited above). All materials required for such offering by federal or state law must be submitted to us for review prior to their being filed with any government agency; and any materials to be used in any exempt offering must be submitted to us for review prior to their use. No offering may imply (by use of the Marks or otherwise) that we are participating in the underwriting, issuance or offer of securities and our review of any offering will be limited solely to the subject of the relationship between you and us. In preparing a prospectus or other offering materials, you must make any changes and incorporate any disclaimers we require with respect to your relationship with us and your use of the Marks. You, Owners and the other participants in the offering must fully indemnify us in connection with the offering. For each proposed offering, you must pay us for our reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees. You must give us written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Section.

## 12. DISPUTE RESOLUTION

12. The following provisions apply with respect to dispute resolution:

A. Mediation. Each party agrees to be bound by the provisions of any limitation on the period of time by which claims must be brought under this Agreement or applicable law, whichever expires first.

Before the filing of any proceedings, and except as provided below, the parties agree to first submit their dispute to mediation. Mediation will be conducted by a mediator or mediation program agreed to by the parties and will take place in Simpsonville, South Carolina. Persons authorized to settle the dispute must attend any mediation session. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within thirty (30) days of the notice from the party seeking to initiate the mediation procedures. If not resolved within thirty (30) days, the parties are free to pursue litigation.

B. Injunctive Relief and Collections. Notwithstanding Section 12.A., the parties agree that the following claims will not be subject to arbitration or mediation: ***(i)*** any action by us for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to our tangible or intangible property, including, without limitation, the Marks, brought at any time, including without limitation, prior to or during the pendency or any arbitration proceeding initiated under Section 12.A.; ***(ii)*** any action by us in ejectment or for possession of any interest in real or personal property; ***(iii)*** our decision in the first instance to issue a notice of default or notice of termination, or undertake any other conduct with respect to the franchise relationship that might later result in a dispute or controversy between the parties; or ***(iv)*** any collection action by us for the payment of royalty fees or other amounts owed under this Agreement.

C. Attorneys' Fees. The prevailing party in any litigation, action, or proceeding arising under, out of, in connection with, or in relation to this Agreement or other dispute between the parties, any lease or sublease for the Center or Authorized Location, or the business will be entitled to recover its reasonable attorneys' fees and costs.

## 13. DEFAULT AND TERMINATION AND OTHER REMEDIES

13. The following provisions apply with respect to default and termination:

A. Termination by Us. You are in default if we determine that you or any Principal Owner or guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our Affiliates including, without limitation, any failure to pay fees or other amounts due under this Agreement. We have the right to terminate this Agreement in accordance with the following provisions:

(i) Termination After Opportunity to Cure. Except as otherwise provided in this Section 13.B.: (1) we may terminate this Agreement if you have failed to cure any default under this Agreement within thirty (30) days from the date of our issuance of a written notice of default, other than a failure to pay amounts due or submit required reports, in which case we may terminate this Agreement if you have failed to cure such default within ten (10) days of our issuance of a written notice of default; (2) your failure to cure a default within the applicable cure period will provide us with good cause to terminate this Agreement; (3) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (4) the termination will be effective immediately upon our issuance of the written notice of termination.

(ii) Automatic Termination without Notice or Opportunity to Cure. In the event that any of the following defaults occur, this Agreement will terminate automatically, without notice and without providing you an opportunity to cure: (1) the filing of a voluntary or involuntary petition for bankruptcy relief by or against you or by or against any Principal Owner or guarantor; (2) your insolvency (meaning your inability to pay debts as and when they become due); (3) your making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.

(iii) Immediate Termination with No Opportunity to Cure. In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: (1) you failed to pay us the initial franchise fee in the amount set forth on the Summary Page upon execution of this Agreement; (2) you have failed to identify a mutually acceptable site for the operation of the Center or to open the Center for business within the time period provided by this Agreement; (3) you or any Owner has made any material misrepresentation or omission in your franchise application; (4) your voluntary abandonment of the franchised business; (5) the loss of your lease, or the failure to timely cure a default under the lease; (6) the loss of your right of possession or failure to reopen or relocate under Section 5.G.; (7) the closing of the Center by any state or local authorities for health or public safety reasons; (8) any unauthorized use of the Confidential Information; (9) conviction of you, any Principal Owners, or guarantors of (or pleading no contest to) any felony or misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of the Marks or the Center; (10) you, any Owner, guarantor or an Affiliate of any of you are listed by the United States or United Nations as being a terrorist, financier of terrorism or otherwise restricted from doing business in or with the United States; (11) intentionally understating or underreporting membership sales or any understatement or 2% variance on a subsequent audit within a two (2)-year period under Section 9.I.; (12) any unauthorized transfer or assignment in violation of Section 11; (13) you or any Owner or guarantor defaults under any other agreement between them and us, our Affiliates, or a third party essential to the operation of your Center (such as a landlord, vendor, or supplier), and has not been cured within any applicable cure period; or (14) the occurrence of two (2) or more defaults of the same or similar nature within any twelve (12)-month consecutive period, or the occurrence of four (4) or more defaults, regardless of their nature, within any twenty four (24)-month period, and regardless of whether the previous defaults were timely cured. We also have the right to terminate this Agreement, effective upon delivery of written notice of termination, in the event of (1) termination, on account of your default, of any other franchise agreement between you or your Affiliate, as franchisee, and us, as franchisor or (2) abandonment or unauthorized closure of any other Center operated under a franchise agreement between you or your Affiliate, as franchisee, and us, as franchisor.

(iv) Immediate Termination After No More than Seven (7) Days to Cure. In the event that any of the following defaults exist, you will have no more than seven (7) days after we provide written notice of the default to cure the default, and this Agreement will terminate effective immediately on our issuance of written notice of termination: (1) a default occurs that materially impairs the goodwill associated with any of the Marks, violates any health, safety or sanitation law or regulation, or if the operation of the Center presents a health or safety hazard to your members or to the public; (2) a default occurs that involves misuse of our Marks, including the offer or sale of unauthorized products or services at or from the Center premises or in conjunction with the Marks; (3) a default occurs that involves the installation or use of unauthorized equipment at the Center premises; or (4) a default occurs that involves the failure to follow our prescribed workout routines, or the offering of unauthorized workout routines.

(v) Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

B. Termination by You. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement provided that: ***(i)*** you provide us with written notice of the breach that identifies the grounds for the breach; and ***(ii)*** we fail to cure the breach within a reasonable time, which will in no event be less than sixty (60) days after our receipt of the written notice. If we fail to cure the breach, the termination will be effective ninety (90) days after our receipt of your written notice of breach. Your termination of this Agreement under this Section will not release or modify your post-term obligations under Sections 10.D. and 14 of this Agreement.

C. Other Remedies. If you fail to identify a site for the Center or open the Center within the time required by this Agreement, or if a default occurs which allows us to terminate this Agreement, in lieu of terminating

this Agreement, we may, at our sole option, amend the Franchise Agreement to eliminate any Designated Area protection or reservation provided to you under Section 2.C. of this Agreement. If you are in default under this Agreement, in addition to any other remedies we may have, we have the right to withhold services pending any cure of the default including: ***(i)*** removing your Center from any website we operate; ***(ii)*** suspending online enrollment; or ***(iii)*** suspending our facilitation of the member billing process.

D. Liquidated Damages.

(i) In the event that you prematurely cease operation of the Center in accordance with this Agreement, or if you commit a default that results in early termination of this Agreement, you must pay us, as liquidated damages and not as a penalty, the lesser of $20,000 or an amount equal to the average monthly fees paid to us over the past twelve (12) months multiplied by the number of months remaining in the then-current term, reduced to present value at a rate of 6%. The parties acknowledge and agree that such amount represents a reasonable estimate of the damages we will incur as a result of such default and premature termination. If you are party to any other agreement with us to operate one or more other 9ROUND Centers, we have the discretion to deduct some or all of these liquidated damages from any accounts you maintain relating to those 9ROUND Centers. If we elect to deduct any liquidated damages from any other accounts you maintain, we reserve the right to collect these amounts in installments, payable at 6% interest for a term of up to twenty four (24) months.

(ii) In the event that you sell any products or offer any services that we have not authorized for sale, you must pay us an amount equal to 70% of the gross revenue that you derived from the sale of unauthorized products, and 100% of the gross revenues that you derived from the offer of unauthorized services. We have the right to collect these amounts in the same way as we collect payment of royalty fees. The parties acknowledge and agree that 70% of gross revenue represents a reasonable estimate of the profits you will derive as a result of selling unauthorized products, and that 100% of gross revenue represents a reasonable estimate of the profits you will derive as a result of offering unauthorized services.

E. Step In Rights. During any period that you are in default of this Agreement, you hereby authorize us, and we shall have the right, but not the obligation, to order the closure of the Center, to operate the Center on your behalf for as long as we deem necessary, and to coordinate the transfer of Memberships to other Centers, all without waiver of any other rights or remedies we may have under this Agreement or applicable law. If we or our representative undertakes to operate the Center pursuant to this Section 13.E., we shall have the right to collect all revenues of the Center, and ***(i)*** pay from such revenues all operating expenses of the Center including, without limitation, Royalty Fees, Brand Building Fund contributions, local advertising and marketing expenditures, the Technology Fee and all other amounts due under this Agreement, wages, salaries, occupancy costs, and taxes; ***(ii)*** reimburse ourselves from such revenues any out-of-pocket costs that we incur in connection with providing management services; and ***(iii)*** pay ourselves or our management services provider a management fee in an amount equal to five percent of Center gross revenues, calculated on a monthly basis.

F. Cross-Default. Any default by you or your Affiliates under any agreement between you or your Affiliates and us or our Affiliates, that is not cured within any applicable cure period, shall be considered a default by you under this Agreement and shall provide us with an independent basis for termination of this Agreement.

## 14. POST-TERM OBLIGATIONS

14. Upon the expiration or termination of this Agreement:

A. Reversion of Rights; Discontinuation of Trademark Use. All of your rights to the use of the Marks and all other rights and licenses granted in this Agreement and the right and license to conduct business under the Marks at the Authorized Location will revert to us without further act or deed of any party.

You shall immediately comply with the post-term non-compete obligations under Section 10.D., cease all use and display of the Marks and of any proprietary material (including the Manual) and of all or any portion of promotional materials furnished or approved by us.

You shall assign all right, title and interest in the telephone numbers for the Center and assign or cancel, at our option, any assumed name rights or equivalent registrations filed with authorities.

You must pay all sums due to us, our Affiliates or designees and all sums you owe to third parties that have been guaranteed by us or any of our Affiliates.

You must immediately return to us, at your expense, all copies of the Manuals then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of Section 6.H.

If we elect not to assume the Center lease according to the option described in 14.B., below, you shall promptly, at your expense, de-identify the Center premises. For purposes of this provision, "de-identify" means removing or obliterating all Center signage, displays and other materials that bear any of the Marks, confusingly similar trademarks or service marks, and our copyrighted works, and altering the appearance of the Center so that it no longer resembles a business operating under the System. As of the date of this Agreement, the obligation to de-identify the Center premises also includes, without limitation, the following: removal of any items or signs bearing the Marks, removal of any items or signage bearing "First Workout Free," removal of any brick wall or faux brick wall covering, repainting or recovering of interior walls to remove any red wall covering, replacing any red floor coverings, removal of numbered cards over workout stations, and refraining from referral to any workout stations as "rounds." If you fail or refuse to comply with the provisions of this paragraph within thirty (30) days, we have the right to enter upon the Center premises, or we may appoint the landlord of your Center to do so on our behalf, without being guilty of trespass or any other crime or tort, for purposes of de-identifying the Center on your behalf, and you must reimburse us for our costs incurred. We have the right to communicate with the Center's lessor to complete the de-identification, and you agree to reimburse us, whether by direct payment or through our deduction or offset from amounts held by us or our Affiliates. At our discretion, we may charge you or otherwise withhold from payments due to you a reasonable estimate of our costs in advance of performing such de-identification in the event you do not comply with your obligations.

You are responsible for reimbursing members for all pre-paid services not rendered.

Notwithstanding the foregoing, in the event of expiration or termination of this Agreement, you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us or our Affiliates that expressly or by their nature survive the expiration or termination of this Agreement.

B. Option to Assume Lease; Assume Telephone Numbers and Membership Contracts, and Purchase Assets. Upon termination or expiration of this Agreement, we will have the option (but not the obligation) to do any or all of the following: ***(i)*** assume your Lease for the Center premises; ***(ii)*** assume all telephone numbers used in connection with the operation of the Center; ***(iii)*** assume all utilities used in connection with the operation of the Center; and ***(iv)*** assume your rights and interest in and to any Membership Contract to which you are a party, by delivering to you written notice of our election within thirty (30) days after termination or expiration of this Agreement.

Upon termination or expiration of this Agreement, we also will have the option, to purchase any or all of the assets used in connection with the operation of the Center including, without limitation, equipment, fixtures, signage, furnishings, and supplies. The purchase price for the assets will be determined by a qualified appraiser selected with the consent of both parties, provided we give you written notice of our preliminary intent to exercise our purchase rights under this Section 14.B. within thirty (30) days after the date of the expiration or termination of this Agreement. If the parties cannot agree upon the selection of an appraiser(s), each party will appoint their own appraiser and the two appraisers will select a neutral appraiser, who will independently perform the appraisal. Within forty-five (45) days after our receipt of the appraisal report, we or our designated purchaser will identify the assets, if any, that we intend to purchase at the price designated for those assets in the appraisal report. We or our designated purchaser and you will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary

for the assets being purchased, in a commercially reasonable time and manner. We and you will each pay one-half of the appraiser's fees and expenses. Our interest in the assets of the Center that are owned by you or your Affiliates will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon our or our designated purchaser's exercise of the purchase option and tender of payment, you agree to sell and deliver, and cause your Affiliates to sell and deliver, the purchased assets to us or our designated purchaser, free and clear of all encumbrances, and to execute and deliver, and cause your Affiliates to execute and deliver, to us or our designated purchaser a bill of sale therefore, and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

You must execute all additional documentation that we designate to give effect to the options described in this Section 14.B. We may assign our option rights to any person of our choice.

C. Claims. You and your Principal Owners and guarantors may not assert any claim or cause of action against us or our Affiliates relating to this Agreement or the business contemplated under this Agreement after the shorter period of the applicable statute of limitations or one (1) year following the effective date of termination or expiration of this Agreement; provided that where the one (1)-year limitation of time is prohibited or invalid by or under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

## 15. GENERAL PROVISIONS

15. The parties agree to the following provisions:

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any arbitrator or court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify the Marks, System, Manual, and to designate the Authorized Location and Designated Area as stated in this Agreement, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us. This Agreement together with the addenda and appendices and the application form executed by you requesting us to enter into this Agreement constitute the sole agreement between the parties with respect to the entire subject matter of this Agreement and embody all prior agreements and negotiations with respect to the business. You acknowledge and agree that you have not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of your business. There are no representations or warranties of any kind, express or implied, except as contained in this Agreement and in the aforesaid application. Nothing in this Agreement is intended to disclaim the representations we have made in our Franchise Disclosure Document.

C. Notices. Except as otherwise provided in this Agreement, any notice, demand or communication provided for in this Agreement must be in writing and signed by the party serving the same and ***(i)*** delivered personally; or ***(ii)*** delivered by a reputable overnight service (such as FedEx); or ***(iii)*** deposited in the United States mail, service or postage prepaid (and if such notice is a notice of default or of termination, by registered or certified mail), and addressed as follows:

1. If intended for us, addressed to CEO; 9Round Franchising, LLC, 847 NE Main Street, Simpsonville, SC 29681;

2. If intended for you, addressed to you at Address for Notices set forth on the Summary Pages or at the Authorized Location; or, in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section. Notwithstanding the foregoing, we may also provide notice and communications to you, other than a notice of default or termination, by electronic means (including, without limitation, by facsimile, email, or through any electronic communications system we designate for the System).

D. Authority. Any modification, consent, approval, authorization or waiver granted in this Agreement required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by an authorized officer.

E. References. If the franchisee is two or more persons, the persons are jointly and severally liable, and references to you in this Agreement includes all of the individuals. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement.

F. Guarantee. All Owners of a franchisee that is a corporation, partnership, limited liability company or partnership or other legal entity must execute the personal guaranty and undertaking in the form attached as Attachment C-1 to this Agreement. Any person or entity that at any time after the date of this Agreement becomes an Owner pursuant to the provisions of Section 11 or otherwise must the personal guaranty and undertaking in the form attached as Attachment C-1 to this Agreement. If any Owners are also the Owners of another franchisee pursuant to a separate franchise agreement with us, such franchisee must execute the corporate guaranty in the form attached as Attachment C-3 to this Agreement.

G. Successors/Assigns. Subject to the terms of Section 11 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

H. Interpretation of Rights and Obligations. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

(i) Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Section 12 of this Agreement, all claims arising out of or relating to this Agreement and the parties' relationship will be governed by, and will be interpreted in accordance with, the substantive laws of the state where our corporate headquarters are located (currently, South Carolina) (irrespective of any conflicts of laws); provided that any law or regulation applicable to the offer or sale of franchises or the franchise relationship will apply only if the jurisdictional provisions of the law are otherwise met.

(ii) Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations stated in this Agreement.

(iii) Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Marks or the 9ROUND brand, improving

member service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System. You acknowledge that we shall have no liability to you for the exercise of our Reasonable Business Judgment. IF WE TAKE ANY ACTION OR CHOOSE NOT TO TAKE ANY ACTION IN OUR DISCRETION WITH REGARD TO ANY MATTER RELATED TO THIS AGREEMENT AND ITS ACTION OR INACTION IS CHALLENGED FOR ANY REASON, THE PARTIES EXPRESSLY DIRECT THE TRIER OF FACT THAT OUR RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF OUR DISCRETION IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF OUR DISCRETION, WITHOUT REGARD TO WHETHER OTHER REASONS FOR OUR DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

(iv) Drafting Party. The parties acknowledge that each party and its counsel have reviewed this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement or any amendments or exhibits attached hereto.

I. Venue. Except as expressly provided in Section 12, any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in the Federal District Court for the District where our corporate headquarters are located (currently, the District of South Carolina) or in the state court with jurisdiction where our corporate headquarters are located (currently, Greenville County Court of Common Pleas, Greenville, South Carolina). Both parties irrevocably submit themselves to, and consent to, the jurisdiction of said courts. The provisions of this Section will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this Section, and with a complete understanding thereof, agree to be bound in the manner set forth.

J. **Jury Trial Waiver. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.**

K. **Waiver of Punitive, Consequential Damages and other Special Damages. With the exception of our right to seek indemnification for third party claims as set forth in this Agreement and our right to seek recovery of lost future profits as a common law remedy for premature termination of this Agreement, the parties hereby waive to the fullest extent permitted by law any right to or claim of any loss of revenues, loss of profits, loss of time, inconvenience, loss of use, or any other incidental, special, indirect, exemplary, punitive, or consequential loss against the other and agree that in the event of a dispute between them, each shall be limited to the recovery of any actual damages sustained by the party.**

L. Relationship of the Parties. The parties' relationship is that of independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

M. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the equipment offerings and other standards, specifications, and requirements for any franchised Center or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such Center, franchisee's business or the System. We are not required to grant to you a like or other variation as a result of any variation from standard operations, specifications or requirements granted to any other franchisee. You acknowledge that you are aware that our other franchisees operate under a number of different forms of

agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from your rights and obligations under this Agreement.

N. Notice of Potential Profit. We and our Affiliates may from time to time make available to you supplies, equipment, products and services for use in your Center on the sale of which we or our Affiliates may make a profit. Further, we and our Affiliates may from time to time receive consideration from suppliers and manufacturers in respect to sales of supplies, equipment, products or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and our Affiliates are entitled to said profits and consideration.

O. Force Majeure. If a party's default under this Agreement (other than your obligations with respect to insurance and indemnification, to obtain a site and open the Center within a specified period, and to pay all fees and other amounts due to us and our Affiliates under this Agreement and any other agreement between you and us or our Affiliates), is caused in whole or in part by a force majeure, such default and any right of the other party to terminate this Agreement for such default is suspended for as long as the default is reasonably caused by such force majeure. Any suspension is effective only from the delivery of a notice of the force majeure to the other party stating the party's intention to invoke the force majeure. However, if such suspension continues for longer than six (6) months and the default still exists, either party has the right to terminate this Agreement upon thirty (30) days' notice to the other party. Events of force majeure are those that cannot be prevented, avoided or removed by the party invoking the force majeure despite the exercise of reasonably diligence, including acts of God, actions of the elements, pandemics, lockouts, strikes, wars, riots, acts of terrorism, civil commotion, and acts of governmental authorities (not including a governmental authority's delaying or refusing to grant building permits, licenses and other permissions and approvals), and except as specifically provided for elsewhere in this Agreement.

P. Your Representations to Us. As an inducement to us to grant you the franchise contemplated by this Agreement, you hereby acknowledge and represent to us the following (and agree to notify us immediately in writing upon the occurrence of any act or event that would render any representation incorrect):

(i) Corporate Ownership. If you are a corporation, limited liability company, partnership or similar entity, you and each of your Owners represents and warrants that your ownership is completely and accurately listed on the Summary Page and that you will provide us with updated ownership information so that at all times the ownership information is current, complete and accurate. In addition, you represent and warrant that: (1) you are duly organized, in good standing and authorized to conduct business in your state of incorporation and the state where the Center is located; (2) you will confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Center or another Center under a franchise agreement with us; (3) all assets used in the operation of the Center are owned or leased by you; and (4) you have and will maintain stop transfer instructions on your records against the transfer of equity securities except in compliance with this Agreement and will only issue securities upon the face of which bear a legend, in a form satisfactory to us, which references the transfer restrictions imposed by this Agreement.

(ii) Patriot Act. You represent, warrant and certify that none of you, your Affiliates, officers or directors or holders of any equity interest in you is or will be named as a "specially designated national" or "blocked person" (or other similar classification) as designed by the United States Department of The Treasury's Office of Foreign Assets Control (or other applicable governmental agency).

(iii) Applicable Laws. You acknowledge that there may be federal, state and local laws ("**Applicable Laws**") that may affect the operation of the Center, that may conflict with your obligation to comply with our Standards, and that may negatively impact the financial performance of the Center. These laws may exist today, or may be enacted in the future. It is solely your responsibility, both prior to and after purchasing the franchise, to identify, understand and comply with all Applicable Laws. In entering into this

Agreement, you are not relying in any way upon any representation or warranty (express or implied) by us or anyone associated with us that our System or Standards complies with Applicable Laws.

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement as of the dates written below.

**FRANCHISEE**: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**FRANCHISEE**: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

**FRANCHISOR:** 9ROUND FRANCHISING, LLC

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**Attachment A to the Franchise Agreement**

## DESIGNATED AREA

**A. AUTHORIZED LOCATION.** The "**Authorized Location**" means the following area:

_____

_____

**B. DESIGNATED AREA.** The "**Designated Area**" means the following area:

_____

_____

_____

_____

If the Designated Area is not identified as of the date of this Franchise Agreement, we will determine the Designated Area when you sign the lease for the Authorized Location. The Designated Area will be an area of ***up to*** three (3) miles from the Authorized Location as we determine in our sole judgment after a review of relevant factors (see Section 2.C.).

The Designated Area may overlap with designated areas of other Centers. In the overlapping areas, each Center is permitted to market and solicit for members (see Section 6.B.). Once identified by us, the Designated Area is fixed for the initial term of the Franchise Agreement unless you relocate the Center and upon renewal or transfer (see Sections 4.B., 5.G., and 11.C.). The driving miles are fixed as of the date the Designated Area is determined by us and based on our mapping program used at the time the Designated Area is determined. No Designated Area will be enlarged due to any future road construction or other alteration.

**FRANCHISEE**: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**FRANCHISEE**: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

**FRANCHISOR:** 9ROUND FRANCHISING, LLC

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**Attachment B to the Franchise Agreement**

**INFORMATION RELEASE CONSENT**

The undersigned entered into a Franchise Agreement for the operation of a 9ROUND Center under a license from 9Round Franchising, LLC. In connection with the Franchise Agreement, I authorize 9Round Franchising, LLC to discuss with and obtain information from the third party providers for any 9ROUND Center owned or guaranteed by my Principal Owners (directly or indirectly), including: (1) the landlord of the Center, (2) any lender providing financing for the Center or that holds any security interest in any of the assets of the Center or in the Franchisee (if a corporate entity), and (3) any other vendor or supplier for the Center. I authorize such persons to provide information regarding the 9ROUND Center to 9Round Franchising, LLC.

**FRANCHISEE**: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**FRANCHISEE**: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

**Attachment C-1 to the Franchise Agreement**

**PERSONAL GUARANTY AND AGREEMENT TO BE BOUND PERSONALLY BY THE TERMS AND CONDITIONS OF THE FRANCHISE AGREEMENT**

1. I have read the Franchise Agreement between 9ROUND FRANCHISING, LLC ("**Franchisor**") and _____ ("**Franchisee**").

2. I own a beneficial interest in the Franchisee and would be considered an "**Owner**" within the definition contained in Franchise Agreement.

3. I understand that, were it not for this Personal Guaranty and Undertaking (**"Guaranty**"), Franchisor would not have agreed to enter into the Franchise Agreement with the Franchisee.

4. I will comply with the provisions contained in Section 3 of the Franchise Agreement concerning the Franchisee's use of Franchisor's Marks (as that term is defined in the Franchise Agreement). I understand that, except for the license granted to the Franchisee, I have no individual right to use the Marks and I have no ownership interest in the Marks.

5. I will comply with all of the provisions contained in Section 6 of the Franchise Agreement concerning the use of the Manual and Confidential Information. I will maintain the confidentiality of all Confidential Information disclosed to me. I agree to use the Confidential Information only for the purposes authorized under the Franchise Agreement. I further agree not to disclose any of the Confidential Information, except ***(a)*** to the Franchisee's employees on a need to know basis, ***(b)*** to the Franchisee's and my legal and tax professionals to the extent necessary for me to meet my legal obligations, and ***(c)*** as otherwise may be required by law.

6. I will comply with all of the provisions contained in Section 11 of the Franchise Agreement concerning the transfer of my ownership interest in the Franchisee.

7. While I am an Owner of the Franchisee and, for a two (2)-year period after I cease to be an Owner (or two (2) years after termination or expiration (without renewal) of the Franchise Agreement, whichever occurs first), I will not:

***(a)*** Divert or attempt to divert any present, prospective, or former member of any 9ROUND Center to any competitor or do anything to harm the goodwill associated with the Marks and the System; or

***(b)*** Own, operate, lease, franchise, engage in, be connected with, have any interest in, or assist any person or entity engaged in any other fitness center or club (including, but not limited to fitness center, club, studio or exercise facility featuring boxing, kickboxing or a circuit training program) that is located at or within a twenty five (25)-mile radius of the former Authorized Location, that is located within a twenty five (25)-mile radius of any other 9ROUND Center in operation or under construction, or that is located in the Designated Area of any other 9ROUND franchisee. This time period will be tolled during any period of my noncompliance.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Guaranty. If all or any portion of a covenant in this Guaranty is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Guaranty.

9. I understand and acknowledge that Franchisor has the right, in its sole discretion, to reduce the scope of any covenant set forth in this Guaranty, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

10. I agree that the provisions contained in Section 12 of the Franchise Agreement will apply to any dispute arising out of or relating to this Guaranty. If Franchisor brings any legal action to enforce its rights under this Guaranty, I will reimburse Franchisor its reasonable attorneys' fees and costs.

11. I hereby guarantee the prompt and full payment of all amounts owed by the Franchisee under the Franchise Agreement.

12. I will pay all amounts due under this Guaranty within fourteen (14) days after receiving notice from Franchisor that the Franchisee has failed to make the required payment. I understand and agree that Franchisor need not exhaust its remedies against the Franchisee before seeking recovery from me under this Guaranty.

13. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Guaranty. If the Franchisee has pledged other security or if one or more other persons have personally guaranteed performance of the Franchisee's obligations, I agree that Franchisor's release of such security will not affect my liability under this Guaranty.

14. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE FRANCHISE AGREEMENT, AND THE OFFER OR GRANT OF THE FRANCHISE**.

15. I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law.

16. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; one (1) business day after electronically confirmed transmission by facsimile or other electronic system; one (1) business day after delivery by Express Mail or other recognized, reputable overnight courier; or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Franchisor written notice of the change.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guaranty will inure to the benefit of our successors and assigns.

Intending to be legally bound, I have executed this Guaranty on the date set forth below.

**FRANCHISEE:** _____ (insert name of entity)

**DATE:** _____

**PERSONAL GUARANTORS:**

| | |
|---|---|
| _____ | _____ |
| Individually | Individually |
| _____ | _____ |
| Print Name | Print Name |
| _____ | _____ |
| Address | Address |
| _____ | _____ |
| City State Zip Code | City State Zip Code |
| _____ | _____ |
| Telephone | Telephone |

**Attachment C-2 to the Franchise Agreement**

**CONFIDENTIALITY AND NON-COMPETITION AGREEMENT**
**(for trained employees of _____ ("Franchisee"))**

In accordance with the terms of this Confidentiality and Non-Competition Agreement ("**Confidentiality Agreement**") and in consideration of my being in a trusted position with the Franchisee, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Franchisee has acquired the right and franchise from 9ROUND FRANCHISING, LLC ("**Franchisor**") to establish and operate a fitness center ("**Center**") and the right to use in the operation of the Center Franchisor's trade names, trademarks, service marks, including the service mark 9ROUND ("**Marks**") and the system developed by Franchisor and its Affiliates for operation and management of Centers ("**System**"), as they may be changed, improved, and further developed from time to time in Franchisor's sole discretion.

2. Franchisor possesses certain proprietary and confidential information relating to the operation of the System, which includes the Manuals, trade secrets, and copyrighted materials, methods, and other techniques and know-how "**Confidential Information**").

3. Any and all manuals, trade secrets, copyrighted materials, methods, information, knowledge, know-how, and techniques which Franchisor specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Confidentiality Agreement.

4. In my trusted position with Franchisee, Franchisor and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, Franchisor's operations manual ("**Manual**") and other general assistance during the term of this Confidentiality Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Center during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Franchisor as confidential. Unless Franchisor otherwise agrees in writing, I will disclose and use the Confidential Information only in connection with my job duties, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by Franchisor, I shall not, while in my position with the Franchisee and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, and continuing for two (2) years thereafter, either directly or indirectly, for myself or through, on behalf of, or in conjunction with any other person, partnership, corporation, or other limited liability company own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any other fitness center or club (including, but not limited to fitness center, club, studio or exercise facility featuring boxing, kickboxing or a circuit training program), other than the one authorized in the Franchise Agreement, within a radius of twenty five (25) miles of any 9ROUND Center, as those terms are defined in the Franchise Agreement. This restriction does not apply to my ownership of less than five percent beneficial interest in the outstanding securities of any publicly-held corporation. The time period will be tolled during any period of my noncompliance. Notwithstanding the foregoing, nothing in this Agreement shall restrict me from entering into a franchise agreement with the Franchisor or for me to become, directly or indirectly, a franchisee of the Franchisor.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Confidentiality Agreement. If all or any portion of a covenant in this Confidentiality

Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Confidentiality Agreement.

