

FRANCHISE DISCLOSURE DOCUMENT



Basecamp Fitness Franchisor LLC
a Delaware limited liability company
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Basecamp Fitness Franchisor LLC is offering franchises for the operation of boutique interval training studios, under the “BASECAMP” and “BASECAMP FITNESS” trademarks and related trademarks and service marks, that offer short, high-intensity guided workouts combining strength, cardio and core training in a fast-paced, high-energy environment (“**Basecamp Studio**”).

The total investment necessary to begin operation of a Basecamp Fitness franchise ranges from \$466,994 to \$802,781. This includes \$229,610 to \$263,773 that must be paid to the franchisor or its affiliates. We may also offer you the right to develop multiple Basecamp Studios. The total investment necessary to begin operation under an Area Development Agreement ranges from \$97,500 (for 3 Basecamp Studios) to \$137,500 (for 5 Basecamp Studios) which must be paid to the franchisor.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact your sales representative at 126 Garrett Street, Suite J, Charlottesville, Virginia 22902, (877) 827-8074.

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

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

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

ISSUANCE DATE: June 2, 2026

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 C.
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 D 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 Basecamp Fitness 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 Basecamp Fitness franchisee?	Item 20 or Exhibit C 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 Risk(s) to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and Area Development Agreement require you to resolve disputes with the franchisor by mediation at a place selected by the mediator more than 100 miles from your principal office, by arbitration in Virginia (or if franchisor's principal office is not in Virginia, at the office of the American Arbitration Association located closest to its principal office) and/or by litigation only in Virginia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Virginia than in your own state.
2. **Unregistered Trademark.** One of the primary trademarks that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
3. **Minimum Advertising and Other Payments.** You must make minimum advertising and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
5. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
6. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
7. **Financial Condition.** The Franchisor's guarantor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
8. **Unopened Franchises.** The franchisor has signed a number of franchise agreements with franchisees who have not yet opened their outlets. If other

franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” to see whether your state requires other risks to be highlighted.

NOTICE MANDATED BY SECTION 8 OF MICHIGAN'S FRANCHISE INVESTMENT ACT

The following is applicable to you if you are a Michigan resident or your franchise will be located in Michigan.

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

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

exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Corporate Oversight Division, Attn.: Franchise, G. Mennen Williams Building, 5th Floor, 525 West Ottawa Street, Lansing, Michigan 48913, telephone: (517) 373-7117.

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document the “**Company**”, “**Basecamp Fitness**” or “**we**,” “**us**,” or “**our**” means Basecamp Fitness Franchisor LLC, the “**Franchisor**.” “**You**” or “**your**” means the person, corporation, limited liability company, partnership or other business entity that buys the franchise, the “**Franchisee**.” If you are a corporation, limited liability company, partnership or other entity, “**you**” includes the franchisee’s owners.

The Franchisor

We are a Delaware limited liability company formed on October 25, 2021. Our principal business address is 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. We do business under our corporate name and as “Basecamp” and “Basecamp Fitness”. We began offering Basecamp Fitness franchises in November 2021. We do not conduct business in any other line of business nor do we offer franchises in any other line of business.

Our agents for service of process are disclosed on Exhibit A.

The Business

The Basecamp Fitness concept and brand was founded in March 2013, with the opening of the first Basecamp Fitness studio in Burlingame, California. On October 23, 2018 our predecessor, Basecamp Fitness, LLC, purchased the assets of the Basecamp Fitness brand, including the assets of 5 locations from Dethrone Basecamp, LLC, Dethrone LLC, Dethrone Corporate, LLC, Dethrone Pasadena, LLC, Dethrone San Francisco, LLC, Dethrone Santa Monica, LLC, Dethrone West Hollywood, LLC, and Dethrone Burlingame, LLC (collectively, the “**Dethrone Entities**”).

After our predecessor’s purchase of the Basecamp Fitness assets, it opened Basecamp Fitness studios in Minneapolis, Minnesota in May 2019 and in Edina, Minnesota in February 2020. It began offering unit and area development Basecamp Studio franchises in the spring of 2020.

The franchise we offer is for the establishment, development and operation of a boutique interval training studio that offers short, high intensity guided workouts that combine strength, cardio and core training in a fast-paced, high-energy environment, under the “**BASECAMP**” and “**BASECAMP FITNESS**” trademarks, and other trademarks, trade names, service marks, and commercial symbols we may authorize (“**Marks**”). These businesses are referred to in this Disclosure Document as a “**Basecamp Studio**”. You will operate your Basecamp Studio using a unique system with high standards of service, including valuable know-how, information, trade secrets, confidential information, training and exercise methods, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, the sale of proprietary products, and research and development connected with the operation and promotion of Basecamp Studios (“**System**”). We can change or otherwise modify the System at any time as we see fit.

You must construct and operate your Basecamp Studio in accordance with our standards and sign our standard franchise agreement (“**Franchise Agreement**”). Your Basecamp Studio may only offer the services and products we authorize. Specifically, your Basecamp Studio must provide certain class-based workouts that meet our standards, offer the various types of memberships we specify and sell the merchandise, including apparel, and food and beverage products we require. We may add, modify, or delete any services or products that you must offer or sell at your Basecamp Studio at any time, and change and modify our standards as we see fit.

You will have the right to operate a single Basecamp Studio at a location we specify in your Franchise Agreement. We also offer qualified people the right to develop multiple Basecamp Studios within a specific territory under the terms of an Area Development Agreement (“**Area Development Agreement**”). If you sign an Area Development Agreement, you will sign a separate Franchise Agreement for each Basecamp Studio you develop under your Area Development Agreement. You will sign the Franchise Agreement when you sign the Area Development Agreement. The form of that agreement will be the form attached to this Disclosure Document. Later franchise agreements you sign will be in the form of agreement we use at the time you sign the agreement. The terms of those agreements may differ from the form attached to this Disclosure Document.

We retain the right, in our sole discretion, to choose to award or not to award a franchise to any prospective franchisee, and to cease discussions regarding the awarding of a franchise at any time, regardless of the stage of the franchise award process or the time and money spent by you or any other prospective franchisee.

Parents, Predecessors and Certain Affiliates

Parent

Our direct parent is Extraordinary Brands, LLC (“**EB**” or “**Parent**”), a limited liability company formed in the Commonwealth of Virginia on May 23, 2022. EB’s principal place of business is 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. EB’s parent is AE Capital Group, LLC (“**AE Capital Group**”), a Delaware entity formed on May 20, 2021, with a principal place of business of 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. As of the issuance date of this Disclosure Document, EB provides our franchisees with internally prepared marketing services, but reserves the right to discontinue these services at any time. Neither AE Capital Group nor EB provides products or services (except those previously mentioned) to our franchisees, and neither offers nor sells, or has offered or sold, franchises in any line of business.

Parent became the owner of the Company pursuant to an Agreement and Plan of Merger, dated April 1, 2026, by and among Parent, SEB Systems, LLC (“**Seller**”), EB Basecamp Merger Sub, LLC, a wholly owned subsidiary of EB (“**Merger Sub**”), the Company (the “**Merger Agreement**” and the transactions contemplated thereby, the “**Merger**”). Upon the closing of the Merger on April 1, 2026, Merger Sub merged with and into the Company, with the Company surviving such Merger as a wholly owned subsidiary of Parent (the sole member of the Company).

Immediately prior to the Merger, Seller was the sole Member of the Company. Seller is an indirect subsidiary of Anytime Fitness, LLC, which itself is a wholly owned subsidiary of Self Esteem Brands (“**SEB**”). SEB, in turn, is a wholly owned subsidiary of Purpose Brands, LLC (“**Purpose Brands**”).

Predecessor

Our most recent predecessor is Basecamp Fitness, LLC (“**BFLLC**”). Additionally, the Dethrone Entities discussed above would also be considered our predecessors. The principal business address for BFLLC is 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. The Dethrone Entities have a principal business address of 405 Primrose Road, No. 200, Burlingame, California 94010. To our knowledge, none of the Dethrone Entities have offered franchises in any lines of business.

In November 2021, as part of a securitization transaction involving SEB, BFLLC transferred all existing U.S. franchise, area development and related agreements for Basecamp Fitness locations to us, and we became the franchisor of all existing and future franchise, area development and related agreements. Ownership and control of all U.S. trademarks and certain intellectual property relating to the operation of

Basecamp Fitness locations in the U.S. were also transferred to us. BFLLC has operated Basecamp Fitness studios since May 2019 and offered franchises under the Basecamp Fitness name from the spring of 2020 to November 2021. BFLLC no longer offers franchises for this business, and has never offered franchises in any other line of business.

Affiliates

Our affiliate, AE Capital, LLC (“**AE Capital**”), a Delaware entity formed on January 20, 2015, with its principal place of business at 126 Garrett Street, Suite J, Charlottesville, VA 22902, is the parent company of Premium Service Brands, LLC (“**PSB**”), a Delaware entity formed on January 15, 2015, with its principal place of business at 126 Garrett Street, Suite J, Charlottesville, VA 22902. PSB is the parent company of PSB Group, Inc. (“**PSB Group**”), a Delaware entity formed on May 14, 2021, with its principal place of business at 126 Garrett Street, Suite J, Charlottesville, VA 22902. None of AE Capital, PSB, and PSB Group offer franchises in any line of business, nor do any of them provide products or services directly to our franchisees.

Our affiliate, Neighborhood Barre Franchising, LLC (“**Neighborhood Barre**”) is a Virginia limited liability company formed on April 25, 2024, with a principal place of business at 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. Neighborhood Barre began offering franchises in June 2025 for fitness studios that offer barre-based workout classes. Neighborhood Barre does not engage in any other line of business and does not own or operate any similar businesses to the one it franchises. As of December 31, 2025, there were 20 franchised outlets and 2 affiliated-owned operating outlets.

Our affiliate, Purvelo Franchising, LLC (“**Purvelo**”) is a Virginia limited liability company formed on May 23, 2022 with a principal business address of 1000 W. Main Street, Charlottesville, Virginia 22903. Purvelo has been offering franchises for cycle studios that offer spin and other fitness class offerings since September 2022 and does not offer franchises in any other line of business, does not engage in any other line of business, and does not own or operate any similar businesses to the one it franchises. As of December 31, 2025, there were 2 franchised outlets along with 1 company-affiliated operating outlets.

Our affiliate, Row House Franchising, LLC (“**Row House**”) is a Virginia limited liability company formed on May 17, 2024 with a principal business address of 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. Row House operates under its corporate name and the name “Row House.” Row House has been offering franchises for fitness studios that provide rowing and other specialized exercise classes using designated equipment since July 2024. As of December 31, 2025, there were 38 franchised outlets in the United States. Other than the above, Row House does not offer franchises in any other line of business, does not engage in any other line of business, and does not own or operate any similar businesses to the one it franchises.

Our affiliate, EB CycleBar Franchising, LLC (“**CycleBar**”) is a Virginia limited liability company formed on July 23, 2025, with a principal place of business at 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. CycleBar has offered franchises for fitness studios that provide indoor cycling classes/instruction and other related exercise classes since September 2025. CycleBar does not engage in any other line of business and does not own or operate any similar businesses to the one it franchises. As of December 31, 2025, there were 116 franchised outlets and 0 affiliated-owned operating outlets.

Our affiliate, EB Rumble Franchising, LLC (“**Rumble**”) is a Virginia limited liability company formed on July 23, 2025, with a principal place of business at 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. Rumble has offered franchises for fitness studios that provide boxing and other

specialized exercise classes since September 2025. Rumble does not engage in any other line of business and does not own or operate any similar businesses to the one it franchises. As of December 31, 2025, there were 72 franchised outlets.

PSB Group is the direct parent of the following affiliates, which do not operate any other business or offer franchises in any other line of business, except as described below:

Affiliate	Principal Business Address	Franchise Offered	Offered Franchises Since	Number of as of December 31, 2025
360 Painting, LLC (“ 360 Painting ”)	126 Garrett Street, Suite J, Charlottesville, VA 22911	painting and wall finishing services for both exterior and interior portions of residences and “light commercial” buildings	April 1, 2013 Predecessor: 360 Painting, Inc., which offered and sold franchises from September 2, 2006 until April 1, 2013.	148 franchises in the U.S.
Pro-Lift Doors Franchise, LLC (“ Pro Lift ”)	126 Garrett Street, Suite J, Charlottesville, VA 22911	a full range of residential and commercial overhead garage services	September 1, 2015	56 franchises in the U.S.
Maid Right, LLC (“ Maid Right ”)	126 Garrett Street, Suite J, Charlottesville, VA 22911	residential cleaning and related services	April 2018	39 franchises, of which 8 were master franchisees offering subfranchises, in the U.S.
House Doctors, LLC (“ House Doctors ”)	126 Garrett Street, Suite J, Charlottesville, VA 22911	handyman services for both exterior and interior portions of residences and “light commercial” buildings	November 2021 Predecessor: Handyman Pro, LLC, which offered Handyman Pro franchises from April 2018 until September 2021	112 franchises in the U.S.
Kitchen Wise, LLC (“ Kitchen Wise ”)	126 Garrett Street, Suite J, Charlottesville, VA 22911	market, design, sell and install custom products and shelving for kitchen and bathroom cabinets and closets	October 2019	12 franchises in the U.S.
Rubbish Works, LLC (“ Rubbish Works ”)	126 Garrett Street, Suite J, Charlottesville, VA 22911	service junk removal for residential consumers	November 2020	13 franchises in the U.S.

Affiliate	Principal Business Address	Franchise Offered	Offered Franchises Since	Number of as of December 31, 2025
The Grout Medic, LLC (“ Grout Medic ”) DE limited liability company	126 Garrett Street, Suite J, Charlottesville, VA 22911	tile and grout restoration, repair, and re-caulking services for both exterior and interior portions of residences and “light commercial” buildings	October 2021 Predecessor: The Grout Medic, LLC (TX limited liability company) which offered and sold franchises from December 2019 to September 2021	94 franchises in the U.S.
RooterMan, LLC (“ RooterMan ”)	126 Garrett Street, Suite J, Charlottesville, VA 22911	plumbing and sewer services for residential and commercial consumers	February 2022	517 franchised units operating in the U.S. and Canada.
Window Gang, LLC (“ Window Gang ”)	126 Garrett Street, Suite J, Charlottesville, Virginia, 22902	window cleaning, gutter cleaning, pressure washing, low pressure chemical washing, deck/fence restoration, roof washing, house washing, dryer vent cleaning, chimney sweeping and other cleaning services	May 2023	52 outlets in the U.S.

Market Competition

You will sell your services to the general public. The market for class-based fitness services, including group workout classes, is developed and highly competitive. Your competitors include other national fitness chains, personal training studios and local fitness centers. The fitness industry is generally not seasonal.

Regulations

Your Basecamp Studio will be subject to national, state and local regulations that apply to all businesses, such as the Americans With Disabilities Act, wage and hour laws, employment laws, zoning laws, pricing and consumer disclosures laws, unfair and deceptive consumer practices laws and business licensing requirements. Because you will accept credit cards, you will also have to comply with any general laws and regulations relating to the acceptance of credit cards, including the Payment Card Industry (“**PCI**”) Data Security Standard (“**DSS**”). Compliance with the PCI DSS is your responsibility. You must also comply with personal information, data protection and data privacy laws that affect the safekeeping of

member information, and regulations that apply to electronic marketing, like faxes, emails, text messaging and telemarketing.

Many states, and some municipalities, have laws and regulations that apply specifically to health clubs and fitness clubs, membership contracts, operations and licenses. Many states limit the length of your member contracts, provide for specific provisions to be included in those contracts, prescribe the format or type size for the contract, and/or provide members the right to terminate their contracts. State regulations may also require you to obtain a bond to protect pre-paid membership fees you collect. Some states and municipalities may also have enacted laws requiring a staff person be certified in basic cardiopulmonary resuscitation, or have other specialized training. In addition, some states have laws requiring a fitness studio to have an automated external defibrillator and other first aid equipment on the premises, and some may require you to take other safety measures. Some states impose sales taxes on studio memberships. There may also be special permits required for you to operate some or all of your business. Your business is subject to state and federal regulations that allow the government to restrict business operations during state or national emergencies. If these or similar laws have been enacted in the state or municipality in which you intend to operate your Basecamp Studio, you will need to comply with these laws, and we urge you to become familiar with them.

There are also state and federal laws and regulations that apply to credit transactions, such as 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. These laws and regulations vary from state to state and may affect your operations.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer of Extraordinary Brands, LLC: Paul Flick

Mr. Flick has served as the CEO of both our parent, AE Capital Group, since May 2021, and our direct parent, EB, since May 2022, at our headquarters in Charlottesville, VA. Mr. Flick also serves as the CEO of AE Capital, at our headquarters in Charlottesville, VA since its inception in April 2013. Mr. Flick has also served as the CEO of PSB and PSB Group at its headquarters in Charlottesville, VA since January 2015. Mr. Flick also serves as the CEO of our affiliated companies, all of which are headquartered in Charlottesville, VA: 360 Painting, since April 2013; Maid Right, since April 2018; Handyman Pro, since April 2018; Kitchen Wise, since September 2019; Renew Crew, since January 2020; Pro Lift, since September 2015; Rubbish Works, since November 2020; House Doctors and The Grout Medic since September 2021; RooterMan since January 2022; Purvelo since May 2022; Row House since May 2024; ETF since April 2024; Neighborhood Barre since April 2024; Cycle Bar since July 2025; and Rumble since July 2025.

President of Brands – Nigel Skiathitis

Mr. Skiathitis has served as President of Brands for EB in Chicago, IL since April 2026. Previously, Mr. Skiathitis served as Vice President for Basecamp Fitness in Chicago, IL from November 2021 to April 2026. From September 2019 to November 2021, he served as National Sales Director for BFLLC in Los Angeles, CA.

Chief Development Officer of Extraordinary Brands, LLC: Dave Cuff

Mr. Cuff has served as Chief Development Officer of EB in Charlotte, NC since February 2026. Mr. Cuff has also served as Chief Development Officer of PSB in Charlotte, NC since February 2026. From January

2025 to January 2026, Mr. Cuff served as Chief of Staff for LOVING in Charlotte, NC. From May 2024 to April 2025, Mr. Cuff served as President of Hoppin in Charlotte, NC. From February 2021 to May 2024, Mr. Cuff served as Chief Development Officer for Clean Juice in Charlotte, NC.

Chief Operating Officer of Extraordinary Brands, LLC: Katherine B. Richardson

Ms. Richardson has served as Chief Operating Officer of EB in Knoxville, TN since August 2025. Ms. Richardson served as President and Manager of Neighborhood Barre in Knoxville, TN from August 2024 to July 2025. Previously, she served as President of Barre Skinny, LLC in Knoxville, TN from July 2014 until August 2024. She has also served as President and Manager of our affiliate Neighborhood Barre, LLC in Knoxville, TN, since its inception in May 2011. She is the founder of the Neighborhood Barre concept and a certified yoga instructor.

General Counsel of Extraordinary Brands: Thomas Higham

Mr. Higham has been General Counsel of EB in Charlottesville, VA since September 2025. From May 2024 to September 2025, Mr. Higham served as Of Counsel to Edwards Law Group, Inc. in Austin, Texas. From April 2023 to June 2024, Mr. Higham served as Vice President, Deputy General Counsel of Sky Zone, LLC in Austin, Texas. From June 2019 to April 2023, Mr. Higham served as Deputy General Counsel of LogicMonitor, Inc. in Austin, Texas.

VP of Finance of Extraordinary Brands: Dan Chipman

Mr. Chipman has been VP of Finance of EB in Charlottesville, VA since April 2026. From September 2023 to April 2026, Mr. Chipman served as Finance Director for Greene County in Standardsville, VA. From February 2021 to September 2023, Mr. Chipman served as Fiscal Services Project Manager for Albemarle County Public Schools in Charlottesville, VA.

VP of Training and Product Strategy of Extraordinary Brands, LLC: Michelle Parolini

Mrs. Parolini has served as VP Training and Product Strategy of EB in Pittsburgh, PA since February 2026. Previously, Mrs. Parolini served as Director of Training and Product Strategy of EB in Pittsburgh, PA from April 2025 to February 2026. From May 2024 to April 2025, Mrs. Parolini served as Manager of Coach Development for Row House in Pittsburgh, PA. Previously, from July 2020 to May 2024, she served as Manager of Coach Development for Row House's predecessor entity in Pittsburgh, PA.

Director of Marketing of Extraordinary Brands, LLC: Marley Delaney

Ms. Delaney has served as the Director of Marketing for EB in Charlottesville, VA since June 2024. Previously, she served as the Marketing Director for Xponential Fitness, LLC in Irvine, CA, from October 2021 until June 2024, and as Franchise Marketing Manager for Row House from August 2020 to October 2021, in Irvine, CA. From January 2020 to April 2020, Ms. Delaney served as Franchise Marketing Manager for UFC Gym in Newport Beach, CA.

Director of Studio Development of Extraordinary Brands, LLC: Eileen McCarthy

Ms. McCarthy has been Director of Studio Development of EB in Arlington, VA since August 2025. Ms. McCarthy has also been Studio Development and Onboarding Manager of Neighborhood Barre in Arlington, VA since August 2024. Previously, she served as Studio Development and Onboarding Manager of Barre Skinny, LLC in Arlington, VA from May 2023 until August 2024. From January 2016 to October 2023, Ms. McCarthy owned and operated the Neighborhood Barre location in Arlington, Virginia.

Brand Lead of Basecamp Fitness: Krissy DiAngelo

Ms. DiAngelo has served as Brand Lead for Basecamp Fitness in Charlottesville, VA since April 2026. From January 2025 to April 2026, Ms. DiAngelo served as Senior Manager, Field Support for Basecamp Fitness in Minneapolis, MN. Previously, from April 2021 to January 2025, Ms. DiAngelo served as District Manager for Basecamp Fitness in Minneapolis, MN.

Training and Experience Manager of Basecamp Fitness: Kendra Connor

Ms. Connor has served as Training and Experience Manager of Basecamp Fitness since April 2026. In this role, Ms. Connor oversees coach development and programming. Previously, Ms. Connor served as Fitness Manager for Basecamp Fitness from June 2025 to April 2026, where she led programming efforts at the corporate level. From February 2023 to June 2025, Ms. Connor served in various roles for Basecamp Fitness in Encinitas, California, including Fitness Manager from February 2023 to November 2023, Studio Manager from November 2023 to December 2024, and Coach from December 2024 to June 2025. Previously, from 2021 to 2023, Ms. Connor served as Coach of Basecamp Fitness in Santa Monica, California.

ITEM 3 LITIGATION

Basecamp Fitness has no direct litigation to be disclosed in this item.