9. I understand and acknowledge that Franchisor has the right, in its sole discretion, to reduce the scope of any covenant set forth in this Confidentiality Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

10. Franchisor is a third-party beneficiary of this Confidentiality Agreement and may enforce it, solely or jointly with the Franchisee. I am aware that my violation of this Confidentiality Agreement will cause Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and Franchisor may apply for the issuance of an injunction preventing me from violating this Confidentiality Agreement, and I agree to pay the Franchisee and Franchisor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Confidentiality Agreement is enforced against me. Due to the importance of this Confidentiality Agreement to the Franchisee and Franchisor, any claim I have against the Franchisee or Franchisor is a separate matter and does not entitle me to violate, or justify any violation of this Confidentiality Agreement.

11. This Confidentiality Agreement shall be construed under the laws of the State of South Carolina. The only way this Confidentiality Agreement can be changed is in writing signed by both the Franchisee and me.

12. With respect to all claims, controversies and disputes, I irrevocably consent to personal jurisdiction and submit myself to the jurisdiction of the state courts located in Greenville County, South Carolina, and the Greenville Division of the United States District Court for the District of South Carolina. I acknowledge that I am to receive valuable information emanating from Franchisor's headquarters in Greenville County, South Carolina. In recognition of the information and its origin, I hereby irrevocably consent to the personal jurisdiction of the state and federal courts of South Carolina as set forth above. Notwithstanding the foregoing, I acknowledge and agree that Franchisor or the Franchisee may bring and maintain an action against me in any court of competent jurisdiction for injunctive or other extraordinary relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND, HAVE EXECUTED THIS CONFIDENTIALITY AGREEMENT AS OF THE DATES NOTED BELOW.

| **[EMPLOYEE]** | **ACKNOWLEDGED BY FRANCHISEE** |
|---|---|
| Signature:_____ | By:_____ |
| Name:_____ | Name:_____ |
| Address:_____ | Title:_____ |
| Title:_____ | |
| Date:_____ | Date:_____ |

**Attachment C-3 to the Franchise Agreement**

**CORPORATE GUARANTY**

Contemporaneous with the execution of this Corporate Guaranty _____ ("**Franchisee**") is entering into a franchise agreement ("**Franchise Agreement**") with 9ROUND FRANCHISING, LLC ("**Franchisor**") for the operation of a 9Round franchised business _____ ("**Center**").

The undersigned ("**Guarantor**") controls, is controlled by, or is under common control with Franchisee, and will receive a material benefit from Franchisee's operations of the Center under the Franchise Agreement.

In consideration for such material benefit, and as an inducement for Franchisor to enter into the Franchise Agreement, and for other good and valuable consideration, the undersigned, for itself and its successors and assigns, hereby becomes surety and guarantor for the payment of all amounts and the performance of terms and conditions in the Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the dispute resolution provisions of the Agreement.

The undersigned acknowledges that, were it not for this guaranty, Franchisor would not have agreed to enter into the Franchise Agreement with franchisee.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; (2) such liability will not be diminished, relieved or otherwise affected by franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or the amendment or extension of the Franchise Agreement with or without notice to the undersigned; and (3) Franchisor may deduct any amounts owed by Franchisee from the monies Guarantor's billing and payment processor collects on its behalf and Guarantor hereby authorizes the billing and payment processor to deduct such amounts and to pay those amounts to Franchisor.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this guaranty will inure to the benefit of our successors and assigns.

**GUARANTOR**:

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**ACKNOWLEDGED BY FRANCHISEE:**

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**Attachment D to the Franchise Agreement**

Electronic Transfer of Funds Authorization

Franchisee: _____

Location: _____

Date: _____

| NEW | CHANGE |
|---|---|
| | |

Attention: Bookkeeping Department

The undersigned hereby authorizes 9Round Franchising, LLC, its parent company, designated billing provider or any affiliated entity (collectively, "9Round"), to initiate weekly ACH debit entries against the account of the undersigned with you in payment of amounts for Royalty Fees, Marketing Fees or other amounts that become payable by the undersigned to 9Round. The dollar amount to be debited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit entry initiated by 9Round. This authorization is binding and will remain in full force and effect until 90 days prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization. Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit entries.

Sincerely yours,

*** We also need a VOIDED Check ***

_____
Account Name

_____
Bank Name

_____
Street Address

_____
Branch

_____
City State Zip Code

_____
Street Address

_____
Telephone Number

_____
City State Zip Code

SIGNATURE: _____

_____
Bank Telephone Number

Name: _____

_____
Bank's Account Number

Title: _____

_____
Customer's Account Number

Date: _____

**Attachment E to the Franchise Agreement**
**LEASE ADDENDUM**

This Lease Addendum ("**Addendum**") dated _____, 20__, is entered into between _____ _____ ("**Landlord**"), and _____ ("**Tenant**").

**RECITALS**

A. The parties have entered into a Lease Agreement, dated _____ (the "**Lease**") for the premises located at _____ (the "**Premises**").

B. Tenant has agreed to use the Premises only for the operation of a 9ROUND Center pursuant to a franchise agreement ("**Franchise Agreement**") with 9Round Franchising, LLC ("**9Round**").

C. The parties desire to amend the Lease in accordance with the terms and conditions contained in this Addendum.

**AGREEMENT**

1. Remodeling and Décor; Maintenance. Landlord agrees to allow Tenant to remodel, equip, paint and decorate the interior of the Premises and to display such proprietary marks and signs on the interior and exterior of the Premises pursuant to the Franchise Agreement and any successor Franchise Agreement. Landlord agrees to cooperate and allow 9Round to enter the Premises, without cost and without being guilty of trespass or any other crime or tort and without incurring any liability to Landlord, to repair or replace any equipment, signage, similar items or to perform any maintenance on the Premises.

2. Assignment. Tenant has the right to assign all of its right, title and interest in the Lease to 9Round or its successor, or either company's affiliates, at any time during the term of the Lease, including any extensions or renewals, without first obtaining Landlord's consent, and Landlord agrees not to impose an assignment fee or similar assessment or to increase or accelerate rent under the Lease, in connection with such Assignment. No assignment will be effective, however, until 9Round or its successor or designated affiliate gives Landlord written notice of its acceptance of the assignment. If 9Round elects to assume the lease under this paragraph or unilaterally assumes the lease as provided for in subparagraphs 3(c) or 4(a), Landlord and Tenant agree that ***(i)*** Tenant will remain liable for the responsibilities and obligations, including amounts owed to Landlord, prior to the date of assignment and assumption, and ***(ii)*** 9Round will have the right to sublease the Premises to another 9ROUND franchisee, without further need for Landlord approval, provided the franchisee agrees to operate the Center as a 9ROUND Center pursuant to a franchise agreement with 9Round. 9Round will be responsible for the lease obligations incurred after the effective date of the assignment.

3. Default and Notice.

(a) In the event there is a default or violation by Tenant under the terms of the Lease, Landlord agrees to give Tenant and 9Round written notice of such default or violation within a reasonable time after Landlord knows of its occurrence. Landlord agrees to provide 9Round the written notice of default as written and on the same day Landlord gives it to Tenant. Although 9Round is under no obligation to cure the default, 9Round will notify Landlord if it intends to cure the default and unilaterally assume Tenant's interest in the lease as provided in Paragraph 3(c). 9Round will have an additional fifteen (15) days from the expiration of Tenant's cure period in which to cure the default or violation.

(b) All notices to 9Round must be sent by registered or certified mail, postage prepaid, to the following address:

9Round Franchising, LLC
847 NE Main Street
Simpsonville, SC 29681
864-962-4600

9Round may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees to notify both Tenant and 9Round of any change in Landlord's mailing address to which notices should be sent.

(c) Upon Tenant's default and failure to cure a default under either the Lease or the Franchise Agreement, 9Round has the right (but not the obligation) to unilaterally assume Tenant's interest in the Lease in accordance with Paragraph 2.

4. Termination or Expiration.

(a) Upon the expiration or termination of the Franchise Agreement, 9Round has the right (but not the obligation) to unilaterally assume Tenant's interest in the Lease in accordance with Paragraph 2.

(b) Upon the expiration or termination of the Lease, if 9Round does not assume Tenant's interest in the Lease, Landlord agrees to cooperate and allow 9Round to enter the Premises, without cost and without being guilty of trespass or any other crime or tort and without incurring any liability to Landlord, to remove all signs and all other items identifying the Premises as a 9Round Center and to make such other modifications as are reasonably necessary to protect the marks and system, and to distinguish the Premises from 9Round Centers. As of the date of this Addendum, the modifications include, without limitation, the following: removal of any items or signs bearing the Marks, removal of any brick wall or faux brick wall covering, repainting or recovering of interior walls to remove any red wall covering, replacing any red floor coverings, removal of numbered cards over workout stations, and refraining from referral to any workout stations as "rounds." In the event 9Round exercises its option to purchase assets of Tenant, Landlord agrees to permit 9Round to remove all such assets being purchased by 9Round. Landlord agrees not to assert a lien or priority on any items or property which are necessary to remove from the Premises for de-identification of the Premises.

5. Consideration; No Liability.

(a) Landlord acknowledges that the provisions of this Addendum are required pursuant to the Franchise Agreement and that Tenant may not lease the Premises without this Addendum.

(b) Landlord acknowledges that Tenant is not an agent or employee of 9Round and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind 9Round or any affiliate of 9Round and that Landlord has entered into this Addendum with full understanding that it creates no duties, obligations, or liabilities of or against 9Round or any affiliate of 9Round.

(c) Nothing contained in this Addendum makes 9Round or its affiliates a party or guarantor to the Lease, and does not create any liability or obligation of 9Round or its affiliates.

6. Modification. No amendment or variation of the terms of this Addendum is valid unless made in writing and signed by the parties and the parties have obtained 9Round's written consent.

7. Reaffirmation of Lease. Except as amended or modified by this Addendum, all terms, conditions, and covenants of the Lease remain in full force and effect.

8. Miscellaneous.

(a) 9Round is a third-party beneficiary of this Addendum, with independent rights of enforcement.

(b) References to the Lease and to the Franchise Agreement include all amendments, addenda, extensions, and renewals to the documents.

(c) References to Landlord, Tenant, and 9Round include the successors and assigns of each of the parties.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date written above.

TENANT: LANDLORD:

_____ _____

Agreed and Acknowledged by
9ROUND FRANCHISING, LLC:

_____
Name:_____
Title:_____

**Attachment F to the Franchise Agreement**

**TELEPHONE NUMBER ASSIGNMENT AGREEMENT**

THIS TELEPHONE ASSIGNMENT AGREEMENT by and between the Franchisee identified below ("**Franchisee**") and 9Round Franchising, LLC (hereinafter "**9Round**").

**BACKGROUND**:

A. 9Round has developed and owns the proprietary system ("**System**") for the operation of a boxing and kickboxing center under the trademark and logo 9ROUND (the "**Center**");

B. Franchisee has been granted a franchise to operate a Center pursuant to a Franchise Agreement and in accordance with the System;

C. In order to operate its Center, the Franchisee will be acquiring one or more telephone numbers, telephone listings and telephone directory advertisements; and

D. As a condition to the execution of the Franchise Agreement, 9Round has required that the Franchisee collaterally assign all of its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements to the 9Round in the event of expiration or termination of the Franchise Agreement.

**AGREEMENT**

In consideration of the foregoing, the mutual premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. In the event of expiration or termination of the Franchise Agreement, and in order to secure continuity and stability of the operation of the Center, Franchisee hereby sells, assigns, transfers and conveys to the 9Round all of its rights, title and interest in and to all telephone numbers, telephone listings and telephone directory advertisements used in connection with the operation of the Center; provided, however, such Assignment will not be effective unless and until the Franchise Agreement has expired or is terminated in accordance with the provisions thereof and 9Round has delivered to Franchisee written notice of acceptance of the assignment. In the event of such assignment, 9Round assumes no liability for monies owed or other liabilities relating to the telephone numbers, telephone listings, and telephone directory advertisements that have accrued prior to the effective date of the assignment.

Franchisee hereby grants to 9Round an irrevocable power of attorney and appoint 9Round as your attorney-in-fact to take any necessary actions to assign the telephone numbers, including but not limited to, executing any forms that the telephone companies may require to effectuate the assignment. This assignment is also for the benefit of the telephone companies, and Franchisee agrees that the telephone companies may accept this assignment and 9Round's instructions as conclusive evidence of its rights in the telephone numbers and our authority to direct the amendment, termination or transfer of the telephone numbers, as if they had originally been issued to 9Round. In addition, Franchisee agrees to hold the telephone companies harmless from any and all claims against them arising out of any actions or instructions by 9Round regarding the assignment contemplated in this Assignment.

2. Representation and Warranties of the Franchisee. Franchisee hereby represents, warrants and covenants to the 9Round that: (a) As of the effective date of the Assignment, all of Franchisee's obligations and indebtedness for telephone, telephone listing services and telephone directory advertisement services will be paid and current; (b) As of the date hereof, Franchisee has full power and legal right to enter into, execute, deliver and perform this Agreement; (c) This Agreement is a legal and binding obligation of Franchisee, enforceable in accordance with the terms hereof; (d) The execution, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default under any contract, agreement or instrument to which Franchisee is a party or by which Franchisee is bound, and no consent of

nor approval by any third party is required in connection herewith; and (e) Franchisee has the specific power to assign and transfer its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements, and Franchisee has obtained all necessary consents to this Assignment.

3. Cancellation. Notwithstanding the foregoing, 9Round may, in its sole discretion and at any time prior to effectiveness of the assignment, declare this Agreement and the assignment contemplated hereunder null and void.

4. Miscellaneous. The validity, construction and performance of this Assignment is governed by the laws of the State of South Carolina. All agreements, covenants, representations and warranties made herein will survive the execution hereof. All rights of the 9Round inure to its benefit and to the benefit of its successors and assigns.

IN WITNESS WHEREOF, each of the parties has executed this Assignment as of the Effective Date of the Franchise Agreement.

**FRANCHISEE**: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**FRANCHISEE**: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

**FRANCHISOR:** 9ROUND FRANCHISING, LLC

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**Attachment G to the Franchise Agreement**

**MEMBERSHIP CONTRACT ASSIGNMENT AGREEMENT**

THIS MEMBERSHIP CONTRACT ASSIGNMENT AGREEMENT by and between the Franchisee identified below ("**Franchisee**") and 9Round Franchising, LLC (hereinafter the "**9Round**").

**BACKGROUND**:

A. 9Round has developed and owns the proprietary system ("**System**") for the operation of a boxing and kickboxing center under the trademark and logo 9ROUND (the "**Center**");

B. Franchisee has been granted a franchise to operate a Center pursuant to a certain Franchise Agreement and in accordance with the System;

C. During the term of the franchise, Franchisee will be entering into membership contracts with Center members permitting them access to the Center facilities and, where applicable, to on-demand streaming services ("**Membership Contracts**"); and

D. As a condition to the execution of the Franchise Agreement, 9Round has required that Franchisee collaterally assign all of its right, title and interest in the Membership Contracts to 9Round in the event of expiration or termination of the Franchise Agreement;

**AGREEMENT**

In consideration of the foregoing, the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. In the event of expiration or termination of the Franchise Agreement, and in order to secure continuity and stability of the operation of the Center, Franchisee hereby sells, assigns, transfers and conveys to the 9Round all of its rights, title and interest in and to all Membership Contracts; provided, however, such Assignment will not be effective unless and until the Franchise Agreement has expired or is terminated in accordance with the provisions thereof and 9Round has delivered to Franchisee written notice of its acceptance of the assignment. In the event of such assignment, 9Round will assume no liability for monies owed or other liabilities relating to the Membership Contracts that have accrued prior to the effective date of the assignment.

2. Representation and Warranties of the Franchisee. Franchisee hereby represents, warrants and covenants to 9Round that:

(a) As of the effective date of the Assignment, all of Franchisee's obligations under the Memberships Contracts have been satisfied;

(b) As of the date hereof, Franchisee has full power and legal right to enter into, execute, deliver and perform this Agreement;

(c) This Agreement is a legal and binding obligation of Franchisee, enforceable in accordance with the terms hereof;

(d) The execution, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default under any contract, agreement or instrument to which Franchisee is a party or by which Franchisee is bound, and no consent of nor approval by any third party is required in connection herewith; and

(e) Franchisee has the specific power to assign and transfer its right, title and interest in its Membership Contracts and Franchisee has obtained all necessary consents to this Assignment.

3. Cancellation. Notwithstanding the foregoing, 9Round may, in its sole discretion and at any time prior to effectiveness of the assignment, declare this Agreement and the assignment contemplated hereunder null and void.

4. Miscellaneous. The validity, construction and performance of this Assignment is governed by the laws of the State of South Carolina. All agreements, covenants, representations and warranties made herein will survive the execution hereof. All rights of the 9Round inure to its benefit and to the benefit of its successors and assigns.

IN WITNESS WHEREOF, each of the parties has executed this Assignment as of the Effective Date of the Franchise Agreement.

**FRANCHISEE**: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**FRANCHISEE**: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

**FRANCHISOR:** 9ROUND FRANCHISING, LLC

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**Attachment H to the Franchise Agreement**

**DEVELOPMENT INCENTIVE PROGRAM ADDENDUM**

This Development Incentive Program Addendum ("**Development Addendum**") is made between 9Round Franchising, LLC, a South Carolina limited liability company with its principal business located at 847 NE Main Street, Simpsonville, South Carolina 29681 ("**we**" or "**us**"), and the Franchisee identified in the Summary Page ("**you**"), to be effective on the Effective Date identified in the Summary Page.

## RECITALS

A. Franchise Agreements.

Contemporaneously with the execution of this Addendum, you are entering into:

☐ 2 Franchise Agreements for a total initial franchise fee of $55,000, or
☐ 3 Franchise Agreements for a total initial franchise fee $70,000, or
☐ 4 Franchise Agreements for a total initial franchise fee $85,000,

9ROUND franchise agreements (each a "**Franchise Agreement**") pursuant to our Development Incentive Program.

B. The Centers licensed under these Franchise Agreements together constitute the "**Development Centers**".

C. The parties mutually desire to enter into this Development Addendum in order to clarify certain obligations under the Franchise Agreements, as they relate to the Development Centers.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

## AGREEMENT

1. Definitions. Capitalized terms will have the meanings ascribed to them in the Franchise Agreement unless otherwise defined herein. The term "**this Agreement**" refers to the Franchise Agreement modified by this Addendum.

2. Initial Franchise Fee. The initial franchise fees applicable for two Development Centers Agreements will be a total of $55,000, three Development Centers Agreements will be at total of $70,000, and four Development Centers Agreements will be a total of $85,000. Each additional Development Center purchased simultaneously will have an initial franchise fee of $12,500.

3. Opening Schedule. With respect to the Development Centers, the following timelines apply:

| ***Development Center*** | ***Site Selection (Sections 2.B. and 5.A.)*** | ***Opening Deadline (Section 5.D.)*** |
|---|---|---|
| First Development Center | Within 4 months of the Effective Date | Within 10 months of the Effective Date |
| Second Development Center | Within 14 months of the Effective Date | Within 22 months of the Effective Date |
| Third Development Center (if applicable) | Within 26 months of the Effective Date | Within 34 months of the Effective Date |
| Fourth Development Center (if applicable) | Within 38 months of the Effective Date | Within 46 months of the Effective Date |

4. Failure to Meet Opening Schedule. If any deadline in Section 3 above is not met and if the Development Center developed under this Agreement is not open and operating at the time of the failure, we may, at our sole and unilateral option, ***(i)*** terminate this Agreement; or ***(ii)*** amend this Agreement to eliminate the designated protection afforded by Sections 2.B. and 2.C. of this Agreement.

5. Initial Training. Once you are an existing Franchisee of the System, the Franchisor will act in good faith when determining the training requirements set forth under Section 7.B. of the Franchise Agreements in respect of the Second Development Center, and, if applicable the Third and Fourth Development Centers, and any additional Development Centers purchased simultaneously. For the avoidance of doubt, the forgoing does not alter any Ongoing Training requirements, which the parties have agreed are subject to change.

6. Ratification. All other terms and conditions of this Agreement are hereby ratified and confirmed.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

**FRANCHISEE**: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**FRANCHISEE**: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

**FRANCHISOR:** 9ROUND FRANCHISING, LLC

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**Attachment I to the Franchise Agreement**

**STEP UP PROGRAM ADDENDUM**

This Step up Program Addendum ("**Step Up Program Addendum**") is made between 9Round Franchising, LLC, a South Carolina limited liability company with its principal business located at 847 NE Main Street, Simpsonville, South Carolina 29681 ("**we**", "**us**", or "**our**"), and the Franchisee identified on the Summary Page ("**you**" or "**your**"), to be effective on the Effective Date identified on the Summary Page of this Agreement, as defined below.

## RECITALS

A. Franchise Agreements.

(i) You, your Affiliate, or one or more of your Owners, are a party to the following franchise agreement(s) (the "**Existing Franchise Agreement(s)**"):

| ***Existing Franchise Agreement No.*** | ***Existing Franchise Agreement Effective Date*** | ***Existing Franchise Agreement Expiration Date*** | ***Center Address*** |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

(ii) Contemporaneously with the execution of this Step Up Program Addendum, you are entering into:

☐ 2nd Franchise Agreement for an initial franchise fee of $25,000, or
☐ 3rd Franchise Agreement for an initial franchise fee $20,000, or
☐ 4th and each additional Franchise Agreement for an initial franchise fee of $18,000,

9ROUND then-current franchise agreement (the "**Franchise Agreement**") pursuant to our Step Up Program to develop and operate an additional new Center.

B. The Center licensed under the Franchise Agreement constitutes the "**Development Center**".

C. The parties mutually desire enter into this Step Up Program Addendum in order to clarify certain obligations under the Franchise Agreement, as they relate to the Development Center.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

## AGREEMENT

1. Definitions. Capitalized terms will have the meanings ascribed to them in the Franchise Agreement unless otherwise defined herein. The term "**this Agreement**" refers to the Franchise Agreement modified by this Addendum.

2. Initial Franchise Fee. The initial franchise fees applicable to the second Development Center Franchise Agreement will be $25,000, the initial franchise fee applicable to the third Development Center Franchise Agreement will be $20,000, and the initial franchise fee applicable to the fourth and each additional Development Center Franchise Agreement thereafter will be $18,000.

3. Opening Schedule. With respect to the Development Center, and for the avoidance of doubt, the site selection and opening timelines stated in this Agreement apply.

4. Failure to Meet Opening Schedule. If any deadline in Section 3 above is not met and if the Development Center developed under this Agreement is not open and operating at the time of the failure,

we may, at our sole and unilateral option, ***(i)*** terminate this Agreement; and ***(ii)*** amend this Agreement to eliminate the designated protection afforded by Sections 2.B. and 2.C. of this Agreement.

5. Initial Training. As you are an existing Franchisee of the System, the Franchisor will act in good faith when determining the training requirements set forth under Section 7.B. of this Agreement. For the avoidance of doubt, the forgoing does not alter any Ongoing Training requirements, which the parties have agreed are subject to change.

6. Ratification. All other terms and conditions of this Agreement are hereby ratified and confirmed.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

**FRANCHISEE**: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**FRANCHISOR:** 9ROUND FRANCHISING, LLC

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**FRANCHISEE**: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

**Attachment J to the Franchise Agreement**

**9ROUND**
**ASSIGNMENT AND CONSENT AGREEMENT**
**(Individual to Entity)**

THIS ASSIGNMENT AND CONSENT AGREEMENT is made and entered into on this _____ day of _____ 20___ (the "Effective Date"), by and among:

- **9Round Franchising, LLC**, a South Carolina limited liability company with its principal address at **847 NE Main Street, Simpsonville, SC 29681** ("Franchisor");
- **_____**, address at _____ ("Owner"); and
- **_____**, a _____ with its principal address at _____ ("New Entity").

**RECITALS**

A. Owner, in his or her individual capacity, and Franchisor entered into a Franchise Agreement dated _____ ("Franchise Agreement"), pursuant to which Owner was granted the right to operate a 9Round Center with a Preliminary Designated Area of _____ _____ (the "Center").

B. Owner has formed New Entity for the purpose of operating the Center and desires to assign the Franchise Agreement to New Entity. Under the terms of the Franchise Agreement, Franchisor must consent in writing to the assignment.

C. Franchisor is willing to consent to the assignment on the terms and conditions set forth in this Agreement.

THEREFORE, the parties agree as follows:

**AGREEMENT**

1. Assignment and Assumption. Owner assigns to New Entity all right, title, and interest in and to the Franchise Agreement and Center. New Entity unconditionally assumes and accepts the assignment of the Franchise Agreement and Center, and agrees to be bound by all the duties, obligations, and liabilities of Existing Entity under the Franchise Agreement.

2. Representations and Ownership. Owner and New Entity represent and warrant to Franchisor that they have completed all documentation and transactions necessary to transfer the Franchise Agreement and Center to New Entity. New Entity represents and warrants to Franchisor that the following individuals are the owners of New Entity:

| **Name of Owner** | **Percentage of Ownership in New Entity (total must equal 100%)** |
|---|---|
| | % |
| | % |
| | % |
| **Total** | **100%** |

3. Personal Guaranty. Owner, as Personal Guarantor under the Franchise Agreement and as owner of New Entity, must execute the personal guaranty attached as Exhibit A to this Agreement (the "Personal Guaranty").

4. Corporate Guaranty. New Entity must execute the corporate guaranty attached as Exhibit B to this Agreement (the "Corporate Guaranty").

5. Consent to Assignment. Franchisor hereby waives its right of first refusal and any option to purchase the Business in connection with this transaction and consents to the assignment to New Entity, subject to all the terms and conditions of this Agreement. Franchisor's consent to the assignment is not a waiver of any rights or a release under the Franchise Agreement and is not a consent to any additional or subsequent assignments or transfers.

6. Miscellaneous. All capitalized terms not defined in this Agreement have the respective meanings set forth in the Franchise Agreement. This Agreement, and the documents referred to herein, represent the entire agreement among the parties respecting the subject matter hereof. No amendment will be binding unless in writing and signed by the party against whom enforcement is sought. If New Entity consists of more than one individual or entity, their liability under this Agreement will be joint and several.

7. Counterparts. This Agreement may be executed by the parties in counterparts, and delivered by e-mail or facsimile, each of which shall be deemed to be an original instrument, but all of which together shall constitute one and the same instrument.

8. Electronic Signatures. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as handwritten signatures.

   Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

[Signature Page to Follow]

**OWNER:**

Signature:_____

Name:_____

Title:_____

Date:_____

**NEW ENTITY:**

Name of Entity:_____

Signature:_____

Name:_____

Title:_____

Date:_____

**FRANCHISOR:**

9ROUND FRANCHISING, LLC

Signature:_____

Name: _____

Title: _____

Date:_____

## EXHIBIT A

## PERSONAL GUARANTY AND AGREEMENT TO BE BOUND PERSONALLY BY THE TERMS AND CONDITIONS OF THE FRANCHISE AGREEMENT

1. I have read the Franchise Agreement between 9ROUND FRANCHISING, LLC ("Franchisor") and _____ ("Franchisee").

2. I own a beneficial interest in the Franchisee and would be considered an "Owner" within the definition contained in the Franchise Agreement.

3. I understand that, were it not for this Personal Guaranty and Undertaking ("Guaranty"), Franchisor would not have agreed to enter into the Franchise Agreement with the Franchisee.

4. I will comply with the provisions contained in Section 3 of the Franchise Agreement concerning the Franchisee's use of Franchisor's Marks (as that term is defined in the Franchise Agreement). I understand that, except for the license granted to the Franchisee, I have no individual right to use the Marks and I have no ownership interest in the Marks.

5. I will comply with all of the provisions contained in Section 6 of the Franchise Agreement concerning the use of the Manual and Confidential Information. I will maintain the confidentiality of all Confidential Information disclosed to me. I agree to use the Confidential Information only for the purposes authorized under the Franchise Agreement. I further agree not to disclose any of the Confidential Information, except *(a)* to the Franchisee's employees on a need to know basis, *(b)* to the Franchisee's and my legal and tax professionals to the extent necessary for me to meet my legal obligations, and *(c)* as otherwise may be required by law.

6. I will comply with all of the provisions contained in Section 11 of the Franchise Agreement concerning the transfer of my ownership interest in the Franchisee.

7. While I am an Owner of the Franchisee and, for a two-year period after I cease to be an Owner (or two years after termination or expiration (without renewal) of the Franchise Agreement, whichever occurs first), I will not:

(a) Divert or attempt to divert any present, prospective, or former member of any 9ROUND Center to any competitor or do anything to harm the goodwill associated with the Marks and the System; or

(b) Own, operate, lease, franchise, engage in, be connected with, have any interest in, or assist any person or entity engaged in any other fitness center or club (including, but not limited to fitness center, club, studio or exercise facility featuring boxing, kickboxing or a circuit training program) that is located at or within a 25-mile radius of the former Authorized Location, that is located within a 25-mile radius of any other 9ROUND Center in operation or under construction, or that is located in the Designated Area of any other 9ROUND franchisee. This time period will be tolled during any period of my noncompliance.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Guaranty. If all or any portion of a covenant in this Guaranty is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Guaranty.

9. I understand and acknowledge that Franchisor has the right, in its sole discretion, to reduce the scope of any covenant set forth in this Guaranty, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

10. I agree that the provisions contained in Section 12 of the Franchise Agreement will apply to any dispute arising out of or relating to this Guaranty. If Franchisor brings any legal action to enforce its rights under this Guaranty, I will reimburse Franchisor its reasonable attorneys' fees and costs.

11. I hereby guarantee the prompt and full payment of all amounts owed by the Franchisee under the Franchise Agreement.

12. I will pay all amounts due under this Guaranty within 14 days after receiving notice from Franchisor that the Franchisee has failed to make the required payment. I understand and agree that Franchisor need not exhaust its remedies against the Franchisee before seeking recovery from me under this Guaranty.

13. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Guaranty. If the Franchisee has pledged other security or if one or more other persons have personally guaranteed performance of the Franchisee's obligations, I agree that Franchisor's release of such security will not affect my liability under this Guaranty.

14. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE FRANCHISE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE.**

15. I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law.

16. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; one business day after electronically confirmed transmission by facsimile or other electronic system; one business day after delivery by Express Mail or other recognized, reputable overnight courier; or three business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Franchisor written notice of the change.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guaranty will inure to the benefit of our successors and assigns.

Intending to be legally bound, I have executed this Guaranty on the date set forth below.

[Signature Page to Follow]

FRANCHISEE: _____ (insert name of entity)

DATE: _____

**PERSONAL GUARANTORS:**

| | |
|---|---|
| _____ | _____ |
| Individually | Individually |
| _____ | _____ |
| Print Name | Print Name |
| _____ | _____ |
| Address | Address |
| _____ | _____ |
| City State Zip Code | City State Zip Code |
| _____ | _____ |
| Telephone | Telephone |

## EXHIBIT B

## CORPORATE GUARANTY

Contemporaneous with the execution of this Corporate Guaranty, _____ ("**Franchisee**") is entering into a franchise agreement ("**Franchise Agreement**") with 9ROUND FRANCHISING, LLC ("**Franchisor**") for the operation of a 9Round franchised business at _____ ("**Center**").

The undersigned ("**Guarantor**") controls, is controlled by, or is under common control with Franchisee, and will receive a material benefit from Franchisee's operations of the Center under the Franchise Agreement.

In consideration for such material benefit, and as an inducement for Franchisor to consent to assignment of the Franchise Agreement, and for other good and valuable consideration, the undersigned, for itself and its successors and assigns, hereby becomes surety and guarantor for the payment of all amounts and the performance of terms and conditions in the Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the dispute resolution provisions of the Agreement.

The undersigned acknowledges that, were it not for this guaranty, Franchisor would not have agreed to enter into the Franchise Agreement with Franchisee.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; (2) such liability will not be diminished, relieved or otherwise affected by franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or the amendment or extension of the Franchise Agreement with or without notice to the undersigned; and (3) Franchisor may deduct any amounts owed by Franchisee from the monies Guarantor's billing and payment processor collects on its behalf and Guarantor hereby authorizes the billing and payment processor to deduct such amounts and to pay those amounts to Franchisor.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this guaranty will inure to the benefit of our successors and assigns.

[Signature Page to Follow]

**GUARANTOR**:
Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**ACKNOWLEDGED BY FRANCHISEE:**
Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**Attachment A to the Amendment**
**Franchise Agreement**

## FRANCHISEE ACKNOWLEDGMENT

As you know, you and we are entering into a Franchise Agreement for the operation of a 9ROUND franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

**Acknowledgments and Representations**.*

1. Did you receive a copy of our disclosure document at least 14 calendar days before signing the Franchise Agreement? Check one: ☐ Yes. ☐ No.
2. Have you studied and reviewed carefully our disclosure document and Franchise Agreement? Check one: ☐ Yes. ☐ No.
3. Is the name, address and phone number of any broker and each of our employees or representatives who was involved in offering you this franchise listed on the disclosure document receipt you signed (or on any updated receipt we provided to you)? Check one: ☐ Yes. ☐ No.
4. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise, meaning that any prior oral or written statements not included in the Franchise Agreement or our disclosure document will not be binding? Check one: ☐ Yes. ☐ No.
5. Do you understand that the success or failure of your business will depend in large part on your skills and experience, your business acumen, your location, the local market for products, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Check one: ☐ Yes. ☐ No.
6. Do you understand that the franchise is granted for the right to operate the business at the Approved Location and that your Designated Area may overlap with the Designated Area of another franchisee? Check one: ☐ Yes. ☐ No.
7. Do you understand that the Franchise Agreement restricts us only from operating or granting others the right to operate a 9Round Center physically located in your Designated Area, but that we and our affiliates may operate and grant similar or competitive businesses in your Designated Area under a different name? Check one: ☐ Yes. ☐ No.
8. Do you understand that we have the right to offer, sell or distribute items such as workout and training videos, equipment, athletic gear, etc., associated with the System (now or in the future) or identified by the Marks, or any other trademarks, service marks or trade names, through any distribution channels or methods (including retail stores, mail order, wholesale, the internet, or any other existing or future form of electronic commerce) in your Designated Area, and that you are not entitled to any compensation on account of the sales? Check one: ☐ Yes. ☐ No.
9. Do you understand that we have the right to provide and license third parties to provide the 9ROUND workout program, and other ancillary programs developed by or for us or our affiliates, at host locations (such as apartments, condo associations, corporate office buildings, schools, community centers and other gyms and fitness centers) in your Designated Area? Check one: ☐ Yes. ☐ No.
10. Do you understand that your territorial protection excludes "Special Sites" in your Designated Area such as (1) military bases; (2) public transportation facilities, including, without limitation, airports, limited access highway travel plazas, and other transportation terminals; (3) sports facilities, including race tracks; (4) student unions or other similar buildings on college or university campuses; (5) hotels, resorts or similar short-term lodging; (6) apartment or condominium complexes; and (7) corporate

office buildings or office parks, and that we may operate and grant others the right to operate 9ROUND Centers at Special Sites in your Designated Area? Check one: ☐ Yes. ☐ No.

11. Do you understand that if you fail to secure a site or open a 9ROUND Center by the deadlines in the Franchise Agreement, your Designated Area protection and reservation can be removed by us and we may authorize another franchisee to locate in that area? Check one: ☐ Yes. ☐ No.

12. Do you understand that we or our affiliates may be the only approved supplier for certain products, that you will pay the then-current price in effect for the approved products and other goods and products you receive from us and our affiliates, and that that we may make a profit on those items? Check one: ☐ Yes. ☐ No.

13. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Section 10 and that an injunction is an appropriate remedy to protect the interests of the System if you violate the covenant(s)? Further, do you understand that the term "you" for purposes of the non-compete covenants is defined broadly in Section 10, such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one: ☐ Yes. ☐ No.

If you answered "No" to questions 1-13, please explain (attached additional sheets if necessary): _____

_____

_____

_____

_____

14. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the disclosure document? Check one: ☐ Yes. ☐ No.

15. Except as stated in Item 19 of our disclosure document, was any oral, written or visual claim or representation made to you which stated, suggested, predicated or projected your sales, income or profit levels? Check one: ☐ Yes. ☐ No.

16. Except as stated in Item 19 of our disclosure document, did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the disclosure document or that is contrary to or different from the information in the disclosure document? Check one: ☐ Yes. ☐ No.

If you answered "Yes" to questions 14-16, please explain in detail the claim, representation or statement (attached additional sheets if necessary): _____

_____

_____

_____

_____

_____

_____

_____

YOUR ANSWERS ARE IMPORTANT TO US AND WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

* Such representations are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law.

**<u>NOTE</u>: IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, AN OFFICER AND EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.**

| | |
|---|---|
| Signed:_____ | Signed: _____ |
| Print Name: _____ | Print Name: _____ |
| Date:_____ | Date:_____ |
| | |
| Signed:_____ | Signed: _____ |
| Print Name: _____ | Print Name: _____ |
| Date:_____ | Date:_____ |

**Sample Franchise Agreement Renewal Addendum**

**RENEWAL ADDENDUM**

**TO**

**THE 9ROUND FRANCHISE AGREEMENT**

This RENEWAL ADDENDUM ("**Renewal Addendum**") is entered into on this _____ day of _____, 20____ ("**Effective Date**") by and between 9Round Franchising, LLC, a South Carolina limited liability company, having a principal place of business at 847 NE Main Street, Simpsonville, South Carolina 29681 ("**we**" or "**us**") and _____, a _____, having a principal place of business at _____ ("**you**").

**RECITALS**

A. You have developed and been operating a 9ROUND Center pursuant to a franchise agreement that provided for an initial ten (10)-year term (the "**Original Franchise Agreement**").

B. The initial term has expired; you desire to exercise your renewal option under Section 4.B. of the Original Franchise Agreement, and we agree that you are eligible to exercise your renewal option under Section 4.B. and other certain provisions of the Original Franchise Agreement.

C. Contemporaneous with the execution of this Renewal Addendum, therefore, we are entering into a renewal franchise agreement ("**Renewal Franchise Agreement**") which, together with this Renewal Addendum, will govern your franchise rights during the renewal term.

In consideration of the mutual promises contained in the Renewal Franchise Agreement and this Renewal Addendum, the parties agree as follows:

1. Renewal. Section 4.A. of the Renewal Franchise Agreement is deleted in its entirety; it being the intent of the parties that Section 4.B. and other certain provisions of the Original Franchise Agreement will govern your future franchise renewal rights, obligations, term, and conditions of renewal, including amount of renewal fee, and the parties mutually agree that no further renewal rights shall be available and furthermore that Section 4.B. of the Renewal Franchise Agreement shall not apply.

2. Initial Franchise Fee. Section 9.A. is deleted in its entirety; the intent being that no initial franchise fee is payable in connection with this renewal.

3. Site Selection, Lease, Construction. Section 5 is amended to the extent necessary to reflect that the Center has been developed and is operating at the location identified on the Summary Pages.

4. Center Modernization. You agree to complete any updates and modernization to the Center to meet our then-current standards for new 9ROUND Centers, which may include replacing fixtures, equipment and signs, and otherwise modifying the Center so that it meets our then-current specifications and standards for new 9ROUND Centers. Unless otherwise agreed in writing between the parties, the modernization must be complete on the Effective Date of the Renewal Franchise Agreement.

5. Initial Training. Section 7.B. is amended to reflect that we have satisfied our obligation to provide initial training and you have satisfied your obligations to complete our initial training requirements.

6. Release. You must execute and deliver to us a fully signed General Release Agreement.

7. Entire Agreement. The Renewal Franchise and this Renewal Addendum represents the fully integrated and complete agreement between the parties and supersedes all other negotiations, agreements, representations, and covenants, oral or written.

8. Conflicting Terms. In the event of a conflict between the terms of the Renewal Franchise Agreement and this Renewal Addendum, the terms of this Renewal Addendum will control.

9. Affirmation. The parties hereby ratify and affirm all provisions of the Renewal Franchise Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Renewal Addendum to be executed by its duly authorized representative as of the Effective Date set forth above.

**FRANCHISEE:**

_____
a _____

By: _____
Name: _____
Title: _____

**FRANCHISOR:**

9ROUND FRANCHISING, LLC
a South Carolina limited liability company

By: _____
Name: _____
Title: _____

**ADDENDUM TO THE 9ROUND FRANCHISE AGREEMENT**
**FOR THE STATE OF ILLINOIS**

Illinois law shall apply and govern the Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

**FRANCHISEE**: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**FRANCHISEE**: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

**FRANCHISOR:** 9ROUND FRANCHISING, LLC

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**ADDENDUM TO 9ROUND FRANCHISE AGREEMENT FOR**

**THE STATE OF MARYLAND**

Even though there may be terms in the disclosure document or the Franchise Agreement to the contrary, the following provisions will apply to franchisees protected by terms of the Maryland Franchise Registration and Disclosure Law:

1. The franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. None of the representations required to be made by the franchisee to 9Round in the documents to be executed by the franchisee are intended to act as, and the party agree that they shall not be deemed to constitute, a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. Any general release required as a condition of renewal, sale, or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

**FRANCHISEE**: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**FRANCHISEE**: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

**FRANCHISOR:** 9ROUND FRANCHISING, LLC

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**ADDENDUM TO THE 9ROUND FRANCHISE AGREEMENT**

**FOR THE STATE OF MINNESOTA**

This Addendum pertains to franchises sold in the State of Minnesota and is for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. We will undertake the defense of any claim of infringement by third parties involving the 9ROUND mark, and you will cooperate with the defense in any reasonable manner required by us with any direct cost of such cooperation to be borne by us. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subdivision. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

2. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

3. Section 13.E (Liquidated Damages), Section 15.J (Jury Waiver), and Section 15.K (Waiver of Punitive Damages) of the Franchise Agreement is deleted.

4. Section 14.C (Claims) is amended to provide that any claims arising under the Minnesota Franchise Act must be brought within three (3) years after the date the cause of action accrues.

5. No Section providing for a general release as a condition of renewal or transfer will act as a release or waiver of any liability incurred under the Minnesota Franchise Act; provided, that this part shall not bar the voluntary settlement of disputes.

6. Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of Minnesota Statutes Sections 80C.01 to 80C.22 are met independently without reference to this addendum.

7. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

8. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

9. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subdivision. 1(g).

10. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

**FRANCHISEE**: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**FRANCHISEE**: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

**FRANCHISOR:** 9ROUND FRANCHISING, LLC

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**ADDENDUM TO THE 9ROUND FRANCHISE AGREEMENT**

**FOR THE STATE OF NORTH DAKOTA**

1. The Securities Commissioner for the State of North Dakota has held that the provisions stated below in (a) through (h) are unfair, unjust, or inequitable to North Dakota Franchisees (Section 51-19-09, N.D.C.C.) and may be unenforceable under North Dakota Law:

(a) A provision requiring a North Dakota franchisee to sign a general release upon renewal of the Franchise Agreement;

(b) A provision requiring a North Dakota franchisee to consent to termination penalties or liquidated damages;

(c) A provision requiring a North Dakota franchisee to consent to the jurisdiction of courts outside the state of North Dakota;

(d) A provision requiring a choice of law contrary to the North Dakota Franchise Investment Law;

(e) A provision restricting the time in which a North Dakota franchisee may make a claim to less than the applicable North Dakota statute of limitations;

(f) A provision calling for the waiver by a North Dakota franchisee of the right to trial by jury;

(g) A provision requiring a North Dakota franchisee to consent to a waiver of exemplary and punitive damages; and

(h) A provision requiring the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the Franchise Agreement.

2. North Dakota Century Code Section 9-08-06 subjects covenants not to compete to the provisions of that statute. The covenants not to compete contained within the Franchise Agreement are subject to Section 9-08-06 and may be unenforceable under North Dakota law.

3. The site of any mediation of the parties' disputes shall be at a site mutually agreeable to all parties. If all parties cannot agree upon a location, the mediation shall be Fargo, North Dakota.

4. Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this addendum

[the signature page is the next page]

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

**FRANCHISEE**: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**FRANCHISEE**: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

**FRANCHISOR:** 9ROUND FRANCHISING, LLC

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**ADDENDUM TO 9ROUND FRANCHISE AGREEMENT FOR**

**THE STATE OF WASHINGTON**

This Addendum pertains to franchises sold in the State of Washington and is for the purpose of complying with Washington statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. 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 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.
3. 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, 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 the franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. 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 right or remedies under the Act such as right to a jury trial, may not be enforceable.
5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
6. 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 additional, 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.
7. RCW 49.62.060 prohibits a franchisor 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 franchisee agreement or elsewhere are void and unenforceable in Washington.

**Use of Franchise Brokers**. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

**Your Franchisee Acknowledgement.** For the purposes of your Franchisee Acknowledgement:

a. The first paragraph is deleted in the entirety and replaced with:

As you know, you and we are entering into a Franchise Agreement for the operation of a 9ROUND franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue or inaccurate Please review each of the following questions carefully and provide honest responses to each question.

b. Questions 5, 15, and 16, to the Acknowledgments and Representations do not apply.

Each of the undersigned hereby acknowledge having read and understood this Addendum and consents to be bound by all of its terms.

**FRANCHISEE**: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**FRANCHISEE**: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

**FRANCHISOR:** 9ROUND FRANCHISING, LLC

Signature: _____
Printed Name: _____
Title: _____
Date: _____

**EXHIBIT D**
**FRANCHISEE LIST**

## List of Franchisees as of December 31, 2020

| | | | | | |
|---|---|---|---|---|---|
| **Alabama** | | | | | |
| RJS Holdings, LLC<br>Rajvinder Singh, Scott Shepherd, Jeremy Bryant | 1499 S College St., Ste G | Auburn | AL | 36830 | (334) 721-5665 |
| Crash Into Fitness, LLC<br>Carey Clutts, Leann Clutts | 2659 Valleydale Road | Birmingham | AL | 35244 | (205) 995-0708 |
| Justin Collins | 2430 S. McKenzie Street | Foley | AL | 36535 | (251) 213-0831 |
| JimJams Gym LLC<br>Justin Collins | 633 Estate Drive | Gulf Shores | AL | 36542 | (251) 213-0831 |
| RJS Holdings, LLC<br>Rajvinder Singh, Scott Shepherd, Jeremy Bryant | 2766 John Hawkins Pkwy Ste 100 | Hoover | AL | 35244 | (205) 518-6160 |
| South Alabama Fitness, LLC<br>Luke Landry, Rick Rottger | 100 North Florida Street, Suite D-2 | Mobile | AL | 36607 | (251) 455-5555 |
| South Alabama Fitness, LLC<br>Luke Landry, Rick Rottger | 740 S. Schillinger Road, B6 | Mobile | AL | 36695 | (251) 776-4522 |
| RJS Holdings, LLC<br>Rajvinder Singh, Scott Shepherd, Jeremy Bryant | 80 McFarland Blvd Ste 9 | Northport | AL | 35476 | (205) 758-1269 |
| South Alabama Fitness LLC<br>Luke Landry, Rick Rottger | 33 Shell Street | Saraland | AL | 36571 | (251) 802-3083 |
| RJS Holdings, LLC<br>Rajvinder Singh, Scott Shepherd, Jeremy Bryant | 2370 Jack Warner Parkway NE A104 | Tuscaloosa | AL | 35401 | (205) 758-1269 |
| Ezell Enterprises<br>Brandi Ezell | 1101 Southview Lane | Tuscaloosa | AL | 35405 | (205) 844-5425 |
| **Alaska** | | | | | |
| **Arizona** | | | | | |
| Puleo Fitness Inc.<br>Stephanie Puleo | 4040 W. Ray Rd., Ste D4 | Chandler | AZ | 85226 | (360) 286-9988 |
| Express Janitorial & Landscaping Services, LLC<br>Benjamin Portugal | 2487 S. Gilbert Road, Ste 115 | Gilbert | AZ | 85295 | (480) 899-4066 |
| Puleo Fitness Inc.<br>Stephanie Puleo | 3320 W. Southern Avenue, Suite 114 | Phoenix | AZ | 85041 | (602) 354-3990 |
| Peak Fitness VI, LLC<br>Jonathan Hollingsworth, Nicole Hollingsworth | 4731 E. Union Hills Dr. Ste 106 | Phoenix | AZ | 85050 | (480) 235-9652 |
| M&E Group, LLC<br>Mario Estell, Erika Estell | 6501 E. Greenway Parkway Ste 109 | Scottsdale | AZ | 85254 | (480) 607-4948 |
| SVH Fitness, LLC<br>Vlasta Duffy | 9343 E. Shea Blvd. #145 | Scottsdale | AZ | 85260 | (480) 407-6140 |
| SVH Fitness, LLC<br>Vlasta Duffy | 10121 E Bell Rd., Suite 130 | Scottsdale | AZ | 85260 | (480) 499-4668 |
| **Arkansas** | | | | | |
| Drew Fit, LLC<br>Drew Davitt, Sabrina Davitt | 2200 SE J St., Ste 6 | Bentonville | AR | 72712 | (479) 845-5900 |
| Drew Fit, LLC<br>Drew Davitt, Sabrina Davitt, Jay Davitt, Diana Davitt | 1267 Steamboat Dr Ste 1 | Fayetteville | AR | 72704 | (479) 316-8280 |
| Drew Fit, LLC | 5001 W Pauline | Rogers | AR | 72758 | (479) 586-3126 |

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|---|---|---|---|---|---|
| Drew Davitt, Sabrina Davitt, Jay Davitt, Diana Davitt | Whitaker, Ste 125 | | | | |
| **California** | | | | | |
| MBK Fury, LLC<br>Sam Phen, Cheryl Phen | 5655 E. La Palma Ave | Anaheim | CA | 92807 | (949) 522-1188 |
| Average Joe, INC<br>Stephanie Zatzke | 822 E. Grand Ave | Arroyo Grande | CA | 93420 | (805) 500-7022 |
| MBK Fury, LLC<br>Sam Phen, Cheryl Phen | 924 E. Imperial Hwy | Brea | CA | 92821 | (949) 522-1188 |
| LCAZ Holdings, Inc.<br>Lawrence Grable, Christy Grable | 2360 D Las Posas Road | Camarillo | CA | 93010 | (805) 244-5510 |
| BEYOND FIT<br>Karmjit Rai, Sanjeev Gaur | 20790 Nordhoff St. Ste. 1 | Chatsworth | CA | 91311 | (661) 645-8715 |
| Astrologo Fitness, LLC<br>Tiffany Astrologo, Ana Astrologo | 754 Mangrove Ave | Chico | CA | 95926 | (530) 588-9282 |
| San Diego On the Go, Inc.<br>Jorge Alvarez | 1741 Eastlake Parkway, Ste 105 | Chula Vista | CA | 91915 | (619) 737-9136 |
| San Diego on the Go, Inc.<br>Jorge Alvarez | 1550-K East H Street | Chula Vista | CA | 91913 | (619) 623-3606 |
| J and L AA Businesses, Inc.<br>Lilia Tahmasian<br>John Vertrees | 7881 Greenback Ln | Citrus Heights | CA | 95610 | (916) 705-9954 |
| TrinityFit Inc.<br>Steve Rousey | 330 W Foothill Pkwy Ste 104 | Corona | CA | 92882 | (951) 808-9896 |
| We Can Workout LLC<br>Steve Nalbandian | 1175 Baker Street Ste A-5 | Costa Mesa | CA | 92626 | (714) 662-1477 |
| Maudi Group, Inc.<br>Mauricio Acevedo | 11140 Washington Blvd | Culver City | CA | 90232 | (310) 751-0673 |
| The ROC & Company, LLC<br>Romeo Bundalian, Oliver Bundalian, Randy Bundalian, Josephine Castaneda | 2203 Francisco Drive, Unit 160 | El Dorado Hills | CA | 95762 | (916) 936-0924 |
| Timothy Cahill | 7440 Laguna Blvd, #106 | Elk Grove | CA | 95758 | (916) 400-9913 |
| Alter-Native Fitness<br>Ryan Alter | 9320 Elk Grove Blvd. Ste. 165 | Elk Grove | CA | 95624 | (916) 226-5322 |
| Who You Calling A Girl Fitness<br>Charise McCondichie | 6399 Christie Ave, Ste B | Emeryville | CA | 94608 | (510) 472-7953 |
| E3 Kickboxing, LLC<br>Diane Daley-Eaton, Julia Eaton | 264 El Camino Real | Encinitas | CA | 92024 | (760) 299-5999 |
| Riza NOLA, LLC<br>Riza Ayson | 18595 Brookhurst Street | Fountain Valley | CA | 92708 | (714) 782-0601 |
| CardioKick, Inc.<br>Ryan Cleaves | 9505 N. Sommerville Dr. Suite 103 | Fresno | CA | 93720 | (559) 373-0157 |
| CLN Health and Fitness, LLC<br>Carrie Jennings | 1321 1st Street | Gilroy | CA | 95020 | (408) 337-1225 |
| Estrella Wellness Group, LLC<br>Anthony Estrella | 6831 Hollister Ave, Ste I | Goleta | CA | 93117 | (805) 966-3888 |
| E Squared Fitness, LLC<br>Chris Borgia | 1109 Aviation Blvd | Hermosa Beach | CA | 90254 | (310) 986-3910 |
| Engage Your Core Fitness, LLC<br>Andrew Gustin | 7074 Edinger Ave | Huntington Beach | CA | 92647 | (714) 375-0180 |
| JP&E Fitness, LLC<br>Jack Dial, Persephone Oliver | 21068 Beach Blvd | Huntington Beach | CA | 92648 | (714) 715-0295 |

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|---|---|---|---|---|---|
| MBK Fury LLC<br>Sam Phen<br>Cheryl Phen | 92 Corporate Park, Ste I | Irvine | CA | 92606 | (949) 522-1188 |
| Awesome Fit, LLC<br>Nandu Tangella, Hu Li | 4255 Campus Dr, #A108 | Irvine | CA | 92616 | (949) 431-5646 |
| Awesome Fit, LLC<br>Nandu Tangella, Hu Li | 6610 Irvine Center Drive | Irvine | CA | 92618 | (949) 431-6679 |
| INN Group<br>Vladimir V. Volkov | 3561 Mt. Diablo Blvd. Suite B | Lafayette | CA | 94549 | (925) 360-4777 |
| Energy Plus Enterprises<br>Holly Tabrizi | 30100 Town Center Drive, Ste S | Laguna Niguel | CA | 92677 | (949) 297-6911 |
| BF Capital<br>Tony Blankenship | 69 Lincoln Blvd. Suite F | Lincoln | CA | 95648 | (916) 800-5012 |
| Pomaika'i Management, LLC<br>Jason Wong | 1490 N Vasco Rd | Livermore | CA | 94551 | (925) 583-5525 |
| Live Your Life Fitness, LLC<br>Clarissa Singson | 5668 E 2nd St | Long Beach | CA | 90803 | (562) 247-0899 |
| Boxing Betty, LLC<br>Ashley J. Richardson | 6502 E. Spring Street | Long Beach | CA | 90815 | (562) 277-1285 |
| K.O.L.A. Inc.<br>Michael Alexander | 430 W. Pico Blvd | Los Angeles | CA | 90015 | (310) 261-0909 |
| Fortune Health & Fitness, LLC<br>Eugene Porter, Peter Celaya | 91 Dempsey Rd | Milpitas | CA | 95035 | (408) 493-6328 |
| Lemon Squares Investments, Inc<br>Wesley W Terrell | 1295 E. Dunne Avenue, Ste #160 | Morgan Hill | CA | 95037 | (408) 763-4701 |
| Studio 9<br>Brant Adornato | 75 W El Camino Real | Mt. View | CA | 94040 | (510) 566-0274 |
| NHBFitness91, LLC<br>Nimesh Bhakta | 39249 Cedar Blvd. | Newark | CA | 94560 | (510) 856-6057 |
| Changing Lives Enterprises LLC<br>Marc Payne, Teresia Payne, William Wong | 132 E.12th Street | Oakland | CA | 94606 | (510) 808-5186 |
| DTLH Fitness, LLC<br>David Operario, Tam Lee-Operario | 4864 Telegraph Avenue | Oakland | CA | 94609 | (510) 414-8655 |
| Silverstar Driven, LLC<br>Silvia Salgado | 3135 N. Glassell St | Orange | CA | 92865 | (714) 721-9942 |
| Pomaika'i Management LLC<br>Jason Wong | 4275 Rosewood Drive, Ste 23 | Pleasanton | CA | 94588 | (925) 251-0081 |
| LCAZ Holdings, Inc.<br>Lawrence Grable, Christy Grable | 547 West Channel Islands Blvd | Port Hueneme | CA | 93041 | (805) 946-2999 |
| Watkins & Wedsted LLC<br>Karen Wedsted, Taisha Watkins | 4036 Sunrise Blvd, Ste 160 | Rancho Cordova | CA | 95742 | (916) 437-4844 |
| Strength & Spirit, Inc.<br>Jeff Ranta | 2340 Sunrise Blvd | Rancho Cordova | CA | 95670 | (916) 936-3579 |
| MAS Fitness, LLC<br>Steven Liu, Annie Liu | 8160 Haven Ave Ste 102 | Rancho Cucamonga | CA | 91730 | (310) 384-2014 |
| Royko, LLC<br>Ramin Kotobi | 29851 Aventura, Ste J | Rancho Santa Margarita | CA | 92688 | (949) 378-0140 |
| Ashley J Richardson | 3600 Central Ave., #3 | Riverside | CA | 92506 | (805) 319-2630 |
| The 10th Round, LLC<br>Vicky Williams, Brad Bonar | 2340 Sunset Blvd, Ste 180 | Rocklin | CA | 95765 | (916) 872-1274 |
| J and L AA Businesses<br>Lilia Tahmasian, John Vertrees | 4021 Woodcreek Oaks Blvd., Ste 180 | Roseville | CA | 95747 | (818) 813-1200 |
| L&W Fitness Enterprises LLC Adele | 1914 P Street - | Sacramento | CA | 95811 | (916) 758-8225 |

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|---|---|---|---|---|---|
| Letro, Paige Winchester, Jesse Letro | Midtown | | | | |
| KJOY LLC<br>Makeba Arnold | 4730 Natomas Blvd. Unit #130 | Sacramento | CA | 95835 | (562) 464-7146 |
| C&C Fitness Factory, LLC<br>Curtis Wade | 5650 Folsom Blvd | Sacramento | CA | 95819 | (916) 822-4691 |
| C&C Fitness Factory, LLC<br>Curtis Wade | 1028 Florin Road | Sacramento | CA | 95831 | (831) 901-6607 |
| Lalu Fitness LLC<br>Lauren Rademacher | 2344 Butano Drive | Sacramento | CA | 95825 | (916) 668-4102 |
| Par Investments, Inc.<br>Alex Brown | 979 Avenida Pico, Ste K | San Clemente | CA | 92763 | (949) 230-2647 |
| Hit to Fit Lifestyle LLC<br>Brando Danieli | 6110 Friars Road | San Diego | CA | 92108 | (619) 684-5632 |
| 30Fit Flex, Inc.<br>Tim Konzen and Jennifer Konzen | 12125 Alta Carmel Court | San Diego | CA | 92128 | (858) 485-9292 |
| Hit to Fit Lifestyle, LLC<br>Brandon and Milissa Danieli | 4411 Mercury St | San Diego | CA | 92111 | (858) 430-6414 |
| Pacific Beach Warrior Fitness<br>Eli Himilstein | 1416-A Garnet Ave | San Diego | CA | 92109 | (858) 886-7247 |
| 24 Hour Fitness | 1850 Ocean Avenue | San Francisco | CA | 94112 | (415) 466-2000 |
| Red Label, Inc.<br>Michael Chen, Alejandro Soria | 1088 E Brokaw Rd, Ste 20 | San Jose | CA | 95131 | (408) 476-2243 |
| RayAm Fitness, LLC<br>Raymond Ysguerra | 15251 Hesperian Blvd, Ste 5 | San Leandro | CA | 94578 | (510) 714-7326 |
| Python Fitness, LLC<br>Victoria Lee | 31 E MacArthur Crescent, Suite 108 | Santa Ana | CA | 92707 | (714) 696-9485 |
| Fit4Life, Inc.<br>Monika Geisz-Benitez, Anthony Benitez | 14615 Ventura Blvd | Sherman Oaks | CA | 91403 | (818) 616-3848 |
| WinRound, LLC<br>Nilda Santiago | 19564 Ventura Blvd | Tarzana | CA | 91356 | (818) 660-2768 |
| Dejayh Inc.<br>Daniel Hawkins | 2370 Crenshaw Blvd, Ste E | Torrance | CA | 90501 | (424) 731-8180 |
| ABC Fit, Inc.<br>Pamela Bundalian, Eduardo Castaneda, Josephine Castaneda | 651 E First St, Ste A | Tustin | CA | 92780 | (657) 215-1288 |
| JTAMFITNESS, LLC<br>Ngoc Huynh | 34640 Alvarado Niles Road | Union City | CA | 94587 | (510) 403-1087 |
| LCAZ Enterprises, LLC<br>Lawrence Grable, Christy Grable | 28112 Newhall Ranch Rd | Valencia | CA | 91355 | (661) 670-8166 |
| ARMD, LLC<br>Angela Rose and Manny Diaz | 1508 Sunnyvale Ave | Walnut Creek | CA | 94597 | (925) 900-1036 |
| A&E Brothers, LLC<br>Art Espinoza, Rosa Espinoza, Eric Espinoza | 1044 West Covina Pkwy | West Covina | CA | 91790 | (818) 855-4870 |
| **Colorado** | | | | | |
| J&R Crisp, LLC<br>Joseph Crisp | 1655 28th St | Boulder | CO | 80301 | (715) 864-9297 |
| KEJ Enterprises, LLC<br>Melissa Lantz | 1001 South Tejon | Colorado Springs | CO | 80903 | (719) 473-5755 |
| KEJ Enterprises, LLC<br>Melissa Lantz | 4730 Centennial Blvd, Ste 101 | Colorado Springs | CO | 80919 | (719) 528-6005 |
| KEJ Enterprises, LLC<br>Melissa Lantz | 5490 Powers Center Point Ste 156 | Colorado Springs | CO | 80920 | (719) 282-8563 |