Pending Actions Involving our Affiliates and/or Their Predecessors

The following litigation relates to our Chief Executive Officer, our parent EB and/or certain affiliate brands.

Kristin Watson v. Paul Flick, Carter Purves, AE Capital, LLC, Extraordinary Brands, LLC, Purvelo Franchising, LLC and Purvelo, Inc., filed July 31, 2025, Circuit Court for the County of Albemarle, Commonwealth of Virginia, Case No. CL250001455-00. This action was filed by the founder of the Purvelo cycling brand, Kristin Watson, against Paul Flick, former Purvelo manager Carter Purves, and certain other entities related to the Purvelo brand in response to the May 2022 purchase of the Purvelo brand from Watson and the subsequent dissolution of the business relationship between Watson, Flick and others related to the continuing operation of the Purvelo brand. Watson alleges breach of contract, breach of operating agreements, breach of fiduciary duty, aiding and abetting, and fraud, and seeks removal of Purves as Purvelo manager, a judicial accounting, special damages, release of certain company funds, punitive damages, her attorneys' fees, costs, and interest. Flick and the related defendant-parties intend to vigorously defend themselves in this matter. In December 2025, Extraordinary Brands, LLC filed related claims against Watson which arise from the May 2022 transaction under the caption Extraordinary Brands, LLC v. Watson (see below).

Extraordinary Brands, LLC v. Kristin Watson, filed December 3, 2025, Circuit Court for the County of Albemarle, Commonwealth of Virginia, Case No. CL25002360-00. This action was filed by Extraordinary Brands against Kristin Watson in response to the May 2022 purchase of the Purvelo brand from Watson. Extraordinary Brands alleges breach of contract, fraud in the inducement, and securities fraud against Watson in connection with materially false statements and omissions during the negotiation and due diligence process, including representations regarding Purvelo's financial condition, profitability,

capitalization, and compliance with its loan covenants. Extraordinary Brands further alleges that Watson increased the company's debt prior to closing without proper disclosure and subsequently used loan proceeds in a manner inconsistent with applicable loan program requirements and the parties' transaction agreements. The suit seeks compensatory damages, punitive damages, and attorneys' fees and costs, as well as rescission-related relief. Extraordinary Brands intends to pursue this litigation and the requested relief alongside its defense of *Watson v. Flick, et al.*

The following litigation relates to our Chief Executive Officer or our affiliate PSB and/or its related brands.

Pending Actions

Willett v. Window Gang, LLC and Paul Flick (U.S. District Court for the Western District of Virginia, Civil Action No. 3:25-cv-00044). On May 29, 2025, current Window Gang franchisee Willett filed this suit against the franchisor Window Gang, LLC and Paul Flick alleging actual fraud, constructive fraud, negligence per se, rescission, breach of contract and breach of an implied covenant of good faith and fair dealing relating to Window Gang, LLC's alleged sale of a portion of territory to the franchisee that was already sold to an existing Window Gang franchisee. Franchisee seeks damages of \$320,000 and rescission of the franchise agreement as well as costs and attorneys' fees. On June 24, 2025, Window Gang, LLC filed its Answer denying liability to the franchisee and its counterclaims against the franchisee for breach of the franchise agreement, unjust enrichment, quantum meruit, trade secret misappropriation, violations of the Virginia Uniform Trade Secret Act, and injunctive relief preventing further misappropriation or unauthorized disclosure of Window Gang's trade secrets, as well as damages of \$75,000 and reimbursement for costs of litigation and any attorney's fees incurred. Window Gang, LLC intends to defend against all claims and to vigorously pursue its own counterclaims against the franchisee.

360 Painting, LLC v. Chshelokovskiy, et al. (U.S. District Court for the Western District of Virginia, Civil Action No. 3:25-cv-00032). On May 7, 2025, 360 Painting, LLC filed a Complaint against former 360 Painting franchisee Andrey Chshelokovskiy and Nomad Contractors LLC d/b/a Nomad Coatings, a company offering services which are competitive with 360 Painting, LLC within the franchise area assigned to Chshelokovskiy, alleging breach of the franchise agreement, misappropriation of trade secrets under the Virginia Uniform Trade Secrets Act, conversion, and unjust enrichment. 360 Painting, LLC seeks damages of \$185,524.25, prejudgment interest and costs, as well as an injunction preventing unfair competition by enforcing the terms of the parties' franchise agreement, preventing further misappropriation or disclosure of 360 Painting, LLC's trade secrets, and ordering Chshelokovskiy to disgorge compensation, profits, or other remuneration received from Nomad Contractors LLC. On June 16, 2025, Chshelokovskiy and Nomad Contractors LLC filed an Answer to the Complaint denying liability for any of the causes of action pled against them, as well as asserting counterclaims against 360 Painting, LLC for fraud, fraudulent inducement, constructive fraud, negligence per se, equitable rescission, breach of contract, and breach of Virginia's Retail Franchising Act. Chshelokovskiy and Nomad Contractors LLC seek damages in the amount of at least \$508,389.73, plus punitive damages of \$350,000.00, rescindment of the franchise agreement and its related agreements, and repayment of all funds previously paid to 360 Painting, LLC under the franchise agreement, as well as reimbursement for costs of litigation and any attorney's fees incurred. The parties are presently engaged in discovery. 360 Painting, LLC intends to vigorously pursue its own claims against Chshelokovskiy and Nomad Contractors LLC and to defend against all counterclaims.

360 Painting, LLC v. Gilliam, et al. (U.S. District Court for the Western District of Virginia, Civil Action No. 3:25-cv-00033). On May 7, 2025, 360 Painting, LLC filed a Complaint against former 360 Painting franchisee James Gilliam, his entity BridgeJam, LLC, and Nomad Contractors LLC d/b/a Nomad Coatings, a company offering services which are competitive with 360 Painting, LLC within the franchise area assigned to Gilliam, alleging breach of the franchise agreement, misappropriation of trade secrets

under the Virginia Uniform Trade Secrets Act, conversion, fraudulent inducement, and unjust enrichment. 360 Painting, LLC seeks compensatory damages of at least \$189,000.00, prejudgment interest and costs, punitive damages in the amount of \$350,000.00, as well as an injunction preventing unfair competition by enforcing the terms of the parties' franchise agreement, preventing further misappropriation or disclosure of 360 Painting, LLC's trade secrets, and ordering Gilliam, BridgeJam, LLC, Nomad Contractors LLC to disgorge compensation, profits, or other remuneration received by use of 360 Painting, LLC's confidential information and trade secrets. On June 16, 2025, Gilliam, BridgeJam, LLC and Nomad Contractors LLC filed an Answer to the Complaint denying liability for any of the causes of action pled against them. The parties are presently engaged in discovery. 360 Painting, LLC intends to vigorously pursue its claims against Gilliam, BridgeJam, LLC, and Nomad Contractors LLC.

360 Painting, LLC v. Glenn A. Misiph et. al. (U.S. District Court, Western District of Virginia, Case No. 3:22-cv-00056-NKM). On September 27, 2022, 360 Painting, LLC filed a Complaint against former franchisee Glenn A. Misiph and AASK Services, LLC, the former unauthorized operator for franchisee, alleging breach of contract, unjust enrichment and quantum meruit, and seeking injunctive relief arising from the former terminated franchisee's unauthorized use of 360 Painting's Marks on an unauthorized website and the posting of content on the unauthorized website, which impairs the goodwill associated with 360 Painting's Marks. In addition, 360 Painting alleges breach of the franchise agreement arising from the operation of the 360 Painting franchise through AASK Services, LLC, an entity not a party to the franchise agreement, which used 360 Painting's Marks and other business systems without authorization. 360 Painting then filed an Amended Complaint alleging breach of the franchise agreement, unjust enrichment, quantum meruit, tortious interference with contract, misappropriation of trade secrets under Virginia's Uniform Trade Secret Act, Defend Trade Secret Act violations, statutory conspiracy under VA. Code § 18.2-500 and civil conspiracy to tortiously interfere with contract. The parties then agreed to litigate these claims made by 360 Painting, LLC in Massachusetts as part of the litigation presently pending as *Glenn Misiph et. al. v. 360 Painting, LLC et. al.* (U.S. District Court, District of Massachusetts, Case No. 1:22-cv-11778-AK). In this matter, Glenn Misiph and AASK Services, LLC, filed a Complaint on October 18, 2022, against 360 Painting, LLC, Premium Service Brands, LLC, and Paul Flick alleging fraud, fraudulent inducement, negligent misrepresentation, and violations of the Massachusetts unfair business practices act arising from alleged pre-sale misrepresentations and omissions in 360 Painting's FDD, financial documents, other documents, and oral communications. Plaintiffs also allege breach of contract and breach of the implied duty of good faith and fair dealing arising from 360 Painting's alleged failure to provide services, failure to account for and use the marketing fund, and improper termination of Plaintiffs' franchise. Plaintiffs seek rescission of the franchise agreement, return of the \$54,000 initial franchise fee and all other payments made by Plaintiffs, \$217,999 in compensatory damages, treble damages, and attorneys' fees. On November 13, 2023, 360 Painting filed its counterclaims against Plaintiffs, alleging breach of the franchise agreement, unjust enrichment, quantum meruit, tortious interference with contract, trade secret misappropriation, violations of the Defend Trade Secrets Act, statutory business conspiracy, and common law conspiracy. 360 Painting's counterclaim complaint sought compensatory damages of no less than \$75,000, treble damages, punitive damages, and injunctive relief against the Plaintiffs. On December 22, 2023, 360 Painting filed its First Amended Counterclaims alleging substantially the same causes of action against Plaintiffs. The parties filed motions to dismiss one another's claims, which were heard by the Court on August 14, 2024. On August 16, 2024, the Court ruled on the motions and permitted the case to proceed on the claims filed by Plaintiffs, and the trade secret claims alleged by 360 Painting. The parties completed discovery and the final pretrial conference required to be held in advance of trial. Trial is presently set to begin on May 5, 2026. 360 Painting intends to vigorously defend the claims brought against it and to pursue its counterclaims against the Plaintiffs.

Premium Service Brands, LLC v. Glenn A. Misiph (Circuit Court for the City of Charlottesville, Commonwealth of Virginia, Case No. CL25000445-00). On March 15, 2025, Premium Service Brands, LLC filed a Complaint against former 360 Painting franchisee Glenn A. Misiph, alleging tortious

interference with contract and business conspiracy and seeking compensatory damages in the amount of \$30,000.00 based on Misiph's coordinated acts with another former franchisee to make false and damaging statements about Premium Service Brands, LLC, and its portfolio of franchise companies, and thereby disrupt franchise agreements, mutual termination agreements, consent to sale agreements, confidentiality agreements, and other ancillary agreements. On June 9, 2025, Misiph filed a plea-in-bar alleging that case and its claims were barred by the Virginia doctrine of claim preclusion. The parties have not completed discovery, and no trial date is presently set. Premium Service Brands, LLC intends to vigorously pursue its claims against Misiph.

Rooterman, LLC v. Klodian Belegu, et al. (U.S. District Court, District of Massachusetts, Case No. 1:24cv-13015). On December 5, 2024, PSB's subsidiary Rooterman, LLC filed a lawsuit and sought a preliminary injunction against former franchisee Klodian Belegu and Quality Air Care Corporation, a corporation owned by Belegu that operated certain of his franchises, alleging trademark infringement, unfair competition, dilution, violation of post-termination restrictive covenants and breach of the franchise agreements arising from the former franchisee's unauthorized use of Rooterman's Marks on an unauthorized website, and the former franchisee's failure to return proprietary and confidential information to Rooterman post-termination. In addition, Rooterman alleged trademark infringement against Belegu's other corporation, RM Water Damage Restoration LTD, an entity not a party to the franchise agreement, but which Belegu ran concurrently with his former franchise business. Rooterman then filed an Amended Complaint, which added a defendant, 911 Sewer & Drain, as Belegu was using this entity to violate Rooterman's statutory and contractual rights and unfairly compete. Defendants answered the complaint on February 18, 2025, and also asserted counterclaims against Rooterman, LLC, alleging fraudulent inducement, breach of contract, and violations of the Massachusetts unfair business practices act arising from the alleged failure to provide services, and alleged failure to register and police marks. Defendants further contest the validity of the Rooterman marks, claiming they should be cancelled for alleged abandonment and/or the granting of a naked license. On April 11, 2025, the Court entered an injunction against the Defendants restricting them from competing through September 2026. Defendants appealed that injunction to the First Circuit, and the appeal was argued on January 5, 2026. We await a decision from the First Circuit. Meanwhile, on April 15, 2026, Defendants sold their business to their longtime lawyer, Sandro Paterno, who immediately set up the same companies, and purportedly has been running them for one year. Despite a demand to cease and desist in May 2025, Paterno has not. Accordingly, Rooterman has added him individually, added his law firm, and added his "new entity" as third party reach and apply defendants to the existing lawsuit. The parties are currently engaged in discovery. Rooterman, LLC is vigorously pursuing its own claims and vigorously defending against Belegu's counterclaims.

Separate from the preliminary injunction matter, in *Rooterman, LLC v. Klodian Belegu, et al.* (American Arbitration Association, Boston Office, Case No. 012400090057), on December 16, 2024, PSB's subsidiary Rooterman, LLC filed an arbitration case against the same former franchisee Klodian Belegu and Quality Air Care Corporation, as well as the same entities identified in the federal case above, alleging the same substantive claims as in the federal case, and also adding claims against Belegu and Quality Air Care for failure to pay royalties, a claim which must be arbitrated per the parties' franchise agreement. However, the parties stipulated that these claims need not be arbitrated and may continue to be litigated in the same federal suit identified above. Thus, the arbitration was dismissed.

Mason v. Premium Service Brands, LLC, ProLift Doors Franchise, LLC, and Paul Flick (Case No. CV-2026-01080, Court of Common Pleas of Washington County, Pennsylvania). On February 9, 2026, Julie and Keith Mason filed a lawsuit against Defendants Premium Service Brands, LLC, ProLift Doors Franchise, LLC, and Paul Flick in the Court of Common Pleas of Washington County, Pennsylvania. Plaintiffs, who entered a Franchise Agreement with ProLift Garage Doors Franchise, LLC dated December 13, 2023, generally allege Defendants breached the Franchise Agreement and engaged in fraudulent and deceptive practices in connection with the sale and operation of the franchise. Defendants filed a motion on

April 10, 2026, seeking to dismiss the action for lack of jurisdiction and improper venue based on the Franchise Agreement's forum selection clause which requires all disputes to be brought in state or federal court serving Charlottesville, Virginia.

CHNC I, LLC v. Clean Juice Franchising, LLC, CJ Fresh Holdings, LLC, Landon Eckles, Caitlyn Eckles, David Cuff, Tripp Setliff and Collin Eckles (Case No. 2024-211191-CB, Circuit Court for the County of Oakland, Michigan). Former Clean Juice franchisee, CHNC I, LLC, filed a complaint in connection with the sale and transfer of the Rochester Hills CLEAN JUICE store in January 2024, which predated the acquisition by CJ Fresh LLC of the Clean Juice assets on May 20, 2024. The complaint alleges that Clean Juice Franchising, LLC failed to update its 2023 franchise disclosure documents with material information regarding legal actions, including mediations and arbitrations that had been filed by other Clean Juice franchisees in 2023, and that the information provided in Item 19 financial performance representations was inaccurate, as well as other claims and allegations. CJ Fresh Holdings, LLC was not served with the lawsuit until January 15, 2025.

Litigation Against Franchisees in Last Fiscal Year

Rooterman, LLC v. Mike Mehenni and Finish Connection, Inc. (U.S. District Court, District of Massachusetts, Case No. 1:25cv-10701). On March 25, 2025, PSB's subsidiary Rooterman, LLC filed a lawsuit and sought a preliminary injunction against former franchisee Mike Mehenni and his entity Finish Connection, Inc. ("Defendants") through which he operated his franchise. Although he was a terminated franchisee, he was discovered to be continuing to use Rooterman's trademarks, a violation of his contract including, but not limited to, his non-competition clause, and a violation of federal trademark law. Defendants defaulted on the lawsuit, and the Court entered a default judgment on December 23, 2025 awarding Rooterman injunctive relief and damages of \$288,579.27 with interest accruing. Rooterman has, and is continuing to, take steps to enforce such judgment and has already successfully caused the "take down" of Defendants' competing website.

Pro-Lift Doors Franchise, LLC v. Arukah LLC et al. (U.S. District Court, Western District of Virginia Case No. 3:25-cv-00087-JHY-JCH). On November 3, 2025, PSB's subsidiary Pro-Lift Doors Franchise, LLC filed a lawsuit against former franchisee, Arukah, LLC and its owners, Miles Ghorley and Chris Finch ("Defendants") seeking enforcement of the Franchise Agreement, which was terminated after Defendants' uncured defaults, and subsequently enforcement of post-termination obligations.

Prior Actions

360 Painting, LLC v. The DeGregorio, LLC, et al., (U.S. N.D. Ill., East. Div., Case # 1:21-cv-04577). Filing date: August 27, 2021. 360 Painting, LLC filed a Complaint against former franchisee Greg DeGregorio and several associated corporate entities based on Breach of Franchise Agreement, Breach of Personal Guaranty, and Fraud/Negligent Misrepresentation based on former franchisee's royalty reporting. The parties entered into a settlement of all claims, with neither party admitting fault or liability, on December 24, 2021, pursuant to which 360 Painting paid \$21,000. An agreed dismissal order requesting a dismissal of all claims with prejudice was entered by the Court on January 11, 2022.

Deborah Carreno v. 360 Painting, LLC, et al. (U.S. District Court, Southern District of California, Case No. 19cv2239-LAB-BGS). On November 22, 2019, a former 360 Painting franchisee, brought an action against 360 Painting and other unnamed defendants, alleging breach of the implied covenant of good faith and fair dealing, negligent misrepresentation, intentional misrepresentation, unjust enrichment and unfair business practices. Generally, Plaintiff claimed that its difficulty in obtaining state licensing required to operate the franchised business constituted a default by 360 Painting of its responsibility to support Plaintiff in opening and operating the franchised business. Plaintiff also claimed that 360 Painting was obligated to

provide advertising materials which were specifically adapted to California's requirements. Plaintiff also claimed that 360 Painting failed to provide sufficient field training. Plaintiff sought unspecified compensatory and special damages, litigation costs and other relief. The parties entered into a settlement of all claims in November 2021, pursuant to which 360 Painting agreed to pay Plaintiff \$57,500. Both parties claims were dismissed with prejudice by Order dated November 18, 2021.

Dispatch Technologies, Inc. v. Premium Service Brands, LLC (case #1984CV01003, The Superior Court, Suffolk County, Trial Court of Massachusetts, filed March 29, 2019). Plaintiff was a CRM software vendor that filed claims for breach of contract, breach of a covenant of good faith and fair dealing and unfair and deceptive trade practices and seeking unspecified damages and attorneys' fees relating to unpaid fees for services rendered after a dispute arose regarding the vendor's lack of performance under a vendor contract. The parties settled on May 20, 2019 with Premium Service Brands, LLC agreeing to pay \$190,000 to mutually terminate the contract and be able to pursue a new CRM vendor. The suit was fully dismissed on June 7, 2019.

YP, LLC d/b/a yellowpages.com, LLC v. 360 Painting, LLC (case # 17CV7398, Superior Court of Dekalb County, State of Georgia, filed July 17, 2017). Plaintiff was an advertising vendor that filed claims for a statement of account, breach of contract and unjust enrichment after a dispute regarding the vendor's performance under a yellow pages advertising contract. 360 Painting, LLC brought counterclaims on October 16, 2017 for breach of contract, negligent misrepresentation and attorneys' fees on the basis that the plaintiff failed to perform under the contract. The parties settled all claims with 360 Painting, LLC agreeing to pay (via installments) \$21,000 of the alleged \$37,765.19 outstanding principal account balance due, and the lawsuits were mutually dismissed on August 27, 2018.

MMG-360 LLC, et al. v. Paul Flick, Home Service Franchising, Inc., 360 Painting LLC, Maintenance Made Simple LLC, et al. (Case No. CV-11-752725, Court of Common Pleas, Cuyahoga County, Ohio). On April 6, 2011, Plaintiff brought an action against Defendants alleging fraud in the inducement and seeking refund of Plaintiff's purchase price in a transaction in which Plaintiff entities purchased assets of Defendant entities for \$140,000, which transactions were rescinded shortly after their occurrence; fraud and breach of contract based on the rescission or settlement agreement entered into between Plaintiffs and Defendants in which Plaintiffs agreed to accept \$100,000 from Defendants in full repayment of the \$140,000 original purchase price paid by Plaintiffs; and seeking declaratory judgment that certain ancillary agreements were canceled and terminated and that exclusive control over Plaintiff entities revert to Plaintiff Merry Meeting, Inc. Plaintiffs and Defendants filed cross motions for summary judgment. Plaintiff's summary judgment motion was granted, and control over Plaintiffs MMG-360, LLC; MMG-MMS, LLC; and MMG-MC, LLC was returned to Plaintiff Merry Meeting, Inc. The parties originally agreed in principle to settlement terms in July 2013 calling for Defendants 360 Painting, LLC and Flick to pay \$100,000 to Plaintiffs in exchange for full general releases by all parties, but the settlement was never finalized. Defendants 360 Painting, LLC and Flick later contacted Plaintiffs in 2020 and the parties signed a formal settlement agreement dated May 26, 2020 under which Defendants paid \$100,000 to Plaintiffs on June 2, 2020 in exchange for full general releases.

Governmental Actions

In the Matter of 360 Painting, LLC f.k.a. 360 Painting, Inc., and Paul Flick, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2015-0477, as modified by Order Modifying Consent Order dated January 4, 2017. On or about February 23, 2016, the Securities Division of the Office of the Attorney General of the State of Maryland initiated an investigation into the franchise related activities of 360 Painting, LLC and Paul Flick. On August 18, 2016, the defendants entered into a Consent Order with the Securities Commissioner, in which they agreed, without admitting or denying any of the Commissioner's statements of fact or conclusions of law, except as to the Commissioner's jurisdiction in

the proceeding, (1) to immediately and permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Registration and Disclosure Law; (2) to promptly file with the Securities Division and diligently pursue the completion of an initial application to register the 360 Painting franchise offering in Maryland; and (3) to send offers of rescission to two Maryland Franchisees, offering them the right to rescission of their 360 Painting franchise agreements and to obtain a refund of initial franchise fees. In an Order Modifying Consent Order dated January 4, 2017, the Consent Order was modified so that 360 Painting was not required to register its 360 Painting franchise offering in Maryland as long as no offers or sales of 360 Painting franchises were made in Maryland or to any Maryland residents. In the Consent Order, the Commissioner concluded that defendants had violated §§ 14-214, 14-216, 14-228 and 14-229 of the Maryland Franchise Registration and Disclosure Law by offering and selling franchises in Maryland and to Maryland residents while not registered to offer and sell franchises in Maryland and using a Franchise Disclosure Document that failed to set forth all information the Securities Division requires to be included in a Maryland registered Franchise Disclosure Document under the Maryland Franchise Registration and Disclosure Law and Maryland's Franchise Regulations. Specifically, the Commissioner found that, in the Franchise Disclosure Documents distributed to the Maryland Franchisees, defendants had failed to disclose the lawsuit filed by Leslie Owens Brown referenced above in Item 3. 360 Painting has corrected this error. The two Maryland Franchisees accepted the rescission offer.