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|---|---|---|---|---|---|
| McReaCrea, LLC<br>Anne Lee Haizlip McRea | 487 S. Broadway #100 | Denver | CO | 80209 | (303) 722-0318 |
| SBGH Fitness, LLC<br>Staci Bartels, Glen Harvey | 310 E 17th Ave | Denver | CO | 80203 | (303) 997-8295 |
| Get After It, LLC<br>Todd Vettel, Teresa Vettel, Tim Vettel, Melissa Vettel | 2948 Council Tree Ave., Suite 107 | Fort Collins | CO | 80525 | (907) 698-9249 |
| TMMC Jones Corp<br>Melanie Jones, Todd Jones | 9325 Dorchester St, Ste 121 | Highlands Ranch | CO | 80129 | (303) 974-4245 |
| J&M Fam Enterprises<br>Jacob Scott, Marijune Scott | 1631 Pace St., Ste B-11 | Longmont | CO | 80504 | (303) 772-8888 |
| J&M Fam Enterprises<br>Jacob Scott, Marijune Scott | 978 E. Eisenhower | Loveland | CO | 80537 | (970) 619-8291 |
| Evolution Energy Partners LLC<br>Casey Korejwo, Jason H Gaines | 19523 Hess Rd, Ste 106 | Parker | CO | 80134 | (303) 840-4694 |
| L&A, Inc<br>Lindsay Austin, Alec Bower | 74 N McCulloch | Pueblo | CO | 81007 | (719) 992-0090 |
| **Connecticut** | | | | | |
| Valaouras Berner Enterprises LLC<br>Tina Valaouras | 972 W Main St | Branford | CT | 06405 | (203) 208-2578 |
| C&R Fitness LLC<br>Ryan White, Carla DeLuca White | 779-807 Newfield Street | Middletown | CT | 06457 | (860) 349-2321 |
| K&S Family Enterprises, LLC<br>Steve Signore | 785 Boston Post Road | Old Saybrook | CT | 06475 | (860) 661-5138 |
| **Delaware** | | | | | |
| Proven Performance LLC<br>Kelli Hosier | 570 West Main St | Middletown | DE | 19709 | (302) 378-7008 |
| GT Ripped 5<br>Gina Cerasari, Tim Raynor, Donna Heavens | 2826 Pulaski Hwy | Newark | DE | 19702 | (302) 365-5590 |
| GT Ripped Fitness, Inc.<br>Gina Cerasari,Tim Raynor | 1601 Concord Pike, Ste 17 & 19 | Wilmington | DE | 19803 | (302) 428-9922 |
| GT Ripped Fitness 2, Inc.<br>Gina Cerasari, Tim Raynor, Donna Heavens | 4565 New Linden Hill Rd | Wilmington | DE | 19808 | (302) 525-6045 |
| CMinspires, LLC<br>Candace Michulka | 1812 Marsh Rd, #405 | Wilmington | DE | 19810 | (302) 543-2545 |
| **District of Columbia** | | | | | |
| A Squared Fitness and Health LLC<br>Hasan Ashshaheed, Krista Ashshaheed | 1111 New Jersey Ave SE | Washington | DC | 20003 | (478) 972-0512 |
| **Florida** | | | | | |
| Fontana Fitness 3, LLC<br>Paula Rivas, Leonardo Fontana | 19100 West Dixie Hwy | Aventura | FL | 33180 | (786) 301-1668 |
| Craddock & Company Wellness, LLC<br>Josh Craddock | 1200 Yamato Rd, Ste B-1 | Boca Raton | FL | 33431 | (561) 305-5674 |
| 221 E Palmetto LLC<br>John Elash | 221 E Palmetto Park Rd. | Boca Raton | FL | 33432 | 561-403-4625 |
| Baldassarra Investments, Inc.<br>Piero Baldassarra, Stefany Baldassarra | 910 North Congress Ave. | Boynton Beach | FL | 33426 | (561) 732-9889 |
| Hartico, LLC<br>Venecia Antico<br>Joseph D'Amore | 8855 W. Boynton Beach Blvd. , Suite 360 | Boynton Beach | FL | 33472 | (561) 733-0911 |
| One Round At A Time, LLC | 2454 McMullen | Clearwater | FL | 33759 | (727) 999-1225 |

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|---|---|---|---|---|---|
| Kim Rymanowski, Mitch Rymanowski | Booth Rd #101 | | | | |
| DCM Fitness, LLC<br>Daniel Maradiaga, Christina Maradiaga | 4300 S Hwy 27, Suite 105 | Clermont | FL | 34711 | (352) 988-5311 |
| L&J Fitness, Inc.<br>Julia Fernandez, | 1410 Ponce de Leon Blvd | Coral Gables | FL | 33134 | (786) 712-0384 |
| Baldassarra Investments, Inc.<br>Piero Baldassarra, Stefany Baldassarra | 900 Linton Blvd. Suite 925 | Delray Beach | FL | 33444 | (561) 318-7904 |
| TK Sports, LLC<br>Tasha Brooke Malek | 4467 Commons Drive | Destin | FL | 32541 | (850) 200-0587 |
| One Round At A Time, LLC<br>Kim Rymanowski, Mitch Rymanowski | 1511 Main St. | Dunedin | FL | 34698 | (727) 251-1550 |
| Fontana Fitness 2, LLC<br>Paula Rivas, Leonardo Fontana | 1031 N Federal Hwy | Fort Lauderdale | FL | 33304 | (954) 626-0780 |
| Fontana Fitness, LLC<br>Paula Rivas, Leonardo Fontana | 3335 Sheridan St | Hollywood | FL | 33021 | (754) 217-4323 |
| Hammerhead Fitness, LLC<br>Mark Dewey | 12226 Beach Blvd., #8 | Jacksonville | FL | 32246 | (904) 516-7155 |
| 315 Railroad Riverside LLC<br>Talf Gates | 4820 Deer Lake Dr West | Jacksonville | FL | 32246 | (904) 723-1214 |
| MJPA of Jacksonville<br>Talf Gates | 12525 Philips Hwy | Jacksonville | FL | 32256 | (904) 619-4830 |
| Tam's Lifestyle, LLC<br>Tamiya R. Fishel | 716 New Berlin Road, Ste 11 | Jacksonville | FL | 32246 | (904) 416-0576 |
| Wrapped, LLC<br>Tammy Ewing | 3587 NW Federal Highway | Jensen Beach | FL | 34957 | (772) 933-9910 |
| Migmar Group, LLC<br>Alejandro Ramos | 11252 SW 137 Avenue | Kendall | FL | 33186 | (786) 536-2259 |
| D2 Fitness, LLC<br>Rakesh Bhandari, Jai Bhandari | 245 Wheelhouse Lane, #1431 | Lake Mary | FL | 32746 | (407) 605-0630 |
| Prince Motivations, LLC,<br>Wayne E. Prince | 4115 SR 7 | Lake Worth | FL | 33449 | (561) 619-5670 |
| EK Fitness, LLC<br>Eric Stehle, Kristen Stehle | 2153 E County Rd 540A | Lakeland | FL | 33813 | (863) 606-5742 |
| EK Fitness, LLC<br>Eric Stehle, Kristen Stehle | 3604 Harden Blvd | Lakeland | FL | 33803 | (863) 608-7790 |
| JMJL Fitness, LLC<br>Joshua Weber | 2083 Collier Parkway | Land O'Lakes | FL | 34639 | (813) 527-3776 |
| Exercise Solutions, LLC<br>Craig Long | 13220 Starkey Rd, Unit 200 | Largo | FL | 33773 | (727) 777-7299 |
| LK MK Fitness Margate, LLC<br>Larry Karp, Michelle Karp | 3350 NW 62nd Ave. | Margate | FL | 33063 | (954) 972-8070 |
| JLS Fitness Corporation<br>Patricia Shipman, Brent Shipman | 4100 N. Wickham Road, Suite 113 | Melbourne | FL | 33063 | (321) 441-3033 |
| Migmar Group, LLC<br>Alejandro Ramos | 9999 SW 72 St, Ste 108 | Miami | FL | 33173 | (786) 391-0580 |
| Vital Green Life, LLC<br>Leonardo DoCarmo, Julia Fernandez | 14612 SW 8th Street | Miami | FL | 33184 | (786) 712-0384 |
| One Round at a Time LLC<br>Kim Rymanowski, Mitch Rymanowski | 1326 Seven Springs Blvd | New Port Richey | FL | 34655 | (727) 597-7325 |
| Karen and Ronnie Enterprises, LLC<br>Ronald Cangro and Karen Julian | 2791 Old Winter Garden Road | Ocoee | FL | 34761 | (407) 654-4660 |

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| Monster Fitness, LLC<br>Dan Wessman | 3150 South Orange Ave | Orlando | FL | 32806 | (406) 776-8001 |
| STN Fitness, LLC<br>Damien Signori | 1816 Jake St | Orlando | FL | 32814 | (407) 801-4818 |
| Rosebush Properties, Inc.<br>Kayla Bushman, Brandon Bushman | 5150 Dr. Phillips Blvd | Orlando | FL | 32819 | (407) 863-1777 |
| Musillo Athletic Performance<br>Jonathan Musillo | 3814 Northlake Blvd. | Palm Beach Gardens | FL | 33403 | (561) 410-5959 |
| Next Level Performance, LLC<br>Alfredo Brown, Karin Gabriela Brown | 18391 Pines Blvd | Pembroke Pines | FL | 33029 | (954) 951-3507 |
| Camerons Fitness, LLC<br>Donald Cameron, Olga Cameron | 2104 N. Flamingo Rd | Pembroke Pines | FL | 33028 | (954) 251-3351 |
| Level 9 Fitness, LLC<br>Fernando Yemail | 9495 S. Dixie Hwy | Pine Crest | FL | 33156 | (786) 766-4140 |
| IJN Enterprises, Inc<br>Ira Neasman, Lynne Neasman | 1737 N. University Dr | Plantation | FL | 33324 | (954) 370-4500 |
| BNO Fitness, Inc.<br>Brett Osinski, Nicole Osinski | 2101 N Federal Highway, Ste 202 | Pompano Beach | FL | 33062 | (954) 532-5606 |
| LK MK Fitness RPB, LLC<br>Larry Karp, Michelle Karp | 11051 Southern Blvd., Ste 200 | Royal Palm | FL | 33411 | (561) 204-9699 |
| St Pete Boxing Fitness, LLC<br>David Belot | 1100 4th Street N, Ste 101 | St Petersburg | FL | 33701 | (727) 519-6947 |
| KSRK LLC (91129)<br>Kelsey Kramer | 10308 Roosevelt Blvd N., Unit C2 | St Petersburg | FL | 33716 | (727) 291-8875 |
| A to Z Fitness, Inc.<br>Ann Geismar, Lance Zuzulia | 650 SE Indian Street | Stuart | FL | 34994 | (772) 212-2243 |
| KT Sports, LLC<br>Kamran Malek, Tasha Malek | 1817 Thomasville Rd., Unit 620 | Tallahassee | FL | 32303 | (850) 840-0040 |
| C&J Fitness, LLC<br>Charla Griffith, James Griffith | 10930 Cross Creek Blvd. | Tampa | FL | 33647 | (813) 803-7379 |
| Next Level Performance, LLC<br>Alfredo Brown, Karin Gabriela Brown | 1928 Weston Rd | Weston | FL | 33326 | (954) 380-8808 |
| Level 3 Solutions Corp.<br>Justin Harris | 7750 Okeechobee Blvd., Suite 5 | West Palm Beach | FL | 33411 | (561) 827-3131 |
| MDJ Fit, Inc.<br>Michael Johnson | 13860 Wellington Trace, Ste 15 | Wellington | FL | 33414 | (561) 660-6131 |
| Battle Axe Fitness, LLC<br>Deb Leonard | 5448 Central Florida Parkway | Williamsburg | FL | 32821 | (407) 778-4616 |
| BERNK Enterprise Corp.<br>Brett Lasser | 1201 Winter Garden Vineland Rd, Ste 6B | Winter Garden | FL | 34787 | (407) 347-7644 |
| **Georgia** | | | | | |
| Strongarm Fitness<br>Tony Miller | 2080 Timothy Rd Ste B | Athens | GA | 30606 | (706) 353-6999 |
| M&M Fitbox, LLC<br>Matt and Melisa McCue | 1860 Barnett Shoals Rd. Ste 407 | Athens | GA | 30605 | (706) 850-4999 |
| FitXtreme, Inc.<br>Shayna Marshall | 465 Boulevard SE, Ste 101A | Atlanta | GA | 30312 | (404) 390-3346 |
| Jab Cross, LLC<br>Martin and Suzanne Greene | 2095 Hwy 211, 5B | Buford | GA | 30519 | (678) 828-7085 |
| Perseverance Fitness, LLC<br>Omega Stephens | 6503 Veterans Parkway, Suite 202 | Columbus | GA | 31909 | (706) 229-6399 |
| Browns Bridge Fitness LLC Rick Dunn | 3560 Browns Bridge Rd Ste #900 | Cumming | GA | 30028 | (470) 239-4114 |
| Flying Castle Games, LLC | 831 Auburn Road, | Dacula | GA | 30019 | (678) 743-4506 |

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| Clint McGill, Kelly McGill | Ste 100 | | | | |
| Changes 4 Your Lifestyle, LLC<br>Kanesha Ivory | 2899-B North Decatur Rd | Decatur | GA | 30033 | (404) 343-0286 |
| April Moss, LLC<br>April Moss | 745 Chastain Road, Suite 1120 | Kennesaw | GA | 30144 | (770) 284-9520 |
| Ricky and Erica Howell Enterprises, Inc.<br>Ricky Howell, Erica Howell | 3157 Sugarloaf Pkwy, Ste 180 | Lawrenceville | GA | 30045 | (678) 235-5949 |
| RLLD Group, LLC<br>Roni Meyerhoff | 3894 Due West Rd | Marietta | GA | 30064 | (470) 205-0430 |
| KEA, LLC<br>Eric Svancara, Kegan Leissner | 11550 Jones Bridge Rd | Milton | GA | 30004 | (770) 442-5588 |
| BC Bishop Enterprises, LLC<br>Ben Bishop | 107 Grand Central | Pooler | GA | 31322 | (912) 988-7394 |
| BC Bishop Enterprises, LLC<br>Ben Bishop | 11408 Ford Avenue | Richmond Hill | GA | 31324 | (912) 445-5201 |
| Adventure Step 1, LLC<br>Justin Barnes, Nicole Barnes | 310 Town Center Ave | Suwanee | GA | 30024 | (678) 288-4877 |
| Relative Vision, Inc a GA Corp<br>Chris Foster | 1428 Towne Lake Parkway, Ste 106 | Woodstock | GA | 30189 | (678) 483-6044 |
| **Hawaii** | | | | | |
| **Idaho** | | | | | |
| Larson Enterprises, LLC<br>Hunter Larson | 1580 N. Stonehenge Way, Suite 103 | Meridian | ID | 83642 | (208) 904-2497 |
| **Illinois** | | | | | |
| AVR Fitness LLC<br>Asher Rosenblatt, Ariane Rosenblatt | 1744 W. Division St | Chicago | IL | 60622 | (773) 360-1522 |
| Oscar 1626, LLC<br>Nancy Newman, Michelle Del Guidice | 924 W. Madison St | Chicago | IL | 60607 | (312) 878-7868 |
| AVR Fitness, LLC<br>Asher Rosenblatt, Ariane Rosenblatt | 3911 N. Broadway Street | Chicago | IL | 60613 | (773) 657-5051 |
| MKX Fitness, LLC<br>Mary Kay Riordan | 777 S. State Street | Chicago | IL | 60605 | (312) 252-9909 |
| V-Eight Ventures, LLC<br>Becky Nickish-Venuti | 1063 S State Route 157, Ste 1 | Edwardsville | IL | 62025 | (618) 307-5105 |
| EVX, LLC<br>Jim Battinus, Jeff Battinus, Ken Battinus | 1706 Central Street | Evanston | IL | 60201 | (224) 714-3003 |
| Knockout Boyz, LLC<br>Anish Parikh, Nayan Patdia | 1348 Patriot Blvd | Glenview | IL | 60026 | (224) 616-3348 |
| North Shore 9Round, LLC<br>Kyle Kurz, Abby Kurz, Linda Mayer, Tom Mayer | 1007 Waukegan Road | Northbrook | IL | 60062 | (224) 235-4840 |
| V-Eight Ventures, LLC<br>Becky Nickish-Venuti | 3740 Green Mount Crossing Dr. | O'Fallon | IL | 62269 | (618) 307-5105 |
| KET Group, LLC<br>Maureen Twohey | 1540 E. Lake Cook Rd | Wheeling | IL | 60090 | (224) 900-7734 |
| Rosemark, LLC<br>Mark Weaver, Rosie Weaver | 1001 W. 75th St. Suite 161-B | Woodridge | IL | 60517 | (630) 541-6189 |
| **Indiana** | | | | | |
| ADJL Ventures, LLC<br>Craig Valier | 7615 E US Hwy 36 | Avon | IN | 46123 | (317) 268-6486 |
| Vinson Kickboxing, LLC | 9873 N. Michigan | Carmel | IN | 46032 | (317) 731-7249 |

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| Josh Vinson, Erica Vinson | Road, Ste 135 | | | | |
| So In Fitness Group, LLC<br>Louwana Ball | 1225 Veterans Pkwy, Ste 500 | Clarksville | IN | 47129 | (812) 920-2009 |
| Azfit, LLC<br>Scott Bodenhafer, Angela Bodenhafer | 10357 Illinois Rd | Fort Wayne | IN | 46814 | (260) 271-1494 |
| Azfit, LLC<br>Scott Bodenhafer, Angela Bodenhafer | 2872 E Dupont Rd | Fort Wayne | IN | 46825 | (260) 739-6050 |
| Azfit, LLC<br>Scott Bodenhafer, Angela Bodenhafer | 10454 Maysville | Fort Wayne | IN | 46835 | (260) 245-0548 |
| Etham Fitness, Inc.<br>Jennifer Booth, Chase Booth | 1214 E. University Drive | Granger | IN | 46530 | (574) 520-1567 |
| ADJL Ventures, LLC<br>Craig Valier | 239 S State Road 135 | Greenwood | IN | 46142 | (317) 300-1830 |
| ADJL Ventures, LLC<br>Craig Valier | 7045 Emblem Drive, Ste D | Indianapolis | IN | 46237 | (317) 883-1374 |
| A-Team Fitness, LLC<br>Michelle Shewell | 3742 E 82nd Street | Indianapolis | IN | 46240 | (317) 436-8004 |
| The KnockOut LLC<br>Susan Pavelka, Steven Pavelka | 5645 Pebble Village Lane | Noblesville | IN | 46062 | (317) 219-3456 |
| **Iowa** | | | | | |
| Shear Opportunities, LLC<br>Kari Carlson | 789 Middle Road | Bettendorf | IA | 52722 | (563) 355-4600 |
| Brent Bean, Suzie Bean | 4825 E.P. True Pkwy, Suite 101 | West Des Moines | IA | 50266 | (515) 223-7290 |
| **Kansas** | | | | | |
| Edwards Fitness, Inc.<br>Timothy Edwards, Barbara Edwards | 2329 S Iowa St | Lawrence | KS | 66047 | (913) 948-2350 |
| Get After It, LLC<br>Todd Vettel, Melissa Vettel, Teresa Vettel | 1620 Fort Riley Blvd, Ste 111 | Manhattan | KS | 66502 | (785) 340-3133 |
| Rite Cross Fitness, LLC<br>Adam Turk, Megan Turk | 6516 Martway | Mission | KS | 66202 | (913) 808-5650 |
| Edwards Fitness, Inc.<br>Timothy Edwards, Barbara Edwards | 18583 W 151st St | Olathe | KS | 66062 | (913) 948-2350 |
| J2911, LLC<br>Jeff Jenkins | 8323 West 135th Street | Overland Park | KS | 66223 | (913) 402-9999 |
| Oliver Fitness, LLC<br>Lisa Oliver | 13217 Shawnee Mission Parkway | Shawnee | KS | 66216 | (913) 730-8681 |
| Toe2Toe Fitness<br>Adam Turk, Megan Turk | 22350 W 66th St | Shawnee | KS | 66226 | (913) 745-6065 |
| **Kentucky** | | | | | |
| MRVH Highlands, LLC<br>Matthew Hegele | 1512 Bardstown Road | Louisville | KY | 40205 | (502) 526-6825 |
| **Louisiana** | | | | | |
| Southern Kickboxing, LLC<br>Matthew Kennedy, Tara Kennedy | 1905 Kaliste Saloom Rd, Ste 102 | Lafayette | LA | 70508 | (337) 415-9763 |
| K.K.J. Kickboxing, LLC<br>Jacqueline Richard, Ross Richard | 2761 E. Milton Ave. , C-1 | Youngsville | LA | 70592 | (337) 703-0718 |
| **Maine** | | | | | |
| **Maryland** | | | | | |
| Vertical Management LLC<br>Umer Shahid | 3469 Fort Meade Road | Laurel | MD | 20724 | (301) 685-6000 |
| Temeraria Fitness, Inc. | 8403 Colesville Rd | Silver Spring | MD | 20910 | (301) 328-8985 |

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| Chellis Gonzalez | | | | | |
| JOC MOBS, Inc.<br>Wanda Brisco | 2875 Crain Highway, Ste 5A | Waldorf | MD | 20601 | (301) 710-5376 |
| **Massachusetts** | | | | | |
| A Bout Fitness, LLC<br>Joseph Castellucci, Anthony Castellucci | 7 Summer St, Unit 5 | Chelmsford | MA | 01824 | (603) 275-8089 |
| Morgan Fitness, LLC<br>Teraisa Sabatini-Tucker | 445 Franklin Village Dr | Franklin | MA | 02038 | (508) 570-5173 |
| TuffNutz Fitness, LLC<br>Jesse Thomas, Jessica Thomas | 110 Elm St | Millbury | MA | 01527 | (508) 865-0800 |
| MD Fitness, Inc.<br>Mary Geary | 1255 Main Street Unit 3 | Weymouth | MA | 02190 | (339) 201-4970 |
| PunchItOutFitness, LLC<br>Sheri Barrette | 65 James St | Worcester | MA | 01603 | (774) 823-3341 |
| **Michigan** | | | | | |
| Bond Health & Fitness LLC<br>Michelle Bond | 5700 Jackson Road Ste 3 | Ann Arbor | MI | 48103 | (734) 769-5435 |
| K.T. Living, Inc.<br>Kendra Townsend | 8233 Byron Center Ave | Byron Center | MI | 49315 | (616) 710-3181 |
| Redline Design LLC<br>Mohamed Farhat | 22441 Michigan Ave | Dearborn | MI | 48124 | (313) 992-2277 |
| JAD Fitness, LLC<br>James Dick Jr | 19364 E 10 Mile Road | Eastpointe | MI | 48021 | (586) 859-5353 |
| RedLine Design, LLC<br>Mohamed Farhat | 15404 Haggerty Road | Plymouth | MI | 48170 | (734) 420-4909 |
| Holoman Associates, Inc. Derrick Holoman, Linda Holoman, David Holoman, Smallwood Holoman | 815 South Main St | Royal Oak | MI | 48067 | (248) 607-0646 |
| JR Fitness, LLC<br>James Dick | 6043 Rochester Rd | Troy | MI | 48085 | (248) 817-2763 |
| Brandes Unlimited, LLC<br>Kentura Brandes | 23230 Allen Road | Woodhaven | MI | 48183 | (734) 544-5425 |
| **Minnesota** | | | | | |
| Twin Ports Kickboxing, LLC<br>Geoffrey Rich | 15050 Cedar Ave, Ste 117 | Apple Valley | MN | 55124 | (952) 683-9697 |
| HIIT, LLC<br>David Lind, Jessica Lind | 8409 W. Broadway Ave. | Brooklyn Park | MN | 55445 | (763) 200-9289 |
| Twin Ports Kickboxing, LLC<br>Geoffrey Rich | 1334 W Arrowhead Rd | Duluth | MN | 55811 | (218) 481-7788 |
| uFitness, Inc.<br>Ryan Pederson, Heather Dekan | 8023 Glen Lane | Eden Prairie | MN | 55344 | (612) 276-6483 |
| Twin Ports Kickboxing, LLC<br>Geoffrey Rich | 8026 Hwy 55 | Golden Valley | MN | 55427 | (763) 545-8786 |
| Thirty Seconds, LLC<br>Kyla Sedgewick, Neil Gauen | 187 Cheshire Ln N | Plymouth | MN | 55441 | (763) 476-5002 |
| FitMN Inc.<br>Brett Furber | 5749 Egan Dr. | Savage | MN | 55378 | (952) 226-5425 |
| **Mississippi** | | | | | |
| **Missouri** | | | | | |
| Murphy Fitness, LLC<br>Michael Murphy | 1412 SW MO 7 Hwy | Blue Springs | MO | 64014 | (816) 224-1990 |
| McEnaney Fitness LLC<br>Corey McEnaney | 12536 Olive Blvd, Ste G | Creve Coeur | MO | 63141 | (314) 392-9305 |

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| McEnaney Fitness LLC<br>Corey McEnaney | 11752 Manchester Rd, Des Peres, MO | Des Peres | MO | 63131 | (314) 394-0959 |
| HAW Fitness, LLC<br>Tammra Holmes | 5765 NE Antioch Road | Gladstone | MO | 64119 | (816) 455-9763 |
| Three CK, LLC<br>Clint Kirkpatrick, Kimberly Kirkpatrick | 19321 E. US 40 Highway, Ste K | Independence | MO | 64055 | (816) 982-9912 |
| Blue Arrow Fitness, LLC<br>Rob Johnson, Kelli Johnson | 1407 Southwest Blvd, Suite B | Jefferson City | MO | 65109 | (573) 895-3242 |
| SG McIntosh, LLC<br>Scott McIntosh | 9758 N Ash Avenue | Kansas City | MO | 64157 | (816) 792-9995 |
| JAB'M Fitness<br>Scott Brown | 8944 NW Skyview Ave | Kansas City | MO | 64154 | (816) 587-6999 |
| SG McIntosh, LLC<br>Scott McIntosh | 10203 N Oak Trafficway | Kansas City | MO | 64155 | (816) 734-9900 |
| Revers Fitness, LLC<br>Connie Revers, Jennifer Revers | 6304 N Chatham Ave. | Kansas City | MO | 64151 | (816) 505-9991 |
| High Time Fitness, LLC<br>Lisa Oliver | 7964 Wornall Rd | Kansas City | MO | 64114 | (816) 333-3500 |
| Tucker Fitness LLC<br>Rashad Tucker | 1200 Washington St. Suite A | Kansas City | MO | 64105 | (816) 550-0407 |
| HBomb Kickbox Fitness LLC<br>Heather Harris | 105 S. Jefferson St., B-1, | Kearney | MO | 64060 | (816) 635-9800 |
| C&MR Fitness LLC<br>Jason Rains, Kristina Rains | 1125 NE Rice Rd | Lee's Summit | MO | 64086 | (816) 524-5795 |
| C&MR Fitness LLC<br>Jason Rains, Kristina Rains | 3731 SW Hollywood Dr | Lee's Summit | MO | 64082 | (816) 623-3122 |
| McEnaney Fitness LLC<br>Corey McEnaney | 3026 Winghaven Blvd | O'Fallon | MO | 63368 | (636) 265-0716 |
| Ring The Bell Fitness, LLC<br>Nathan Bell | 1440 W. Republic Rd. Ste 128 | Springfield | MO | 65807 | (417) 889-9763 |
| South City Fitness Boxing, LLC<br>Chris Halbach, Thomas Matthes | 4924 Hampton Ave. | St. Louis | MO | 63109 | (314) 269-1399 |
| MPT Enterprises<br>Marlene Twehous | 1999 Zumbehl Rd | St. Charles | MO | 63303 | (636) 493-1943 |
| MPT Enterprises<br>Marlene Twehous | 16 Plaza 94, St. Peters MO 63376 | St. Peters | MO | 63304 | (636) 244-3219 |
| Letsdothis, LLC<br>Sabrina Mades-Carroll, Jared Carroll | 2093 Washington Crossing | Washington | MO | 63090 | (636) 432-1979 |
| McEnaney Fitness LLC<br>Corey McEnaney | 17185 New College Avenue | Wildwood | MO | 63040 | (636) 422-1074 |
| **Montana** | | | | | |
| NCC, Inc<br>Corey Willis, Nancy Metzger | 2338 Grand Ave. | Billings | MT | 59102 | (406) 969-5741 |
| Willis Kickboxing, LLC<br>Corey Willis | 520 Wicks Ln | Billings | MT | 59105 | (406) 534-8496 |
| MCRONSEN, LLC<br>Michelle Ronsen | 16 S Tracy Ave | Bozeman | MT | 59715 | (406) 595-5243 |
| **Nebraska** | | | | | |
| Get After It, LLC<br>Todd Vettel, Teresa Vettel, Time Vettel, | 5609 S. 27th St. Ste A | Lincoln | NE | 68512 | (402) 420-5425 |
| Get After It, LLC<br>Todd Vettel, Tim Vettel, Melissa | 2800 N 84th St | Lincoln | NE | 68507 | (402) 817-7349 |