In the Matter of 360 Painting, LLC, No. 20-AVC-F001, investigation by Illinois Attorney General's Office. In January 2020, the Illinois Attorney General's Office began an investigation of potential violations of the Illinois Franchise Disclosure Act by 360 Painting regarding its failure to obtain a signed Illinois amendment to the franchise agreement for Illinois franchises between April 2017 and December 2019. 360 Painting did not contest that Illinois amendments were not executed by Illinois franchisees during this period, but asserted that: (a) each Illinois franchisee received a properly registered franchise disclosure document, including an addendum to the disclosures and an amendment to the franchise agreement containing modifications required by Illinois law; and (b) because each franchisee received the required disclosures, the failure to obtain executed amendments from each franchisee could not have affected the franchisees' decision to purchase the franchise. The Illinois Attorney General asserted that because 360 Painting brought suit against an Illinois franchisee in Virginia (before unilaterally dismissing the case by filing a Motion to Non-Suit), Illinois franchisees were harmed. On May 22, 2020, 360 Painting entered into an Assurance of Voluntary Compliance ("AVC"), under which 360 Painting agreed to offer affected franchisees the opportunity to rescind their franchise agreements, make a \$6,000 payment to the state, disclose the AVC in its disclosure document, and comply with the Illinois Franchise Disclosure Act in the future.

In the matter of Commonwealth of Virginia, ex. rel. State Corporation Commission v. 360 Painting, LLC, No. SEC-2020-00055, investigation by the Virginia State Corporation Commission. In 2020, the Virginia State Corporation Commission began an investigation of potential violations of the Virginia Retail Franchising Act Rules of the Virginia Administrative Code, 21 VAC 5-110-10 et seq. (the "Act"), regarding alleged failures to disclose necessary litigation, administrative, or material civil actions involving 360 Painting or Flick, in its 2017-2020 Franchise Disclosure Documents ("FDD's"). 360 Painting contested whether the litigation was required to be included in the relevant FDD's and neither admitted nor denied the SCC's allegations. On March 2, 2021, an agreed Settlement Order was entered by the State Corporation Commission's Clerk's Office under which 360 Painting agreed to pay \$10,000 in monetary penalties, \$1,000 to defray costs of investigation, and agreed not to violate the Act in the future.

In The Matter of the Commissioner of Financial Protection and Innovation v. 360 Painting, LLC, Pro-Lift Doors Franchise, LLC, Maid Right, LLC, Handyman Pro, LLC, Kitchen Wise, LLC, Renew Crew, LLC, Rubbish Works, LLC, and Paul Flick, an individual, Administrative Proceeding Before the Department of Financial Protection and Innovation of the State of California, File Origination ID 33649, 26267, 110487,

293487, 292987, 339827, 99696, 365318, 403947, Consent Order dated November 19, 2021. In early 2021, the Commissioner of Financial Protection and Innovation (“Commissioner”) opened an informal inquiry regarding alleged failures by defendants to disclose certain litigation, administrative, or material civil actions involving defendants in their Franchise Disclosure Documents (“FDD’s”) as well as related allegations of misrepresentations and omissions in connection with defendant 360 Painting, LLC’s 2017 FDD and related sales activities in California. Defendants contested the Commissioner’s allegations, but on November 19, 2021, the defendants elected to enter into a Consent Order with the Commissioner, in which they agreed, without admitting or denying any of the Commissioner’s statements of fact or conclusions of law, (1) to immediately and permanently cease and desist from the offer and sale of franchises in violation of the California Franchise Investment Law; (2) to pay penalties of \$72,500 and costs of \$10,500 to the Commissioner; (3) to disgorge all initial franchise fees paid by California franchisees to defendant 360 Painting, LLC and refrain from enforcing or collecting judgments against California franchisees; (4) to disclose to the Commissioner pending and concluded governmental agency matters, pending and concluded administrative, criminal and civil actions against defendants and bankruptcies and debt discharges filed by defendants; (5) to a stop order related to the effectiveness of defendant’s 2021 California applications; and (6) to a bar order against defendant Paul Flick from offering or selling franchises or filing franchise registrations in California for 36 months.

In the matter of determining whether there has been a violation of the Franchise Investment Protection Act of Washington by: 360 Painting, LLC, and In the matter of determining whether there has been a violation of the Franchise Investment Protection Act of Washington by: Pro-Lift Doors Franchise, LLC. State of Washington Department of Financial Institutions Securities Division, Order No. S-22-3399-22-CO01, Consent Order dated October 4, 2022. In May 2022, the Securities Division of the Washington Department of Financial Institutions (DFI) began conducting an investigation regarding the offer and sale of franchises by Premium Service Brands, LLC and other entities to determine whether there have been any violations of the Washington Franchise Investment Protection Act (RCW 19.100). Following informal discussions with the DFI, effective October 4, 2022, 360 Painting, LLC and Pro-Lift Doors Franchise, LLC elected to enter into separate Consent Orders with the DFI, in which they each agreed, without admitting or denying any of the DFI’s statements of fact or conclusions of law, (1) to cease and desist from any violation of RCW 19.100.170; and (2) to pay investigative costs of \$2,000.

In the Matter of 360 Painting, LLC, and Paul Flick, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2022-0226. In December 2022, the Securities Division of the Office of the Attorney General of the State of Maryland initiated an investigation into the franchise related activities of 360 Painting, LLC and Paul Flick. On April 19, 2023, 360 Painting, LLC and Paul Flick entered into a Consent Order with the Securities Commissioner, in which they agreed, without admitting or denying any of the Commissioner’s statements of fact or conclusions of law, except as to the Commissioner’s jurisdiction in the proceeding, (1) to immediately and permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Registration and Disclosure Law; (2) to pay to the Office of the Attorney General in conjunction with this Consent Order the sum of \$50,000.00 as a civil monetary penalty; and (3) that the Consent Order is a disclosable order as described under the Maryland Franchise Law, and Item 3 of the NASAA Franchise Registration and Disclosure Guidelines and Amended FTC Franchise Rule. In the Consent Order, the Commissioner concluded that defendants had violated §§ '14-216, 14-220, 14-229, and 14-230 of the Maryland Franchise Law and an order of the Securities Commissioner by failing to disclose certain lawsuits in Franchise Disclosure Documents filed with the Securities Division in 2017 to 2019.

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

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Standard Franchises

Our initial franchise fee (“**Initial Franchise Fee**”) for a single Basecamp Studio is \$42,500. However, we offer other pricing options for veterans, existing franchisees who are not in default under their existing Franchise Agreement(s) with us, and for people signing an Area Development Agreement to open and operate multiple Basecamp Studios. A schedule of the various pricing options and fees follows:

Franchise Agreement Pricing	New Franchisee	New Franchisee Who Meets Veteran Requirements (Note 1)	Existing Franchisee (Note 2)	Existing Franchisee Who Meets Veteran Requirements
Basecamp Studio Franchise	\$42,500	\$38,250	\$37,500	\$33,750

Note 1: To qualify for a veteran fee, you must be a current member of the United States military, or a veteran who received an honorable discharge from a branch of the United States military.

Note 2: We offer a pricing option for existing franchisees of ours, or of our affiliates, that are open and operating, and are in good standing, i.e. not subject to any uncured default notice.

We can modify or terminate the discounts discussed above at any time. See below for Area Development pricing. In all cases, the Initial Franchise Fee is due in full when you sign the Franchise Agreement, deemed fully earned by us once paid and is non-refundable.

Area Development

We also offer Area Development Agreements (an “**ADA**”) to develop multiple Basecamp Studios.

Initial Franchise Fee

You must pay an Initial Franchise Fee in connection with each Franchise Agreement you sign under the ADA.

Initial Franchise Fee Pricing under Area Development Agreements (Standard Basecamp Fitness Franchise)	New Franchisee	New Franchisee Who Meets Veteran Requirements	Existing Franchisee	Existing Franchisee Who Meets Veteran Requirements
3 locations	\$97,500	\$87,750	\$82,500	\$74,250
5 locations	\$137,500	\$123,750	\$112,500	\$101,250
Additional locations	+\$27,500 each	+\$27,500 each	+\$22,500 each	+\$20,250 each

If you sign an ADA, the initial franchise fee is referred to as a Development Fee, and you pay it in full, for all the Basecamp studios you commit to open, when you sign the Development Agreement. All portions of the Development Fee are deemed fully earned by us once paid and are non-refundable.

The number of Basecamp Studios we will allow you to open under an ADA may be limited by various factors, including the market in which you choose to develop.

Initial Retail Inventory/Retail Product Package

Before you begin operating, you must purchase a package of retail products to offer for sale in your Basecamp Studio from us. This package is comprised of shirts, towels, hats, headbands, socks, water bottles, supplements, nutritional products, and other assorted items. The cost of the package is approximately \$7,000 to \$8,000 and is non-refundable and is due before we ship the goods.

Construction Documents

We will create a specific studio layout/design (“**Compliance Drawing**”) of your Basecamp Studio using the as-built drawings, surveys, technical data, and site plans you provide. If Compliance Drawings beyond the one we initially provide are needed, you will pay us \$250 per Compliance Drawing. The Compliance Drawing is not sufficient for construction and permitting. This fee is not refundable and is due upon receipt of an invoice. You must retain our designated architectural vendor to create a complete set of detailed construction documents and to complete construction of your facility in compliance with our mandatory specifications (“**Construction Documents**”), and to obtain any required permits, and conform the premises to local ordinances or building codes.

Build-Out Package

You must purchase a Build-Out Package made up of millwork, furniture, fixtures and a design kit. We estimate that the total payments for the Build-Out Package will range from approximately \$30,733 to \$36,696. The actual amount you pay for these components may vary based on how many non-mandatory items you purchase from us, the requirements and size of your particular Basecamp Studio, and what products we are offering at the time of your purchase. This fee is not refundable and is due at the time of purchase.

Technology & Fitness Equipment Package

You must purchase your fitness equipment, certain technology services, technology, network hardware, and security systems, including iPads, computers, lighting, audio and video systems, software and other related components to operate your Studio from us or our designated supplier. These systems include a point of sale system and software and cloud based technology. You will use these systems for marketing and sales, business intelligence, studio management, fitness programming, communications with us and other studios, web integration, online team collaboration, and to manage your social content, reviews and advertisements. The actual amount you pay for these components may vary based on how many non-mandatory items you purchase from us, the requirements of your particular Basecamp Studio, and what products we are offering at the time of your purchase. The size and configuration of your Basecamp Studio will determine what Technology & Fitness Equipment Package you must purchase. The packages range in cost from \$100,480 (lowest) to \$127,430 (highest), which amount includes the cost of taxes, shipping and installation. These payments are not refundable and are due at the time of purchase.

Technology Set-up Fee

In addition to the cost for the Technology & Fitness Equipment Package described above, you will pay us or our designated supplier a one-time set-up fee and a monthly Technology Fee for the technology solutions included in the Package. The set-up fee is \$500 and is not refundable and is due before the set-up of the systems. The monthly Technology Fee is due on the first business day of each month after billing begins.

(typically beginning when your Studio starts pre-sale 60 to 90 days before opening) and is nonrefundable. The current monthly Technology Fee is \$799 per month. See Item 6 for information on the monthly Technology Fee.

Training Fees

Before your Studio opens you and/or your Principal Operator and your Studio Manager must attend and complete to our satisfaction the New Franchisee Training which consists of: Presale Training, Launch Training, and Role-Specific Onboarding. Presale Training must be completed 90-120 days before your Studio is expected to open. Launch Training must be completed to our satisfaction 7-30 days before your Studio is expected to open and costs \$3,000. You must complete, to our satisfaction, the “Studio Readiness Assessment” prior to beginning Launch training. You are also responsible for any travel and lodging costs you or your employees incur to attend these trainings. The Launch Training fee is due before the training and is nonrefundable. All of these trainings will be conducted in a virtual format, at your Studio, or at another location we designate, at our discretion.

Also before your Studio opens, your Fitness Manager must complete to our satisfaction the Coaches Training Course and Day in the Life Training. This training must be completed 45-60 days before your Studio is expected to open. This training will be conducted in a virtual format, at your studio, or at another location we designate, at our discretion. A minimum of 3 coaches must attend and complete to our satisfaction our Coaches Training Course. This training must be completed to our satisfaction 7-30 days before your Studio is expected to open. The cost for the Coaches Training of \$3,000 is nonrefundable and is due before the training. You are also responsible for all travel and living expenses you and your personnel incur in attending the training. For more information on these trainings see Item 11.

Grand Opening Program

You must spend \$40,000 on your approved Grand Opening Program as described in Items 6 and 11. If you fail to spend this amount, we may require you to pay us the difference between what you should have spent on your Grand Opening Program and what you actually spent. We may require you to implement a Grand Opening marketing plan that we develop in consultation with you and one of our preferred marketing vendors. We can then spend this amount in your market or place it in the General Advertising and Marketing Fund. This amount is not refundable. We may also require you to pay the \$40,000 to us and we will execute the Grand Opening Program.

ITEM 6 OTHER FEES

Type of Fee	Amount (Note 1)	Due Date	Remarks
Royalty Fee	8% of Gross Revenue each month.	Payable on or about the 10 th day of the month for the prior month. (Note 2)	Gross Revenue, includes all amounts generated by your Basecamp Studio, including membership package sales and gift cards (all counted at time of sale), and excluding bona fide refunds, credits given or allowed to members or other customers for the return of merchandise and amounts collected from members and other customers and remitted by you to any governmental taxing authority in satisfaction of sales taxes. Chargebacks are not deducted from collections.

Type of Fee	Amount (Note 1)	Due Date	Remarks
General Advertising and Marketing Fund Contributions	Currently, 2% of Gross Revenue each month	Payable on or about the 10 th day of the month for the prior month. (Note 2)	We reserve the right to increase the General Advertising and Marketing Fund Contribution upon 60 days' written notice to you, but it will not exceed 3% of monthly Gross Revenue.
Grand Opening Program (Note 3)	\$40,000	As incurred	If you fail to spend this amount on the Grand Opening Program, you must pay us the difference and we can either spend it in your market on your behalf or place the money in the General Advertising and Marketing Fund. We can require this amount be paid to us to spend in your market area.
Local Marketing Requirement (Note 4)	\$2,500 per month	As incurred	If you do not meet this minimum requirement, you must pay us the difference and we can either spend it in your market on your behalf or place the money in the General Advertising and Marketing Fund. We can require this amount be paid to us to spend in your market area.
Technology Fee (Note 5)	Currently, \$799 per month.	Payable monthly on or about the first business day of each month.	This fee is subject to an annual increase of 10%, compounded annually and cumulative.
Pre Transfer / Renewal Technology Inspection Fee	\$550	Immediately after notice from us	You will be charged this fee for an inspection of our technology system by us or our designated supplier to determine compliance with system standards in advance of renewal or a transfer of your franchise.
Marketing Materials	\$12,100 for first year and thereafter may vary based on your purchases	When incurred.	You must purchase marketing materials for promotions we require. This amount is for the first year of operations. After the first year, the amount will vary based upon your needs. We do not currently, but we may implement a program that automatically ships marketing materials to your studio for required promotions at your cost.
Conference Fee	Currently, \$439 for early registration, increasing to \$659 at the Conference. We may increase this fee not to exceed \$1,500 per registration.	When you register for the Conference	If we hold a Conference you must pay this fee for one Basecamp Studio, regardless of how many studios you open, even if you do not register for our Conference. Payment of this fee covers registration for a Principal Owner of your Basecamp Studio to attend our Conference. (Note 6)

Type of Fee	Amount (Note 1)	Due Date	Remarks
No Show Fees	Currently, \$500-\$1,000 depending upon trainer, or our actual costs of rescheduling whichever is greater. We may increase this fee not to exceed \$1,500, or the actual costs of rescheduling travel, whichever is greater	Immediately after notice from us.	If we are scheduled for an on-site visit or if you register for a training program, and you cancel, fail to attend, fail to have the appropriate parties attend, or fail to stay for the entire program, and you did not provide us at least 2 weeks' notice that you would not be attending, then you must pay this fee.
Renewal Fee	\$5,000	At least 15 days before the term of your Franchise Agreement expires.	You only pay this fee if you want to renew your franchise.
Training Compliance Fee	\$2,000	Immediately after notice from us.	You only pay this fee if you or any of your coaches teach Basecamp Fitness classes without completing the required coaches training within the applicable time period. The fee consists of a \$500 fine and \$1,500 flat fee for a coach training course.
Additional Coaches Training (Note 7)	Beginning in month 13, currently, \$250 per attendee plus costs of travel, lodging and meals if held at a location other than our corporate offices or online. We may increase this fee not to exceed \$500 per attendee plus costs of travel, lodging and meals if held at a location other than our corporate offices or online	Payable before training begins.	No cost for training additional coaches in the first 12 months after your Studio opens. You pay this fee for 2-3 days of training to certify new coaches after your Studio opens.
Relaunch Training	\$1,000 per day per coach or operations staff member. We may increase this fee not to exceed \$2,000 per day per coach or operations staff member.	Payable before training begins.	You pay this fee for 2 or more days of Studio Operations training after your Studio opens. This training is required if you do not achieve your Studio's 6 month performance targets, otherwise it is optional at the request of a franchisee.

Type of Fee	Amount (Note 1)	Due Date	Remarks
Vitals Training	\$350 plus our costs to conduct the training.	Payable before training begins.	1-5 days of training offered at various times, at our discretion, generally in those years in which we do not offer a Conference. Attendance earns Continuing Education Credits.
Transfer Fee	\$7,500 or \$15,000 (Note 8)	Before you transfer the franchise.	You only pay this fee if you sell your franchise or your interest in it.
Relocation Fee	\$1,500 plus our expenses	When you submit a request to move your Basecamp Studio.	You only pay this fee if you want to relocate your Basecamp Studio. If we do not approve your request, we will refund the fee.
Audit	Cost of audit	30 days after billing	Payable only if audit shows an understatement of at least 2% of Gross Revenue for any month.
Inspection Fee	Up to \$1,000 per failed inspection	Immediately after notice from us.	We will have someone conduct an inspection of your Basecamp Studio on a periodic basis, no more than annually. If you fail the inspection based on our criteria, we will re-inspect at a time we determine and you must pay this fee to cover our costs of re-inspection. If you pass the inspection, you will not incur this cost.
Additional On-site Operations Training	Currently, \$1,000 per day per coach or operations staff member. We may increase this fee not to exceed \$2,000 per day per coach or operations staff member.	Immediately after notice from us.	If you request and we agree we will send one or more experienced Basecamp Fitness coaches and/or one or more experienced operations staff member(s) to your Basecamp Studio for 1-2 days to provide you and your staff with on-site studio operations and coaching training. If you are not meeting our coaching and/or operations standards, we may require you to take and pay for this training. We can also require you to take and pay for this training if we determine it is needed to keep the System competitive.

Type of Fee	Amount (Note 1)	Due Date	Remarks
Standard Default Fee	\$500 per violation per month	Immediately after notice from us.	In addition to our right to terminate the Franchise Agreement and any other rights we may have, if you breach certain provisions of your Franchise Agreement, and you fail to cure the default during the cure period provided, you must pay us a fee of up to \$500 per month until the default is cured in order to offset our costs incurred to address the default.
Insurance/Bond Handling Fees	Currently \$100. We may increase this fee not to exceed \$300.	Immediately after notice from us.	You only pay this fee to us if you fail to obtain insurance or a health club surety bond, and we obtain the insurance coverage or surety bond for you. This fee does not include the cost of insurance premiums or bond premiums, for which you must also reimburse us.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your Basecamp Studio.
Cost of Enforcement or Defense	All costs including accounting and attorneys' fees, will vary under the circumstances.	Immediately after notice from us.	You only pay this amount if we are successful in any legal action we bring against you, or in defending any claim you bring against us.
Interest	Lesser of 1.5% per month or highest rate of interest allowed by applicable law.	As incurred	Payable on all overdue amounts.
Late Report Fee	\$100 per violation	As incurred	Payable only if a required report or financial statement is not delivered when due.
Insufficient Funds Fee	\$100 per check that you submit to us that is returned for insufficient funds, and \$100 each time that we are unable to collect via EFT due to insufficient funds.	As incurred	
CEC Credit Deficiency	\$1.00 per credit deficiency multiplied by the number of Basecamp Studios you own	Immediately after notice from us	You only pay this fee if you fail to meet your Continuing Engagement Credit minimum in any given year. We will deposit the fee in the General Advertising and Marketing Fund. See Item 11 for more information.
Compliance Drawing Fee	\$250 per additional Drawing	As incurred	If you would like additional Compliance Drawings you must pay this fee to us for each additional Drawing.

Type of Fee	Amount (Note 1)	Due Date	Remarks
Cleaning Fee	Costs we incur and are charged by third parties	As incurred	Only payable if you fail to maintain your Studio in a condition that meets our standards and we designate one of our personnel to assist you and/or have third party cleaners clean your Studio to bring it up to standards.
Liquidated Damages	\$10,000 multiplied by number of undeveloped Basecamp studios	Immediately after notice from us	Only payable if your ADA is terminated and you have not developed all Basecamp studios you agreed to develop under the ADA.
Music Licensing Fee	Currently, up to \$2,500 per year, per Basecamp Studio.	As incurred	You will pay this fee to us or directly to our designated vendor(s).
Bookkeeping Software Fee	Up to \$500 per month, per Basecamp Studio	As incurred	We currently do not require franchisees to use a designated bookkeeping vendor, but we may do so in the future and if so, you will be required to pay us or the vendor for the service.
Charitable Contribution	\$100 per month if you choose to contribute	Monthly	This is a voluntary contribution you will make once you open your Basecamp Studio, but only if you decide to participate in our Charitable Contribution Program.
Studio Improvement Program	\$5,000 (Note 9)	As Incurred	Payable if we require your Studio to participate in the Studio Improvement Program.

Except as otherwise stated, all fees paid to us or our affiliates are non-refundable under any circumstances, and are uniform for all new franchisees. Any limitation on our ability to increase a fee or other amount disclosed in this Disclosure Document only applies to Franchise Agreements signed in connection with this Disclosure Document. All limitations expire or otherwise terminate on the expiration or termination of the Franchise Agreement. You must pay fees and other amounts due to us via electronic funds transfer or other similar means. You must comply with our procedures and perform all acts and deliver and sign all documents, including authorization (in the form attached to this Disclosure Document or other form that we may require) for direct debits from your business bank operating account, which may be necessary to assist in or accomplish payment by this method. Under this procedure you authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest that may be owing. You will make the funds available to us for withdrawal by electronic transfer no later than the payment due date. If you have not timely reported the Gross Revenue for your Basecamp Studio, withhold our access to accounting and financial systems or data, or otherwise fail to pay amounts due to us for any reporting period, then we will be authorized, at our option, to debit your account for (a) 110% of the fees transferred from your account for the last reporting period for which a report of the Gross Revenue was provided to us; or (b) the amount due based on information we have retrieved from your operating system.

Notes:

- (1) If your state, or any governmental body in your state, charges a tax on any fee you owe to us or to our affiliates, then you are required to pay an additional amount equal to the amount of this tax. This does not apply to any federal or Virginia income taxes we or our affiliates have to pay.
- (2) If the payment falls on a banking holiday, the payment will be due on the next business day.
- (3) You must spend \$40,000 on a Grand Opening Program we have approved for your Basecamp Studio beginning 12 to 16 weeks before your scheduled opening and ending 30 days following the opening of your Basecamp Studio. If you do not meet this requirement, you must pay us the difference between what you were required to spend and what you actually spent and we can either spend it in your market on your behalf or place the money in the General Advertising and Marketing Fund, as we determine. We may also require you to pay the \$40,000 to us and we will execute the Grand Opening Program.
- (4) After the Grand Opening Program, you must spend a minimum of \$2,500 per month on local advertising of your Basecamp Studio. If you do not meet this minimum spend requirement, you must pay us the difference between what you were required to spend and what you actually spent and we can either spend it in your market on your behalf or place the money in the General Advertising and Marketing Fund, as we determine. We may require you to implement a local marketing plan that we develop in consultation with you and one of our preferred marketing vendors. Or, we may require you to pay us the \$2,500 per month and we will spend it on local advertising in your market. If we implement this requirement you must also pay us a one-time set-up fee of \$350.
- (5) We may increase the amount and calculation of the Technology Fee 10% annually. Adjustments are compounded annually and cumulative including increases in any given year of greater than 10% to adjust for prior years when no increase, or an increase of less than the permitted percentage increase, was implemented. You will pay this monthly Technology Fee for the support of certain components in the Technology & Fitness Equipment Package. You will pay this fee on the first business day of each month after billing begins. Billing begins when your Studio starts pre-sale which is 60 to 90 days before opening. You may still need to purchase various technology and equipment that is not included in the Technology & Fitness Equipment Package. This fee does not include any music licensing fees nor does it include any third party services like fitness equipment maintenance, telephone or internet service.
- (6) A person owning a 10% or greater interest in you or your Basecamp Studio (“**Principal Owner**”), must attend our Conference when offered, typically every other year. If they do not register for a Conference, we will bill you for the “early bird” minimum conference fee after the Conference.
- (7) Each coach at your Basecamp Studio must successfully complete our Coaches Training Course to our satisfaction.
- (8) If you transfer the franchise before you open the Basecamp Studio, the fee will be \$15,000. If you transfer the franchise after you open, the transfer fee is \$7,500. In addition, prior to the transfer, you or the proposed transferee must pay to us or the applicable broker, as we designate, any broker fees or commissions that we or you incur in connection with the transfer.
- (9) Studio Improvement Program. For Studios that have been open and operating for more than twelve (12) months, if Franchisee’s Studio is identified as performing in the bottom ten percent (10%) of

the system across multiple key operating metrics—including, without limitation, total revenue, close rate, utilization, active member growth, and trial volume—Franchisor may, in its sole discretion, require the Studio to participate in a formal performance intervention process. This process may include an on-site, in-person evaluation conducted by Franchisor personnel over two (2) consecutive business days to assess Studio operations and performance drivers, including operational execution, local marketing effectiveness, fitness delivery and coaching standards, team member engagement, and other related business functions. Following the evaluation, Franchisee and the Studio owner will be required to participate in and complete a structured ninety (90) day improvement program designed, facilitated, and monitored by Franchisor, at a cost of Five Thousand Dollars (\$5,000). For Studios that have been open and operating for fewer than twelve (12) months, if the Studio fails to meet Franchisor’s ramp performance expectations as measured at six (6) months following the Studio’s opening date, Franchisor may, in its sole discretion, require the Studio to complete a relaunch training program facilitated by Franchisor, billed at One Thousand Dollars (\$1,000) per day, with such relaunch training typically consisting of two (2) days of instruction and support.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT Single Basecamp Studio Franchise					
Type of Expenditure (Note 1)	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 2)	\$42,500	\$42,500	Lump sum	Upon signing the Franchise Agreement	Us
Travel & Training Expenses (Note 3)	\$3,825	\$9,825	As incurred	As incurred during training	Us, Airlines, hotels, restaurants
Leasehold Improvements (Note 4)	\$87,300	\$310,600	Varied times	Before Opening	Landlord and building contractor
3 Months’ Rent + Security Deposit (Note 5)	\$31,100	\$40,600	As incurred	Monthly	Landlord
Construction Management Fees (Note 6)	\$0	\$12,500	As incurred	Before Opening	Vendors
Architect/Design Fees (Note 7)	\$15,400	\$26,250	As agreed	At time of design	Architect
Technology & Fitness Equipment Package (Note 8)	\$100,480	\$127,430	As agreed	Varied times	Us or designated vendor(s)
Build-Out Package (FF&E) (Note 9)	\$30,733	\$36,696	As agreed	Varied times	Us or designated vendor(s)
Office/Cleaning Supplies (Note 10)	\$3,700	\$3,800	As agreed	Varied times	Us or vendors

YOUR ESTIMATED INITIAL INVESTMENT Single Basecamp Studio Franchise					
Type of Expenditure (Note 1)	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Interior & Exterior Signage (Note 11)	\$33,846	\$36,570	As agreed	Varied times	Us or vendors
Initial Retail Inventory/Retail Product Package (Note 12)	\$7,000	\$8,000	As agreed	At delivery	Us
Grand Opening Advertising (Note 13)	\$40,000	\$40,000	As Agreed	Before opening	Us or vendors
Insurance & Bonds (Note 14)	\$3,200	\$4,000	As incurred	Varied times	Third parties
Miscellaneous Expenses (Note 15)	\$8,550	\$9,550	As agreed	Varied times	Us and vendors
Additional Funds and Working Capital for First 3 Months (Note 16)	\$59,360	\$94,460	As incurred	Varied times	Us, vendors or third parties
TOTAL (Note 17)	\$ 466,994	\$ 802,781			

Notes:

- (1) Unless otherwise provided, and other than the leasehold improvements, the low and high ranges in the table are based on a Basecamp Studio with 2,600 square feet (low) and 3,400 square feet (high) respectively. These fees are non-refundable unless otherwise noted.
- (2) The Initial Franchise Fee is described in Item 5. If you sign an Area Development Agreement, you must commit to opening more than one Basecamp Studio, and you will pay the Development Fee at the time you sign the Area Development Agreement. The Development Fee will be credited to the Initial Franchise Fee due under each Franchise Agreement you or your affiliate signs for each Basecamp Studio developed under the Area Development Agreement. The Development Fee is described in Item 5. There are no other incidental expenses you should incur as a Developer, as the expenses to open each Studio are accounted for in the chart.
- (3) The person you designate as the “Principal Operator” of your Basecamp Studio, and your studio manager, must attend our New Franchisee Training which consists of: Role Specific Training, Presale Training, and Launch Training, all at a location we designate. If your Principal Operator is not also a Principal Owner, then this individual along with your studio manager and fitness manager must sign confidentiality and non-disclosure agreements that meet our requirements and you must provide a copy to us before they attend training. In addition, if your Principal Operator is not also a Principal Owner, then a Principal Owner must also attend and complete this training to our satisfaction before you open your Basecamp Studio. Additional personnel of your studio must attend and complete the other required trainings before opening. We do not charge a fee for the Presale Training. We charge \$3,000 for the Launch Training. Also before your Studio opens, your Fitness Manager and a minimum of 3 coaches must attend our Coaches Training Course. We charge \$3,000 for the Coaches Training Course. Your Fitness Manager must also take the Day in

the Life Training. We currently do not charge for Day in the Life training but may in the future. You are also responsible for all travel and living expenses for your attendees for all training.

- (4) The recommended size of a Basecamp Studio is 2,500 square feet with a range of 2,500 to 3,500 square feet. Leasehold improvements are based on the experience of our franchisees who built studios in 2023, 2024 and 2025. The range of tenant improvement assistance received by our franchisees in 2023, 2024 and 2025 was \$15 to \$70 per square foot, with an average tenant improvement assistance of \$42.29 per square foot. There is no assurance that your landlord will provide you with any tenant improvement assistance.

The amount of your leasehold improvements will vary based on existing conditions, size, design, including the availability and prices of labor and materials. You should carefully investigate all of these costs in the area where you wish to establish your Basecamp Studio. In addition, we assumed the general contractor will include permitting fees in the construction costs.

- (5) Rent costs are generally between \$20 and \$50 per square foot in the Minneapolis, Minnesota market, not including CAM or taxes, and will vary in other markets. Our high and low estimates also assume that you will pay 3 months' rent on a 2,600 square foot location (low estimate) and 3,400 square foot location (high estimate), based on \$27.21 per square foot base rent, plus \$8.60 per square foot in CAM charges (this is the average rent and CAM charges for our corporate and franchised studios as reported to us in 2023, 2024 and 2025). Rent varies by market and your rent may be more or less than this amount.
- (6) We recommend that you use our designated vendor for Construction Management Services. The fee for this service is approximately \$12,500 and is paid to the vendor.
- (7) You must retain our designated architectural vendor to create a complete set of detailed Construction Documents. We estimate the fees for these documents will range from \$15,400 to \$26,250 and these fees will be paid to the vendor.
- (8) Many of these items are included in the Technology & Fitness Equipment Package you will purchase from our affiliate. These estimates include the estimated taxes, shipping and install costs.
- (9) You must purchase a Build-Out Package made up of millwork, furniture, fixtures and a design kit. The actual amount you pay for these components may vary based on how many optional (non-mandatory) items you purchase from us, the requirements and size of your particular Basecamp Studio, and what products we are offering at the time of your purchase.
- (10) Before beginning operations, you must purchase equipment, including an AED device, and supplies as described in the Operations Manual.
- (11) This estimate includes exterior signs as well as interior signage. The total cost for the signage varies depending on the size of the signs, quantity, and the requirements of the landlord and governing authority.
- (12) The estimate includes amounts you must spend to purchase the initial Retail Product Package of branded apparel and promotional items.
- (13) You must spend \$40,000 on a Grand Opening Program we have approved for your Basecamp Studio beginning 12 to 16 weeks before your scheduled opening and ending 30 days following the opening of your Basecamp Studio. If you do not meet this requirement, you must pay us the

difference between what you were required to spend and what you actually spent and we can either spend it in your market on your behalf or place the money in the General Advertising and Marketing Fund, as we determine. We may require you to implement a Grand Opening marketing plan that we develop in consultation with you and one of our preferred marketing vendors. We may also require you to pay the \$40,000 to us and we will execute the Grand Opening Program.

- (14) We require the purchase of a bond. Because the requirements vary by state, they may depend on your net worth or the assets you may need to collateralize that bond. Further, you will need to purchase and maintain in effect at all times during the term of the Franchise Agreement a policy or policies of insurance, naming us and our affiliates as additional insureds on the face of each policy. You must have and maintain general liability insurance with complete operations coverage, broad form contractual liability coverage, property damage all with current minimum limits of \$1,000,000 per person and \$1,000,000 per occurrence, \$3,000,000 in the aggregate, and other insurance in the types and amounts as we may require or as required by law. The insurance policy must be written by a carrier who has a minimum rating acceptable to us. The estimates in the chart are an annual amount.
- (15) This amount includes utility costs, permits and licensing fees, and professional expenses such as legal and accounting, music licensing, software fees and the technology set-up fee of \$500 that you pay to us or our designated vendor for various technology services (see Item 5).
- (16) This amount includes estimated operating expenses you should expect to incur before opening and during the first 3 months of operations, exclusive of rent costs which are discussed above. This amount also includes our current technology set-up fee of \$500, monthly Technology Fee of \$799 per month, royalties, General Advertising and Marketing Fund Contributions, your Local Marketing Requirement, additional utility costs, and payroll but does not include any fees or other amounts you owe us (see Item 6).
- (17) We have relied on the experience of our predecessors and our franchisees' experiences to compile these estimates. We do not offer financing for any part of the initial investment.

YOUR ESTIMATED INITIAL INVESTMENT AREA DEVELOPMENT AGREEMENT

YOUR ESTIMATED INITIAL INVESTMENT					
Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee (Note 1)	\$97,500	\$137,500	Lump sum	Upon signing the Area Development Agreement	Us
TOTAL (Note 2)	\$97,500	\$137,500			

Notes:

- (1) The Development Fee is described in Item 5. Under an Area Development Agreement, you must commit to opening more than one Basecamp Studio, and you will pay the Development Fee at the time you sign the Area Development Agreement, which will vary depending on the number of Studios you agree to develop. As described in Item 5, we offer Area Development Agreements for

3, 5, or more than 5 Studios. The low estimate assumes you agree to develop 3 Studios, and the high estimate assume you agree to develop 5 Studios.

- (2) If you sign an Area Development Agreement, you must also sign the form Franchise Agreement, attached as Exhibit E, for your first Studio, and thus this estimate is in addition to the estimated initial investment for a single Studio above, with the exception that the Development Fee replaces the Initial Franchise Fee you would have paid for those Studios.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

All equipment, furnishings, fixtures, signs, software, software support and security monitoring, supplies, branded items, marketing, maintenance services, insurance and products you purchase for use or sale in your Basecamp Studio must meet our specifications. Additionally, all membership types you offer as well as workouts provided through your Basecamp Studio must meet our specifications and, where allowed by applicable law, comply with our pricing guidelines. Those specifications may include minimum standards for delivery, performance, design, appearance, and quality. We will issue the specifications to you before you begin operating. We may include these specifications in the manual that we provide to you online, or we may issue them separately. While we do not have specifications for local advertising you create to promote your studio, we do require that you obtain our prior approval at least 4 weeks before you use any advertising materials you prepare. You may not establish or have established any digital or electronic medium or method of communication, including a website, web page, review or opinion page, social media and/or social networking site, channel, avatar, profile, including an online business profile, account, hashtag, user name or application, whether web-based or otherwise, or keyword advertising, pay-per-click advertising or other search engine marketing, relating to or making reference to us, your Basecamp Studio, or to the Basecamp Fitness System without our approval. We reserve the right to refuse, reject, adjust or require changes to any advertising material you prepare. You must provide us with full admin access (including with log-in information) to all social media accounts, profiles and pages, business managers, and ad accounts related to your Basecamp Studio or that use our marks. You must provide ownership-level access to any Google Business profiles.

You can expect that the items you purchase to meet our specifications will represent over 90% of the total purchases you will make to begin operations. Once you begin operating, we expect the items you purchase that meet our specifications will represent between 70% and 90% of your total expenses.

If you want to purchase items for your Basecamp Studio that we have not previously approved, or items that differ from our specifications, you must notify us in writing. If we request, you must submit samples and other information we require for testing or to otherwise determine whether the product, material or supply meets our specifications and quality standards. We do not impose any fee for our consideration of an item not previously approved.

We may require you to purchase certain furniture, equipment, inventory, supplies, services and other products used or offered at your studio from vendors we approve, in which case we will provide you with a list of approved suppliers. These will include mandatory vendors (persons from whom you must purchase certain items or services), designated vendors (for items or services that must be purchased from vendors we approve), and preferred vendors (for vendors we have approved, but in categories where we do not require you obtain our approval of the vendor). These suppliers may pay vendor rebates to us and they may include our company and affiliates of ours. We may modify our mandatory, designated, and/or preferred vendor(s) at any time. We may require you to offer additional services or products and some of those products or services may require that you purchase additional equipment or training for your staff.

When we have a designated vendor (other than a mandatory vendor), if you want to purchase from other vendors the items or services for which that vendor has been designated, you must notify us in writing and obtain our approval. If you seek approval of a new supplier (or if the supplier applies directly to us for approval), we will require the supplier pay us a nonrefundable fee of \$300 before we will consider approving their application. This fee is intended to defray our cost of reviewing the supplier. (We do not require you to pay any fee.) We may also require the supplier to sign a supplier agreement with us.

In reviewing prospective suppliers, we consider whether the product or service is consistent with our concept and brand; how they and/or their products or services would enhance our brand and make it more attractive to members and other customers or franchisees; how the product or service would improve the studio experience of a member; how the product or service would increase revenue of a franchisee's business; how the product or service would increase the efficiency of a franchisee; if the product or service is already available through other sources, would approval of another vendor enhance competition or dilute our ability to maximize pricing benefits for our franchisees; is the product of a commercial quality with a proven record of durability; does the supplier support our values; and other factors. In addition, we consider demand from franchisees, the need for the vendor based on business trends, and the ability of the vendor to serve franchisees throughout the United States. (The criteria are posted on our website for potential vendors and franchisees.) We will generally notify you and the supplier of our approval or disapproval within 2-12 months of our receipt of all the information and samples we request. If we revoke approval of any supplier or any item offered by a supplier, we will send you written notice of our revocation of an approved supplier or item.

As of the issuance date of this Disclosure Document, we have the following sole suppliers in our System:

1. We or a third party, depending upon the item, are currently the sole suppliers of certain items logo'd with our Marks, including any branded mobile applications, all retail products for re-sale, workout formats that you must use at your Basecamp Studio and all fitness programming. You must purchase the Build-Out Package from us. Additional items you will need to operate that are included in the Build-Out Package must be purchased from certain third parties who are the sole suppliers for these items. These items include signage, marketing materials, furniture, and fixtures.
2. We or a third party, depending on the item, are currently the sole suppliers for certain fitness equipment, technology services, technology, network hardware, and security systems, including iPads, tablet devices, computers, lighting, audio and video systems, software and other related components including a point of sale system and certain cloud based technology included in the Technology & Fitness Equipment Package which you must purchase to operate your Basecamp Studio.
3. We have a sole supplier of studio management, billing, payment and scheduling software which you must use to operate your Basecamp Studio.

Supplies for your Basecamp Studio must be purchased from designated vendors. We are also currently a designated vendor for business supplies, and marketing materials, and we or our affiliates may be a mandatory, designated and/or preferred vendor for other items in the future. We do not currently, but we may implement a program that automatically ships supplies and/or marketing materials to your studio on a monthly basis based on your need and inventory levels at your cost.

We may require you to use our preferred vendors for your Grand Opening Program for your Basecamp Studio, which may include us or our affiliates, we may require you to submit your grand opening plans and local marketing plans for our prior approval, submit proof of purchase or other documentation to verify you have met minimum spend requirements, and show proof of performance of your advertising activity, or we

may require you to implement a Grand Opening marketing plan that we develop in consultation with you and one of our preferred marketing vendors. Or, we may also require you to pay the \$40,000 for the Grand Opening Program to us and we will execute the Grand Opening Program. We may require you to implement a local marketing plan that we develop in consultation with you and one of our preferred marketing vendors or we may require you to pay us the \$2,500 per month you are required to spend on local advertising and we will spend it on local advertising in your market.

We may require you to work with our designated vendors that provide local marketing services, such as placing and managing digital and/or traditional paid media tactics. We may also require you to work with our designated vendor if you wish to conduct mass marketing to members or prospective members via email or text messages.

You may not send or otherwise transmit, or allow or use a third-party entity or service not approved by us to send or transmit any automated SMS text messages. All automated SMS text messages must be sent through our platform or another third-party platform approved by us.

You must retain our designated architectural vendor to create a complete set of detailed Construction Documents.

We recommend, but do not require, that you use our designated vendor for construction management services to assist you with the build-out of your Basecamp Studio (“**Construction Management Services**”). Construction Management Services generally include consulting services regarding construction-related lease requirements, construction estimates, general contractor bidding and selection (you select the general contractor), the exterior sign review and approval process, utilities set up, obtaining building permits, site conditions and work progress, FF&E operation, maintenance and trouble-shooting; providing a punch list of open issues; construction warranty work; and obtaining occupancy approval. While our vendor provides consulting services in these various areas if you sign its construction management agreement, you alone are responsible for all fees, costs, and expenses associated with your Basecamp Studio’s build-out, including plans and specifications, permits, licenses, construction and materials, FF&E, installation and insurance.

You must participate in all national campaigns, member programs (including providing reciprocal access to members of other Basecamp Fitness studios), consumer sales and satisfaction programs or surveys that we require, including loyalty programs, rewards programs, member challenges, as well as obtain and maintain all technology we require to deliver member exercise programming. Additionally, you are not allowed to create your own such programs, incentives or promotions without our explicit consent. All memberships and products must comply with our pricing guidelines, as allowed by applicable law.

We may also negotiate preferred vendor contracts with vendors. The preferred vendor contracts will usually provide favorable pricing to our franchisees. A list of current preferred vendor contracts will be available to you from us at any time after you sign your Franchise Agreement.

As further described above, we have the right to designate a single source or sources from whom you must purchase any required products and services, and we and/or our affiliates may be that single source or one or more of the sources. Except as described above, as of the issuance date of this Disclosure Document, neither we nor our affiliates are the only approved suppliers of any required products and services.

We derive revenue from your purchases or leases of goods, services, supplies, fixtures, equipment, inventory and products from our mandatory, designated or preferred suppliers. This income may be in the form of percentage rebates on the purchases you make from the vendor or fixed amounts on supplies and services. These rebates will generally be up to 15% of the purchases you make from the vendor. There are

no caps or limitations on the maximum amount of rebates we may receive from our suppliers as the result of franchisee purchases.

For the fiscal year ended December 31, 2025, we received \$58,177 in revenue from the purchase, lease or sale of required goods or services to our franchisees which was 1.45% of our total revenues of \$4,016,473. PV Distribution LLC dba ProVision (ProVision) which was our affiliate for the duration of the 2025 fiscal year but is no longer an affiliate of ours after giving effect to the transactions contemplated by the Merger (as defined in Item 1 of this FDD), received \$245,243 in revenue from the purchase, lease or sale of required goods or services to our franchisees. SEB Distribution LLC (“SEB Distribution”) which was our affiliate for the duration of the 2025 fiscal year but is no longer an affiliate of ours after giving effect to the transactions contemplated by the Merger, received \$59,342 in revenue from the purchase, lease or sale of required goods or services to our franchisees. This information was taken from our and our former affiliates’ internal financial records. As this information was taken from our and our former affiliates’ internal financial records, revenue reported in this paragraph has not been modified for ASC 606 purposes.