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| Vettel | | | | | |
| RTA138 Limited Liability Company<br>Rhace Akers | 18204 Wright Street<br>Omaha NE 68130 | Omaha | NE | 68130 | (402) 431-3184 |
| RTA138 Limited Liability Company<br>Rhace Akers | 15514 Spaulding Plaza Ste D109 | Omaha | NE | 68116 | (402) 506-4567 |
| Get After It, LLC<br>Todd Vettel, Tim Vettel, Melissa Vettel | 304 Olson Dr, Ste 109 | Papillion | NE | 68046 | (402) 415-2970 |
| **Nevada** | | | | | |
| Ouigee, LLC<br>Abel McGee | 1622 West Warm Springs Road | Henderson | NV | 89014 | (702) 476-5800 |
| Wilds Fitness, LLC<br>Erick Wilds, Melissa Wilds | 3555 S Fort Apache Rd, #126 | Las Vegas | NV | 89147 | (702) 489-6000 |
| Invincible Modus, LLC<br>Matthew Patrovsky | 748 South Meadows Parkway, #A-7 | Reno | NV | 89521 | (775) 737-9877 |
| Invincible Modus, LLC<br>Matthew Patrovsky | 113 Los Altos Pkwy #103 | Sparks | NV | 89436 | (775) 800-4283 |
| **New Hampshire** | | | | | |
| Steady Fitness, LLC<br>Laurie Weingartner, Mark Weingartner | 89 Fort Eddy Road | Concord | NH | 03301 | (603) 224-0900 |
| DJF Fitness, LLC<br>Darren Frowery | Brickyard Square - 24 Calef Hwy | Epping | NH | 03042 | (603) 693-7100 |
| High Point Enterprise, LLC<br>Christy Masciarelli | 290 W River Rd | Hooksett | NH | 03106 | (603) 325-4114 |
| TNT Fitness, LLC<br>Nicole Roberts | 53 Hooksett Rd | Manchester | NH | 03104 | (603) 935-9596 |
| HCM Fitness, LLC<br>Holly Morales | 416 Daniel Webster Hwy | Merrimack | NH | 03054 | (603) 420-8145 |
| A Bout Fitness, LLC<br>Michele Castellucci, Joseph Castellucci | 586 Nashua St | Milford | NH | 03055 | (603) 275-8089 |
| A Bout Fitness, LLC<br>Michele Castellucci, Joseph Castellucci | 449 Amherst Street Unit 7 | Nashua | NH | 03063 | (603) 402-1630 |
| Beauchamp Fitness, LLC<br>Timothy Beauchamp, Sarah Beauchamp | 72 Mirona Rd, Ste 1 | Portsmouth | NH | 03801 | (603) 294-1404 |
| The Happy Place Group, Inc.<br>Kendra Hackett | 570 Lafayette Rd, Ste 803 | Seabrook | NH | 03874 | (603) 294-4051 |
| Punchin' & Kickin', LLC<br>Anthony Murphy | 160A Tri City Plaza | Somersworth | NH | 03878 | (603) 609-7500 |
| **New Jersey** | | | | | |
| L.A. Randolph, LLC<br>Lisa Randolph, Austin Randolph | 347 Brick Blvd | Brick | NJ | 08723 | (732) 262-6446 |
| AO Fitness, LLC<br>Alex Odulio | 435 Valley Brook Ave | Lyndhurst | NJ | 07071 | (201) 528-7715 |
| L&C McKnight Holdings, Inc.<br>Loroine McKnight, Carla McKnight | 4951 Stelton Rd | South Plainfield | NJ | 07080 | (908) 998-9228 |
| **New Mexico** | | | | | |
| **New York** | | | | | |
| Leonad Deanero, LLC<br>Adrien Noel, Ryan Deane | 656 Nostrand Ave | Brooklyn | NY | 11216 | (718) 303-0203 |
| Alquast, LLC | 8586 Transit Rd | East Amherst | NY | 14051 | (716) 689-0090 |

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|---|---|---|---|---|---|
| Allie Quast | | | | | |
| Monarch Rivers Holdings, LLC<br>Romel Arias, Angela R. Arias | 417 N. Central Avenue | Hartsdale | NY | 10530 | (914) 722-2653 |
| TQK, LLC<br>Michael Kelly, Annie Kelly | 408 Oswego St. | Liverpool | NY | 13088 | (315) 870-9680 |
| Move 4ward Corp<br>Roberth A. Chinga, Nakia Colon | 7 W. Grand St. | Mt. Vernon | NY | 10552 | (914) 697-8397 |
| kimidi, Inc.Daniel E Irving | 462 Evans St. | Williamsville | NY | 14221 | (716) 458-8477 |
| **North Carolina** | | | | | |
| 9Round Charlotte, LLC<br>Suzy Balk, Mark Balk | 16721 Orchard Stone Run STE 120 | Charlotte | NC | 28277 | (704) 542-9982 |
| J9 Dilworth, Inc.<br>John Dee | 1412 East Blvd. | Charlotte | NC | 28203 | (704) 498-4667 |
| Fitness Gurus Corp.<br>John Burkart | 2115 E. Arbors Dr. | Charlotte | NC | 28262 | (980) 224-8512 |
| KPB Enterprises<br>Kevin Barnes | 7510 Pineville Matthews Road Ste 6A | Charlotte | NC | 28226 | (704) 543-5685 |
| Mt Island Kickboxing, LLC<br>Kristan Brown, Wesley Brown | 3635 Mt. Holly-Huntersville Rd. | Charlotte | NC | 28216 | (980) 406-3838 |
| Fast Hands, LLC<br>Tyler Reavis | 300 S. Sharon Amity Rd | Charlotte | NC | 28211 | (704) 247-4105 |
| Pigtail Power, LLC<br>Amy Penwell Morgan | 1218 E. 36th St. Suite C | Charlotte | NC | 28205 | (704) 243-8775 |
| Fitness Ventures of Charlotte, LLC<br>Craig Voelker | 5110 Park Rd | Charlotte | NC | 28209 | (980) 430-1479 |
| Team Fetz, Inc.<br>Benjamin Fetzer | 3805 Concord Parkway South | Concord | NC | 28027 | (704) 795-2716 |
| J&T Fitness<br>John Teeling, Tracy Teeling | 5415 Village Dr | Concord | NC | 28027 | (704) 467-8970 |
| Paid Fitness, LLC<br>Diana Brush and Conrad Hartle | 19930 West Catawba Ave. Ste 200 | Cornelius | NC | 28031 | (704) 997-5862 |
| R5 Fitness Systems, LLC<br>Craig Thompson, Gina Gerard | 3010 Traemoor Village Dr. Ste 160 | Fayetteville | NC | 28306 | (910) 423-0055 |
| R5 Fitness Systems, LLC<br>Craig Thompson, Gina Gerard | 150 Francam Dr, Ste 122 | Fayetteville | NC | 28311 | (910) 777-5959 |
| JAM Fitness, Inc.<br>Mike Spitzer, Julie Spitzer | 2609 S. New Hope Rd | Gastonia | NC | 28056 | (704) 691-7876 |
| In Motion Group LLC<br>Nicholas Petruzzi | 2002 New Garden Road | Greensboro | NC | 27410 | (336) 763-5853 |
| Fourth Quarter Fitness, LLC<br>Tyler Biggins | 7288 Caldwell Road | Harrisburg | NC | 28075 | (704) 455-7535 |
| K Squared Ventures, LLC<br>Kevin Bailey, Kevin Pitts | 2923 N Center St | Hickory | NC | 28601 | (828) 855-0955 |
| AEP Fitness, LLC<br>Angela Maskill, Paul Maskill | 7276 GB Alford Hwy | Holly Springs | NC | 27540 | (919) 285-0926 |
| Hit Happens Huntersville, LLC<br>Conrad Hartle | 13015 Rosedale Hill Ave, Ste 14A | Huntersville | NC | 28078 | (704) 274-5062 |
| Outen Legacy, LLC<br>Angela Outen | 6443-B Old Monroe Rd. | Indian Trail | NC | 28079 | (980) 265-1574 |
| Garrison Fitness, LLC<br>Brooke Garrison | 929 Park Center Drive - Ste 102 | Matthews | NC | 28105 | (704) 321-0999 |
| Madd Fitness, LLC<br>Nancy Jones | 6816 Matthews Mint Hill Road, Ste 103 | Mint Hill | NC | 28227 | (980) 498-2203 |

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| Paid Fitness, LLC<br>Diana Brush, Conrad Hartle | 279 Williamson Rd.<br>Ste B | Mooresville | NC | 28117 | (704) 664-4419 |
| Shafeei Inc.<br>Jon Shafeei | 1131 Falls River Ave<br>Unit #102 | Raleigh | NC | 27614 | (919) 769-1002 |
| Fitness Gurus Corp<br>John Burkart | 3901 Providence Rd,<br>Ste F | Waxhaw | NC | 28173 | (980) 315-5365 |
| Cape Fear Kick Boxing, Inc.<br>Lynette Spinelli, Perry Spinelli | 7122 Market St, Ste<br>120 | Wilmington | NC | 28411 | (910) 839-8603 |
| Cape Fear Kick Boxing, Inc.<br>Lynette Spinelli, Perry Spinelli | 3301 Masonboro<br>Loop Rad, Cuite 103 | Wilmington | NC | 28409 | (910) 800-0246 |
| Cape Fear Kick Boxing, Inc.<br>Lynette Spinelli, Perry Spinelli | 1930 Eastwood Rd<br>130 | Wilmington | NC | 28403 | (910) 444-8030 |
| Freekie Fitness Corp<br>Terry Stanley | 4940 Martin View Ln | Winston-Salem | NC | 27104 | (336) 934-4190 |
| **North Dakota** | | | | | |
| **Ohio** | | | | | |
| Forconi Diversified, Inc.<br>Louis Forconi | 2100 Center Road | Avon | OH | 44011 | (440) 937-0360 |
| Chakel Investments, LLC<br>Kellie Colyer, Charlie Colyer | 9733 Kenwood Road | Cincinnati | OH | 45242 | (513) 891-3700 |
| ChaKel Investments, LLC<br>Charlie Colver, Kellie Colver | 8315 Beechmont Ave | Cincinnati | OH | 45255 | (513) 474-2200 |
| Imagine Entertainment LLC<br>Steve Madden, Christine Madden | 55 Ghent Rd | Fairlawn | OH | 44333 | (234) 678-5457 |
| Parsley Brothers Fitness, LLC<br>Solomon Parsley, Rachelle Parsley | 3391 McDowell Rd | Grove City | OH | 43123 | (614) 305-7213 |
| Parsley Brothers Fitness, LLC<br>Solomon Parsley | 2606 Hilliard-Rome<br>Rd | Hilliard | OH | 43026 | (614) 541-2475 |
| Blue Fitness, Inc.<br>Ankasenka Walker, Matthew<br>Chmielewski | 8927 S. Old State<br>Road | Lewis Center | OH | 43035 | (614) 781-2146 |
| PJ Fitness LLC<br>Patrick O'Neill, Jason Phillabaum | 4200 J Aero Dr | Mason | OH | 45040 | (513) 800-9755 |
| Get Some, Inc.<br>Steve Richie, Angela Crosby | 1506 S. Reynolds Rd | Maumee | OH | 43537 | (419) 794-0042 |
| Forconi Diversified, Inc.<br>Louis Forconi, Nancy Forconi | 19341 Detroit Rd | Rocky River | OH | 44116 | (440) 772-0009 |
| Pro-Fitness, LLC<br>Colbi Cousino and Dale Cousino | 5577 Monroe St, Ste<br>C2 | Sylvania | OH | 43560 | (419) 318-0668 |
| JRP Fitness LLC<br>Sharon Prince | 6071 Chandler Court | Westerville | OH | 43082 | (614) 392-2788 |
| **Oklahoma** | | | | | |
| **Oregon** | | | | | |
| J.I. Fitness, LLC<br>Jeff Ioan-Sanders, Ingrid Ioan-Sanders | 4105 SW 117th Ave,<br>Ste D | Beaverton | OR | 97005 | (503) 372-5166 |
| Kickbox Bend LLC<br>Stephanie Ruiz | 1404 NE 3rd St. Ste 1 | Bend | OR | 97701 | (541) 797-7959 |
| Bleiler Strong, LLC<br>Damen Bleiler, Crystal Bleiler | 5247 Commercial St<br>SE | Salem | OR | 97306 | (971) 599-1011 |
| **Pennsylvania** | | | | | |
| Kickboxing Bethlehem, LLC Israel<br>Ortiz | 3650 Nazareth Pike,<br>Rt 191 | Bethlehem | PA | 18020 | (610) 694-8107 |
| 59 North Holdings Inc<br>Alan Brock | 5 Franklin St. | Bryn Mawr | PA | 19010 | (484) 592-0306 |

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| JNM Holdings, LLC<br>John Martino, Natalie Martino | 33 W. Ridge Pike, Ste 309 | Limerick | PA | 19468 | (484) 974-2266 |
| SM&K Holdings Corp<br>William Shepardson | 3339 Washington Road | McMurray | PA | 15317 | (724) 299-3954 |
| Phoenixville Fitness, LLC<br>John Martino | 785 Starr St-Ste 112 | Phoenixville | PA | 19460 | (484) 974-2266 |
| **Rhode Island** | | | | | |
| **South Carolina** | | | | | |
| Penelope Blake Kicks Inc.<br>Leslie Deitch | 8210 Pinellas Dr #D | Bluffton | SC | 29910 | (843) 706-9856 |
| GGroup Fitness, LLC<br>Jon Gaminde | 2242 Boiling Springs Rd. | Boiling Springs | SC | 29316 | (864) 599-8989 |
| RK Holdings, LLC<br>Richard Kay, Robert Kay | 101 McCollum St. | Clemson | SC | 29631 | (864) 653-9910 |
| Rispress16, LLC<br>David Rispress, Ginida Rispress | 5424 Forest Drive Ste 120 | Columbia | SC | 29206 | (803) 497-3647 |
| Florence Fitness, Inc.<br>Chad Strawn, Jill Strawn | 2151 W Evans St Suite F | Florence | SC | 29501 | (843) 799-1497 |
| Whelchel-Wood Enterprises, Inc.<br>Joleen Whelchel, Tamara Wood | 507 Windslow Ave, Ste D | Gaffney | SC | 29341 | (864) 489-7774 |
| Money, LLC<br>Mills Stover | 3014 Augusta St Ste B | Greenville | SC | 29605 | (864) 528-5155 |
| Arzu Fitness, LLC<br>Chris Arzu | 10739 Broad River Rd, Ste F | Irmo | SC | 29063 | (803) 764-1957 |
| JAM Fitness, Inc.<br>Mike Spitzer, Julie Spitzer | 221 Latitude Lane | Lake Wylie | SC | 29710 | (803) 619-4533 |
| AYTYSB,LLC<br>Amanda Dozier and Francisco Martinez | 5343-J Sunset Blvd | Lexington | SC | 29072 | (803) 399-1468 |
| Jamie Kickboxing, LLC<br>Scott James | 569 Belle Station Blvd. | Mt. Pleasant | SC | 29464 | (843) 725-8899 |
| KMD Fit Corp<br>Kim Donahue | 3630 Walton Dr | Myrtle Beach | SC | 29577 | (843) 353-3232 |
| Dawson Group, Inc.<br>Dennis Carver, Kimberly Carver | 625 Crown Pointe Lane | Rock Hill | SC | 29730 | (803) 792-0319 |
| Knockout Fitness<br>Reba Cole, William Cole | 109 Grandview Dr. | Summerville | SC | 29483 | (843) 291-9464 |
| **South Dakota** | | | | | |
| KNAK Fitness, LLC<br>Aaron Krogman | 1738 6th St | Brookings | SD | 57006 | (605) 692-5595 |
| A-Squared<br>Rob Feller, Carey Feller | 1216 E. 57th St. | Sioux Falls | SD | 57108 | (605) 274-9977 |
| A-Squared<br>Rob Feller, Carey Feller | 8605 W. 26th St. | Sioux Falls | SD | 57106 | (605) 275-8855 |
| **Tennessee** | | | | | |
| Williams Fitness LLC<br>Marshall Williams | 330 Mayfield Dr. Ste A-14 | Franklin | TN | 37067 | (615) 224-3279 |
| JA Rice, LLC<br>Josh Rice, Abbie Rice | 1050 Glenbrook Way Ste #310 | Hendersonville | TN | 37075 | (615) 800-9088 |
| Ferrell Fitness, LLC<br>Lindsey Ferrell, Thomas Ferrell, David Greenway | 3061 Highway 45 Bypass, Ste A | Jackson | TN | 38305 | (731) 424-5200 |
| HJ Fitness, LLC<br>Halle Jane Wallace | 149 Wendelwood Dr, Ste B2 | Murfreesboro | TN | 37129 | (615) 546-0152 |

| Texas | | | | | |
|---|---|---|---|---|---|
| MN Ventures Ltd. LLC<br>Michael Noyes | 3713 Belt Line Road | Addison | TX | 75001 | (972) 882-6465 |
| BAAM I, LLC<br>Brenda Acosta, Alex Acosta, Meredith Conlon | 2300 S Lamar Blvd, Ste 105 | Austin | TX | 78704 | (512) 305-3868 |
| JBL Venture, LLC<br>John Lee Shannon Whiting | 10900 Research Blvd, Ste 150 | Austin | TX | 78759 | (512) 372-1030 |
| Kicking Boody, LLC<br>Stormy Johnson | 9900 W Parmer Ln, Ste 215 | Austin | TX | 78717 | (512) 900-6602 |
| BAAM I, LLC<br>Brenda Acosta, Alex Acosta, Meredith Conlon | 4631 Airport Blvd #119 | Austin | TX | 78751 | (512) 792-4224 |
| MJ's ATX Fitness, LLC<br>Michelle F. Jones, Jeffrey A. Jones | 8300 N FM 620, Building N, Suite 100 | Austin | TX | 78726 | (737) 236-0522 |
| Secret 4 LLC<br>Hemal Patel | 1517 W Hebron Pkwy, #104 | Carrollton | TX | 75010 | (972) 300-0030 |
| BAAM, LLC<br>Brenda Acosta, Alex Acosta, Meredith Conlon | 1821 S. Lakeline Blvd | Cedar Park | TX | 78613 | (512) 506-9339 |
| Jiggy Jae Enterprise, LLC<br>Vincent Rosas, Jr. | 2216 Texas Avenue South | College Station | TX | 77840 | (979) 696-2150 |
| R&J Fitness, LLC<br>Robert Martinez, Jennifer Martinez | 120 S Denton Tap Rd, Suite 310 | Coppell | TX | 75019 | (469) 444-9699 |
| Fasset Group LLC<br>Travis Woods | 7426 S Staples St, Ste 208 | Corpus Christi | TX | 78413 | (361) 844-9454 |
| JDSR, LLC<br>Robyn Scardino | 14034 Grant Rd, Ste 120 | Cypress | TX | 77429 | (713) 510-1500 |
| JDSR, LLC<br>Robyn Scardino | 10539 Fry Rd, Ste 400 | Cypress | TX | 77429 | (713) 510-1400 |
| BAAM, LLC<br>Brenda Acosta, Alex Acosta, Meredith Conlon | 11750 Barker Cypress Road, Suite F | Cypress | TX | 77433 | (281) 373-0909 |
| Emergent Executives LLC<br>Wil Baggett | 2525 Inwood Rd 129 | Dallas | TX | 75235 | (214) 302-8740 |
| Shuchaye, LLC<br>Hemal Patel | 5331 E Mockingbird Ln, Ste 105 | Dallas | TX | 75206 | (469) 554-0368 |
| Puro, LLC<br>Hemel Patel | 12835 Preston Road, Suite 213 | Dallas | TX | 77433 | (469) 297-3870 |
| SL Fitness, LLC<br>Tracy Schrader, Chris Loper | 7170 Skillman Street, Suite 160 | Dallas | TX | 75231 | (214) 989-6014 |
| Mountain Star Ventures, LLC<br>Martha Arana | 1513 N. Zaragoza Rd, Ste B | El Paso | TX | 79936 | (915) 849-8006 |
| Mountain Star Ventures, LLC<br>Martha Arana | 145 E Sunset, Ste B-100 | El Paso | TX | 79922 | (915) 584-2400 |
| Mountain Star Ventures, LLC<br>Martha Arana | 7470 Cimarron Market, Bldg 12. Suite 300 | El Paso | TX | 79911 | (915) 584-6463 |
| Ramdog Sports & Fitness, Inc.<br>Guillermo Diaz, Ivan Berumen | 3560 N. Zaragoza, Ste 205 | El Paso | TX | 79936 | (915) 706-4299 |
| Big Tex Taylor Inc.<br>Brian Taylor | 1901 Long Prairie Rd. | Flower Mound | TX | 75022 | (972) 355-5425 |
| Pushkara LLC<br>Hemal Patel | 3049 Greene Ave | Fort Worth | TX | 76109 | (817) 921-0502 |
| Secret 5 LLC | 5411 Basswood Blvd | Fort Worth | TX | 76137 | (817) 849-9348 |

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| Hemal Patel | Ste 221 | | | | |
| Kick30Fit, LLC<br>Richard Rose, Heather Rose | 8811 Teel Pkwy Ste # 120 | Frisco | TX | 75034 | (972) 294-5098 |
| Kincaid Properties, Inc.<br>Klaudia Kincaid | 950 W. University Ave. Suite 203 | Georgetown | TX | 78626 | (512) 677-6654 |
| Surround Enterprises, Inc<br>Joshua Gonzalez, Katrina Gonzalez | 11851 Bandera Rd Ste 109 | Helotes | TX | 78023 | (210) 699-4488 |
| Jab-n-kick, LLC<br>Walter Adams, Angela Dison, Meagan Adams | 2150 Justin Rd | Highland Village | TX | 75077 | (972) 317-3333 |
| MC Boxing Enterprises LLC Melissa Saldivar | 6134 Westheimer Rd. Ste B1 | Houston | TX | 77057 | (832) 341-0377 |
| Xstrom Enterprises, LLC<br>Pete Ekstrom | 1249 N. Loop W | Houston | TX | 77008 | (281) 888-3790 |
| ReViViFyre, LLCStanley Eapen, Ashish Gugnani | 8498 S Sam Houston Pkwy E 300 | Houston | TX | 77075 | (832) 224-6422 |
| Xstrom Enterprises, LLC<br>Pete Ekstrom, Myla Ekstrom | 2240 Navigation, Ste 700 | Houston | TX | 77003 | (281) 888-3790 |
| MPStrom Enterprises, LLC<br>Pete Ekstrom, Myla Ekstrom | 12379 Kingsride Ln | Houston | TX | 77024 | (832) 623-6313 |
| Xstrom Enterprises, LLC<br>Pete Ekstrom, Myla Ekstrom | 7613 Katy Freeway | Houston | TX | 77024 | (281) 888-3790 |
| NCAL Lifestyle, LLC<br>Nicole Lombardo | 4656 Beechnut | Houston | TX | 77096 | (832) 860-9086 |
| Pxstrom Enterprises, LLC<br>Pete Ekstrom, Myla Ekstrom | 2294 W Holcombe Blvd | Houston | TX | 77030 | (281) 888-3790 |
| Mahan Fitness, LLC<br>Thompson Abraham, Susy Abraham | 8538 Hwy 6 N | Houston | TX | 77095 | (832) 416-1005 |
| Pxstrom Enterprises, LLC<br>Pete Ekstrom, Myla Ekstrom | 17454A Northwest Freeway | Houston | TX | 77040 | (281) 888-3790 |
| Tip-Top Fitness, LLC<br>Rick Martinez | 9785 FM 1960 Bypass Rd East | Humble | TX | 77338 | (281) 570-6147 |
| Tip-Top Fitness, LLC<br>Rick Martinez | 6304 FM 1960 Rd East | Humble | TX | 77346 | (832) 777-1237 |
| Jab-N-Kick, LLC<br>Walter Adams, Meagan Adams and Angela Adams | 725 Airport Freeway Ste H | Hurst | TX | 76053 | (817) 282-0807 |
| PS Fitness, LLC<br>Perry Sanford, Shad Pellizzari | 2098 Muirfield Bend Dr., Suite 135 | Hutto | TX | 78634 | (512) 504-7380 |
| TVS FITNESS, LLC<br>Artie Toevs, Jane Toevs | 1806 Avenue D Ste 108 | Katy | TX | 77493 | (281) 371-0080 |
| TVS FITNESS, LLC<br>Artie Toevs, Jane Toevs | 6420 FM 1463 Road, Ste 500 | Katy | TX | 77494 | (281) 394-9719 |
| TVS FITNESS, LLC<br>Artie Toevs, Jane Toevs | 20680 Westheimer Pkwy, Ste 80 | Katy | TX | 77450 | (832) 321-4334 |
| Matador Consulting Group, LLC<br>Charles Clements, Jessica Clements | 22720 Morton Ranch Rd | Katy | TX | 77449 | (281) 769-3743 |
| Kickboxing Circuit Training, LLC<br>Carson Tucker, Lauren Tucker | 29711 Kingsland Blvd, Suite 600 | Katy | TX | 77423 | (281) 746-3314 |
| JY Riddle Inc.<br>James Riddle, Yvonne Riddle | 900 S Main, Ste 340 | Keller | TX | 76248 | (817) 929-8913 |
| Carlos Gil Jr. LLC<br>Carlos Gil, Jr. | 3402 Del Mar Blvd, Suite 150 | Laredo | TX | 78041 | (956) 997-5859 |
| MYOL Enterprises, LLC<br>Eric Neat | 2906 Bagdad Rd, Ste 280 | Leander | TX | 78641 | (512) 843-3925 |

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| Double M Fit, Inc.<br>Noe Meza | 5113 North 10th Street Ste B | McAllen | TX | 78504 | (956) 800-4411 |
| Steelhouse Productions, Inc.<br>Neil Perez | 301 N. Cluster Road | McKinney | TX | 75071 | (469) 634-1510 |
| She Beast Fitness Enterprise, LLC<br>Cheryl Torres | 1024 Andrews Hwy, Ste A | Midland | TX | 79701 | (432) 247-5850 |
| Pitones Investments, LLC<br>Jose Pitones | 2310 E. Expressway 83 Ste 6 | Mission | TX | 78572 | (956) 424-6742 |
| Denovo Fitness, LLC<br>Melissa Michelle Senich | 9101 Sienna Crossing Dr., Suite 100 | Missouri City | TX | 77459 | (346) 816-6186 |
| ProFit TX LLC<br>Michael Reeter, Tatiana Penners | 312 FM-306 #100 | New Braunfels | TX | 78130 | (830) 214-2818 |
| ProFit TX, LLC<br>Michael Reeter, Tatiana Penners | 1928 W State Hwy 46. #112 | New Braunfels | TX | 78132 | (830) 214-2814 |
| She Beast Fitness Enterprise, LLC<br>Cheryl Torres | 3600 Billy Hext Rd. Ste 101 | Odessa | TX | 79765 | (432) 552-8588 |
| JT Schwartz LLC<br>Tamra Schwartz, Jonathan Schwartz | 15718 South Fwy, Ste 150 | Pearland | TX | 77584 | (832) 328-7800 |
| Dr. X Fitness, LLC<br>Wenbo Xie, Meng GE | 6509 W Park Blvd, Suite 465 | Plano | TX | 75093 | (972) 525-0485 |
| Kettlestrong, LLC<br>Patricia Kettlewell, Casey Kettlewell, Susan Kettlewell | 825 Plantation Dr. Ste 130 | Richmond | TX | 77406 | (832) 240-1444 |
| Blue Noble Enterprises, LLC<br>Brian Hill, Robin Hill | 8620 Grand Mission Blvd | Richmond | TX | 77407 | (346) 326-1550 |
| JP&JC Fitness, LLC<br>Joshua Ruelas | 535 Minonite Rd, Ste 106 | Rosenberg | TX | 77469 | (832) 344-0232 |
| SP Fitness, Inc.<br>Perry Sanford, Shad Pellizzari | 1400 E Old Settlers Blvd, Ste 301 | Round Rock | TX | 78665 | (512) 850-7369 |
| Surround Enterprises, Inc.<br>Josh Gonzalez, Katrina Gonzalez | 9822 Potranco Rd. Ste 103 | San Antonio | TX | 78251 | (210) 374-9763 |
| GYM25, LLC<br>Robert Hyman | 20210 Stone Oak Pkwy, Ste #103 | San Antonio | TX | 78258 | (210) 551-9224 |
| Surround Enterprises, Inc.<br>Josh Gonzalez, Katrina Gonzalez | 14439 NW Military Hwy | San Antonio | TX | 78230 | (210) 943-5955 |
| Surround Enterprises, Inc.<br>Josh Gonzalez, Katrina Gonzalez | 7338 Louis Pasteur Dr | San Antonio | TX | 78229 | (210) 346-1288 |
| Surround 210, LLC<br>Danielle Lynch, James Lynch, Katrina Gonzalez, Josh Gonzalez | 5514 Lonestar Pkwy, Ste 105 | San Antonio | TX | 78253 | (210) 699-4488 |
| Team Z Fitness, LLC<br>Manuel Zurita, Corrine Ariel Zurita | 23718 IH-10 W | San Antonio | TX | 78257 | (210) 460-7588 |
| C & A United, LLC<br>Carlos De La Cruz, Annette De La Cruz | 18235 Bulverde Rd Ste 103 | San Antonio | TX | 78259 | (210) 802-5771 |
| Holy Half-Dozen Fitness, LLC<br>Byron McWilliams, Jordon McWilliams | 102 Wonder World Dr, Ste 205 | San Marcos | TX | 7866 | (512) 749-1008 |
| GPC Fitness, LLC<br>Claudia Ozuna, Hyanhwa No | 20444 Kuykendahl Rd, Ste B | Spring | TX | 77379 | (832) 299-5103 |
| JPG Fitness, Inc.<br>Joshua Ruelas | 17310 W Grand Pkwy | Sugar Land | TX | 77479 | (832) 363-1574 |
| ReViViFyre, LLC<br>Stanley Eapen, Ashish Gugnani | 6506 Hwy 90 | Sugar Land | TX | 77498 | (281) 406-3011 |
| Kincaid Properties, Inc. | 7425 W Adams Ave, | Temple | TX | 76502 | (254) 727-4004 |

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| Klaudia Kincaid | Ste 140 | | | | |
| Dr. X Fitness<br>Wenbo Xie, Meng Ge | 4750 S Colony Blvd, Ste 100 | The Colony | TX | 75056 | (972) 332-5585 |
| Petrocchi Investments, LLC<br>Cecilia Quintanilla Petrocchi | 24914 Kuykendahl Rd, Ste D | The Woodlands | TX | 77375 | (281) 303-5707 |
| Ora Fitness, LLC<br>Jaen Estrada | 30420 FM 2978 | The Woodlands | TX | 77354 | (832) 922-7040 |
| Petrocchi Investments, LLC<br>Cecilia Quintanilla Petrocchi | 4775 W Panther Creek Dr | The Woodlands | TX | 77381 | (281) 651-2746 |
| Shilpa Puranik Holdings, Inc.<br>Shilpa Paul, Ajay Paul | 2550 Bobcat Blvd, Ste 110 | Trophy Club | TX | 76262 | (817) 490-9763 |
| RH Athletics<br>Rodricus Harvey | 912 Coronado Blvd | Universal City | TX | 78148 | (210) 399-9197 |
| Pepper-Tyson, Inc.<br>Chris Brown | 8810 Woodway Dr, Ste 310 | Waco | TX | 76712 | (254) 946-1920 |
| **United Virgin Islands** | | | | | |
| **Utah** | | | | | |
| Toned Fitness, LLC<br>Rachel Moss, Brandon Moss | 5406 W 11100 North | Highland | UT | 84003 | (801) 734-9925 |
| JL Kickboxing, LLC<br>Lisa Dodds, Jason Dodds | 97 S State St | Orem | UT | 84058 | (801) 734-9919 |
| DrUtah, LLC<br>Drew Davitt, Diana Davitt, Sabrina Davitt, Jay Davitt | 12664 S Redwood Rd | Riverton | UT | 84065 | (801) 999-0534 |
| **Vermont** | | | | | |
| **Virginia** | | | | | |
| Venator Global, LLC<br>Ross Flores, Sherie Flores | 1770 Timberwood Blvd., Ste105 | Charlottesville | VA | 22911 | (434) 974-9000 |
| Venator Global, LLC<br>Ross Flores, Sherie Flores | 1956 Abbey Rd | Charlottesville | VA | 22911 | (434) 295-9000 |
| JAKOB 1 Athletics, LLC<br>Bryant Woodson, Kathleen Woodson | 9998 Sowder Village Square | Manassas | VA | 20109 | (571) 229-7305 |
| Phlogiston Fitness, LLC<br>Jessica Braswell | 2363 Roux Street Suite 103 | Richmond | VA | 23230 | (804) 415-6699 |
| Relake Inc.<br>Mamode Ufomata | 6410 Brandon Avenue | Springfield | VA | 22150 | (703) 923-0900 |
| 9Round Hampton Roads LLC<br>Jenna Brown, Jeff Brown | 2301 Urchin Rd | Virginia Beach | VA | 23451 | (757) 321-2933 |
| Shapes to Come Fitness<br>Sean Joslin, Natalie Joslin | 218A Monticello | Williamsburg | VA | 23185 | (757) 206-1668 |
| TCH Athletics, LLC<br>Todd Heron, Colleen Handle | 5556 Staples Mill Plaza | Woodbridge | VA | 22193 | (703) 910-3315 |
| No Excuses, LLC<br>Jennifer Zachau, William Royal | 5005 Victory Blvd | Yorktown | VA | 23693 | (757) 369-8343 |
| **Washington** | | | | | |
| K&L Fitness, Inc.<br>Lori Stauffer, Keith Stauffer | 20825 Hwy 410 | Bonney Lake | WA | 98391 | (253) 501-6983 |
| Ladybug Fitness, LLC<br>Marne Garcia | 18404 120th Ave NE, Unit 103 | Bothell | WA | 98011 | (425) 908-0522 |
| Olson Fitness, LLC<br>Tim Olson | 4793 Point Fosdick Dr. NW, Ste 100 | Gig Harbor | WA | 98335 | (253) 514-6670 |
| Alpha Niner, LLC<br>Truong Luu, Effie Condie | 1012 NE Park Dr | Issaquah | WA | 98029 | (425) 954-7450 |
| KAT Fitness, LLC | 321 N Columbia | Kennewick | WA | 99336 | (509) 579-4487 |