In 2025, (i) ProVision provided information technology services, technology, and security systems, including computers, sound systems, software and other related components along with technology and software support, installation services, and security monitoring to our franchisees and (ii) EB Distribution provided certain branded and other products for use and retail sale in your Basecamp Fitness studio. We may continue to designate ProVision and/or EB Distribution as the designated provider of certain services for a transitional period of time following the Merger.

We do not have any purchasing or distribution cooperatives as of the issuance date of this Disclosure Document although we reserve the right to create them in the future and may require your participation in them. We may negotiate purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees and we reserve the right to receive rebates on volume discounts from our purchase of products that we may re-sell to you. We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers and distributors.

None of our officers own any interest in any of our other suppliers, other than us and our affiliates and each of their predecessors.

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 Franchise Disclosure Document.

Obligation	Section in Franchise Agreement	Section in Area Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 1, 9, and Rider	Sections 1 and 3.A	Items 7 and 11
b. Pre-opening purchases/leases	Sections 1, 6, 7, and 9	Section 1.C	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Sections 6, 7, 8, and 9	Sections 1, 3 and Rider	Items 5, 7 and 11
d. Initial and ongoing training	Sections 7 and 8	Not Applicable	Item 11
e. Opening	Sections 1, 7, and Rider	Section 3 and Rider	Items 7, 11 and 12

Obligation	Section in Franchise Agreement	Section in Area Development Agreement	Disclosure Document Item
f. Fees	Sections 1 – 9, 11, 12, 13, 14, 16, 18, 20, and Rider	Sections 2, 6.B, 7.C, and Rider	Items 5 and 6
g. Compliance with standards and policies/operating manual	Sections 1, 2, 3, 8, and 9	Sections 8.A and 8.C	Items 8, 11, 14, and 16
h. Trademarks and proprietary information	Sections 3, 9, and 10	Not Applicable	Items 13 and 14
i. Restrictions on products/services offered	Section 9	Not Applicable	Items 8, 11, and 16
j. Warranty and customer service requirements	Section 9	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Not Applicable	Section 3 and Rider	Item 12
l. Ongoing product/service purchases	Sections 8 and 9	Section 8.C	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	Sections 9 and 14	Not Applicable	Item 6
n. Insurance	Section 11	Not Applicable	Item 7
o. Advertising	Sections 3, 5, 6, and 9	Not Applicable	Items 6, 7, and 11
p. Indemnification	Sections 9 and 11	Sections 7.C and 9	Item 6
q. Owner's participation/management/staffing	Sections 8 and 9	Section 1.A	Item 15
r. Records and reports	Sections 6, 9, and 12	Not Applicable	Not Applicable
s. Inspections and audits	Sections 6, 9, and 12	Not Applicable	Item 6
t. Transfer	Section 13	Section 7	Items 6 and 17
u. Renewal	Section 2	Not Applicable	Items 6 and 17
v. Post-termination obligations	Sections 16, 17, and 18	Section 6	Item 17
w. Non-competition covenants	Sections 10, 16, and 17	Section 9	Items 15 and 17
x. Dispute resolution	Sections 18 and 20	Section 9	Item 17
y. Other: guaranty of franchise obligations (Note 1)	Personal Guaranty (which follows the Franchise Agreement)	Personal Guaranty (which follows the Area Development Agreement)	Item 15

Notes:

- (1) Each individual who is an owner of any business entity that is the franchisee, and their spouse, must sign a personal guarantee of all the obligations of the franchisee under the Franchise Agreement and the Area Development Agreement. This Guarantee also includes an agreement to be bound by the confidentiality and noncompete provisions of the Franchise Agreement.

ITEM 10 FINANCING

We do not offer, directly or indirectly, any financing to you to help you establish your business. We do not guarantee any note, lease or other obligation you incur. However, we do have an arrangement with a third-party equipment lender who will provide financing to our franchisees who meet this lender's requirements.

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

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

We may provide you any of these services through our employees or representatives, through our affiliates, or through any third party provider we designate.

Before you open your Basecamp Studio, we will:

(1) Once you have chosen a site location for your Basecamp Studio, either approve or disapprove that location (Franchise Agreement – Section 1.C).

(2) Once we approve a site location for your Basecamp Studio, provide you with a Protected Territory for your studio (Franchise Agreement – Section 1.B).

(3) Provide you online access to our operations manual that contains mandatory and suggested specifications, standards and procedures (the “**Operations Manual**”). The Operations Manual consists of one or more manuals, technical bulletins or other written materials available electronically and may be modified by us periodically in our discretion. (Franchise Agreement – Sections 8, 9). The manual currently contains 24 pages. A copy of the table of contents of the Operations Manual is attached to this Disclosure Document as Exhibit B.

(4) Provide you with a prototype floor plan, as well as a list of the equipment, displays, fixtures and furnishings for setting up or remodeling your studio (Franchise Agreement – Section 8.B).

(5) As discussed in Item 5, provide you with a Compliance Drawing for your Basecamp Studio (Franchise Agreement – Section 8.C). If, however, you would like additional Compliance Drawings, you must pay us a \$250 fee per Drawing.

(6) You must retain our designated architectural vendor to create a complete set of detailed Construction Documents. If we allow you to use a vendor other than our designated architectural vendor for the creation of your Construction Documents, we will review your Construction Documents at your cost (Franchise Agreement – Section 8.D).

(7) Provide the New Franchisee Training Program for you, or if you are a legal or business entity, a Principal Owner, a Principal Operator (if applicable) and your studio manager. (Franchise Agreement – Section 8.E.). See below for additional information on the New Franchisee Training Program and other training.

(8) Sell to you, or have our affiliate sell to you, a variety of items to operate and promote your Basecamp Studio, including the items included in our Retail Product Package, the Build-Out Package, and the Technology & Fitness Equipment Package, and various other items described in the Operations Manual. (Franchise Agreement – Sections 6.A, 7.A and 8.R).

(9) Assist you in developing and implementing a pre-opening and Grand Opening Program we approve (Franchise Agreement – Section 6).

(10) If you are signing an Area Development Agreement identify a market area within which you will open the number of Basecamp Studios you and we agree on (Area Development Agreement – Sections 1, 3 and Rider).

(11) Provide you with pre-opening support by assigning you a direct contact with us (Franchise Agreement – Section 8.O.).

During the term of the Franchise Agreement, we will:

(1) Make a representative reasonably available to speak with you on the telephone, or at our option, online or via email during normal business hours to discuss your operational issues and support needs or we may send a representative to your Studio (Franchise Agreement – Section 8).

(2) Arrange a mystery shopping service to shop your Basecamp Studio periodically during the term of your Franchise Agreement, and provide the results to you (Franchise Agreement – Section 8).

(3) Establish and maintain an Internet website for the Basecamp Fitness brand and provide you with a local landing page for your Basecamp Studio on that site (Franchise Agreement – Section 9).

(4) Make available additional and advanced training that we feel is necessary to familiarize you and your management team on changes and updates in the franchise System (Franchise Agreement – Sections 7 and 8).

(5) Maintain and administer the General Advertising and Marketing Fund (Franchise Agreement – Section 5.B). See below for more information on this Fund and other advertising requirements.

Training

Initial Training Program (“New Franchisee Training”)

Before the opening of your Basecamp Studio, we provide an initial training program (“**Initial Training Program**”) also referred to as “New Franchisee Training” to the Principal Owner, the person you designate as the “Principal Operator” of your Basecamp Studio and your studio manager. This training begins 120 days before your Studio opens and concludes approximately one week prior to opening. It includes: (1) Role Specific Onboarding (training for studio managers, coaches and front desk staff); (2) Presale Training (training for executing sales in the period prior to opening); (3) Launch Training** (training in studio operations for the period up to and immediately following opening); and (4) Coaches Training*** (training for coaches to deliver the Basecamp workout experience). New Franchisee Training may be provided in a virtual format, in-person at our corporate offices in Charlottesville, Virginia, or at another location designated by us, at our discretion. The training is held on an as needed basis to accommodate demand. Other than as specified below, there is no charge to you for this training, but you are responsible for all travel and living expenses you and your personnel incur in attending the training. In addition, if your Principal Operator is not also a Principal Owner, then a Principal Owner of your business must also attend and complete this training to our satisfaction before you open your Basecamp Studio.

The following represents a summary of our Initial Training Program, also known as New Franchisee Training, as of the issuance date of this Disclosure Document:

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Welcome to Basecamp Fitness Marketing 101	3.5	6.5	Virtual, Charlottesville, VA or another location we designate
Recruiting Toolkit & Vendor Portal	2	2	Virtual, Charlottesville, VA or another location we designate
Setting up your MT Account	0.5	1	Virtual, Charlottesville, VA or another location we designate
Systems Training: CRM 101, Emailing 101, POS 101, Presale Ramp	3	5.5	Virtual, Charlottesville, VA or another location we designate
Lead Generation for Presale, Sales Process, Mobile App, Pedal for a Cause	4.5	6.5	Virtual, Charlottesville, VA or another location we designate
*Presale Training & Evaluation	10	10	Virtual, Charlottesville, VA or another location we designate
Open Studio: Lead Generation & Sales Process, Understanding the Seating Chart	4.5	8	Virtual, Charlottesville, VA or another location we designate
Introduction to Medallia & Launch Training Preparation	13	21.5	Virtual, Charlottesville, VA or another location we designate
**Launch Training & Evaluation	6	14	Virtual, Charlottesville, VA or another location we designate
Studio Readiness & Evaluation	0	10	Virtual, Charlottesville, VA or another location we designate
Total Training Time	47	85	

Presale Training: You and/or your Principal Operator and your Studio Manager must attend and complete to our satisfaction Presale Training. This training is conducted over 3-4 days and must be completed 90-120 days before your Studio is expected to open. This training will be conducted in a virtual format, at your studio, or at another location we designate, at our discretion. You are responsible for any travel and lodging costs you or your personnel incur to attend the training.

****Launch Training:** You and/or your Principal Operator and your Studio Manager must attend and complete to our satisfaction Launch Training. You must complete, to our satisfaction, the “Studio Readiness Assessment” prior to beginning Launch training. This training is conducted over 2-3 days and must be completed 7-30 days before your Studio is expected to open. This training will be conducted in a virtual format, at your studio, or at another location we designate, at our discretion. The cost for this training is \$3,000, is nonrefundable and is payable before the training. You are also responsible for any travel and lodging costs you or your personnel incur to attend the training.

The Initial Training Program, also known as New Franchisee Training, is overseen and provided by Michelle Parolini, our Vice President of Training & Product Strategy, who has 19 years of experience in the fitness industry, as well as Kendra Connor, our Manager of Training & Experience who has 7 years of experience in the fitness industry. Other members of our training staff may conduct training as necessary,

and we may delegate our duties and share our training responsibilities. The Owners Onboarding Manual, serves as our primary instructional material during the Initial Management Training Program.

If a Principal Owner and/or Principal Operator has opened at least one Basecamp Fitness studio and meets the other requirements below, we may, at our option, allow them to test out of Presale Training and Launch Training. Modifying the New Franchisee Training requirements is at our sole discretion. A Principal Owner and/or Principal Operator may request to test out of the Presale and Launch Training requirements if they: (1) have opened and are currently operating at least one Basecamp Fitness studio; (2) have completed the Presale and Launch Training to our satisfaction; and (3) passed the Presale Assessment and Studio Readiness Review. Principal Owners and/or Principal Operators who are not permitted to test out of the Presale and Launch Training must complete these training courses before opening additional Basecamp Fitness studios.

Additional Training Before Studio Opening

*****Coaches Training Course**

Your Fitness Manager must attend and complete to our satisfaction our Coaches Training Course. This training is conducted over 2-3 days and must be completed 45-60 days before your studio is expected to open. In addition, a minimum of 3 coaches must attend and complete to our satisfaction our Coaches Training Course. This training is conducted over 2-3 days and must be completed 7-30 days before your Studio is expected to open. This training will be conducted in a virtual format, at your studio, or at another location we designate, at our discretion. The total cost for this training for your Fitness Manager and coaches is \$3,000, which is nonrefundable and payable before the training. You are also responsible for all travel and living expenses you and your personnel incur in attending the training.

Day in the Life Training

Your Fitness Manager must attend and complete to our satisfaction Day in the Life Training. This training is conducted over 1-2 days and must be completed 30-45 days before your Studio is expected to open. This training will be conducted in a virtual format, at your studio, or at another location we designate, at our discretion. There is currently no cost for this training but we may charge for it in the future. You are responsible for any travel and lodging costs your personnel incur to attend the training.

Continuing Education Programs

Additional Coaches Training

After your Basecamp Studio opens, any coaches at your Basecamp Studio who did not complete the Coaches Training Course must attend and complete to our satisfaction the Coaches Training Course. This is a 2-3 day training course that will be conducted in a virtual format, at your Studio, or at a location we designate, at our discretion. All coaches must complete this training within 45 days of their hire date. If not completed within this time period these coaches may not provide coaching services until completed. For all coaches who attend the Coaches Training Course within the first 12 months from the date of your studio opening we will not charge you for the cost of this training. Beginning in month 13 after the date of your studio opening, the cost for this training is currently \$250 per attendee. It is payable before the training and is nonrefundable. You are also responsible for all travel and living expenses your personnel may incur in attending the training.

Relaunch Training

We provide franchisees with an existing Basecamp Studio a training program called “Relaunch Training” that provides additional studio operations and coaching training. This is a 2 or more day training course that will be conducted in a virtual format, at your Studio, or at a location we designate, at our discretion. The cost of this training is currently \$1,000 per day per coach or operations staff member. It is nonrefundable and must be paid before the training session. This training is optional, unless your Basecamp Studio does not achieve your 6 month performance targets or the Studio is not on track to meet those targets.

Additional Training

If you require additional operations training beyond what is provided by us, you can request that we send a representative to provide further assistance to you. If we provide additional assistance at your request, we must agree in advance to the charges you will pay and the length of the visit. The cost of additional assistance will depend on your needs and the amount of assistance you desire. We may also require you to receive additional assistance if you are not meeting our requirements, if we determine additional pre-opening or post-opening assistance is required, or if we determine that it is necessary for us to provide additional assistance to you to keep the System competitive. (Franchise Agreement – Sections 7 and 8). Such additional assistance will be at your expense as described above. Our current fee for additional assistance is \$1,000 per day, per representative, which includes the cost of travel, lodging and meals for each representative, but we can adjust that rate periodically in our Operations Manual. This training may be a mix of online and in-person training.

Studio Improvement Program

For studios that have been open and operating for more than twelve (12) months, if Franchisee’s Studio is identified as performing in the bottom ten percent (10%) of the system across multiple key operating metrics—including, without limitation, total revenue, close rate, utilization, active member growth, and trial volume—Franchisor may, in its sole discretion, require the Studio to participate in a formal performance intervention process. This process may include an on-site, in-person evaluation conducted by Franchisor personnel over two (2) consecutive business days to assess Studio operations and performance drivers, including operational execution, local marketing effectiveness, fitness delivery and coaching standards, team member engagement, and other related business functions. Following the evaluation, Franchisee and the Studio owner will be required to participate in and complete a structured ninety (90) day improvement program designed, facilitated, and monitored by Franchisor, at a cost of Five Thousand Dollars (\$5,000). For Studios that have been open and operating for fewer than twelve (12) months, if the Studio fails to meet Franchisor’s ramp performance expectations as measured at six (6) months following the Studio’s opening date, Franchisor may, in its sole discretion, require the Studio to complete a relaunch training program facilitated by Franchisor, billed at One Thousand Dollars (\$1,000) per day, with such relaunch training typically consisting of two (2) days of instruction and support.

Conference

We may hold a conference on a regular basis (likely, every other year) to discuss sales techniques, new programming and products, training techniques, bookkeeping, accounting, performance standards, advertising programs, merchandising procedures, and other topics. This conference may be live or a virtual event. You must pay the conference fee, if any (currently \$439, based on early registration), and, if applicable, all travel and living expenses to attend. Your Principal Owner must attend these conferences. If that person does not attend, you will be billed for the “early bird” Conference Fee following the Conference. The conferences may be held at various locations that we will designate. (Franchise Agreement – Section 8).

Vitals Training

During the time you operate your Basecamp Studio, there may be additional training that we require you to attend in order to stay current on the policies, procedures, and techniques of operating a Basecamp studio. These programs are intended to maximize the profitability of your business. In the years that we do not offer a Conference, you must send a representative to a “Vitals” program, if offered. The program typically includes 1 to 5 days of training in the following areas: marketing, client engagement, member service, and other topics that we designate from time to time. This training will be conducted in a virtual format or at a location we designate, at our discretion. We offer this training generally every other year in those years in which we do not have a Conference scheduled. The training cost is \$350 plus our costs to conduct the training. If applicable, you are responsible for all costs you and your personnel incur in attending these programs.

Continuing Engagement Credits

Each calendar year, your Basecamp Studio must obtain at least 1,200 continuing engagement credits within our System. The credits are not tied to hours, but to specific events or participation you have in our System.

There are no additional fees for receiving continuing engagement credits, or taking additional training, but you are responsible for any expenses you or your employees incur in completing any activity. We do not currently, but in the future may offer you the opportunity to take virtual or other online training to receive continuing engagement credits. If you fail to meet the minimum requirements in any year, you must pay us a fee of \$1.00 per Basecamp Studio for each credit deficiency, which we will deposit in the General Advertising and Marketing Fund. As an example, if you have 1 Basecamp Studio, and you achieved only 1,000 credits for the year, you would pay us a fee of \$200, but if you had multiple Basecamp Studios, you would pay \$200 for each of those Basecamp Studios. The credits required are prorated for any partial year you are open. This fee is due to us on February 1 following any year in which you fail to meet the minimum requirement.

No Show

If you register for training, and you cancel, fail to attend, fail to have the appropriate parties attend, fail to adequately prepare resulting in a delay or early termination for an on-site visit or training program, or fail to stay for the entire program and you did not provide us with 2 weeks’ notice that you would not be attending, then you must pay this fee. This fee is currently \$500-\$1,000 depending on the trainer, or the actual costs of rescheduling travel, whichever is greater. (Franchise Agreement – Section 8.Q.).

Advertising Programs

General Advertising and Marketing Fund

Under the Franchise Agreement, each franchisee must contribute amounts to the Basecamp Fitness General Advertising and Marketing Fund (the “**General Advertising and Marketing Fund**” or the “**Fund**”) currently equal to 2% of monthly Gross Revenue. You must contribute to this Fund each month, based on the amount of Gross Revenue you generated in the previous reporting period. We require all franchisees to contribute to this Fund, and our company-owned studios contribute to the Fund at the same percentage rate as franchisees. We may periodically increase the General Advertising and Marketing Fund Contribution, but the General Advertising and Marketing Fund Contribution will not exceed 3% of monthly Gross Revenue.

We account for the contributions to the Fund separately from our other revenues, and we do not use them to pay any of our general operating expenses other than our costs of administering the Fund, including salaries and overhead in administering the Fund and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the Fund, such as salaries, administrative costs, travel expenses and overhead like rent and utilities, we may incur in activities related to the operation and administration of the Fund and its programs. We may also reimburse ourselves, our authorized representatives or our affiliates from the Fund for any expenses we incur related to the promotion of the Basecamp Fitness brand, the Marks or the System, including conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Fund, administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes. In the calendar year ended December 31, 2025 expenditures from the General Advertising and Marketing Fund were as follows: 13% creative services, 15% administrative expenses, 70% advertising placement and 2% marketing research and technology platforms.

The purpose of the Fund is to develop marketing and advertising programs that maximize general public recognition and acceptance of our brand. This means we may use monies in the Fund for any purpose that promotes the System or the Marks, including the creation, production and placement of consumer advertising; agency costs and commissions; costs of preparing, producing and conducting local, regional or national media of our choice, including: television, radio, Internet, magazine, direct mail and newspaper, billboard, social media and digital advertising, and direct mail campaigns, and other public relations activities; developing and/or hosting, maintaining and optimizing our website, other websites, and other applications or similar activities; implementing keyword or adword purchasing programs; administering regional and multi-regional advertising programs, and other media advertising; in-house staff assistance and related administrative costs; local and regional promotions; public relations campaigns including the cost of retaining public relations firms and other advertising, promotion or marketing agencies; developing marketing and advertising training programs and conducting market research (including sampling) and secret shopper programs; and other advertising, promotion and marketing activities, including participating at trade shows. Advertising may be placed in local, regional or national media of our choice. We do not guarantee that advertising expenditures from the General Advertising and Marketing Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all.

We have an in-house marketing department, and also work with national, regional and local agencies. It is our responsibility to determine how monies in the Fund are spent. We will direct all advertising or other promotional programs produced using monies from the Fund and have the sole right to approve or disapprove creative concepts, materials and media used in those programs, the placement of the advertisements and the allocation of money in the Fund to production, placement or cost. We are not required to use monies in the Fund to benefit you or any individual market or location, or on a pro rata or other basis. However, we will not spend any portion of these monies for advertising principally designed to solicit the sale of franchises. We may periodically furnish you at no cost with samples of advertising, marketing and promotional formats and materials that are paid for by the Fund. If you choose to contract with marketing vendors which are not our preferred vendors, you may not have access to certain resources, assets and communications.

Any unused funds in any calendar year will be applied to the following year's funds. Any interest the Fund earns will be used for advertising before we use any principal. Upon your request to us, we will make available to you an annual accounting for the General Advertising and Marketing Fund that shows how the Fund proceeds were spent for the previous year, but these statements will not be audited. We have no fiduciary duty to you or any other party regarding the operation or administration of the Fund. We may loan funds to the Fund. If we do, the terms of repayment and any interest charged will be as we determine.

We do not have an advertising council that advises us on advertising matters but may form one in the future if we so choose.

Advertising Cooperatives

Although we currently do not, in the future we may establish local advertising cooperatives in market areas in which 2 or more Basecamp Studios are operating. If we establish a cooperative in your area, or there is an existing cooperative in your area when you become a franchisee, you must participate and contribute your share to the cooperative. These cooperatives will, with our approval, administer advertising programs and develop advertising, marketing and promotional materials for the area the cooperative covers. We may require the cooperative to use an advertising agency or other partner we choose.

The amount of the contribution you must contribute will be determined at the time we establish the cooperative but will not be more than 2% of your monthly Gross Revenue. All franchisees and company-owned Basecamp Fitness studios in the market area will be expected to contribute at the same rate to the cooperative. Each Basecamp Studio contributing to a cooperative will have one vote on matters involving the activities of the cooperative. But the cooperative may not produce or use any advertising, marketing or promotional plans that have not been approved by us.

The cooperative will operate from written governing documents. Each cooperative will prepare annual financial statements which will be available for review by a franchisee participating in the cooperative, upon request of that franchisee. We may change, dissolve or merge any cooperative at any time.

Grand Opening Program

You must spend \$40,000 on a Grand Opening Program we have approved for your Basecamp Studio beginning 12 to 16 weeks before your scheduled opening and ending 30 days following the opening of your Basecamp Studio. We may require you to submit your grand opening plans and local marketing plans for our prior approval, submit proof of purchase or other documentation to verify you have met minimum spend requirements, and show proof of performance of your advertising activity. Or, we may require you to implement a Grand Opening marketing plan that we develop in consultation with you and one of our preferred marketing vendors. If you fail to spend this amount on the Grand Opening Program, you must pay us the difference between the amount you spent and the minimum required amount and we can either spend it in your market on your behalf or place the money in the General Advertising and Marketing Fund. We may also require you to pay the \$40,000 to us and we will execute the Grand Opening Program.

Local Advertising Spend Requirement

You must spend a minimum of \$2,500 per month on local advertising. If you do not meet this requirement, you must pay us the difference between what you actually spent and the minimum that you were required to spend and we can either spend it in your market on your behalf or place the money in the General Advertising and Marketing Fund. We may require you to implement a local marketing plan that we develop in consultation with you and one of our preferred marketing vendors or we may require you to pay us the \$2,500 per month and we will spend it on local advertising in your market. If we implement this requirement you must also pay us a one-time set-up fee of \$350.

Indirect costs you incur in managing your local advertising campaigns, such as salaries and benefits of your employees, will not be counted toward your monthly expenditure. Additionally, any costs you incur for advertising conducted at your Basecamp Studio, such as in-store materials and signage will not count towards these minimum expenditure requirements. Amounts you spend for the Grand Opening Program, whether paid to us or otherwise, will not count toward your monthly expenditure.

Marketing Resources, Pre-Approvals For Marketing Materials

You must order sales and marketing materials from our approved suppliers and per our standards and specifications. If you desire to use your own advertising materials for any marketing activity, you must obtain our prior approval at least 4 weeks before publication or your first usage, which may be granted or denied in our sole discretion. Use of our Marks and other brand identification materials must be consistent with our approved standards. You may not use our Marks and other brand identification materials on items to be sold or services to be provided without our prior written approval. You may not establish or have established on your behalf, any digital or electronic medium or method of communication, including a website, web page, review or opinion page, social media and/or social networking site, channel, avatar, profile, including an online business profile, account, hashtag, user name or application, whether web-based or otherwise, or keyword advertising, pay-per-click advertising or other search engine marketing, relating to us, your Basecamp Studio, or to the Basecamp Fitness System without our approval. You are ultimately responsible for ensuring that your advertising complies with all applicable laws before using it.

Site Selection and Opening

You will be given the right to open a Basecamp Studio at a location that we agree on. You will have 12 months from the date you sign the Franchise Agreement to secure a location we approve and open and begin operating your Basecamp Studio. We will provide you with specifications to assist you in evaluating and selecting a site for your Basecamp Studio and may provide you recommendations on sites. It is your obligation to select a site for your studio and obtain our approval of that site. While we will assist you, and we may identify various potential sites in your market area, we have no obligation to locate or select a site for you, or negotiate the purchase or lease of a site, and we do not own the premises and lease them to you. Before you acquire any site, you must submit to us information and materials we require and obtain our approval to your site. The factors we take into account in approving a site are the visibility of the site, the location of competitors, whether the site is easily accessible, surrounding businesses and various other factors. We recommend that a Basecamp Studio should be 2,500 square feet but no larger than 3,000 square feet. We will generally tell you within 30 days whether or not we approve your proposed site. If you and we are unable to agree on a site for your Basecamp Studio, the opening of your Basecamp Studio may be delayed.

You may not open your Basecamp Studio until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) the Initial Training Program and any other trainings that must be completed by you or your personnel before opening must be completed to our satisfaction; (3) all amounts due to us have been paid; (4) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums that we request; (5) you notify us that all approvals and conditions set forth in the Franchise Agreement have been met; (6) you have received all required permits and licenses; (7) you have met or exceed the minimum number of qualifying presold memberships (also referred to as founding members) that we have set for you based on your market density and other factors, not to exceed 150; and (8) you have ordered, received and installed your equipment, supplies, inventory and computer systems. You must be prepared to begin operating your Basecamp Studio immediately after we state that your Basecamp Studio is ready for opening.

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of your Basecamp Studio will be approximately 12 months. Some factors which may affect this timing are the competition for sites in your market, your ability to acquire space for your studio through lease or purchase negotiations, your ability to secure any necessary financing, your ability to comply with local zoning and other ordinances, your ability to obtain any necessary permits and certifications, the timing of the delivery of equipment, tools and inventory and the time to convert, renovate or build the facility. Unless

we otherwise approve, you must open your Basecamp Studio on or before the Required Opening Date on the Rider to the Franchise Agreement, but in no event more than 12 months from the date the Franchise Agreement becomes effective. Your failure to open your Basecamp Studio on or before the Required Opening Date will constitute a default of your Franchise Agreement and allow us to terminate your Franchise Agreement and retain all amounts you have paid to us and our affiliates.

Under the Area Development Agreement, you will have the right to develop, open, and operate multiple Basecamp Studios. Each Basecamp Studio must be developed and opened according to our then-current System standards and other approval requirements. You or your affiliates must sign our then-current form of Franchise Agreement for each Basecamp Studio you develop and open under the Area Development Agreement, which may contain materially different terms and conditions than the Franchise Agreement attached to this Disclosure Document. We will determine or approve the location of future Basecamp Studios and any protected territories for those Basecamp Studios based on our then-current System standards for sites and protected territories.

Software and Computer Equipment

Technology Solutions

You must purchase from us, ProVision or another designated vendor a Technology & Fitness Equipment Package that includes fitness equipment and various technology equipment and systems you need to operate your Basecamp Studio. These systems include network hardware, and security systems, iPads, tablet devices, computers, audio and video systems, software and other related components, a point of sale system and software and cloud based technology. You will use these systems for marketing and sales, business intelligence, studio management, fitness programming, communications with us and other studios, web integration, online team collaboration, and to manage your social content, reviews and advertisements. ProVision or the designated provider will provide you with technology support for your Basecamp Studio. The cost to purchase the Technology & Fitness Equipment Package ranges from \$100,480 to \$127,430. This includes the cost of taxes, shipping and installation which we estimate is approximately 40% of the package price. You will pay ProVision or the designated provider a one-time set-up fee and a monthly fee for these technology solutions. The set-up fee is \$500 and the monthly Technology fee is \$799. This package and the monthly fee do not include music licensing fees which you will pay to us or directly to our vendor as a separate music licensing fee, nor do they include other third party services like fitness equipment maintenance, telephone or internet service. We may require you to upgrade or update the computer and technology system (including hardware and software) during the term of the franchise and we anticipate that you will be required to do so.

Ongoing Maintenance and Use

Neither we, nor any affiliate nor to our knowledge, any third party, is obligated to provide you with ongoing maintenance, repairs, upgrades or updates to your computer hardware or software. We may require you to upgrade or update the computer system (including hardware and software) during the term of the franchise, and we anticipate that you will be required to do so. You may be required to pay initial and/or ongoing license, support or service fees associated with such upgrades or updates. There are no contractual limitations on the frequency and cost of the obligation. Other than as described above, we do not have any contractual obligation to upgrade or update any of your hardware or software, during the term of this franchise.

You must have sufficient computer skills to be able to operate your computer system and to access e-mail and the Internet. You must have access to the Internet and maintain an email account that allows us to communicate with you on a regular basis. You will use your computer and the software discussed above

for scheduling, member management, point-of-sale transactions, employee management and education, eCommerce, inventory management, business and payroll reporting, marketing, and social media integration. The software we provide to you will also give you access to our online franchisee support center, ongoing product development and online education.

We have the right to independently access your electronic information and data through our proprietary data management and intranet system, and to collect and use your electronic information and data in any manner we choose to promote the development of the System and the sale of franchises. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems. We strongly recommend that your computer system be used for business purposes only, and not for entertainment, personal social networking site access, or other matters unrelated to your business.

ITEM 12 TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. When you sign a Franchise Agreement, you will receive the right to operate a single Basecamp Studio at a specific location that we must approve. If the site for your Basecamp Studio has been identified before you sign the Franchise Agreement, then you must operate the studio at that site. If the site becomes unavailable to you for any reason, it is your obligation to select a new location, and to obtain our approval of that location before you acquire the site, and before you obtain any rights in the location. If a site has not been identified, then we will designate an area, and you may locate your Basecamp Studio at any site we approve within that area, so long as the site you select is not also within a territory of another Basecamp Studio or an Anytime fitness franchisee (for a limited time as discussed below). Once the site for your Basecamp Studio has been approved, we will grant you a protected territory. (If you sign an Area Development Agreement with us, we will also give you a protected territory at the time you sign that agreement.) The limitations on us in that territory are described below.

If you sign an Area Development Agreement (“ADA”), we will describe this territory in the Rider to that agreement. The territory will typically be described as a geographic area in which each of your Basecamp Studios must be developed. The criteria we use for determining these territories is simply geographic markets in which we believe it may be feasible to develop a Basecamp Studio. If you are in compliance with the Development Schedule set forth in the Rider, then until your protected territory rights expire, we will not develop or operate or grant anyone else a franchise to develop and operate a Basecamp Studio from any location in the Development Territory, except for fitness studios within private establishments where access to these studios is limited to employees of the business, or transient guests of the business who, in either case, would not have reciprocity with any other Basecamp Studio as a result of their use or membership in this private studio. However, we do have the right to operate, or grant others the right to do so, fitness studios/businesses except under the Basecamp Fitness name within or outside your protected territory, and fitness studios/businesses operated under the Basecamp Fitness name or Marks outside your protected territory, even if they compete for members with your studio, and even if the territorial boundaries for that franchise overlap with the boundaries for your territory. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You will sign the Franchise Agreement for your first Basecamp Studio contemporaneously with signing the ADA. You will sign our then-current Franchise Agreement for each subsequent Basecamp Studio that you open according to the development schedule in the ADA. We will determine or approve the site of any

future Basecamp Studios and any protected territories for those Basecamp Studios based on our then-current standards for sites and territories.

Your rights in this territory will end at the earlier of (i) the date your ADA expires or terminates; (ii) the date on which your last Basecamp Studio must be open under the terms of the development schedule; and (iii) the date when the individual protected territories given to you under a franchise agreement for your final Basecamp Studio are determined. If the protected territory covers more than one city, county or designated market area, the protection for each particular city, county or designated market area will also expire on the date when we determine the protected territory to be given to you under a franchise agreement for your final Basecamp Studio to be developed in that city, county or designated market area. When your rights in a protected territory have expired under the ADA, you will still have the rights granted to you in any portion of these territories under an individual Franchise Agreement. When you sign a Franchise Agreement, we will give you a protected territory and describe it in a Rider to that agreement.

You are responsible if we terminate the ADA because you are unable to secure one or more acceptable, proposed locations to fulfill the development schedule in your ADA. If you fail to meet the terms of the development schedule in your ADA or you fail to develop a Basecamp Studio on or before the Required Opening Date in your Franchise Agreement, we can terminate your ADA and/or Franchise Agreement(s) in their entirety and you are not entitled to a refund of any of the Development Fees or Initial Franchise Fees paid.

Protected Territory

To identify your protected territory we will use mapping and demographic software to draw a circle around your location. The determination of your protected territory is within our sole discretion. Although the description of the boundaries outlining the protected territory may vary, the territory will generally consist of the area within a two (2) mile radius of your Studio or the geographic area containing fifty thousand (50,000) people, whichever is smaller, based on the demographics surrounding your Studio (e.g., population density in your area), as determined by us in our reasonable discretion using demographic data available from the U.S. Census Bureau or other governmental or commercially available sources.

We may attach a map to your Franchise Agreement that will identify the protected territory or we may simply describe an area surrounding your location. The map or description may not be a specific radius from your Basecamp Studio, because it will take into account traffic patterns and natural boundaries. Protected territories may overlap, but we will not approve anyone opening a Basecamp studio, or relocating a Basecamp Fitness studio, into a protected territory given to another studio. We cannot unilaterally change your protected territory, and there are no minimum quotas, sales volumes, market penetration, or other contingency required to maintain your protected territory; as long as your Franchise Agreement is in effect, you will retain the rights described in this paragraph. If we and you agree to renew your Basecamp franchise, we will recalculate the population in your market and reserve the right to modify your protected territory in accordance with our then current guidelines. Except as provided above, your protected territory will not change even if the population within your protected territory changes.

The criteria we use for determining the boundaries of the protected territory in your Franchise Agreement include population as discussed above, growth trends of population, apparent degree of affluence of population, the density of residential and business entities, traffic generators, driving time, and natural boundaries. During the term of your Franchise Agreement, we will not operate or license to anyone else the right to operate a Basecamp Fitness studio that is physically located in your protected territory, except for fitness studios within private establishments where access to those studios is limited to employees of the business, or transient guests of the business who, in either case, would not have reciprocity with any other Basecamp Studio as a result of their use or membership in this private studio. However, we and our

affiliates can operate fitness studios/businesses, or grant others the right to do so, outside your protected territory, including studios operated under the Basecamp Fitness name or Marks, even if they compete for members with your studio, and even if the territorial boundaries for that franchise overlap with the boundaries for your territory. We and our affiliates also have the right to operate, and to grant franchises or licenses to others to operate, any fitness studio/business and any other business from locations within this territory under trademarks other than “Basecamp Fitness”, without compensation to you.

We may also have situations where we designate a “TBD” (to be determined) territory. If you receive a TBD territory, you have the right to look for a site in any area that has not already been given as a protected territory to another Basecamp Fitness studio. However, if you find a proposed site in near proximity to another Basecamp Fitness studio, even though not in that studio’s protected territory, we may offer the site to the existing franchisee before we agree to assign that area to you or grant you the right to develop your studio at that site.

Relocation

You must provide us at least 60 days’ prior notice, pay a relocation fee and reimburse our expenses in reviewing the new location, and obtain our consent before you intend to relocate your Basecamp Studio. The new location must be within your protected territory, and it may not be located within any territory we grant to any other franchisee. You must upgrade the new space to comply with all of our current specifications.

Customers

We do not restrict the members or customers you may serve, and you generally may solicit members or other customers outside your territory, including through channels of distribution such as telemarketing or other direct marketing sales. However, all of your advertising must be approved by us and you must obtain our written approval before you establish or have established any digital or electronic medium or method of communication, including a website, web page, review or opinion page, social media and/or social networking site, channel, avatar, profile, including an online business profile, account, hashtag, user name or application, whether web-based or otherwise, or keyword advertising, pay-per-click advertising or other search engine marketing, relating to or making reference to us, your studio, or to the Basecamp Fitness system. We and our affiliates have the right to sell products and services (like apparel and related products) both inside and outside your territory, using the “Basecamp Fitness” name, any derivative or any other name, through any channel of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing, without any compensation to you. We retain the exclusive right to use the Internet, our website, mobile application, social media platforms or otherwise to provide to members and others access to web-based or application-based fitness instruction.

Similar Affiliated Brands

Except as described in Item 1, we do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell. However, our current and future affiliates may operate and/or franchise businesses that sell similar goods or services to those that our franchisees sell. Item 1 describes our current affiliates that offer franchises, their principal business addresses, the goods and services they sell, whether their businesses are franchised and/or company-owned, and their trademarks.

As described in Item 1, our following affiliates offer franchises using trademarks other than the Marks:

- EB Rumble Franchising, LLC offers and sells franchises for boxing studios under the Rumble

- Boxing® trademark;
- EB CycleBar Franchising, LLC offers and sells franchises for indoor cycling studios under the CYCLEBAR® trademark;
- Neighborhood Barre Franchising, LLC offers and sells franchises for barre studios under the Neighborhood Barre ® trademark; and
- Row House Franchising, LLC offers and sells franchises for indoor rowing studios under the ROW HOUSE® trademark.

There is no mechanism for resolving any conflicts that may arise between franchised or company-owned studios that operate under any of the Extraordinary Brands concepts, including any Studio. Any resolution of conflicts regarding location, customers, support, or services will be entirely within your and our business judgment. While we do not anticipate conflicts between franchisees of different brands, we will analyze any future conflict and take action (if any) that we deem appropriate.

Options, Rights of First Refusal, or Similar Rights

You will not receive any options, rights of first refusal, or similar rights to additional franchises, except as provided in your ADA.

ITEM 13 TRADEMARKS

The Franchise Agreement gives you the right to operate a Basecamp Studio under the trade names, trademarks and service marks that we establish.

All of the marks in the chart below have been registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”). These marks are the principal trademarks you will use in operating your Basecamp Studio:

Mark	Registration Number	Registration Date
BASECAMP	3635120	June 9, 2009
	4646648	November 25, 2014
	6464931	August 24, 2021
	6464930	August 24, 2021
	6740468	May 24, 2022

Although we maintain a federal trademark registration for the word mark “Basecamp”, we do not have a federal trademark registration for “Basecamp Fitness” as a unitary word mark. Accordingly, this mark may not have as many legal benefits and rights as a federally-registered trademark. If your right to use this mark is challenged, you may have to change to an alternative mark, which may increase your expenses.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings or any pending material litigation involving any of our Marks which are relevant to the use of these Marks. No currently effective litigation affects our use or ownership rights in any Mark. All affidavits required to preserve and renew these Marks have been or will be filed. No currently effective agreement limits our right to use or license the use of our Marks.

You must follow our rules when you use our Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate or business name or in any form on the Internet, including URLs, domain names, e-mail addresses, locators, links, metatags or search techniques. You must indicate, as required in the Franchise Agreement and specified in the Operations Manual, that you are an independent operator. You may not use our Marks with an unauthorized product or service, or in a manner not authorized in writing by us.

We will protect and maintain all rights to use our Marks against encroachment, misuse or unauthorized use and against all challenges to any rights of its use, as we deem appropriate. You must notify us immediately when you learn about an infringement of or challenge to your use of our Marks. We may take the action necessary, in our sole discretion, to prevent the unauthorized use of our Marks, including bringing actions against third parties regarding the use of any of our Marks, but the Franchise Agreement does not require us to take any specific affirmative action. We will control any administrative proceedings or litigation involving our Marks. You must cooperate with us and take all actions as may be desirable in the opinion of our counsel to carry out the defense or prosecution. While we are not required to defend you against a claim based on your use of our Marks, we will either do so, or we will reimburse you for your liability as long as you properly use our Marks, including against claims of infringement or unfair competition arising out of your use of the Marks.

We may change our Marks and require you to adopt new Marks as if they were part of the Franchise Agreement at the time of its execution. You must comply with these changes immediately at your expense after we notify you that we have discontinued, modified or changed one or more of our Marks. We will have no liability or obligation because of the discontinuation, modification or change. You must not directly or indirectly contest the validity of our ownership of the Marks or our right to use or license our Marks, trade secrets, confidential information or business techniques that are part of our business. You must use the designations of ®, ™, and SM in advertising and promotions using our Marks.

We do not know of any infringing uses that could materially affect your use of our Marks.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or pending patent applications that are material to the purchase of a franchise. We do claim copyright protection for the Operations Manual, and to advertising and promotional materials, forms, and related materials that we produce, but we have not registered these materials with the Copyright Office of the Library of Congress. These materials are proprietary and confidential and are our property. You may use them only as long as you are a franchisee, and only as provided in your Franchise Agreement.

There are currently no effective determinations of the United States Copyright Office or any court regarding any of our copyrighted materials, nor are any proceedings pending, nor are there any currently effective agreements between us and third parties pertaining to our copyrighted materials that will or may significantly limit your use of our copyrighted materials. We are not aware of any infringing uses of these materials that could materially affect your use of these materials. We are not required by any agreement to protect or defend our copyrights.

We will be disclosing to you certain information we believe to be confidential or proprietary information and trade secrets. This will be included in our manuals, and in materials we may separately provide to you. You may use these materials, in the manner we approve, in the operation of your Basecamp Studio during the term of your Franchise Agreement. However, you may not use these materials in any other way for your own benefit, or communicate or disclose them to, or use them for the benefit of, any other person or entity. These materials include any trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, or methods of operation. You may disclose this information to your Principal Operator, but only to the extent necessary to operate the Basecamp Studio, and then only while your Franchise Agreement is in effect.

You may not use any of our confidential or proprietary information for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence (“AI”) model, algorithm improvement, or similar data aggregation activities without our prior approval. You must not, without our prior written consent, input any confidential or proprietary information into any generative AI platform, or disclose any information to any provider or source of generative AI services. You must opt out of allowing any provider or source of generative AI to utilize our confidential or proprietary information for training of any AI model or for other purposes.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

While we do not require that you personally supervise your Basecamp Studio, we recommend that you do so. If you are not the “on-premise” manager of the Basecamp Studio, then you must designate a Principal Operator to serve as your on-premise manager. Each Basecamp Studio must employ a studio manager, a fitness manager, plus fitness coaches. The individual you designate as the “Principal Operator” and your studio manager must complete our Initial Training Program. The fitness manager must complete the Day In the Life Operations Training, which is a segment of the Initial Training Program.

You, and your Principal Operator, if you have one, must attend and participate in any on-site visits by our corporate representatives at your Studio. You must participate in any scheduled business review calls scheduled by our corporate representatives, and you must provide us with accurate and complete financial statements, including profit & loss statements and balance sheets, for your Studio upon our request, and in advance of any scheduled business review call(s). We do not impose any limitations on whom you can hire as your Principal Operator, but that person must complete our initial training requirements and all other training we reasonably designate, and that person along with your studio and fitness manager must sign a confidentiality and non-disclosure agreement with you that meets our requirements and that you provide to us before they attend training. We also require you to designate a Principal Owner of your business to attend our Conference each year, even if that person is not personally supervising your Basecamp Studio. We do not require the Principal Operator of your business to have any ownership interest in your business.

If you are a legal or business entity, each individual who has any ownership interest in your business, directly or indirectly, and their spouse, must sign the Personal Guaranty and Agreement to be Bound assuming and agreeing to discharge all of your obligations and comply with all restrictions under the

Franchise Agreement and ADA, as applicable. (See the Franchise Agreement (Exhibit E) and ADA (Exhibit E)).