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| Nicole Derryberry, Jeff Derryberry | Center Blvd, Ste B | | | | |
| Jab Kross Fitness, LLC<br>Jeremy Schneider | 314 Central Way | Kirkland | WA | 98033 | (425) 310-2108 |
| Team Ketter, LLC<br>Zack Ketter | 26826 Maple Valley Highway | Maple Valley | WA | 98038 | (425) 310-2520 |
| J&K Fitness, LLC<br>Jeremy Schneider | 13416 Bothell Everett Hwy, Suite 205 | Mill Creek | WA | 98012 | (425) 224-5751 |
| SLiK Fitness, LLC<br>Keith Stauffer, Lori Stauffer, Sara Guck | 16116 Meridian Ave E, Ste B | Puyallup | WA | 98375 | (253) 697-0204 |
| Lucas Wortman, Marisa Wortman | 6212 N Division St. | Spokane | WA | 99208 | (509) 315-4016 |
| Mourar Power Fitness<br>Patrick Mourar, Tracy Mourar | 13220 E Sprague Ave | Spokane Valley | WA | 99216 | (509) 241-3736 |
| Olson Fitness, LLC<br>Tim Olson | 5902 6th Ave, Ste B | Tacoma | WA | 98406 | (253) 328-6951 |
| Apex Fitness & Health Inc.<br>Mark Erickson | 2714 NE 114th Ave. Ste 2 | Vancouver | WA | 98684 | (360) 448-7473 |
| **West Virginia** | | | | | |
| **Wisconsin** | | | | | |
| Hulk Smash, LLC<br>Breanna McKenny | 340 N Westhill Blvd | Appleton | WI | 54914 | (920) 540-8090 |
| Hulk Smash, LLC<br>Breanna McKenny | N474 Eisenhower Drive | Appleton | WI | 54915 | (920) 809-9646 |
| CINNIC, LLC<br>Cindy Erato, Nicole Semanski | 7720 S Lovers Lane Rd, Ste 200 | Franklin | WI | 53132 | (414) 377-9770 |
| Szohr Fitness<br>Brian Szohr | N112W16510 Mequon Road | Germantown | WI | 53022 | (262) 253-1381 |
| RAH Fitness, LLC<br>Rebecca Haehle | 1359 Port Washington Road | Grafton | WI | 53024 | (262) 292-1419 |
| D&J's Health & Fitness, LLC<br>Daniel Cortez, Jamie Davis | 6186 W Layton Ave | Greenfield | WI | 53220 | (414) 346-7080 |
| RAH Fitness, LLC<br>Rebecca Haehle | 11521 N Port Washington Rd | Mequon | WI | 53092 | (262) 292-1419 |
| RAH Fitness, LLC<br>Rebecca Haehle | 6969 N Port Washington Rd, Unit B180 | Milwaukee (Glendale) | WI | 53217 | (262) 385-4985 |
| RNL Fitness, LLC<br>Rodger Videkovich, Lori Videkovich | 545 Bay View Rd, Ste D | Mukwonago | WI | 53149 | (262) 278-6200 |
| Hulk Smash, LLC<br>Breanna McKinney | 1164 Westowne Dr | Neenah | WI | 54956 | (920) 215-3012 |
| CINNIC, LLC<br>Cindy Erato, Nicole Semanski | 15157 W National Ave | New Berlin | WI | 53151 | (262) 439-8102 |
| Cain Fitness 2, LLC<br>Petrina Cain, Gerald Cain | 8907 S Howell Ave, Unit 1000 | Oak Creek | WI | 53154 | (414) 764-6680 |
| C & J Fitness, LLC<br>Justin Murphy, Cassandra Niles | 1623 W. 20th Ave | Oshkosh | WI | 54902 | (920) 385-4497 |
| Cain Fitness<br>Petrina Cain, Gerald Cain | 6100 Washington Ave Ste E2 | Racine | WI | 53406 | (262) 484-9910 |
| Gleason Acquisition Group, LLC<br>Douglas Gleason | 2014 W. Silvernail Rd | Waukesha | WI | 53072 | (262) 574-6909 |
| KB Tosa, LLC<br>Garrett Stangel | 7954 Harwood Ave, Ste 140 | Wauwatosa | WI | 53213 | (414) 395-8545 |
| **Wyoming** | | | | | |

**Franchisees with Signed Franchise Agreement, but Outlet not Open as of December 31, 2020**

| | | | | | |
|---|---|---|---|---|---|
| **Alabama** | | | | | |
| RJS Holdings, LLC Rajvinder Singh, Scott Shepherd, Jeremy Bryant | TBD | Birmingham | AL | TBD | R.Singh@9Round.com |
| South Alabama Fitness, LLC Luke Landry, Richard Rottger | TBD | Daphne | AL | TBD | Luke.Landry@9Round.com |
| Meat Heads LLC Jason Howard, Zach Mitchell | TBD | Decatur | AL | TBD | Jason.Howard@9round.com |
| South Alabama Fitness, LLC Luke Landry, Richard Rottger | TBD | Fair Hope | AL | TBD | Luke.Landry@9Round.com |
| Jim Jams Gym, LLC Justin Collins | TBD | Foley | AL | TBD | Justin.Collins@9round.com |
| Kicking Bump, LLC Stephen Bump | TBD | Huntsville | AL | TBD | steve.bump@9round.com |
| RJS Holdings, LLC Rajvinder Singh, Scott Shepherd, Jeremy Bryant | TBD | Tuscaloosa | AL | TBD | R.Singh@9Round.com |
| **Alaska** | | | | | |
| **Arizona** | | | | | |
| Anderson Fitness Inc. Robin Anderson, Mikel Anderson | TBD | Chandler | AZ | TBD | Mikel.Anderson@9round.com |
| Anderson Fitness Inc. Robin Anderson, Mikel Anderson | TBD | Phoenix | AZ | TBD | Mikel.Anderson@9round.com |
| M-D Investor - East Lansing, L.L.C. Jason McClary | TBD | Tempe | AZ | TBD | 9RoundCoMo@9round.com |
| M-D Investor - East Lansing, L.L.C. Jason McClary | TBD | Tempe | AZ | TBD | 9RoundCoMo@9round.com |
| **Arkansas** | | | | | |
| **California** | | | | | |
| HJJ Family, Inc John Han | TBD | Alameda | CA | TBD | John.han@9round.com |
| TrinityFit, Inc. Steve Rousey | TBD | Anaheim | CA | TBD | Steve.rousey@9round.com |
| Average Joe, Inc. Stephanie Zatzke | TBD | Arroyo Grande | CA | TBD | Stephanie.Zatzke@9round.com |
| Edward Letro, Irene Letro | TBD | Davis | CA | TBD | lwfitness@9round.com |
| Awaken Fitness LLC Ana Marie Borzileri | TBD | Dublin | CA | TBD | AnaMarie.Borzileri@9round.com |
| 7Strong, LLC Peter Martinez | TBC | Eastvale | CA | TBD | Peter.Martinez@9round.com |
| Brant Adornato | TBD | Fremont | CA | TBD | Brant.Adornato@9round.com |
| 24 Hour Fitness | TBD | Fremont | CA | TBD | Gregg.Meheriuk@9round.com |
| Silvia Salgado | TBD | Fullerton | CA | TBD | Silvia.Salgado@9round.com |
| Dejayh Inc. Daniel Hawkins | TBD | Hawthorne | CA | TBD | Daniel.hawkins@9round.com |
| True Power Enterprises Holly Tabrizi | TBD | Irvine | CA | TBD | holly@9round.com |

| | | | | | |
|---|---|---|---|---|---|
| Nandu Tangella, Hu Li | TBD | Irvine | CA | TBD | Nandu@9round.com |
| AR MGT INC.<br>Adam Rubanenko and Roy Rubanenko | TBD | Los Angeles | CA | TBD | Roy.Rubanenko@9round.com |
| Punch Rig, Inc.<br>Tom Beyer | TBD | Martinez | CA | TBD | Tom.Beyer@9round.com |
| SkyLine Fitness International, LLC<br>Grace Leigh, Quan Zou | TBD | Newport Beach | CA | TBD | Grace.Leigh@9round.com |
| Louis Lee | TBD | Orange | CA | TBD | Louis.Lee@9round.com |
| Herzog Ricci, LLC<br>Melissa Herzog, Anthony Ricci | TBD | Rancho Cucamonga | CA | TBD | Melissa.Herzog@9round.com |
| Brant Adornato | TBD | San Jose | CA | TBD | Brant.Adornato@9round.com |
| Bradass Fitness, Inc.<br>G. Brad Vandeman | TBD | Santa Monica | CA | TBD | Brad.Vandeman@9round.com |
| Maudi II LLC<br>Mauricio Acevedo, Miranda Acevedo | TBD | Santa Monica | CA | TBD | Mauricio.Acevedo@9round.com |
| Brant Adornato | TBD | Sunnyvale | CA | TBD | Brant.Adornato@9round.com |
| Cohen SW, LLC<br>Serge Cohen, Wendy Cohen | TBD | Temecula | CA | TBD | wendy.cohen@9round.com |
| **Colorado** | | | | | |
| Evolution Energy Partners, LLC<br>Jason H. Gaines, Casey Korejwo | TBD | Centennial | CO | TBD | jason.gaines@9round.com |
| Anne Lee Haizlip McRea | TBD | Denver | CO | TBD | Anne.lee@9round.com |
| Evolution Energy Partners, LLC<br>Jason H. Gaines, Casey Korejwo | TBD | Denver (Aurora) | CO | TBD | jason.gaines@9round.com |
| Evolution Energy Partners, LLC<br>Jason H. Gaines, Casey Korejwo | TBD | Denver (Castle Rock) | CO | TBD | jason.gaines@9round.com |
| Erin Vallier | TBD | Golden | CO | TBD | Erin.Vallier@9round.com |
| Evolution Energy Partners, LLC<br>Jason H. Gaines, Casey Korejwo | TBD | Lone Tree | CO | TBD | jason.gaines@9round.com |
| Melissa Lantz | TBD | Monument | CO | TBD | Melissa.Lantz@9round.com |
| **Connecticut** | | | | | |
| **Delaware** | | | | | |
| Kelli Hosier | TBD | Newark | DE | TBD | kelli.hosier@9round.com |
| **District of Columbia** | | | | | |
| MARIJ Corporation Mahmood Anwar, Ricky Jackson | TBD | Washington DC | DC | TBD | mahmood_2099@hotmail.com |
| A Squared Fitness and Health LLC<br>Hasan Ashshaheed, Krista Ashshaheed | TBD | Washington DC | DC | TBD | Hasan.Ashshaheed@9round.com |
| **Florida** | | | | | |
| 221 E. Palmetto LLC<br>John Elash | TBD | Boca Raton | FL | TBD | John.elash@9round.com |
| I&N Enterprises, Inc<br>Ira Neasman, Lynne Neasman | TBD | Cooper City | FL | TBD | neasman@9round.com |
| Marlon Thompson, Ryan Nolte | TBD | Davie | FL | TBD | Marlon.Thompson@9round.com |
| Marlon Thompson, Ryan Nolte | TBD | Ft. Lauderdale | FL | TBD | Marlon.Thompson@9round.com |
| McClary Investments - Gainesville, LLC<br>Jason McClary | TBD | Gainesville | FL | TBD | 9roundcomo@9round.com |

| | | | | | |
|---|---|---|---|---|---|
| Slowey Holdings, LLC<br>Elizabeth Slowey | TBD | Hallandale | FL | TBD | Elizabeth.Slowey@9round.com |
| Five Schell, LLC<br>Edward Wayne Schell | TBD | Jupiter | FL | TBD | Wayne.Schell@9round.com |
| K&K Group LLC<br>Kim Jochim, Kara Ince | TBD | Largo | FL | TBD | kim.jochim@9round.com |
| Tamara Serrano, Maria Serrano | TBD | Miami Beach | FL | TBD | tamara.serrano@9round.com |
| Marlon Thompson, Ryan Nolte | TBD | Oakland Park | FL | TBD | Marlon.Thompson@9round.com |
| Wakefit LLC<br>David Hair | TBD | Orlando | FL | TBD | david.hair@9round.com |
| Wakefit, LLC<br>David Hair, Austin Hair | TBD | Orlando | FL | TBD | david.hair@9round.com |
| JJM Wellness<br>Bill Hentschel Tracie Hentschel | TBD | Orlando | FL | TBD | bill.hentschel@9round.com |
| M-D Investor - East Lansing, L.L.C. McClary; McClary Investments - East Lansing, LLC / JM Generic Associates - East Lansing, LLC | TBD | Orlando | FL | TBD | 9roundcomo@9round.com |
| Deb Leonard | TBD | Orlando | FL | TBD | Deb.Leonard@9round.com |
| K&K Group LLC<br>Kim Jochim Kara Ince | TBD | Palm Harbor | FL | TBD | kim.jochim@9round.com |
| Next Level Performance LLC<br>Alfredo Brown, Karin Brown | TBD | Sunrise | FL | TBD | Alfredo.Brown@9round.com |
| Chris Hermann | TBD | Tampa | FL | TBD | HendersonBlvdTampaFL@9round.com |
| C&J Fitness, LLC<br>Charla Griffith, James Griffith | TBD | Tampa | FL | TBD | Charla.Griffith@9round.com |
| I&N Enterprises, Inc<br>Ira Neasman Lynne Neasman | TBD | Weston | FL | TBD | neasman@9round.com |
| BossCompany, LLC<br>Michael Mott | TBD | Winter Park | FL | TBD | Michael.Mott@9round.com |
| **Georgia** | | | | | |
| Geri Gonsalves Fitness, LLC<br>Geri Gonsalves, Jacqueline Ward-Gonsalves | TBD | Atlanta | GA | TBD | Geri.gonsalves@9round.com |
| Sydelle Strickman | TBD | Kennesaw | GA | TBD | Sydelle.Strickman@9round.com |
| **Hawaii** | | | | | |
| **Idaho** | | | | | |
| **Illinois** | | | | | |
| E. Martin Harrison | TBD | Bloomington | IL | TBD | Martin.harrison@9Round.com |
| M-D Investor - East Lansing, L.L.C. McClary; McClary Investments - East Lansing, LLC / JM Generic Associates - East Lansing, LLC | TBD | Champaign | IL | TBD | 9roundcomo@9round.com |
| North Shore 9Round, LLC Kyle Kurz, Abby Kurz, Linda Mayer, Tom Mayer | TBD | Evanston | IL | TBD | Northbrook@9Round.com |
| MCPHYS LLC<br>Becky Nickish - Venuti | TBD | Fairview Heights | IL | TBD | Becky.Venuti@9round.com |

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|---|---|---|---|---|---|
| **Indiana** | | | | | |
| M-D Investor - East Lansing, L.L.C. McClary; McClary Investments - East Lansing, LLC / JM Generic Associates - East Lansing, LLC | TBD | Indianapolis | IN | TBD | 9roundcomo@9round.com |
| **Iowa** | | | | | |
| Hoeger Fitness, LLC<br>Jennifer Hoeger | TBD | Coralville | IA | TBD | Jennifer.hoeger@9round.com |
| Lisa Syfert | TBD | Des Moines | IA | TBD | Lisa.Syfert@9round.com |
| Lisa Syfert | TBD | Urbandale | IA | TBD | Lisa.Syfert@9round.com |
| **Kansas** | | | | | |
| Persistence LLC<br>Jeff Jenkins | TBD | Overland Park | KS | TBD | jeff.jenkins@9Round.com |
| **Kentucky** | | | | | |
| **Louisiana** | | | | | |
| **Maine** | | | | | |
| THF2 ,LLC<br>Ted Rioux | TBD | Scarborough | ME | TBD | Ted.Rioux@9round.com |
| THF1, LLC<br>Ted Rioux | TBD | Westbrook | ME | TBD | Ted.Rioux@9round.com |
| **Maryland** | | | | | |
| MARIJ Corporation Mahmood Anwar, Ricky Jackson | TBD | Silver Spring | MD | TBD | Mahmood.Anwar@9round.com |
| **Massachusetts** | | | | | |
| DEE LOBO Fit, Inc.<br>Destiny Lopez | TBD | Worcester | MA | TBD | Destiny.Lopez@9round.com |
| **Michigan** | | | | | |
| M-D Investor - East Lansing, L.L.C. McClary; McClary Investments - East Lansing, LLC / JM Generic Associates - East Lansing, LLC | TBD | East Lansing | MI | TBD | 9roundcomo@9round.com |
| Healthy Ever After Inc.<br>Vyacheslav Royzenblat | TBD | Novi | MI | TBD | slava@9round.com |
| Bond Health & Fitness, LLC<br>Michelle Bond | TBD | Saline | MI | TBD | michelle.bond@9round.com |
| **Minnesota** | | | | | |
| FitMN Inc.<br>Brett Furber | TBD | Chanhassen | MN | TBD | Brett.Furber@9round.com |
| Cavin Enterprises Corporation<br>Liam Cavin | TBD | Coon Rapids | MN | TBD | liam.cavin@9round.com |
| Twin Ports Kickboxing, LLC<br>Geoffrey Rich | TBD | Duluth | MN | TBD | Geoffrey.Rich@9round.com |
| ABBELS, LLC<br>Prabhath Perera | TBD | Eagan | MN | TBD | prab.perera@9round.com |
| uFitness, Inc.<br>Ryan Pederson and Heather Dekan | TBD | Hopkins | MN | TBD | ufitness@9round.com |
| A&R LLC<br>Abhi Nath, Raeshma Jacob | TBD | Lakeville | MN | TBD | Abhi.Raeshma@9round.com |
| 3C's, Inc.<br>David deNeui Tracee deNeui | TBD | Maple Grove | MN | TBD | david@9round.com |
| uFitness, Inc. | TBD | Minneapolis | MN | TBD | ufitness@9round.com |

| | | | | | |
|---|---|---|---|---|---|
| Ryan Pederson and Heather Dekan | | | | | |
| uFitness, Inc.<br>Ryan Pederson and Heather Dekan | TBD | Minneapolis | MN | TBD | ufitness@9round.com |
| uFitness, Inc.<br>Ryan Pederson and Heather Dekan | TBD | Minnetonka | MN | TBD | ufitness@9round.com |
| Cavin Enterprises Corporation<br>Liam Cavin | TBD | Richfield | MN | TBD | liam.cavin@9round.com |
| Cavin Enterprises Corporation<br>Liam Cavin | TBD | St. Paul | MN | TBD | liam.cavin@9round.com |
| **Mississippi** | | | | | |
| **Missouri** | | | | | |
| Atlantis Sands Captial Mgt Inc<br>Neal Hutsler | TBD | Springfield | MO | TBD | neal.hutsler@9round.com |
| M-D Investor - East Lansing, L.L.C. McClary; McClary Investments - East Lansing, LLC / JM Generic Associates - East Lansing, LLC | TBD | University City | MO | TBD | 9roundcomo@9round.com |
| **Montana** | | | | | |
| **Nebraska** | | | | | |
| Get After It, LLC<br>Todd Vettel, Tim Vettel, Melissa Vettel, Teresa Vettel | TBD | Grand Island | NE | TBD | Todd.Vettel@9round.com |
| **Nevada** | | | | | |
| NRG, LLC<br>Richard Kudrna, Nicole Kudrna | TBD | Gardnerville | NV | TBD | Richard.Kudrna@9round.com |
| **New Hampshire** | | | | | |
| Bodies by Design of New England LLC<br>Sandy Lyon, Patrick Lyon | TBD | Concord | NH | TBD | lyon@9round.com |
| **New Jersey** | | | | | |
| BCB Strong, LLC<br>Brian Bagrier | TBD | Morristown | NJ | TBD | Brian.bagrier@9round.com |
| **New Mexico** | | | | | |
| **New York** | | | | | |
| Move 4ward Corp<br>Roberth Chinga and Nakia Colon | TBD | New York | NY | TBD | Roberth.Chinga@9round.com |
| Felicia Fiore, Angela Fiore | TBD | New York | NY | TBD | Felicia.Fiore@9round.com |
| **North Carolina** | | | | | |
| Barry Craver | TBD | Charlotte | NC | TBD | Barry.Craver@9round.com |
| Geraldine Tyrance, Chinita Tyrance, Terrell Tyrance | TBD | Concord | NC | TBD | tyrance@9round.com |
| Matthew Rutkowski | TBD | Concord | NC | TBD | Matthew.Rutkowski@9round.com |
| K2 Fitness, LLC<br>Kevin Barnes, Keith Jones | TBD | High Point | NC | TBD | Kevin.Barnes@9round.com |
| Cielo Enterprises<br>Kristen Doherty | TBD | Raleigh | NC | TBD | Kristen.Doherty@9round.com |
| J&I Fitness, LLC<br>Irina Lavigne | TBD | Raleigh | NC | TBD | irina.lavigne@9round.com |
| **North Dakota** | | | | | |

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|---|---|---|---|---|---|
| **Ohio** | | | | | |
| Forconi Diversified, Inc. Louis Forconi, Nancy Forconi | TBD | Amherst | OH | TBD | Forconi@9round.com |
| Chakel Investments, LLC Kellie Colyer, Charlie Colyer | TBD | Cincinnati | OH | TBD | kellie.colyer@9round.com |
| Parsley Brothers Fitness, LLC Solomon Parsley | TBD | Grandview | OH | TBD | solomon.parsley@9round.com |
| Forconi Diversified, Inc. Louis Forconi, Nancy Forconi | TBD | Strongsville | OH | TBD | lou.forconi@9round.com |
| **Oklahoma** | | | | | |
| **Oregon** | | | | | |
| Core-Strong, Inc. Steve Terreault | TBD | Beaverton | OR | TBD | Steve.pdx@9round.com |
| Twenty-Two 5 Fitness, LLC LeeAnn Talbott | TBD | Lake Oswego | OR | TBD | LeeAnn.Talbott@9round.com |
| Core-Strong, Inc. Steve Terreault | TBD | Tigard | OR | TBD | Steve.pdx@9round.com |
| **Pennsylvania** | | | | | |
| 59 North Holdings, Inc. Alan Brock | TBD | Ardmore | PA | TBD | Alan.brock@9round.com |
| SM&K Holdings Corp Andrew Chung, Michelle Chung | TBD | Bridgeville | PA | TBD | Andrew.Chung@9round.com |
| Mizzi Fitness Enterprises, LLC Ken Mizzi, Judy Mizzi | TBD | Wexford | PA | TBD | Ken.Mizzi@9round.com |
| **Rhode Island** | | | | | |
| **South Carolina** | | | | | |
| KISS, LLC Leslie Mastranunzio, Timothy Wickey | TBD | James Island | SC | TBD | Leslie.Mastranunzio@9round.com |
| GGroup Fitness, LLC Jon Gaminde | TBD | Spartanburg | SC | TBD | jon.gaminde@9round.com |
| **South Dakota** | | | | | |
| **Tennessee** | | | | | |
| Will Fit LLC Craig Jones, Angela Jones | TBD | Brentwood | TN | TBD | Craig.Jones@9round.com |
| Marshall Williams | TBD | Hermitage | TN | TBD | Marshall.Williams@9round.com |
| Trifecta Fitness, Inc. Tommy Holliday | TBD | Maryville | TN | TBD | Tommy.Holliday@9round.com |
| Bender Fitness LLC Amy Bender, Teddy Bender | TBD | Mt. Juliet | TN | TBD | Amy.Bender@9round.com |
| Will Fit LLC Craig Jones, Angela Jones | TBD | Springhill | TN | TBD | Craig.Jones@9round.com |
| **Texas** | | | | | |
| SL Fitness, LLC Tracy Schrader, Chris Loper | TBD | Allen | TX | TBD | Tracy.Schrader@9round.com |
| Stormy Johnson | TBD | Austin | TX | TBD | stormy.johnson@9round.com |
| Rebecca Kumar, Vanessa Grabbe | TBD | Cedar Park | TX | TBD | Rebecca.kumar@9round.com |
| Claudia Ozuna, Belinda Cristina Benavides Garcia | TBD | Conroe | TX | TBD | Claudia.Ozuna@9round.com |
| J Scott and K Red, LLC Jordan Scott and Kyle Redinger | TBD | Coppell | TX | TBD | Jordan.Scott@9round.com |
| Maham Fitness LLC | TBD | Cypress | TX | TBD | Thompson.AbrahaA@9round. |

| | | | | | |
|---|---|---|---|---|---|
| Thompson Abraham, Susy Abraham | | | | | com |
| TIFS Group LLC<br>Tajdid Hossain, Safi Mahmood | TBD | Cypress | TX | TBD | Tajdid.Hossain@9round.com |
| Maruti Corp<br>Hemal Patel | TBD | Dallas | TX | TBD | Hemal.Patel@9round.com |
| Michael Spencer | TBD | Dallas | TX | TBD | Michael.spencer@9round.com |
| SL Fitness, LLC<br>Tracy Schrader, Chris Loper | TBD | Dallas | TX | TBD | Tracy.Schrader@9round.com |
| Emergent Executives, LLC<br>Will Baggett | TBD | Dallas | TX | TBD | Will.Baggett@9round.com |
| Rojas Enterprises, LLC<br>Mark Rojas | TBD | El Paso | TX | TBD | mark.rojas@9round.com |
| Mountain Star Ventures, LLC<br>Martha Arana | TBD | El Paso | TX | TBD | Martha.Arana@9round.com |
| Michael Spencer | TBD | Frisco | TX | TBD | michael.spencer@9round.com |
| Scherer Force LLC<br>Crystal Scherer, James Scherer | TBD | Georgetown | TX | TBD | crystal.scherer@9round.com |
| Arkansas Huskie, LLC<br>Steven Bardwell, Sky Morris | TBD | Grapevine | TX | TBD | frognation@9round.com |
| Xstrom Enterprises, LLC<br>Pete Ekstrom, Myla Ekstrom | TBD | Houston | TX | TBD | Pete.Ekstrom@9round.com |
| Stanley Eapen, Ashish Gugnani | TBD | Houston | TX | TBD | Stanley.Eapen@9Round.com |
| SL Fitness, LLC<br>Tracy Schrader | TBD | Irving | TX | TBD | Tracy.Schrader@9round.com |
| TVS Fitness, LLC<br>Arthur Toevs | TBD | Katy | TX | TBD | Artie.Toevs@9round.com |
| MJ's ATX Fitness, LLC<br>Michelle Jones, Jeffrey Jones | TBD | Lakeway | TX | TBD | Michelle.Jones@9round.com |
| Stanley Eapen, Ashish Gugnani | TBD | League City | TX | TBD | Stanley.Eapen@9Round.com |
| Andrew Johnson, CayteLynn Johnson | TBD | Lubbock | TX | TBD | Andrew.Johnson@9round.com, |
| Tana Crowe 1 Round Inc.<br>Tana Crowe | TBD | North Richland Hills | TX | TBD | Tana.Crowe@aol.com |
| Michael Spencer | TBD | Richardson | TX | TBD | Michael.spencer@9round.com |
| Surround Enterprises Inc.<br>Katrina Gonzalez, Josh Gonzalez | TBD | San Antonio | TX | TBD | josh.gonzalez@9round.com |
| Big Tex Taylor, LLC<br>Brian Taylor | TBD | Southlake | TX | TBD | Brian.taylor@9round.com |
| K&M Fitness, LLC<br>Michael Senich | TBD | Sugar Land | TX | TBD | Michael.Senich@9round.com |
| ADD Feisty Fitness, Inc.<br>Angelic Davis | TBD | Sugar Land | TX | TBD | Angelic.Davis@9round.com |
| Michael Spencer | TBD | University Park | TX | TBD | Michael.spencer@9round.com |
| **United States Virgin Islands** | | | | | |
| **Utah** | | | | | |
| **Vermont** | | | | | |
| Hard Six Fitness, LLC<br>Jamie Palmisano, Sara Palmisano | TBD | Burlington | VT | TBD | jamie.palmisano@9round.com |
| **Virginia** | | | | | |
| Rob Graveline, Todd Wilson | TBD | Alexandria | VA | TBD | Rob.Graveline@9round.com |
| Gray Matter Holdings, LLC<br>David Blake | TBD | Fairfax | VA | TBD | David.Blake@9round.com |

| | | | | | |
|---|---|---|---|---|---|
| Gray Matter Holdings, LLC<br>David Blake | TBD | Lorton | VA | TBD | David.Blake@9round.com |
| Colleen Heron, Todd Heron | TBD | Manassas | VA | TBD | Todd.Heron@9round.com |
| **Washington** | | | | | |
| Team Ketter, LLC<br>Zack Ketter | TBD | Bellevue | WA | TBD | zack.ketter@9round.com |
| Roundkick Fitness, LLC<br>Jeremy Schneider | TBD | Bothell | WA | TBD | Jeremy.Schneider@9round.com |
| Roundkick Fitness, LLC<br>Jeremy Schneider | TBD | Bothell | WA | TBD | Jeremy.Schneider@9round.com |
| Sarra Guck, Larry Guck | TBD | Maple Valley | WA | TBD | Sarra.Guck@9round.com |
| Joshua O'Malley | TBD | Redmond | WA | TBD | Joshua.OMalley@9round.com |
| Nicole Derryberry, Jeff Derryberry | TBD | Richland | WA | TBD | Jeff.Derryberry@9round.com |
| Truong Luu, Effie Condie | TBD | Snoqualmie | WA | TBD | Truong.Luu@9round.com |
| Lucas Wortman, Marisa Wortman | TBD | Spokane | WA | TBD | Lucas.Wortman@9round.com |
| **West Virginia** | | | | | |
| **Wisconsin** | | | | | |
| Chad Hollenbeck | TBD | La Crosse | WI | TBD | chad.hollenbeck@9round.com |
| **Wyoming** | | | | | |

**Franchisees Who Left the System as of December 31, 2020**

The following is a list of former franchisees who had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during our most recently completed year ending December 31, 2020, or who have not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document.