All Principal Operators, studio and fitness managers must sign non-disclosure agreements with you.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must construct and operate your Basecamp Studio in accordance with our standards. Specifically, your Basecamp Studio must provide certain class-based workouts that meet our standards, offer the various types of memberships we specify and sell the merchandise, including apparel, and food and beverage products we require. We may add, modify, or delete any services or products that you must offer or sell at your Basecamp Studio at any time, and change and modify our standards as we see fit. You must sell or offer for sale only those services and products approved by us and which meet our standards and specifications. You must offer the membership types that we designate and you may not create your own membership types or retail products for sale or distribution without our prior approval.

You must participate in all member programs, national campaigns, consumer sales and satisfaction programs or surveys that we require, including, for example, reciprocity, loyalty programs, rewards programs, and member challenges. We require you to participate in reciprocity. You may not create your own such programs, incentives or promotions without our explicit consent. We do not generally limit the persons to whom you may sell memberships. However, we can impose minimum age restrictions and other requirements we deem appropriate, either for safety reasons, or to preserve the goodwill of our Marks for the benefit of all franchisees.

We retain the exclusive right to use the Internet, our website, mobile application, social media platform or otherwise to provide to your members and others access to web-based or application-based fitness instruction. You may not offer, provide or sell any fitness instruction, products or services via any website, or otherwise via the Internet, including live-streaming, social media platform or an application, web-based or otherwise, or via any other technology without our express, written permission. You must offer products and services only at your Basecamp Studio.

You must follow our policies, procedures, methods, and techniques and comply with all of our mandatory standards and specifications. We can change the services and products that you must offer at any time, without limitation. We can establish maximum and/or minimum resale prices for use with multi-area marketing programs and special price promotions.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or Other Agreements	Summary
a. Length of the franchise term	Section 2.A – Franchise Agreement	The initial term is 6 years.
	Section 3.A and 4 and Rider – Area Development Agreement	The term depends on the number of franchises to be developed under the Area Development Agreement. It will typically be between 1 and 5 years.
b. Renewal or extension of the term	Section 2.B – Franchise Agreement	If you are in good standing and you meet our conditions, you can renew your franchise for an additional 5 year period.
	Area Development Agreement – Not Applicable	You cannot renew the Area Development Agreement.
c. Requirements for you to renew or extend	Section 2.B – Franchise Agreement	Give written notice, sign new franchise agreement (which may contain materially different terms and conditions than your original Franchise Agreement, including a reduction in the size of your protected territory under the new franchise agreement); update (or move) your location to comply with then-current standards; sign general release; pay renewal fee; show that you have the right to remain in possession of the location for the renewal term; your staff completes any required refreshing training.
	Area Development Agreement – Not Applicable	You do not have the right to renew or extend the Area Development Agreement.
d. Termination by you	Section 15 – Franchise Agreement	If we materially breach the Franchise Agreement and fail to cure the breach within 30 days after notice, you can then terminate the Franchise Agreement by giving us an additional 10 days’ notice. (Subject to applicable state law).
	Sections 4 and 5 – Area Development Agreement	You do not have the right to terminate the Area Development Agreement. (Subject to applicable state law).
e. Termination by us without cause	Franchise Agreement – Not Applicable	Not applicable.
	Area Development Agreement – Not Applicable	Not applicable.

Provision	Section in Franchise or Other Agreements	Summary
f. Termination by us with cause	Section 14 – Franchise Agreement Section 5 – Area Development Agreement	If you do not open in 12 months (subject to an extension as described in Item 5) or are in default under the Franchise Agreement or any other agreement you have with us or with any of our affiliates. If you are in default under the Area Development Agreement or you or any of your affiliates are in default under any Franchise Agreement or other agreement you have with us or with any of our affiliates. The Franchise Agreement and the Area Development Agreement contain cross-default provisions.
g. “Cause” defined – curable defaults	Section 14.B – Franchise Agreement and Section 5 – Area Development Agreement	Most defaults are curable and you will have 30 days to cure.
h. “Cause” defined – non-curable defaults	Section 14.A – Franchise Agreement Section 5 – Area Development Agreement	You are liquidated or dissolved; fail to comply with our requirements for securing real estate, fail to operate the business for 7 consecutive days, abandon the business, lose the right to do business, or lose the right of possession of the premises where the Basecamp Studio is located; unapproved transfers; you or any of your owners engage in fraudulent conduct or are convicted of, or plead guilty or no contest to, certain crimes; 3 notices of material breaches within 12 months; you maintain false books or records or submit any false or misleading application, statement or report to us; you withhold our access to accounting and financial systems or data, revoke any electronic-funds transfer or direct debt authorization granted to us, or initiate any stop payments against us; you misuse our marks or materially impair the value of, or the goodwill associated with our marks or the System; and other stated non-curable defaults. Similar reasons as for Franchise Agreement, you fail to meet your development obligations in the Development Schedule, failure to comply with our requirements for securing real estate, or we have delivered to you a notice of termination of a Franchise Agreement in accordance with its terms and conditions.

Provision	Section in Franchise or Other Agreements	Summary
i. Your obligations on termination/non-renewal	Section 16 – Franchise Agreement	Stop operating the Basecamp Studio, stop using our names and marks, return information to us, assign to us or cancel certain registrations, listings, telephone numbers, websites and domain names, and pay all amounts you owe us, comply with your obligations if we exercise our purchase option.
	Section 6 – Area Development Agreement	You lose all remaining rights to develop Basecamp Studios.
j. Assignment of contract by us	Section 13.A – Franchise Agreement and Section 7.A – Area Development Agreement	No restriction on our right to assign.
k. “Transfer” by you – defined	Section 13.B – Franchise Agreement and Section 7.C – Area Development Agreement	Includes transfer of contract or business, or transfer of majority control of the Franchise Agreement or of the business.
l. Our approval of transfer by franchisee	Section 13.B – Franchise Agreement	We have the right to approve all transfers, but will not withhold our consent if all of the requirements for the transfer are met.
	Section 7.C – Area Development Agreement	We have the right to approve, but you may not transfer only a portion of your rights.
m. Conditions for our approval of transfer	Section 13.B – Franchise Agreement	Conditions include: (i) You must be in compliance with the Franchise Agreement and provide us with all information we require regarding the proposed transaction; (ii) transferee must meet our requirements and sign a new franchise agreement on our then-current form for the remaining term of your agreement (which may contain materially different terms and conditions than in your agreement, but we will not require the transferee to pay us a new initial franchise fee.); (iii) payment of any broker fees or commissions and you must also pay a transfer fee and sign a release (subject to state law); (iv) transferee must agree to perform any maintenance, remodeling and re-equipping of your Basecamp Studio that we deem necessary; and (v) transferee’s Principal Operator must successfully complete all required training. You must meet any additional conditions we specify in the Operations Manual or otherwise in writing.
	Section 7.C – Area Development Agreement	You must sign franchise agreements for all remaining Basecamp Studios you are permitted to develop, and you must transfer those agreements to the same person or entity to whom you are transferring the Area Development Agreement. You must meet any additional conditions we specify in the Operations Manual or otherwise in writing.

Provision	Section in Franchise or Other Agreements	Summary
n. Our right of first refusal to acquire your business	Section 19 – Franchise Agreement	We have the right to match any offer for your business.
o. Our option to purchase your business	Section 16 – Franchise Agreement	We can purchase from you at book value all or a portion of the assets of your Basecamp Studio and take an assignment of your leases, upon the termination or expiration without renewal of your Franchise Agreement.
p. Your death or disability	Section 13.B – Franchise Agreement Area Development Agreement – Not Applicable	Your heirs can assume your rights, but if they do, they must meet the transfer requirements.
q. Non-competition covenants during the term of the franchise	Section 17.A – Franchise Agreement and Section 9 – Area Development Agreement	No involvement in any fitness center that offers interval training or high-intensity guided workouts (including as creditor or landlord), wherever located.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.B – Franchise Agreement and Section 9 – Area Development Agreement	No involvement in any fitness center that offers interval training or high-intensity guided workouts (including as creditor or landlord) for 2 years in your Protected Territory or within a 10 mile radius of any Basecamp Studio.
s. Modification of the agreement	Sections 8.M and 20.H, 20.K – Franchise Agreement Section 9 – Area Development Agreement	No modifications without consent by all parties, but our manuals are subject to change. No modifications without consent of all parties.
t. Integration/merger clause	Section 20.E., K – Franchise Agreement, Section 9 – Area Development Agreement	Only the terms of the Franchise Agreement, Area Development Agreement and other written agreements are binding (subject to applicable state law). Any representations or promises outside of this Disclosure Document and the Franchise Agreement/Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 18 – Franchise Agreement, Section 9 – Area Development Agreement	Subject to state law, except for certain disputes, all disputes must be mediated, and if not settled by mediation, are then subject to arbitration.
v. Choice of forum	Section 18.E – Franchise Agreement, Section 9 – Area Development Agreement	Subject to state law, mediation (at a location determined by the mediator which is at least 100 miles from either of our offices) and arbitration in Charlottesville, Virginia. Subject to state law, any litigation must be brought in the United States District Court for the Western District of Virginia or the Charlottesville Circuit Court, Virginia.

Provision	Section in Franchise or Other Agreements	Summary
w. Choice of law	Section 20.D – Franchise Agreement, Section 9 – Area Development Agreement	Subject to state law, Virginia law generally applies, except that: (i) any disputes or actions involving any non-competition covenants set forth in any agreement, including the interpretation and enforcement thereof, shall be governed by the law of the state where the Development Area or Basecamp Studio, as applicable, is located; and (ii) any franchise-specific or franchise-applicable laws of the Commonwealth of Virginia, including those related to pre-sale disclosure and the franchise relationship generally, will not apply to the Development Agreement, Franchise Agreement or franchise awarded hereunder unless the awarding of said franchise meets all jurisdictional and other requirements to specifically fall within the scope of such Virginia laws, regulations or statutes without reference to and independent of any reference to this choice of law provision.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/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.

As used in this Item 19:

- **“Gross Revenue”** means all amounts generated by the Basecamp Studios, including membership package sales and gift cards, but excludes bona fide refunds, credits given or allowed to members or other customers for the return of merchandise and amounts collected from members and other customers and remitted to any governmental taxing authority in satisfaction of sales taxes. Chargebacks are not deducted from Gross Revenue. This is consistent with the definition of Gross Revenue in our Franchise Agreement.
- **“Measurement Period”** means the 2025 calendar year, starting January 1, 2025 and ending December 31, 2025.
- **“Qualified Studios”** means the four (4) then affiliate-owned and fourteen (14) franchised Basecamp Studios that were in operation for the entire Measurement Period. At the conclusion of the Measurement Period, there were a total of twenty (20) Basecamp Studios in operation. Two

(2) franchised Studios that opened during the Measurement Period were excluded as Qualified Studios because they had not completed twelve (12) full months of operation as of the conclusion of the Measurement Period.

- **“Years of Operation”** means the number of full 12-month operating periods (commencing on the date the Studio opened for business) that a Studio had completed as of the end of the Measurement Period.

In Part A of these Financial Performance Representations (Annual Gross Revenue (FY 2025)), we present historical financial information on a consolidated basis for all Qualified Studios (Table 1), as well as separately for Affiliate-Owned Qualified Studios (Table 2) and Franchised Qualified Studios (Table 3). As of March 2026, all eighteen (18) Qualified Studios are franchised, and there are no longer any affiliate-owned studios.

In Part B of these Financial Performance Representations (Ramping Data – First Year of Operation), we present the average monthly Gross Revenue for each of the first twelve (12) months of operation for the most recent six (6) Basecamp Studios that commenced operations between October 1, 2023 and December 2025 (Table 4).

A. ANNUAL GROSS REVENUE (2025)

Table 1: All Qualified Studios

Table 1 presents data on Gross Revenue for all Qualified Studios from operations during the Measurement Period.

All Qualified Studios	
Average Studio Gross Revenue	\$611,410
Median Studio Gross Revenue	\$546,649
Number of Qualified Studios	18
Number (Percentage) of Studios Meeting or Exceeding Average	6 (33%)
High	\$1,529,628
Low	\$300,647

Table 2: Affiliate-Owned Qualified Studios

Table 2 presents data on Gross Revenue from operations during the Measurement Period for the 4 affiliate-owned Qualified Studios.

Affiliate-Owned Qualified Studios	
Average Studio Gross Revenue	\$836,914
Median Studio Gross Revenue	\$676,215
Number of Affiliate-Owned Qualified Studios	4
Number (Percentage) of Studios Meeting or Exceeding Average	1 (25%)
High	\$1,529,628
Low	\$465,597
Average Years of Operation ¹	9.5

Table 3: Franchised Qualified Studios

Table 3 presents data on Gross Revenue from operations during the Measurement Period for the 14 franchised Qualified Studios.

Franchised Qualified Studios	
Average Studio Gross Revenue	\$532,694
Median Studio Gross Revenue	\$510,795
Number of Franchised Qualified Studios	14
Number (Percentage) of Studios Meeting or Exceeding Average	7 (50%)
High	\$945,967
Low	\$300,647
Average Years of Operation ¹	2.8

B. RAMPING DATA (FIRST YEAR OF OPERATION)

Table 4 presents the average monthly Gross Revenue for the first twelve (12) full months of operation for the six (6) Qualified Studios that commenced operation on or after October 2023 (the “**Ramping Studios**”). All Ramping Studios in this Table 4 are franchised Studios. One Ramping Studio does not have a full twelve (12) months of operation since opening (December 2025), and financial performance results are included below for Months 1-3 only.

Month¹	Average²	Median³	Number⁴	#/%	High	Low
1	\$33,466	\$32,351	6	3 (50%)	\$50,500	\$20,858
2	\$33,025	\$34,367	6	4 (67%)	\$45,095	\$19,645
3	\$33,702	\$33,152	6	3 (50%)	\$47,666	\$19,605
4	\$35,159	\$35,179	5	3 (60%)	\$49,360	\$20,315
5	\$35,706	\$36,107	5	4 (80%)	\$44,508	\$21,116
6	\$37,826	\$38,535	5	3 (60%)	\$49,682	\$21,790
7	\$40,755	\$41,050	5	3 (60%)	\$61,332	\$20,963

8	\$39,535	\$40,555	5	3 (60%)	\$54,156	\$19,074
9	\$42,662	\$42,509	5	2 (40%)	\$62,378	\$21,939
10	\$45,347	\$44,955	5	2 (40%)	\$65,160	\$26,619
11	\$44,871	\$42,728	5	2 (40%)	\$66,491	\$24,420
12	\$49,512	\$50,059	5	2 (40%)	\$75,854	\$24,847
Year 1 (Total)	\$470,075	\$475,642	5	3 (60%)	\$672,182	\$261,191

Footnotes to Table 4:

1. In Column 1, Month 1 refers to the first full month of operation after a Studio's grand opening date, and Months 2 to 12 refer to the successive months of operation thereafter.
2. In Column 2, "Average" refers to the average monthly Gross Revenue for the applicable number of Ramping Studios (Column 4) for the applicable Month.
3. In Column 3, "Median" refers to the median monthly Gross Revenue for the applicable number of Ramping Studios (Column 4) for the applicable Month.
4. In Column 4, "Number" refers to the number of Ramping Studios that completed operations for the Month in question on or before April 1, 2026.
5. In Column 5, "#/%" means the number and percentage of Ramping Studios for the applicable Month that met or exceeded the average monthly Gross Revenue figure in Column 2.
6. In Column 6, "High" means the highest monthly Gross Revenue among the Ramping Studios for the applicable Month.
7. In Column 7, "Low" means the lowest Gross Revenue among the Ramping Studios for the applicable Month.

GENERAL INFORMATION APPLICABLE TO ALL OF ITEM 19

Some Basecamp Fitness Studios have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.

Percentages were rounded to the nearest whole percent and dollar amounts to the nearest dollar.

The information disclosed in this Item 19 does not reflect the cost of sales, operating expenses, or other costs or expenses that must be deducted from the Gross Revenue information to calculate net income or

profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Basecamp Fitness Studio. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information.

All of these Basecamp Studios offered substantially the same products and services as you are expected to offer.

Written substantiation for the financial performance representations made in this Item 19 will be made available to you upon reasonable request.

Other than as set forth above, we do not make any representations about a franchisee's future financial performance or the past financial performance of franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting General Counsel Thomas Higham at 126 Garrett Street, Suite J, Charlottesville, Virginia 22902, (877) 827-8074, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

All of the information in the tables below is as of December 31 of the applicable year.

Table No. 1
Systemwide Outlet Summary
For Years 2023-2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	9	16	+7
	2024	16	19	+3
	2025	19	16	-3
Company-Owned	2023	5	5	0
	2024	5	4	-1
	2025	4	4	0
Total Outlets	2023	14	21	+7
	2024	21	23	+2
	2025	23	20	-3

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023-2025

State	Year	Number of Transfers
Alabama	2023	1
	2024	0
	2025	0
California	2023	0

State	Year	Number of Transfers
	2024	1
	2025	0
Illinois	2023	0
	2024	0
	2025	1
Minnesota	2023	0
	2024	0
	2025	1
Tennessee	2023	0
	2024	1
	2025	0
Total	2023	1
	2024	2
	2025	2

Table No. 3
Status of Franchised Outlets
For Years 2023-2025

State ¹	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	1	0	0	0	0
California	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	1	0	0	0	0	3
Florida	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Illinois	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Indiana	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Kansas	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	1	0	0	0	0
Michigan	2023	0	1	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	0	0	0	0	0	0
Minnesota	2023	1	1	0	0	0	0	2

State ¹	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2024	2	0	0	0	0	0	2
	2025	2	0	1	0	0	0	1
New Jersey	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
South Carolina	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	2	0	0	0	0
Tennessee	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Texas	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2
Washington	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Wisconsin	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Total	2023	9	7	0	0	0	0	16
	2024	16	4	1	0	0	0	19
	2025	19	2	5	0	0	0	16

1. States not listed had no activity in the last three years.

Table No. 4
Status of Company-Owned Outlets
For Years 2023-2025

State ¹	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
	2025	3	0	0	0	0	3
Minnesota	2023	2	0	0	0	0	2
	2024	2	0	0	1	0	1
	2025	1	0	0	0	0	1
Total Outlets	2023	5	0	0	0	0	5
	2024	5	0	0	1	0	4
	2025	4	0	0	0	0	4

1. States not listed had no activity in the last three years.

Table No. 5
Projected Openings as of December 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened as of December 31, 2025	Projected New Franchised Outlets in 2026	Projected New Company-Owned Outlets In 2026
Alabama	1	0	0
Florida	1	0	0
Illinois	2	0	0
Iowa	1	0	0
Minnesota	1	0	0
Total	6	0	0

A list of the names, addresses and telephone numbers for all of our current franchisees, and the locations of their open Basecamp Fitness studios as of December 31, 2025, is listed in Exhibit C.

A list of all franchisees who have had an outlet terminated, canceled, not renewed, or otherwise voluntarily ceased to do business under the Franchise Agreement during the 12-month period ended December 31, 2025, or who have not communicated with us within 10 weeks of the issuance date of this Disclosure Document, is also included in Exhibit C. There are 4 franchisees on this list, representing 5 franchises.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise System. Some franchisees have signed confidentiality agreements with us or our predecessor during the last three years. In some instances, current and former franchisees signed provisions restricting their ability to speak openly about their experience with the Basecamp Fitness franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations associated with this System.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit D are (1) the unaudited, interim consolidated financial statements of our direct parent Extraordinary Brands, LLC, as of and for the three month period ended March 31, 2026 and (2) the audited consolidated financial statements of our direct parent Extraordinary Brands, LLC, as of and for the years ended December 31, 2025, December 31, 2024, and December 31, 2023.

Exhibit D also contains Extraordinary Brands, LLC's Guaranty of Performance.

Our fiscal year ends on December 31 of each year.

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ITEM 22 CONTRACTS

A copy of the Franchise Agreement, Franchise Agreement Guaranty, and General Release is attached as Exhibit E.

A copy of the Area Development Agreement and Development Agreement Guaranty is attached as Exhibit F.

Exhibit H is an Electronic Transfer of Funds Authorization.

Exhibit I is a Franchisee Questionnaire we require you to complete and sign before we will grant you a franchise.

ITEM 23 RECEIPTS

The last 2 pages of this Disclosure Document are detachable documents acknowledging receipt of this Disclosure Document. Please sign both receipt pages and return one to us.