**Transfer of Interest:**

| Franchisee | City | ST | Phone or Email |
|---|---|---|---|
| Neal Hutsler [1] | Springfield | MO | (816) 455-9763 |
| Matt Hall, Morgan Kirk | Rock Hill | SC | (803) 792-0319 |
| Abhi Nath / Raeshma E Jacob [1] | Apple Valley | MN | (763) 242-8101 |
| Tony Miller | Athens | GA | (706) 353-6999 |
| Cheng, Nancy | Huntington Beach | CA | (951) 551-4148 |
| Michelle Smith, Lawrence Smith | Dacula | GA | (678) 743-4506 |
| Andrew Stauffacher | Brookfield | WI | (262) 797-9541 |
| Andrew Stauffacher | Wauwatosa | WI | (262) 797-9541 |
| Jacob Scott, Marijune Scott [1] | Boulder | CO | (303) 772-8888 |
| Monica Gottfried / Kraig Gottfried | Sylvania | OH | (419) 318-0668 |
| Christopher & Melanie Rowan | Clarksville | IN | (502) 319-3225 |
| Joshua Ruelas, Priscila Ruelas | Richmond | TX | (832) 344-0232 |
| Jasmine Elbek and Vaughn Elbek | Goleta | CA | (805) 966-3888 |
| David deNeui Tracee deNeui [1] | Brooklyn Park | MN | (651) 783-2758 |
| Darla Knight [1] | Dunedin | FL | (727) 251-1550 |
| Darla Knight [1] | Clearwater | FL | (727) 251-1550 |

| | | | |
|---|---|---|---|
| Pamela Lancaster | Highland | UT | (801) 472-3641 |
| Brian Burke, Eric Burke, Barry Burke [1] | Spartanburg | SC | (864) 599-8989 |
| Laura Pfeiffer [1] | New Berlin | WI | (267) 522-8545 |
| Laura Pfeiffer [1] | Franklin | WI | (267) 522-8545 |
| Ellis, Johnathan | Boca Raton | FL | (978) 996-0697 |
| April Porter, Brian Porter | O'Fallon | MO | (636) 265-0716 |
| April Porter, Brian Porter | Creve Coeur | MO | (636) 265-0716 |
| April Porter, Brian Porter | Wildwood | MO | (636) 265-0716 |
| April Porter, Brian Porter | Des Peres | MO | (636) 265-0716 |
| Richard Vonesh / Lauren Vonesh | Parker | CO | (303) 549-4963 |
| Angela Ferber [1] | Gladstone | MO | (913) 808-5650 |
| Ed Wagner | Gilbert | AZ | (480) 899-4066 |
| Mark Erickson [1] | Bend | OR | (360) 448-7473 |
| Matthew Crofut, Pegg Crofut | Fort Worth | TX | (817) 849-9348 |
| Wade, Curtis | Waxhaw | NC | (916) 822-4691 |
| Robin & Mikel Anderson [1] | Chandler | AZ | (480) 756-6608 |
| Jordan Scott / Kyle Redinger [1] | Carrollton | TX | (214) 377-9280 |
| Gregory Bone and Paige Bone | Pearland | TX | (832) 328-7800 |
| Dan Williams, Catherine Williams | Holly Springs | NC | (919) 285-0926 |
| Kauser Iqbal / Adil Butt | Sugar Land | TX | (281) 406-3011 |
| Gary Kuhr | Westerville | OH | (614) 392-2788 |

Note 1: This franchisee continues to maintain ownership interest(s) in other 9Round gyms.

**Reacquired by Franchisor:**

| Franchisee | City | ST | Phone or Email |
|---|---|---|---|

**Ceased Operations Other Reasons:**

| Franchisee | City | ST | Phone or Email |
|---|---|---|---|
| Jason Howard, Zach Mitchell [1] | Huntsville | AL | (256) 429-9011 |
| Jason Howard, Zach Mitchell [1] | Madison | AL | (256) 858-1189 |
| Stephen Bump and Jodi Leigh Bump | Huntsville | AL | (256) 970-4797 |
| Ross Ridenour and Candace Ridenour | Ft. Smith | AR | (479) 522-0236 |
| Jan Gault | Simi Valley | CA | (805) 428-9411 |
| Coe, David | San Marcos | CA | (760) 891-0272 |
| David Neff, Maria Neff [1] | San Juan Capistrano | CA | (949) 429-6059 |
| John Licea and Selena Licea | Chino Hills | CA | (909) 342-7055 |
| Danni Napoli and Rick Calzada | Corona | CA | (951) 258-5556 |
| Patrick Santos and Virginia Santos | Temecula | CA | (951) 302-7603 |
| Judy Lee | San Jose | CA | (669) 245-9435 |

| | | | |
|---|---|---|---|
| Mustapha Mahmud | Pasadena | CA | (626) 986-3664 |
| Lena Geiser, Cindy Geiser, John Geiser | Rocklin | CA | (916) 824-2973 |
| Angel Martin | San Ramon | CA | (925) 837-2976 |
| Karl Bobo and Kimberly Bobo [1] | Walnut Creek | CA | (925) 988-0710 |
| Myriam Melero, Jose Paniagua, and Samuel Cisneros | San Diego | CA | (619) 844-0044 |
| Donald Mengwasser | Westminster | CO | (720) 408-2758 |
| Donald Mengwasser | Thornton | CO | (864) 308-8330 |
| Stefan Geyer | Parker | CO | (720) 343-7822 |
| Stefan Geyer | Aurora | CO | (303) 471-4093 |
| Tina Valaouras [1] | North Branford | CT | (203) 488-1341 |
| Tina Valaouras [1] | Wallingford | CT | (203) 626-9691 |
| Justin Richardson | Bradenton | FL | (941) 216-6282 |
| Sherman Florence, Zach Powell, Rosauro Espinosa | ORLANDO | FL | (850) 855-7296 |
| Jennifer C. Osburn and Kelly Osburn | Pace | FL | (850) 417-1770 |
| Ashly Koike | St. Augustine | FL | (904) 494-8308 |
| Maria Niederhofer | Port St. Lucie | FL | (772) 249-5299 |
| Stephen Cunningham / Kimberly Cunningham | Melbourne | FL | (321) 355-5503 |
| Taylor Corman | Oviedo | FL | (407) 542-8118 |
| Samson Kelly, Delilah Kelly | Marietta | GA | (470) 377-4285 |
| Ken Battinus | Arlington Heights | IL | (847) 744-8616 |
| Kyle Kurz / Abby Kurz | Chicago | IL | (773) 649-5757 |
| Keith Surroz [1] | Grayslake | IL | (847) 356-6309 |
| Guy Cragan [1] | Bloomington | IN | (812) 323-9494 |
| Stacey Alexander | Lenexa | KS | (913) 296-8342 |
| Matthew Hegele | Middletown | KY | (502) 410-2929 |
| Mark & Matt Hegele | ST MATTHEWS | KY | (502) 822-3505 |
| Timothy Beauchamp | Burlington | MA | (781) 330-7052 |
| Santiago, Iris | Littleton | MA | (978) 894-5897 |
| James Jackson, Angela Jackson | Gambrills | MD | (410) 451-5972 |
| Ted Rioux [1] | Gorham | ME | (207) 839-2860 |
| Summer and Jason Mydlo | Charter Township of Clinton | MI | (586) 960-5425 |
| Daniel Flores, Norma Flores | Rochester | MN | (507) 258-5015 |
| Prab Sara Nebel | Eagan | MN | (651) 321-3489 |
| Prab Sara Nebel | Woodbury | MN | (612) 516-3489 |
| Ashley Erickson, Joseph Erickson | Maplewood | MN | (651) 705-8253 |
| Laura Lynn Brattensborg / James Patrick Brattensborg | Rogers | MN | (763) 657-1170 |

| | | | |
|---|---|---|---|
| Jason McClary | Columbia | MO | (573) 441-5425 |
| Jason McClary | Columbia | MO | (573) 445-3152 |
| Pennel, Courtney | Smithville | MO | (816) 841-4749 |
| Jason Rains, Kristina Rains | Raymore | MO | (816) 388-3688 |
| Matthew Rutkowski | Statesville | NC | (704) 872-3987 |
| Ashly and Hunter Koike | Asheville | NC | (828) 424-7260 |
| Richard Tillies II | Raleigh | NC | (919) 446-5425 |
| James Maloney, Patrick and Lynn Maloney | Charlotte | NC | (980) 209-9415 |
| Nick Athan and Troy Athan | Cary | NC | (919) 803-5495 |
| Joseph Diggs | Charlotte | NC | (980) 339-5124 |
| Christine Kay Blanc | Asheville | NC | (828) 684-6390 |
| Craver, Barry | Charlotte | NC | (704) 659-5513 |
| Joseph Selage / Bethany Selage | Colts Neck | NJ | (732) 677-2300 |
| Jonathan Ordonez / David Munoz | Harrison | NJ | (862) 229-2732 |
| Annie Kelly | DeWitt | NY | (315) 928-6415 |
| Keish E. Sanderson | Watertown | NY | (315) 779-9997 |
| Clark Mckinnon | Catskill | NY | (518) 894-5425 |
| Cheryl Phillabaum, Jason Phillabaum | West Chester | OH | (513) 847-4620 |
| Ankasenka Walker and Matthew Chmielewski | Columbus | OH | (614) 299-0998 |
| David J Tunnell, Regan O'Brien | Centerville | OH | (937) 259-8996 |
| Matt Arling | CINCINNATI | OH | (513) 533-9333 |
| James and Samantha Stroker | Washington Court House | OH | (740) 620-4189 |
| Anthony Joseph Perna | Perrysburg | OH | (419) 873-7377 |
| Gary Kuhr | Powell | OH | (614) 659-7735 |
| Hoisington, Tyler | Bethany | OK | (405) 812-8729 |
| Tyler Hoisington | Edmond | OK | (405) 812-8729 |
| Hoisington, Tyler | Oklahoma City | OK | (405) 812-8729 |
| Steve Terreault | Lake Oswego | OR | (503) 387-5798 |
| James and Tanika Long | Philadelphia | PA | (215) 877-9763 |
| Mark Duffy | Easley | SC | (864) 810-3418 |
| Anthony Hopson, Tracy Moss | Murrells Inlet | SC | (843) 357-9800 |
| Brian Burke, Eric Burke, Barry Burke | Spartanburg | SC | (864) 308-8330 |
| Chad Strawn | Conway | SC | (843) 234-0120 |
| Scott Valentine | Fort Mill | SC | (803) 207-7760 |
| John Harvick & Kari Harvick | Goose Creek | SC | (843) 212-5838 |
| Brandon Hargrove and Ashley Hargrove | Charleston | SC | (843) 566-2099 |
| Scott James | Mt. Pleasant | SC | (843) 972-3229 |
| Richard Kay and Robert Kay | Columbia | SC | (803) 521-0034 |

| | | | |
|---|---|---|---|
| Jason Greene | Hilton Head | SC | (843) 473-4981 |
| Francisco Martinez | Columbia | SC | (803) 728-0056 |
| Mark and Amanda Darling, Souilliard | Charleston | SC | (843) 405-8870 |
| Lentini, Christine | Indian Land | SC | (803) 228-4080 |
| Dwight Witherow and Lisa Witherow | Harrison | TN | (423) 702-9999 |
| Kline, Jennifer | Cleveland | TN | (423) 473-3355 |
| Marshall Williams | Nashville | TN | (615) 610-2655 |
| Dwight Witherow and Lisa Witherow | Chattanooga | TN | (423) 803-9999 |
| Sam Nguyen | Houston | TX | (832) 566-8004 |
| SugarSam Nguyen | Houston | TX | (832) 566-8004 |
| Steve Krusemark, Zoila Krusemark | Plano | TX | (972) 618-7089 |
| Suarez, Kelley | Plano | TX | (214) 377-9280 |
| Claudia Ozuna and Astrid M Vazquez Marrero | Spring | TX | (281) 516-8983 |
| Melissa Senich | Richmond | TX | (346) 247-9171 |
| Ekstron, Pete & Myla | Houston | TX | (713) 498-1543 |
| Arthur F. Toevs | Katy | TX | (346) 387-9629 |
| Robyn Scardino | Houston | TX | (713) 510-1300 |
| Robyn Scardino | Tomball | TX | (713) 510-1600 |
| Jenna and Jeff Brown | Virginia Beach | VA | (757) 689-4734 |
| Stephanie Rasul | Ashburn | VA | (703) 832-8044 |
| Heath, Robert S | Chesapeake | VA | (757) 819-6678 |
| David Blake, Teresa Blake | Burke | VA | (703) 910-3315 |
| Todd and Colleen Heron | Lake Ridge | VA | (703) 910-3315 |
| David Blake | Alexandria | VA | (703) 910-3315 |
| Jenna and Jeff Brown | Chesapeake | VA | (757) 410-8653 |
| Sara Guck, Stauffer, Keith & Lori | Renton | WA | (425) 207-8300 |
| Phil Chavez | Menomonee Falls | WI | (262) 293-6397 |
| Greg and Stacie Opahle | Brookfield | WI | (262) 797-9541 |
| Chad Hollenbeck | Eau Claire | WI | (715) 225-3032 |
| Douglas Gleason | Madison | WI | (608) 831-0108 |

Note 1: This franchisee continues to maintain ownership interest(s) in other 9Round gyms.

**Affiliate-Owned Centers**
**As of December 31, 2020**

| South Carolina | | | | | |
|---|---|---|---|---|---|
| 9Round, LLC Heather Hudson and Shannon Hudson | 1099 East Butler Road #109I | Greenville | SC | 29607 | (864) 297-0015 |
| 9Round Franchising LLC | 3712 Pelham Rd | Greenville | SC | 29615 | (864) 213-9862 |
| 9Round Franchising LLC | 201 W Wade Hampton Blvd | Greer | SC | 29650 | (864) 879-2461 |
| 9Round Franchising LLC | 2728 Wade Hampton Blvd. | Greenville | SC | 29681 | (864) 244-0190 |
| 9Round Franchising LLC | 837 NE Main St | Simpsonville | SC | 29681 | (864) 228-9191 |
| 9Round Franchising LLC | 329 Harrison Bridge Rd. | Simpsonville | SC | 29680 | (864) 963-9294 |
| 9Round Franchising LLC | 109 W Stone Ave, Ste E-4 | Greenville | SC | 29609 | (864) 614-5425 |

**EXHIBIT E**
**OPERATING MANUAL TABLE OF CONTENTS**

# 9ROUND OPERATING MANUAL

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**Total: 56**

**EXHIBIT F**

**COPY OF SAMPLE MEMBERSHIP AGREEMENT**

[logo]

# 9ROUND FITNESS

[locationaddress]
[clubphone]

**DATE: [date]**

**PREPAID MEMBERSHIP AGREEMENT**

*The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of sex or marital status. The agency that administers compliance with the law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.*

## PARTIES TO THE AGREEMENT

**CLUB INFORMATION**: [irslegalname] d/b/a 9ROUND ("9ROUND," "Company," "we," "our" or "us"), and its successors and assigns
**CLUB OF ENROLLMENT**: [locationname] [locationaddress]

**MEMBER INFORMATION**:
Member Name: [customer] ("Member," "you" or "your") Email: [email]
Address: [customeraddress]
Birth Date: [dob] Gender: [gendershort]
Home #: [homephone] Cell #: [cellphone] Work #: [workphone]

**BUYER INFORMATION:** (if different from Member; the Buyer is the person paying for services) [buyer] ("Buyer")

## SUMMARY OF TERMS AND ACCOUNT CHARGES

### PREPAID MEMBERSHIP BASICS

- As a prepaid member, you are choosing to pay for your entire membership up front and in full, subject to the terms of this Agreement.
- Your prepaid membership will run for a fixed Prepaid Term, beginning [agreedate] and ending [contractexpiresdate].
- With limited exception (as described herein), you may not cancel your membership during the Prepaid Term.
- At the end of your Prepaid Term, unless you have taken steps to renew, your prepaid membership will automatically expire.
- Please speak to a sales manager about renewing your membership prior to the expiration of your Prepaid Term to avoid a lapse in service.

## TERMS OF YOUR PREPAID MEMBERSHIP

| | |
|---|---|
| Membership to begin | [agreedate] |
| Membership to end | [contractexpiresdate] |
| Prepaid Term (in months) | [termmonths] |
| Total Down (including taxes) | $[totaldown_inctax] |
| Promise to Pay Amount | $[totalfinanced_inctax] |
| Enrollment Fee | $[setupfee_inctax] |
| Sales Tax Rate | [salestaxperc] |
| **TOTAL DUE NOW** | $[totaldown_inctax] |

### OTHER CHARGES/FEES* (other charges/fees may apply)

| | |
|---|---|
| Membership Key FOB | First FOB: Free<br>Replacement FOBs: $5 each |
| Late Charge | $20 per late payment |
| Returned Item Fee<br>(e.g., bounced check; payment returned for insufficient funds) | $25 per returned item |

## PROMISE TO PAY SCHEDULE

[deferreddownschedule]

## AUTHORIZATION FOR PREAUTHORIZED PAYMENTS (*All references to "I" or "me" in this section shall refer to you*)

By signing below, I am authorizing ClubReady, LLC ("ClubReady"), a third-party billing company located at 333 Ozark Trail Dr., Ste. 50, St. Louis, MO 63011, to initiate transfers, whether by EFT or ACH transfer, from the designated bank account tied to this Agreement for purposes of paying all or a portion of the dues, fees and charges which I owe under the Agreement. I understand and agree that: (a) dues, fees and charges include, but may not be limited to, enrollment fees, membership dues, service charges, late fees, applicable taxes, and/or fees for uncollected monthly dues; (b) ClubReady may transfer funds from my designated account for any retail transactions or online purchases initiated by me; (c) dues, fees and charges will be drawn on or about the dates set forth in the Promise to Pay Schedule; (d) this preauthorization will remain in effect until all of my payment obligations under the Agreement have been satisfied; (e) charges may appear in my bank statement under the prefix "CLR" followed by my club's name, phone number and state; (f) debited amounts may vary each month based on additional amounts which I may owe under this Agreement, and that while I am entitled to receive notice at least 10 days before being charged, by signing this authorization, I am choosing instead to get notice only when the amount due would differ by more than $50.00 from my most recent payment; (g) billing inquiries can be directed to ClubReady at 1 (800) 405-4818. I expressly authorize ClubReady, and any of its subsidiaries or affiliates, to contact me regarding any matter related to the billing of my account, whether by phone, email or SMS text communication (please note SMS text charges may apply).

**Buyer's Acceptance:** (electronic signature) [buyer] [signature1] **Date Signed and Accepted** [agreedate]

**PLEASE BE AWARE THAT IF YOU CHOOSE TO PAY FOR ANY PART OF THIS AGREEMENT IN ADVANCE, YOU ARE PAYING FOR FUTURE SERVICES AND MAY BE RISKING LOSS OF YOUR MONEY IN THE EVENT THIS HEALTH CLUB CEASES TO CONDUCT BUSINESS.**

## CANCELLATION TERMS

**RESCISSION. YOU MAY RESCIND THIS AGREEMENT AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD (3RD) BUSINESS DAY AFTER THE DATE YOU SIGNED THE AGREEMENT. ALL RESCISSION NOTICES MUST BE MADE IN WRITING AND DELIVERED IN PERSON OR SENT BY REGISTERED OR CERTIFIED MAIL TO: [LOCATIONNAME][LOCATIONADDRESS].**

**CANCELLATION RIGHTS.** After expiration of the applicable rescission period, you may cancel this Agreement only if you qualify as follows:

**You die or become permanently disabled.** If, by reason of death or permanent disability, you are unable to receive all services for which you contracted, then you or your estate may cancel this Agreement without penalty and receive a pro rata refund, where applicable, for any prepaid sums. A "permanent disability" means a condition which completely prevents you from using the facilities. 9ROUND reserves the right to have your permanent disability verified by a physician. 9ROUND shall retain the value for services already provided prior to your death or the onset of permanent disability.

**TERMINATION OF PREPAID MEMBERSHIP.** If you do not qualify for rescission or cancellation as described above, then you may not terminate your prepaid membership prior to the end of your Prepaid Term. Once your Prepaid Term ends, your prepaid membership will expire automatically. To avoid a lapse in your ability to use 9ROUND's facilities or services, please speak to a 9ROUND sales manager at least 30 days prior to the end of your Prepaid Term.

**REFUNDS.** Any refund due, if any, will be paid to you within the time period prescribed by state law.

**NOTICE.** All notices under this Agreement must be in writing and delivered in person to the club, or sent via registered or certified mail to [locationname] [locationaddress].

## RELEASE OF LIABILITY; ASSUMPTION OF RISK; INDEMNITY

**USING THIS FACILITY OWNED BY [irslegalname] D/B/A 9ROUND, OR ANY OTHER 9ROUND FACILITY, INVOLVES THE RISK OF INJURY TO YOU OR YOUR GUEST(S), WHETHER YOU OR SOMEONE ELSE CAUSES IT. SPECIFIC RISKS VARY FROM ONE ACTIVITY TO ANOTHER AND THE RISKS RANGE FROM MINOR INJURIES TO MAJOR INJURIES, SUCH AS CATASTROPHIC INJURIES INCLUDING DEATH. IN CONSIDERATION OF YOUR PARTICIPATION IN THE ACTIVITIES OFFERED BY 9ROUND, YOU UNDERSTAND AND VOLUNTARILY ACCEPT THIS RISK AND RELEASE [irslegalname], AND EACH OF THEIR RESPECTIVE AFFILIATES, AND EACH OF THE OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, VOLUNTEERS, FRANCHISORS, AGENTS AND INDEPENDENT CONTRACTORS THEREOF (THE "RELEASEES"), FROM ALL LIABILITY FOR ANY INJURY, INCLUDING, WITHOUT LIMITATION, PERSONAL, BODILY, OR MENTAL INJURY, ECONOMIC LOSS, OR ANY DAMAGE TO YOU, YOUR SPOUSE, GUESTS, UNBORN CHILD, OR RELATIVES, RESULTING FROM YOUR USE OF 9ROUND, INCLUDING ANY INJURY RELATING TO THE ORDINARY NEGLIGENCE, ACTUAL OR PASSIVE, OF THE RELEASEES OR ANYONE ACTING ON THE RELEASEES' BEHALF OR ANYONE USING 9ROUND FACILITIES, WHETHER RELATED TO EXERCISE OR NOT. IN CONSIDERATION OF YOUR BEING ABLE TO PARTICIPATE IN 9ROUND ACTIVITIES, YOU AGREE TO INDEMNIFY, DEFEND AND HOLD THE RELEASEES HARMLESS AGAINST ANY LIABILITY, DAMAGES, DEFENSE COSTS, INCLUDING ATTORNEYS' FEES, AND ANY OTHER COSTS INCURRED IN CONNECTION WITH CLAIMS FOR BODILY INJURY, WRONGFUL DEATH OR PROPERTY DAMAGE CAUSED BY YOUR NEGLIGENCE OR OTHER ACTS OR OMISSIONS. YOU FURTHER AGREE TO HOLD HARMLESS, DEFEND AND INDEMNIFY THE RELEASEES FROM ALL LIABILITY, DAMAGES, DEFENSE COSTS, INCLUDING ATTORNEYS' FEES, AND ANY OTHER COSTS INCURRED IN CONNECTION WITH CLAIMS FOR BODILY INJURY, WRONGFUL DEATH OR PROPERTY DAMAGE BROUGHT BY YOU, YOUR GUESTS, OR MINORS, EVEN IF THE RELEASEES WERE NEGLIGENT. FURTHER, YOU UNDERSTAND AND ACKNOWLEDGE THAT THE RELEASEES DO NOT MANUFACTURE FITNESS OR OTHER EQUIPMENT, BUT PURCHASE AND/OR LEASE EQUIPMENT. YOU UNDERSTAND AND ACKNOWLEDGE THAT THE RELEASEES AND 9ROUND ARE PROVIDING RECREATIONAL SERVICES AND MAY NOT BE HELD LIABLE FOR DEFECTIVE PRODUCTS.**

**YOU ACKNOWLEDGE AND AGREE THAT YOU HAVE READ THE FOREGOING AND KNOW OF THE NATURE OF THE ACTIVITIES AT 9ROUND.**

## DISPUTE RESOLUTION (U.S.)

**Mediation, Arbitration, and Waiver of Jury Trial. You and 9Round agree that any dispute with 9Round (including its officers, directors, employees, and agents, as well as its franchisor), other than a claim for personal injury, or a claim brought in small claims court, will be resolved exclusively as follows:**

- **First, through informal discussions with 9Round;**
- **If those discussions are unsuccessful, by non-binding mediation;**
- **If that mediation is unsuccessful, by binding arbitration.**
- **You understand and agree that you are waiving your right to a jury trial.**
- **The arbitration will take place before a single arbitrator in a location at or near your club of enrollment, and under the then-current and applicable American Arbitration Association ("AAA") rules (www.adr.org/Rules).**
- **Arbitration costs will be borne by 9Round in an amount as fairly determined by the arbitrator.**

**Class and Representative Action Waiver. You and 9Round further agree that each may bring claims against the other only in your or its individual capacity, and not as a plaintiff or class member in any purported class or representative proceeding. You also agree not to participate in claims brought in a private attorney general ("PAGA") or representative capacity, or consolidated claims involving another person's account if 9Round is a party to that proceeding.**

**Opt-Out. If you do not wish to be bound by these dispute resolution provisions, you may opt out by delivering a written notice via mail or in person to 9Round at [locationname] [locationaddress], or via email to** [locationemail] **within 30 days after the day you sign this agreement.**

**Severability. If any provisions of this dispute resolution section are deemed unenforceable, those provisions shall be considered omitted and the remaining portions of this dispute resolution section shall remain valid and enforceable.**

## GENERAL PROVISIONS

**MEDICAL CONDITIONS. BEFORE USING 9ROUND'S SERVICES OR FACILITIES, YOU REPRESENT THAT YOU ARE IN GOOD HEALTH AND HAVE NO DISABILITY, IMPAIRMENT, INJURY, DISEASE, OR AILMENT, PREVENTING YOU FROM ENGAGING IN ACTIVE OR PASSIVE EXERCISE OR WHICH COULD CAUSE INCREASED RISK OF INJURY OR ADVERSE HEALTH CONSEQUENCES AS A RESULT OF EXERCISE. YOU ASSUME FULL RESPONSIBILITY FOR YOUR USE OF THE 9ROUND FACILITY AND SHALL INDEMNIFY 9ROUND, ITS AFFILIATES, AGENTS AND EMPLOYEES, AGAINST ANY AND ALL DAMAGES ARISING OUT OF YOUR USE OF THE FACILITIES.**

**PROOF OF MEMBERSHIP.** You will receive one membership key fob (the "Membership Fob") from 9ROUND and must present it to the reception desk personnel each time you enter a 9ROUND facility. Lost Membership Fobs will be replaced for a fee of $5, which may be adjusted from time to time. The Membership Fob must be replaced if lost. Membership privileges are limited to the person in whose name the Membership Fob is issued. Improper use of the membership will result in confiscation of the Membership Fob and can result in immediate revocation of your membership. If you wish to use 9ROUND's facilities without your Membership Fob, you will be required to provide proof of identity (e.g., valid driver's license).

**CUSTOMER SERVICE.** Any questions about this Agreement or issues with your membership can be directed to a 9ROUND manager at [locationname] [locationaddress], or call [clubphone].

**NO HEALTH WARRANTIES.** 9ROUND makes no claims as to medical results that can or may be obtained through use of any 9ROUND facility. 9ROUND has neither suggested nor will it suggest any medical treatment to any of its members; only licensed medical professionals are qualified to give medical advice. You are instructed not to act on the advice given by any 9ROUND employee, unless such advice has been verified by your licensed professional physician.

**CHANGE IN MEMBERSHIP OR BILLING INFORMATION.** You must promptly notify 9ROUND in writing of any changes in your billing information, address or telephone number. You expressly permit 9ROUND, or its authorized billing company, to obtain such updated information through payment card networks, card issuers or other third parties.

**DRESS CODE.** Proper athletic attire and footwear is required. 9ROUND reserves the right to make the final determination in its sole discretion with regard to appropriate attire and footwear.

**SMOKING.** Smoking (including e-cigarettes, chewing tobacco, vapor pens) is prohibited at all times in all 9ROUND facilities.

**LOSS OF PROPERTY.** You and guests are encouraged not to bring valuables onto the premises of a 9ROUND facility. 9ROUND shall not be liable for the disappearance, loss, theft, or damage to personal property, including, among other things, money, jewelry, negotiable securities, and other items left by you or your guests.

**HAND-WRAPS/GLOVES.** Loaner gloves will be provided free of charge for your trial period only. Once you become a member, you are required to use 9ROUND-branded hand-wraps and gloves. For safety and sanitary reasons, no member will be allowed to work out without the required 9ROUND hand-wraps and gloves.

**DESCRIPTION OF SERVICES; HOURS OF ACCESS.** This Agreement entitles you to access the 9ROUND facilities and services during normal business hours, which will be posted at each 9ROUND location. 9ROUND reserves the right to revise its list of available equipment and services at any time for any reason; 9ROUND equipment may include light weights, kettle bells, jump ropes, punching bags and medicine balls. A 9ROUND workout involves a member transitioning between nine different exercise stations in a circuit-type format. Each station exercise lasts three minutes, followed by a 30-second transition and rest period. A bell will sound each time a member should transition to the next exercise station. Specific exercises and/or equipment at each circuit station are subject to change. 9ROUND does not offer individual or group "training classes," although a 9ROUND trainer (employee) will be present at all times during normal business hours to offer encouragement and instruction when necessary. All 9ROUND workouts are subject to exercise station availability. Members should participate in only one 9ROUND circuit per visit.

**MINIMUM AGE REQUIREMENT.** The minimum age for 9ROUND membership is ten (10) years old. Minors under the age of eighteen (18) are required to obtain the consent of a parent or legal guardian, who must sign this Agreement and remain responsible for all fees and other charges. Minors under the age of fifteen (15) must have a parent or legal guardian present at all times during the 9ROUND workout.

**IMAGE USE.** You understand that while on 9ROUND premises, your, or your minor child's image (including live or recorded video images), may be used or shown on the 9ROUND website or social media outlets (Facebook, Instagram, YouTube, etc.), and that by entering the premises you consent to the use of these images.

**NON-DISCRIMINATION.** 9ROUND represents that it will not discriminate against any person because of sex, race, creed, age, color, origin, sexual orientation, or ancestry in considering applications for memberships.

**MEMBERSHIP TERMINATION.** We reserve the right to terminate your membership for any reason not expressly prohibited by law. In the event of termination, we will notify you in person or send you a written notice of termination to your address on file, and refund you any unused prepaid dues.

**ENTIRE AGREEMENT.** Verbal agreements with a 9ROUND employee will not be accepted as valid. Only this Agreement, and all rules and regulations of 9ROUND, as revised from time to time, constitute the entire and exclusive agreement between you and 9ROUND, and supersede all prior written and/or oral promises, representations, understandings and/or agreements relating to this membership purchase.

**INVALID PROVISIONS.** If any part of this Agreement is found to be invalid or unenforceable, the remainder of the Agreement will be valid and enforceable.

**GOVERNING LAW.** This Agreement shall be interpreted under the laws of the State in which you execute this Agreement.

**LIMITED LIABILITY.** Unless prohibited by state law, any award by a court or arbitrator is limited to actual compensatory damages. Neither a court nor an arbitrator can award either party any indirect, special, incidental or consequential damages, even if one party told the other party that they might suffer these damages.

**CONSENT TO CONTACT.** By signing below, you are giving 9ROUND and its authorized vendors express written consent to contact you at the wireless number provided for any matter related to your account, including collection of monies owed, alerts and/or notices regarding your purchased services, and promotions that may be of interest to you. You acknowledge that calls or text messages sent to your mobile phone device may be generated using an autodialing system, and that standard text rates apply. Your consent is not a condition of purchase. You may revoke your consent at any time.

**I AGREE TO THE TERMS OF THIS AGREEMENT**

**Buyer's Acceptance:** (electronic signature) [buyer] [signature3] **Date Signed and Accepted** [agreedate]

**COSIGNER (ONLY NEEDED IF MEMBER IS A MINOR OR THERE WILL BE A FINANCIAL CO-SIGNER ON THE ACCOUNT)**

**PARENT/GUARDIAN.** On behalf of my minor child and myself, I agree to all of the provisions of this Agreement, including the provision titled "Release of Liability; Assumption of Risk; Indemnity." I promise to pay any financial obligation that my minor child does not pay for any reason. I understand that my obligations can only end if the Member/guardian properly terminates this Agreement. I expressly agree to the Authorization for Preauthorized Payments described above.

**FINANCIAL COSIGNER.** I promise to pay any financial obligation that the Member/Buyer does not pay for any reason. I also agree to indemnify 9ROUND to the fullest extent permitted by law for any claim brought against 9ROUND by the Member (or Buyer, if different from Member). I understand that my obligations can only end if the Member/Buyer properly terminates this Agreement. I expressly agree to the Authorization for Preauthorized Payments described above.

**Cosigner/Parent/Guardian Acceptance:** (electronic signature) [buyer] [signature3] **Date Signed and Accepted** [agreedate]

[logo]

# 9ROUND FITNESS

[locationaddress]
[clubphone]

**DATE: [date]**

**RECURRING DUES MEMBERSHIP AGREEMENT**

*The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of sex or marital status. The agency that administers compliance with the law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.*

## PARTIES TO THE AGREEMENT

**CLUB INFORMATION**: [irslegalname] d/b/a 9ROUND ("9ROUND," "Company," "we," "our" or "us"), and its successors and assigns
**CLUB OF ENROLLMENT**: [locationname] [locationaddress]

**MEMBER INFORMATION**:
Member Name: [customer] ("Member," "you" or "your") Email: [email]
Address: [customeraddress]
Birth Date: [dob] Gender: [gendershort]
Home #: [homephone] Cell #: [cellphone] Work #: [workphone]

**BUYER INFORMATION:** (if different from Member; the Buyer is the person paying for services) [buyer] ("Buyer")

## SUMMARY OF TERMS AND ACCOUNT CHARGES

### RECURRING DUES MEMBERSHIP BASICS

- As a recurring dues member, you are agreeing to pay for your 9ROUND membership on a recurring dues basis.
- If your recurring dues membership is for a term of one (1) month or less, then you have a month-to-month membership ("M2M"). You may cancel your M2M membership at any time with a 30-day advance written notice.
- If your recurring dues membership is for a term greater than one (1) month, then you have a fixed term membership ("Term"). Term memberships are subject to auto-renewal, and, with limited exception, may not be cancelled during the initial term (see additional terms below).
- Your recurring dues billing will begin on [firstinstallmentdate] and will continue on the same day each month thereafter until you properly cancel per the terms of this Agreement.
- You expressly authorize 9ROUND, or its third-party billing services provider, to draft your account each month for any dues, fees or other charges.

### TERMS OF YOUR RECURRING DUES MEMBERSHIP

| | |
|---|---|
| Membership to begin on | [agreedate] |
| Monthly Dues Amount (including taxes) | $[perioddue_inctax] |
| Recurring Dues Term (in months) (*subject to auto-renewal) | [termmonths]* |
| Enrollment Fee | $[setupfee_inctax] |
| Sales Tax Rate | [salestaxperc] |
| **TOTAL DUE NOW TO START** | $[totaldown_inctax] |

### PAYMENT SCHEDULE

[paymentschedule]

### OTHER CHARGES/FEES* (other charges/fees may apply)

| | |
|---|---|
| Membership Key FOB | First FOB: Free<br>Replacement FOBs: $5 each |
| Late Charge | $20 per late payment |
| Returned Item Fee (e.g., bounced check; payment returned for insufficient funds) | $25 per returned item |

## CONSENT TO AUTO-RENEWAL (*All references to "I" or "me" in this section shall refer to you*)

**M2M MEMBER:** I understand that my membership will continue to renew monthly until I properly cancel, that proper cancellation requires me to provide 9ROUND with a 30-day advance written notice of cancellation, and that I will be expected to pay all dues, fees and charges associated with my account.
**TERM MEMBER:** I understand that my Agreement is for a fixed initial term and that, unless I provide 9ROUND with a written notice of cancellation at least 30 days prior to the end of my initial term, my membership will automatically roll over to a month-to-month agreement cancellable at any time by me with a 30-day advance written notice. Once in auto-renewal, also called 'Evergreen Status,' I consent to continue paying 9ROUND dues in the amount of $[firstevergreenamt_inctax] per month, subject to the terms of this Agreement.
**Buyer's Acceptance:** (electronic signature) [buyer] [signature1] **Date Signed and Accepted** [agreedate]

## AUTHORIZATION FOR PREAUTHORIZED PAYMENTS (*All references to "I" or "me" in this section shall refer to you*)

By signing below, I am authorizing ClubReady, LLC ("ClubReady"), a third-party billing company located at 333 Ozark Trail Dr., Ste. 50, St. Louis, MO 63011, to initiate transfers, whether by EFT or ACH transfer, from the designated bank account tied to this Agreement for purposes of paying, on a recurring basis, all or a portion of the dues, fees and charges which I owe under the Agreement. I understand and agree that: (a) dues, fees and charges include, but may not be limited to, enrollment fees, membership dues, service charges, late fees, applicable taxes, and/or fees for uncollected monthly dues; (b) ClubReady may transfer funds from my designated account for any retail transactions or online purchases initiated by me; (c) dues, fees and charges will be drawn on or about the dates set forth in the Payment Schedule; (d) this preauthorization will remain in effect until all of my payment obligations under the Agreement have been

satisfied; (e) charges may appear in my bank statement under the prefix "CLR" followed by my club's name, phone number and state; (f) debited amounts may vary each month based on additional amounts which I may owe under this Agreement, and that while I am entitled to receive notice at least 10 days before being charged, by signing this authorization, I am choosing instead to get notice only when the amount due would differ by more than $50.00 from my most recent payment; (g) billing inquiries can be directed to ClubReady at 1 (800) 405-4818. I expressly authorize ClubReady, and any of its subsidiaries or affiliates, to contact me regarding any matter related to the billing of my account, whether by phone, email or SMS text communication (please note SMS text charges may apply).
**Buyer's Acceptance:** (electronic signature) [buyer] [signature2] **Date Signed and Accepted** [agreedate]

**PLEASE BE AWARE THAT IF YOU CHOOSE TO PAY FOR ANY PART OF THIS AGREEMENT IN ADVANCE, YOU ARE PAYING FOR FUTURE SERVICES AND MAY BE RISKING LOSS OF YOUR MONEY IN THE EVENT THIS HEALTH CLUB CEASES TO CONDUCT BUSINESS.**

## CANCELLATION TERMS

**RESCISSION. YOU MAY RESCIND THIS AGREEMENT AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD (3RD) BUSINESS DAY AFTER THE DATE YOU SIGNED THE AGREEMENT. ALL RESCISSION NOTICES MUST BE MADE IN WRITING AND DELIVERED IN PERSON OR SENT BY REGISTERED OR CERTIFIED MAIL TO: [LOCATIONNAME][LOCATIONADDRESS].**
**CANCELLATION RIGHTS.** After expiration of the applicable rescission period, you may cancel this Agreement only if you qualify as follows:
**You die or become permanently disabled.** If, by reason of death or permanent disability, you are unable to receive all services for which you contracted, then you or your estate may cancel this Agreement without penalty and receive a pro rata refund, where applicable, for any prepaid sums. A "permanent disability" means a condition which completely prevents you from using the facilities. 9ROUND reserves the right to have your permanent disability verified by a physician. 9ROUND shall retain the value for services already provided prior to your death or the onset of permanent disability.
**TERMINATION OF RECURRING DUES MEMBERSHIP.** If you are a M2M member, you may terminate this Agreement at any time by providing 9ROUND with a 30-day advance written notice. There is no early termination fee for a M2M membership. If you are a Term member, unless you rescind or cancel your membership as stated in this Agreement, then your membership cannot be cancelled until the expiration of your fixed initial term. To avoid rolling over into auto-renewal, you must provide 9ROUND with written notice of cancellation at least 30 days in advance of the expiration of the initial term. If your membership auto-renews, you may cancel at any time without penalty by providing 9ROUND with a 30-day advance written notice. Whether you are a M2M or Term member, once 9ROUND receives your written notice of cancellation, your membership will remain active until the expiration of your then-current billing cycle.
**REFUNDS.** Any refund due, if any, will be paid to you within the time period prescribed by state law.
**NOTICE.** All notices under this Agreement must be in writing and delivered in person to the club, or sent via registered or certified mail to [locationname] [locationaddress].

## RELEASE OF LIABILITY; ASSUMPTION OF RISK; INDEMNITY

**USING THIS FACILITY OWNED BY [irslegalname] D/B/A 9ROUND, OR ANY OTHER 9ROUND FACILITY, INVOLVES THE RISK OF INJURY TO YOU OR YOUR GUEST(S), WHETHER YOU OR SOMEONE ELSE CAUSES IT. SPECIFIC RISKS VARY FROM ONE ACTIVITY TO ANOTHER AND THE RISKS RANGE FROM MINOR INJURIES TO MAJOR INJURIES, SUCH AS CATASTROPHIC INJURIES INCLUDING DEATH. IN CONSIDERATION OF YOUR PARTICIPATION IN THE ACTIVITIES OFFERED BY 9ROUND, YOU UNDERSTAND AND VOLUNTARILY ACCEPT THIS RISK AND RELEASE [irslegalname], AND EACH OF THEIR RESPECTIVE AFFILIATES, AND EACH OF THE OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, VOLUNTEERS, FRANCHISORS, AGENTS AND INDEPENDENT CONTRACTORS THEREOF (THE "RELEASEES"), FROM ALL LIABILITY FOR ANY INJURY, INCLUDING, WITHOUT LIMITATION, PERSONAL, BODILY, OR MENTAL INJURY, ECONOMIC LOSS, OR ANY DAMAGE TO YOU, YOUR SPOUSE, GUESTS, UNBORN CHILD, OR RELATIVES, RESULTING FROM YOUR USE OF 9ROUND, INCLUDING ANY INJURY RELATING TO THE ORDINARY NEGLIGENCE, ACTUAL OR PASSIVE, OF THE RELEASEES OR ANYONE ACTING ON THE RELEASEES' BEHALF OR ANYONE USING 9ROUND FACILITIES, WHETHER RELATED TO EXERCISE OR NOT. IN CONSIDERATION OF YOUR BEING ABLE TO PARTICIPATE IN 9ROUND ACTIVITIES, YOU AGREE TO INDEMNIFY, DEFEND AND HOLD THE RELEASEES HARMLESS AGAINST ANY LIABILITY, DAMAGES, DEFENSE COSTS, INCLUDING ATTORNEYS' FEES, AND ANY OTHER COSTS INCURRED IN CONNECTION WITH CLAIMS FOR BODILY INJURY, WRONGFUL DEATH OR PROPERTY DAMAGE CAUSED BY YOUR NEGLIGENCE OR OTHER ACTS OR OMISSIONS. YOU FURTHER AGREE TO HOLD HARMLESS, DEFEND AND INDEMNIFY THE RELEASEES FROM ALL LIABILITY, DAMAGES, DEFENSE COSTS, INCLUDING ATTORNEYS' FEES, AND ANY OTHER COSTS INCURRED IN CONNECTION WITH CLAIMS FOR BODILY INJURY, WRONGFUL DEATH OR PROPERTY DAMAGE BROUGHT BY YOU, YOUR GUESTS, OR MINORS, EVEN IF THE RELEASEES WERE NEGLIGENT. FURTHER, YOU UNDERSTAND AND ACKNOWLEDGE THAT THE RELEASEES DO NOT MANUFACTURE FITNESS OR OTHER EQUIPMENT, BUT PURCHASE AND/OR LEASE EQUIPMENT. YOU UNDERSTAND AND ACKNOWLEDGE THAT THE RELEASEES AND 9ROUND ARE PROVIDING RECREATIONAL SERVICES AND MAY NOT BE HELD LIABLE FOR DEFECTIVE PRODUCTS.**

**YOU ACKNOWLEDGE AND AGREE THAT YOU HAVE READ THE FOREGOING AND KNOW OF THE NATURE OF THE ACTIVITIES AT 9ROUND.**

## DISPUTE RESOLUTION (U.S.)

**Mediation, Arbitration, and Waiver of Jury Trial. You and 9Round agree that any dispute with 9Round (including its officers, directors, employees, and agents, as well as its franchisor), other than a claim for personal injury, or a claim brought in small claims court, will be resolved exclusively as follows:**

- **First, through informal discussions with 9Round;**
- **If those discussions are unsuccessful, by non-binding mediation;**
- **If that mediation is unsuccessful, by binding arbitration.**
- **You understand and agree that you are waiving your right to a jury trial.**
- **The arbitration will take place before a single arbitrator in a location at or near your club of enrollment, and under the then-current and applicable American Arbitration Association ("AAA") rules (www.adr.org/Rules).**
- **Arbitration costs will be borne by 9Round in an amount as fairly determined by the arbitrator.**

**Class and Representative Action Waiver. You and 9Round further agree that each may bring claims against the other only in your or its individual capacity, and not as a plaintiff or class member in any purported class or representative proceeding. You also agree not to participate in claims brought in a private attorney general ("PAGA") or representative capacity, or consolidated claims involving another person's account if 9Round is a party to that proceeding.**

**Opt-Out. If you do not wish to be bound by these dispute resolution provisions, you may opt out by delivering a written notice via mail or in person to 9Round at [locationname] [locationaddress], or via email to** [locationemail] **within 30 days after the day you sign this agreement.**

**Severability. If any provisions of this dispute resolution section are deemed unenforceable, those provisions shall be considered omitted and the remaining portions of this dispute resolution section shall remain valid and enforceable.**

## GENERAL PROVISIONS

**MEDICAL CONDITIONS. BEFORE USING 9ROUND'S SERVICES OR FACILITIES, YOU REPRESENT THAT YOU ARE IN GOOD HEALTH AND HAVE NO DISABILITY, IMPAIRMENT, INJURY, DISEASE, OR AILMENT, PREVENTING YOU FROM ENGAGING IN ACTIVE OR PASSIVE EXERCISE OR WHICH COULD CAUSE INCREASED RISK OF INJURY OR ADVERSE HEALTH CONSEQUENCES AS A RESULT OF EXERCISE. YOU ASSUME FULL RESPONSIBILITY FOR YOUR USE OF THE 9ROUND FACILITY AND SHALL INDEMNIFY 9ROUND, ITS AFFILIATES, AGENTS AND EMPLOYEES, AGAINST ANY AND ALL DAMAGES ARISING OUT OF YOUR USE OF THE FACILITIES.**

**PROOF OF MEMBERSHIP.** You will receive one membership key fob (the "Membership Fob") from 9ROUND and must present it to the reception desk personnel each time you enter a 9ROUND facility. Lost Membership Fobs will be replaced for a fee of $5, which may be adjusted from time to time. The Membership Fob must be replaced if lost. Membership privileges are limited to the person in whose name the Membership Fob is issued. Improper use of the membership will result in confiscation of the Membership Fob and can result in immediate revocation of your membership. If you wish to use 9ROUND's facilities without your Membership Fob, you will be required to provide proof of identity (e.g., valid driver's license).

**CUSTOMER SERVICE.** Any questions about this Agreement or issues with your membership can be directed to a 9ROUND manager at [locationname] [locationaddress], or call [clubphone].

**NO HEALTH WARRANTIES.** 9ROUND makes no claims as to medical results that can or may be obtained through use of any 9ROUND facility. 9ROUND has neither suggested nor will it suggest any medical treatment to any of its members; only licensed medical professionals are qualified to give medical advice. You are instructed not to act on the advice given by any 9ROUND employee, unless such advice has been verified by your licensed professional physician.

**CHANGE IN MEMBERSHIP OR BILLING INFORMATION.** You must promptly notify 9ROUND in writing of any changes in your billing information, address or telephone number. You expressly permit 9ROUND, or its authorized billing company, to obtain such updated information through payment card networks, card issuers or other third parties.

**DRESS CODE.** Proper athletic attire and footwear is required. 9ROUND reserves the right to make the final determination in its sole discretion with regard to appropriate attire and footwear.

**SMOKING.** Smoking (including e-cigarettes, chewing tobacco, vapor pens) is prohibited at all times in all 9ROUND facilities.

**LOSS OF PROPERTY.** You and guests are encouraged not to bring valuables onto the premises of a 9ROUND facility. 9ROUND shall not be liable for the disappearance, loss, theft, or damage to personal property, including, among other things, money, jewelry, negotiable securities, and other items left by you or your guests.

**HAND-WRAPS/GLOVES.** Loaner gloves will be provided free of charge for your trial period only. Once you become a member, you are required to use 9ROUND-branded hand-wraps and gloves. For safety and sanitary reasons, no member will be allowed to work out without the required 9ROUND hand-wraps and gloves.

**DESCRIPTION OF SERVICES; HOURS OF ACCESS.** This Agreement entitles you to access the 9ROUND facilities and services during normal business hours, which will be posted at each 9ROUND location. 9ROUND reserves the right to revise its list of available equipment and services at any time for any reason; 9ROUND equipment may include light weights, kettle bells, jump ropes, punching bags and medicine balls. A 9ROUND workout involves a member transitioning between nine different exercise stations in a circuit-type format. Each station exercise lasts three minutes, followed by a 30-second transition and rest period. A bell will sound each time a member should transition to the next exercise station. Specific exercises and/or equipment at each circuit station are subject to change. 9ROUND does not offer individual or group "training classes," although a 9ROUND trainer (employee) will be present at all times during normal business hours to offer encouragement and instruction when necessary. All 9ROUND workouts are subject to exercise station availability. Members should participate in only one 9ROUND circuit per visit.

**MINIMUM AGE REQUIREMENT.** The minimum age for 9ROUND membership is ten (10) years old. Minors under the age of eighteen (18) are required to obtain the consent of a parent or legal guardian, who must sign this Agreement and remain responsible for all fees and other charges. Minors under the age of fifteen (15) must have a parent or legal guardian present at all times during the 9ROUND workout.

**IMAGE USE.** You understand that while on 9ROUND premises, your, or your minor child's image (including live or recorded video images), may be used or shown on the 9ROUND website or social media outlets (Facebook, Instagram, YouTube, etc.), and that by entering the premises you consent to the use of these images.
**NON-DISCRIMINATION.** 9ROUND represents that it will not discriminate against any person because of sex, race, creed, age, color, origin, sexual orientation, or ancestry in considering applications for memberships.
**MEMBERSHIP TERMINATION.** We reserve the right to terminate your membership for any reason not expressly prohibited by law. In the event of termination, we will notify you in person or send you a written notice of termination to your address on file, and refund you any unused prepaid dues.
**ENTIRE AGREEMENT.** Verbal agreements with a 9ROUND employee will not be accepted as valid. Only this Agreement, and all rules and regulations of 9ROUND, as revised from time to time, constitute the entire and exclusive agreement between you and 9ROUND, and supersede all prior written and/or oral promises, representations, understandings and/or agreements relating to this membership purchase.
**INVALID PROVISIONS.** If any part of this Agreement is found to be invalid or unenforceable, the remainder of the Agreement will be valid and enforceable.
**GOVERNING LAW.** This Agreement shall be interpreted under the laws of the State in which you execute this Agreement.
**LIMITED LIABILITY.** Unless prohibited by state law, any award by a court or arbitrator is limited to actual compensatory damages. Neither a court nor an arbitrator can award either party any indirect, special, incidental or consequential damages, even if one party told the other party that they might suffer these damages.
**CONSENT TO CONTACT.** By signing below, you are giving 9ROUND and its authorized vendors express written consent to contact you at the wireless number provided for any matter related to your account, including collection of monies owed, alerts and/or notices regarding your purchased services, and promotions that may be of interest to you. You acknowledge that calls or text messages sent to your mobile phone device may be generated using an autodialing system, and that standard text rates apply. Your consent is not a condition of purchase. You may revoke your consent at any time.

**I AGREE TO THE TERMS OF THIS AGREEMENT**
**Buyer's Acceptance:** (electronic signature) [buyer] [signature3] **Date Signed and Accepted** [agreedate]

**COSIGNER (ONLY NEEDED IF MEMBER IS A MINOR OR THERE WILL BE A FINANCIAL CO-SIGNER ON THE ACCOUNT)**
**PARENT/GUARDIAN.** On behalf of my minor child and myself, I agree to all of the provisions of this Agreement, including the provision titled "Release of Liability; Assumption of Risk; Indemnity." I promise to pay any financial obligation that my minor child does not pay for any reason. I understand that my obligations can only end if the Member/guardian properly terminates this Agreement. I expressly agree to the Authorization for Preauthorized Payments described above.
**FINANCIAL COSIGNER.** I promise to pay any financial obligation that the Member/Buyer does not pay for any reason. I also agree to indemnify 9ROUND to the fullest extent permitted by law for any claim brought against 9ROUND by the Member (or Buyer, if different from Member). I understand that my obligations can only end if the Member/Buyer properly terminates this Agreement. I expressly agree to the Authorization for Preauthorized Payments described above.
**Cosigner/Parent/Guardian Acceptance:** (electronic signature) [buyer] [signature4] **Date Signed and Accepted** [agreedate]

**EXHIBIT G**

**SAMPLE FORM OF GENERAL RELEASE AGREEMENT**

**EXHIBIT G**
**SAMPLE FORM OF GENERAL RELEASE AGREEMENT**

**(Subject to change by 9Round Franchising, LLC)**

THIS GENERAL RELEASE AGREEMENT (this "Agreement") is made and entered into between **9Round Franchising, LLC**, a South Carolina limited liability company, ("we," "us" or "9Round"), **[FRANCHISEE]**, a _____ limited liability company ("you" or "Franchisee"), and [GUARANTOR], a resident of _____ (a "Guarantor"). All capitalized terms not defined in this Agreement have the respective meanings set forth in the Franchise Agreement (as defined below).

**RECITALS**

A. 9Round and Franchisee are parties to a 9ROUND Franchise Agreement dated _____ (the "Franchise Agreement") pursuant to which Franchisee operates a 9ROUND Center located at _____ (the "Center").

B. [NOTE: Describe the circumstances relating to the release.]

C. In consideration of [INSERT CIRCUMSTANCES] and the representations set forth in the Recitals, subject to the provisions stated below, and Franchisee and Guarantor agree to settle all known and unknown disputes they may have against Franchisor, if any, that exist as of the Effective Date.

**AGREEMENTS**

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. [NOTE: Detail the terms and conditions of the release]

2. Release and Settlement of Claims.

A. Except as may be prohibited by applicable law, Franchisee and Guarantors (individually and as owners of Franchisee), for themselves and each of their respective heirs, successors, assigns, affiliates, shareholders, directors, officers, employees and agents, and on behalf of any other party claiming an interest through them (collectively and individually referred to as the "Franchisee Parties" for purposes of this Section 2), release and forever discharge us, our predecessors, successors, affiliates, directors, officers, shareholders, agents, employees and assigns (collectively and individually referred to as the "Franchisor Parties" for purposes of this Section 2) of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which Franchisee Parties may now or in the future own or hold, that in any way relate to the Franchise Agreement, any other agreement between Franchisee and us, the Center, or the relationship between Franchisee and us through the Effective Date (collectively, "Claims"), for known or unknown damages or other losses including, but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other agreement between Franchisee Parties and us or our affiliates through and including the Effective Date of this Agreement.

B. The release of Claims set forth in Section 2.A. is intended by the Franchisee Parties to be a full and unconditional general release, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the Franchisee Parties against the Franchisor Parties regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Franchisee Parties acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the

matters mentioned herein may later be discovered and that it is the Franchisee Parties' intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. The Franchisee Parties acknowledge that they have had adequate opportunity to gather all information necessary to enter into this Agreement and Release and need no further information or knowledge of any kind that would otherwise influence the decision to enter into this Agreement. The Franchisee Parties acknowledge and agree that the foregoing waiver is an essential, integral and material term of this Agreement. The Franchisee Parties further acknowledge and agree that no violation of this Agreement shall void the release set forth in this Section 2.

3. Miscellaneous. This Agreement, and the documents referred to herein, constitute the entire agreement among the parties with respect to the subject matter hereof. No amendment will be binding unless in writing and signed by the party against whom enforcement is sought. All representations, warranties, agreements and all other provisions of this Agreement which by their terms or by reasonable implication are intended to survive the closing of this transaction will survive it.

4. Representation by Counsel. The parties have had adequate opportunity to consult with an attorney of their respective choice, including with respect to the release of Claims set forth herein.

5. Governing Law/Venue. This Agreement will be construed and enforced in accordance with the laws of the State of South Carolina, without regard to principles of conflicts of law. The parties further agree that any legal proceeding relating to this Agreement or the enforcement of any provision herein shall be brought or otherwise commenced only in the State or Federal courts of South Carolina.

6. Counterparts. This Agreement may be executed by the parties hereto in counterparts, and delivered by e-mail or facsimile, each of which shall be deemed to be an original instrument, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**US:**
9ROUND FRANCHISING, LLC

By:_____
Printed Name:
Title:
Date: _____

**FRANCHISEE:**

By:_____
Printed Name:
Title:_____
Date: _____

**GUARANTOR:**

By:_____
Printed Name:
Date: _____

[This General Release will be modified as necessary for consistency with any state law regulating franchising.]

## STATE EFFECTIVE DATES

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

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

| State | Effective Date |
|---|---|
| California | |
| Hawaii | July 22, 2021 |
| Illinois | April 23, 2021 |
| Indiana | April 22, 2021 |
| Maryland | |
| Michigan | April 21, 2021 |
| Minnesota | April 30, 2021 |
| New York | |
| North Dakota | May 18, 2021 |
| Rhode Island | April 25, 2021 |
| South Dakota | April 23, 2021 |
| Virginia | July 14, 2021 |
| Washington | June 30, 2021 |
| Wisconsin | April 21, 2021 |

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of April 21, 2021.

**EXHIBIT H**

**RECEIPTS**

## RECEIPT

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

If 9Round Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale (or sooner if required by state law). New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If 9Round Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit A to this disclosure document.

Issuance Date: April 21, 2021

I acknowledge receiving this Franchise Disclosure Document issued on April 21, 2021, (or the date reflected on the State Effective Dates Page), which included the following exhibits:

***EXHIBIT A*** – List of State Administrators and List of Agents for Service of Process; ***EXHIBIT B*** – Financial Statements; ***EXHIBIT C*** – Franchise Agreement, Renewal Addendum, and State-Specific Addenda; ***EXHIBIT D*** – Franchisee List; ***EXHIBIT E*** – Operating Manual Table of Contents; ***EXHIBIT F*** – Sample Membership Agreement; ***EXHIBIT G*** – Sample Form of General Release Agreement; ***EXHIBIT H*** — Receipts

Date FDD Received: _____ Signed*: _____

Print Name: _____

Date FDD Received: _____ Signed*: _____

Print Name: _____

*Signed individually and as an authorized representative of the franchisee company.

FRANCHISE SELLER'S NAME AND CONTACT INFORMATION:

Shannon Hudson, 847 NE Main Street, Simpsonville, SC 29681, Phone: 864-962-4600.
Brian Burke, 847 NE Main Street, Simpsonville, SC 29681, Phone: 864-962-4600.
Lura Powers, 847 NE Main Street, Simpsonville, SC 29681, Phone: 864-962-4600.

You should return one copy of the signed receipt by signing and dating it, and either mailing it to 9Round Franchising, LLC at 847 NE Main Street, Simpsonville, SC 29681, or e-mailing it to sales@9round.com. You may keep the second copy for your records.

**Copy for Franchisee**

## RECEIPT

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

If 9Round Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale (or sooner if required by state law). New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If 9Round Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit A to this disclosure document.

Issuance Date: April 21, 2021

I acknowledge receiving this Franchise Disclosure Document issued on April 21, 2021, (or the date reflected on the State Effective Dates Page), which included the following exhibits:

***EXHIBIT A*** – List of State Administrators and List of Agents for Service of Process; ***EXHIBIT B*** – Financial Statements; ***EXHIBIT C*** – Franchise Agreement, Renewal Addendum, and State-Specific Addenda; ***EXHIBIT D*** – Franchisee List; ***EXHIBIT E*** – Operating Manual Table of Contents; ***EXHIBIT F*** – Sample Membership Agreement; ***EXHIBIT G*** – Sample Form of General Release Agreement; ***EXHIBIT H*** — Receipts

Date FDD Received: _____ Signed*: _____

Print Name: _____

Date FDD Received: _____ Signed*: _____

Print Name: _____

*Signed individually and as an authorized representative of the franchisee company.

FRANCHISE SELLER'S NAME AND CONTACT INFORMATION:

Shannon Hudson, 847 NE Main Street, Simpsonville, SC 29681, Phone: 864-962-4600.
Brian Burke, 847 NE Main Street, Simpsonville, SC 29681, Phone: 864-962-4600.
Lura Powers, 847 NE Main Street, Simpsonville, SC 29681, Phone: 864-962-4600.

You should return one copy of the signed receipt by signing and dating it, and either mailing it to 9Round Franchising, LLC at 847 NE Main Street, Simpsonville, SC 29681, or e-mailing it to sales@9round.com. You may keep the second copy for your records.

**Copy for 9Round Franchising, LLC**