EXHIBIT A

LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE AGENCIES

California Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013 (213) 576-7505 or (866) 275-2677 Website: <http://www.dfpi.ca.gov>/Email: Ask.DFPI@dfpi.ca.gov

Hawaii
Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
King Kalakaua Building
335 Merchant Street, Rm. 205
Honolulu, Hawaii 96813
(808) 586-2744

Illinois
Office of Attorney General
Franchise Division
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana
Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland
Office of Attorney General
Maryland Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

Michigan
Michigan Dept. of Attorney General
Corporate Oversight Division
Antitrust and Franchise Unit
525 W. Ottawa St.
G. Mennen Williams Building, 7th Floor
Lansing, Michigan 48909
(517) 373-7117

Minnesota
Minnesota Department of Commerce
Registration and Licensing Division
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(651) 296-6328

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 Insurance & Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
(701) 328-2910

Rhode Island
Rhode Island Department of Business Regulation
Securities Division
1511 Pontiac Avenue
John O. Pastore Complex – Building 68-2
Cranston, Rhode Island 02920
(401) 222-3048

South Dakota
South Dakota Department of Labor & Regulation
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 E. Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Washington
Washington Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

Wisconsin
Department of Financial Institutions
Division of Securities
4822 Madison Yards Way,
North Tower
Madison, Wisconsin 53705
(608) 261-9555

LIST OF AGENTS FOR SERVICE OF PROCESS

California

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013(213) 576-7505 or (866)
275-2677Website: <http://www.dfpi.ca.gov>/Email:
Ask.DFPI@dfpi.ca.gov

Hawaii

Commissioner of Securities for the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
King Kalakaua Building
335 Merchant Street, Rm. 205
Honolulu, Hawaii 96813
(808) 586-2744

Illinois

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-1090

Indiana

Indiana Secretary of State
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

Maryland

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

Michigan

Michigan Dept. of Attorney General
Corporate Oversight Division
Antitrust and Franchise Unit
525 W. Ottawa St.G. Mennen Williams Building, 7th Floor
Lansing, Michigan 48913
(517) 373-7117

Minnesota

Minnesota Commissioner of
Commerce
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(651) 539-1600

New York

Secretary of State of New York
99 Washington Avenue
Albany, New York 12231-0001
(518) 473-2492

North Dakota

Insurance Commissioner
North Dakota Insurance & Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
Phone 701-328-2910

Rhode Island

Director
Rhode Island Department of Business Regulation
Securities Division
1511 Pontiac Avenue
John O. Pastore Complex – Building 68-2
Cranston, Rhode Island 02920
(401) 462-9527

South Dakota

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

Virginia

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

Washington

Director, Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501
(360) 902-8760

Wisconsin

Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way,
North Tower
Madison, Wisconsin 53705
(608) 266-8557

EXHIBIT B

**TABLE OF CONTENTS OF
OPERATIONS MANUAL**

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EXHIBIT C

LIST OF OUTLETS
as of December 31, 2025

EXHIBIT C

CURRENT FRANCHISEES

As of December 31, 2025

Franchisee	Street Address	City	State	Zip Code	Telephone Number	ADA
IFH-ENC, LLC	111 N El Camino Real	Encinitas	CA	92024	760-454-1110	*
Thrive BCF, Inc.	3050 S Delaware St, Ste 120	San Mateo	CA	94403	650-651-6184	*
Thrive BCF, Inc.	162 N Rollins Rd.	Millbrae	CA	94030	650-651-6410	*
AFBC Equity Partners, LLC	1121 Alafaya Trail, Unit 1069	Oviedo	FL	32765	407-604-2422	*
AFBC Equity Partners, LLC	465 SR 13 North, Unit 11	Saint Johns	FL	32259	407-796-8998	*
iConik, LLC	944 W Madison St	Chicago	IL	60607	773-435-9121	
Midwest Property Group, Inc.	1902 US Highway 41, Ste B	Schererville	IN	46375	219-301-2111	*
Behnke Fitness, LLC	7030 Valley Creek Plaza	Woodbury	MN	55125	507-475-0468	
Michael Orecchio and Adam Orecchio	905 River Rd, Suite 3E	Edgewater	NJ	07020	201-877-5587	*
Lifelong Strong, LLC	3009 Millwood Ave, Ste 300	Columbia	SC	29205	803-543-0594	
IFH-EM, LLC	6450 Poplar Ave	Memphis	TN	38119	901-480-8063	*
Iron Star Fitness, LLC	7451 Paseo Del Norte, Ste D4	El Paso (Cimarron)	TX	79911	915-270-1299	*
Iron Star Fitness, LLC	13647 Eastlake Blvd. Suites A106, A107	El Paso (East Lake)	TX	79928	915-808-2568	*
Anthony Hamilton	1616 N State St, #102	Bellingham	WA	98225	360-255-5532	
BC Madison 1, LLC	1730 Monroe St	Madison	WI	53711	608-960-4500	*
BC Madison 1, LLC	4704 East Washington Ave	Madison	WI	53704	608-960-4000	*
BC Junction Rd, LLC	309 Junction Rd	Madison	WI	53717	608-716-3700	*

* Franchisee is also an area developer under an Area Development Agreement and the Franchise Agreement was signed under an Area Development Agreement.

**CURRENT FRANCHISEES
THAT HAVE SIGNED A FRANCHISE AGREEMENT BUT NOT OPENED**

As of December 31, 2025

Franchisee	Street Address	City	State	Zip Code	Telephone Number	Signed but Not Open	ADA
IFH-BHM LLC	4760 McGill Ct	Hoover	AL	35226	702-533-1932	Projected to open in Birmingham, AL	*
Travis Salter	5970 York Ave	Marion	IA	52302	319-331-1186	Projected to open in TBD, IA	*
8th Wonder Equity, LLC	24065 Ascot Court	Naperville	IL	60564	337-501-9177	Projected to open in TBD, FL	*
Timothy Bugno and Eric Vazquez	1391 Brandywine Rd	Crown Point	IN	46307	219-808-4939	Projected to open in TBD, IL	
Conik Runyon	13385 24th St North	Stillwater	MN	55082	773-435-9121	Projected to open in TBD, IL	
Kelly Rademacher	713 Fairmont Ave	St. Paul	MN	55105	651-242-8864	Projected to open in TBD, MN	

☐ Franchisee is also an area developer under an Area Development Agreement, and the Franchise Agreement was signed under an Area Development Agreement.

**FORMER FRANCHISEES
THAT LEFT THE SYSTEM**

During the Year Ended December 31, 2025

Name	City	State	Phone	Reason	ADA
IFH-CH LLC	Vestavia Hills	AL	205-326-7501	Terminated	
Earned Ventures LLC	Overland Park	KS	913-232-9770	Terminated	*
SixtyTen LLC	Apple Valley	MN	651-867-4888	Terminated	
Carpe Diem BC Inc.	Charleston	SC	843-894-1087	Terminated	*
Carpe Diem BC Inc.	Summerville	SC	515-238-8469	Terminated	*

¹ Outlet unopened

* The Franchise Agreement was signed under an Area Development Agreement.

In some cases, a former franchisee represented on this table may have owned an outlet that was located in a state other than the former franchisee's state of residence.

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

EXHIBIT D

FINANCIAL STATEMENTS

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

Extraordinary Brands and Subsidiaries
Consolidated Balance Sheet (GAAP With 606 Accounting)
Thru 03/31/2026

YTD

Consolidated

ASSETS

Cash	\$1,478,693
Accounts Receivable, net	647,323
Prepaid Expenses	496,007
Other Current Assets	<u>21,699</u>
Total Current Assets	2,643,721
Property & Equipment, Cost	132,083
Property & Equipment, Acc Depreciation	(20,823)
Intangible Assets, Cost	15,522,424
Intangible Assets, Acc Amortization	(1,210,083)
Deferred Financing Fees, net	280,442
Due to Affiliates	(135,903)
Other Non Current Assets	-
Investment in Subsidiaries	
Total Assets	<u><u>\$17,211,861</u></u>

LIABILITIES & MEMBER'S EQUITY

Accounts Payable	\$296,023
Accrued Expenses	685,785
Deferred Revenue, IFB	236,900
Deferred Revenue, Tech	749,997
Current Portion of Long Term Debt	<u>-</u>
Total Current Liabilities	1,968,706
Senior Term Debt	7,500,000
Subordinate Debt	-
Discontinued Operations, net	<u>1,677,293</u>
Total Liabilities	11,145,998
Member's Contributions	1,985,293

Member's Distributions	(910,047)
Member's Equity	4,733,642
Retained Earnings	256,975
Total Member's Equity	6,065,863
Total Liabilities and Member's Equity	<u><u>\$17,211,861</u></u>

Extraordinary Brands and Subsidiaries**Consolidated Income Statement (GAAP With 606 Accounting)
Thru 03/31/2026**

YTD

Consolidated**Studio Sales**

Initial Franchise Fees \$4,333

Transfer Fees 33,000

Termination Fees 26,000

Internal Commissions (33,500)Contribution from Studio Sales 29,833**Recurring Franchise Fees**

Royalties 1,674,727

Ad Fund Fees 483,069

Technology Fees 421,991Recurring Franchise Fees 2,579,787**Other Revenues**

Equipment Sales -

Merchandise Sales 45,773

Training Fees 29,780

Rebates 230,080

Technology Implementation Revenue 50,003

Other 36,229**Other Revenues** 391,865**Total Revenues** 3,001,485**Support, Marketing, Technology & Training Expenses**Head Count Expenses 721,600Departmental Expenses 583,827**Development Expenses**Head Count Expenses 87,375Departmental Expenses 108,047**General & Administrative Expenses**Head Count Expenses 214,680Departmental Expenses 305,093**Cost of Equipment Sold**

-

Cost of Merchandise Sold	-
Net Cost of Convention	36,388
Total Expenses	<u>2,057,010</u>
Interest Income	-
Interest Expense	312,405
Taxes	-
Depreciation Expense	9,484
Amortization Expense	354,417
Transaction Expenses	-
Adjustments	-
Amortization of CRM Implementaion Fee	-
Revenue from Discontinued Ops	(40,034)
Expense from Discontinued Ops	51,228
Net Income	<u><u>\$256,975</u></u>

**Extraordinary Brands, LLC and Subsidiaries, Including
Discontinued Operations**

Consolidated Financial Statements

For the years ended December 31, 2025, 2024, and 2023

Extraordinary Brands, LLC and Subsidiaries, Including Discontinued Operations

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

Board of Managers Extraordinary Brands, LLC and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Extraordinary Brands, LLC and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2025, 2024, and 2023 and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Extraordinary Brands, LLC and Subsidiaries as of December 31, 2025, 2024, 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Extraordinary Brands, LLC and Subsidiaries, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Extraordinary Brands, LLC and Subsidiaries ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Extraordinary Brands, LLC and Subsidiaries internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Extraordinary Brands, LLC and Subsidiaries ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Robinson, Farnell, Cox Associates

Charlottesville, Virginia

May 28, 2026

Extraordinary Brands, LLC
Consolidated Balance Sheets
December 31, 2025, 2024 and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 1,394,795	\$ 40,725	\$ 51,939
Accounts receivable, net	413,765	109,863	-
Prepaid expenses	364,882	44,118	-
Other current assets	325,379	-	-
Current assets held for sale-discontinued operations	-	-	14,566
Total current assets	<u>2,498,821</u>	<u>194,706</u>	<u>66,505</u>
Property and equipment, net	79,981	21,933	-
Goodwill	12,424	12,424	-
Intangible assets, net	14,654,333	2,433,472	-
Other assets (net)	(215,365)	-	-
Non-current assets held for sale-discontinued operations	<u>264,618</u>	<u>579,559</u>	<u>354,679</u>
Total assets	<u>\$ 17,294,812</u>	<u>\$ 3,242,094</u>	<u>\$ 421,184</u>
Liabilities and Members' Equity (Deficit)			
Current liabilities			
Accounts payable	\$ 296,906	\$ 281,258	\$ -
Accrued and other liabilities	1,371,661	75,548	-
Current portion of debt	671,463	-	-
Current liabilities held for sale-discontinued operations	<u>156,197</u>	<u>212,617</u>	<u>266,472</u>
Total current liabilities	2,496,227	569,423	266,472
Non-current liabilities			
Debt	8,469,333	1,658,525	1,708,813
Other non-current liabilities	<u>137,233</u>	<u>236,474</u>	<u>-</u>
Total liabilities	11,102,793	2,464,422	1,975,285
Members' equity (deficit)	<u>6,192,019</u>	<u>777,672</u>	<u>(1,554,101)</u>
Total liabilities & members'	<u>\$ 17,294,812</u>	<u>\$ 3,242,094</u>	<u>\$ 421,184</u>

The accompanying notes are an integral part of these consolidated financial statements.

Extraordinary Brands, LLC
Consolidated Statements of Operations
For the Years Ended December 31, 2025, 2024 and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues			
Franchise service fees	\$ 5,777,919	\$ 1,179,498	\$ -
Franchise sales fees	50,767	22,500	-
Other revenues	<u>811,944</u>	<u>189,327</u>	<u>-</u>
Total revenues	<u>6,640,630</u>	<u>1,391,325</u>	<u>-</u>
Costs and expenses			
Franchise support expenses	3,521,150	1,273,485	-
Franchise sales expenses	286,477	115,350	-
General and administrative expenses	1,183,576	596,615	-
Depreciation and amortization	<u>739,091</u>	<u>127,916</u>	<u>-</u>
Total costs and expenses	<u>5,730,294</u>	<u>2,113,366</u>	<u>-</u>
Operating income	910,336	(722,041)	-
Interest expense	(530,175)	(7,062)	-
Loss from discontinued operations	(321,869)	(289,838)	(225,396)
Gain on Bargain Purchase	<u>5,289,453</u>	<u>2,040,000</u>	<u>-</u>
Net income (loss)	<u>\$ 5,347,745</u>	<u>\$ 1,021,059</u>	<u>\$ (225,396)</u>

See Note 3 — Bargain Purchase Gain (5,289,453 in 2025 relates to acquisition of CycleBar and Rumble Boxing on July 24, 2025).

The accompanying notes are an integral part of these consolidated financial statements.

Extraordinary Brands, LLC**Consolidated Statements of Changes in Members' Equity****For the Years Ended December 31, 2025, 2024 and 2023**

	<u>Members'</u> <u>Capital</u>	<u>Accumulated</u> <u>Deficit</u>	<u>Members'</u> <u>Equity (Deficit)</u>
Balances at December 31, 2022			
(opening balance - support required; see Note)	\$ (337,366)	\$ (1,264,757)	\$ (1,602,123)
Member contributions — AE Capital LLC	340,000	-	340,000
Distributions to Members	(66,582)	-	(66,582)
Net income (loss)	<u>-</u>	<u>(225,396)</u>	<u>(225,396)</u>
Balances at December 31, 2023	(63,948)	(1,490,153)	(1,554,101)
Net income (loss)	\$ -	\$ 1,021,059	\$ 1,021,059
Member contributions — AE Capital LLC	<u>1,310,714</u>	<u>-</u>	<u>1,310,714</u>
Balances at December 31, 2024	1,246,766	(469,094)	777,672
Net income (loss)	\$ -	5,347,745	\$ 5,347,745
Distributions to Members	(566,907)	-	(566,907)
Member contributions — AE Capital LLC	<u>633,509</u>	<u>-</u>	<u>633,509</u>
Balances at December 31, 2025	\$ <u><u>1,313,368</u></u>	\$ <u><u>4,878,651</u></u>	\$ <u><u>6,192,019</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Extraordinary Brands, LLC
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2025, 2024 and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities			
Net income (loss)	\$ 5,347,745	\$ 1,021,059	\$ (225,396)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	739,091	127,916	-
Gain on Bargain Purchase	(5,289,453)	(2,040,000)	-
Changes in assets and liabilities			
Accounts receivable	(303,902)	(109,863)	-
Prepaid expenses and other current assets	(646,143)	(44,118)	-
Other assets	215,365	-	-
Assets held for sale-discontinued operations	314,941	(210,314)	82,282
Accounts payable	15,648	281,258	-
Accrued and other liabilities	1,296,113	75,548	-
Liabilities held for sale-discontinued operations	(4,528)	(3,944)	7,076
Other long-term liabilities	(99,241)	236,474	-
Net cash provided by operating activities	<u>1,585,636</u>	<u>(665,984)</u>	<u>(136,038)</u>
Cash flows from investing activities			
Business acquisitions / consolidation adjustment, net of cash (see note)	(7,660,548)	(532,424)	-
Purchases of property and equipment	(3,774)	-	-
Capitalized software development costs	(64,225)	(23,321)	-
Net cash used in investing activities	<u>(7,728,547)</u>	<u>(555,745)</u>	<u>-</u>
Cash flows from financing activities			
Member distributions	(566,907)	-	(66,582)
Borrowings from long-term debt, net of deferred financing cost	7,500,000	-	-
Repayments of lease payable	(51,892)	(49,911)	(43,205)
Repayments of long-term debt	(17,729)	(50,288)	(52,662)
Member contributions	633,509	1,310,714	340,000
Net cash provided by (used in) financing activities	<u>7,496,981</u>	<u>1,210,515</u>	<u>177,551</u>
Increase in cash and cash equivalents	1,354,070	(11,214)	41,513
Cash and cash equivalents			
Beginning of year	<u>40,725</u>	<u>51,939</u>	<u>10,426</u>
End of year	<u>\$ 1,394,795</u>	<u>\$ 40,725</u>	<u>\$ 51,939</u>

The accompanying notes are an integral part of these consolidated financial statements.

Extraordinary Brands, LLC and Subsidiaries, Including Discontinued Operations
Notes to Consolidated Financial Statements
December 31, 2025, 2024 and 2023

1. Organization and Description of Business

Extraordinary Brands, LLC (the “Company” or “EB”) is the parent company of a number of franchisors operating in the United States and internationally which includes the following companies; Row House, LLC (“Row House”), Neighborhood Barre, LLC (“Neighborhood Barre”), CycleBar, LLC (“CycleBar”), and Rumble Boxing, LLC (“Rumble Boxing”).

Franchised outlets as of December 31, 2025 and 2024 are summarized as follows:

	Franchises as December 31, 2024	Sold during the year	Closed during the year	Franchises as of December 31, 2025
Row House	49	-	11	38
Neighborhood Barre	20	1	(1)	22
Cycle Bar *	189	2	79	112
Rumble Boxing *	84	6	19	71
Total — Continuing Operations	<u>342</u>	<u>9</u>	<u>108</u>	<u>243</u>

** CycleBar and Rumble Boxing were purchased on July 24, 2025.*

2. Summary of Significant Accounting Policies

Financial Statement Preparation and Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the 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 as 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. The areas that require the use of significant management estimates include purchase price allocation and the carrying value of goodwill and other long-lived assets.

2. Summary of Significant Accounting Policies: (Continued)

Revenue Recognition

The following describes principal activities from which the Company generates its revenues and the associated revenue recognition policy:

Franchise Service Fees

Franchise service fees consist of royalty, call center, technology, national advertising and service fees charged to franchisees. Royalties generally range from 7% to 14% of the franchisee's gross sales, depending on the particular franchise concept and upon other factors. The Company recognizes revenue for royalties as they become billable when the underlying franchisee sales occur. Call center, technology and service fees provide a distinct benefit from the franchise right and are therefore separate performance obligations. Fees for these services are generally billed as a monthly fixed or usage-based amount and are recognized as revenue as the services are performed. The Company administers national advertising funds ("NAF") which are funded by the franchisees and are used to pay for the costs of preparing and producing various advertising and marketing materials for the franchisees. The advertising funded through the NAF benefits the franchise brands overall, rather than the individual franchise owners, and therefore is not a performance obligation separate from the overall franchise right. Any underspending or overspending of the NAF contributions are recorded as accrued and other liabilities or prepaid expenses and other current assets on the consolidated balance sheets.

Franchise Sales Fees

Franchise sales fees consist of initial franchise, renewal and termination fees. The Company's primary performance obligation under the franchise agreements is granting rights to use the Company's intellectual property over the term of the franchise agreement. Initial franchise fees are not a service distinct from the overall initial franchise right performance obligation and are therefore recognized on a straight-line basis over the franchise agreement term.

Other Revenues

Other revenues consist primarily of rebates, convention attendance and sponsorship fees, and fees related to providing in house accounting services to franchisees. Rebates received from third-party vendors in return for the Company maintaining a buying program that connects the vendors with the Company's franchise customers are recognized as revenue as they become due, which is generally on a quarterly basis. Rebates are calculated as a percentage of third-party sales. Convention attendance and sponsorship fees are recognized at the time of the convention.

Cash and Cash Equivalents

The Company considers all cash and highly liquid investments purchased with an initial maturity of three months or less to be cash or cash equivalents. Cash consists primarily of cash on hand and cash on deposit. The Company maintains its cash in banks in which deposits may, from time to time, exceed federally insured limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risks related to cash.

In accordance with FASB Accounting Standards Update ("ASU") 2016-15 Statement of Cash Flows (Topic 230), cash payments made not soon after (defined as more than three months) the acquisition date of a business combination to settle any contingent consideration liabilities, the payments are separated and classified as cash outflows from financing activities and operating activities. Cash payments up to the amount of the contingent consideration liability recognized at the acquisition date (including measurement-period adjustments) are classified as financing activities; any excess is classified operating activities. The Company did not pay any contingent consideration during the years ended December 31, 2025, 2024 or 2023.

Extraordinary Brands, LLC and Subsidiaries, Including Discontinued Operations
Notes to Consolidated Financial Statements (Continued)
December 31, 2025, 2024, and 2023

2. Summary of Significant Accounting Policies: (Continued)

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management determines the allowance for doubtful accounts based on its assessment of the current status of individual accounts. As of December 31, 2025, 2024 and 2023, accounts receivable, net, was \$413,765, \$109,863 and \$0, respectively.

Contract Balances

The following table presents the supported contract-liability-related balance sheet amounts as of December 31, 2025, 2024 and 2023.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Accrued and other liabilities (per Balance Sheet) - includes contract liabilities	\$ 1,371,661	\$ 75,548	\$ -

Costs Incurred to Obtain a Contract with Customers

The Company capitalizes commissions paid to brokers that are a direct result of obtaining a new franchise agreement and amortizes these costs over the franchise agreement period. The short term and long-term portion of the deferred costs related to these arrangements are included in prepaid expenses and other current assets and in other assets, respectively, on the consolidated balance sheets.

Property and Equipment

Property and equipment is stated at historical cost and depreciated using the straight-line method over the estimated useful life of the assets. Additions and betterments are capitalized, maintenance and repairs which do not extend the useful life of the assets are expensed as incurred in general and administrative expenses on the consolidated statements of operations.

Capitalized Software

The Company capitalizes certain costs incurred in the development of various internally used software platforms, in accordance with FASB ASC 350-40, "Internal-Use Software", which requires certain costs incurred during the application development stage be capitalized and other costs incurred during the preliminary project and post-implementation stages be expensed as they are incurred. The Company capitalizes software development costs when the preliminary project stage is completed and the technological feasibility is established. Capitalized costs include personnel and related expenses for employees and third-party contractors who are directly associated with and who devote time to internal-use software projects. Any costs incurred to significantly upgrade or enhance the Company's software platforms are also capitalized. Costs related to the preliminary project activities and post-implementation support activities are expensed as incurred. Amortization of capitalized software costs accounted for in accordance with FASB ASC 350-40 and ASC 985-20 are recognized in depreciation and amortization on the consolidated financial statements using a straight-line method over an estimated useful life of one to two years.

Leases

The Company evaluates arrangements to determine whether they contain a lease under ASC 842. As of December 31, 2025, 2024, and 2023, the Company had no operating or finance leases requiring recognition on the consolidated balance sheets.

2. Summary of Significant Accounting Policies: (Continued)

Intangible Assets

Intangible assets consist of trademarks and franchise relationships. Intangible assets are stated at their estimated fair value at the date of acquisition. Amortization is computed over the estimated useful lives of the related intangible assets using the straight-line method.

Long-lived Assets

In accordance with FASB ASC 360-10, "Accounting for Impairment or Disposal of Long-Lived Assets", long-lived assets, such as property and equipment and intangible assets, are reviewed for impairment, at least annually, or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized at the amount by which the carrying amount of the asset exceeds the fair value of the asset. The Company did not recognize any impairment charges for the years ended December 31, 2025, 2024, or 2023.

Goodwill

Goodwill represents the excess of acquisition costs over the fair value of assets and liabilities acquired, including specifically identified intangible assets. Goodwill is not amortized but is tested for impairment annually as of the last day of each fiscal year in line with guidance prescribed by FASB ASU 2021-03 "Accounting Alternative for Evaluating Triggering Events" and evaluated if the facts and circumstances at year end indicate if any triggering event existed.

In conducting impairment testing, the Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the estimated fair value of a reporting unit is less than its carrying amount. If the Company performs a qualitative assessment and determines that the carrying value more likely than not exceeds the fair value, then the quantitative impairment test is performed, otherwise no further analysis is required. The Company also may elect not to perform the qualitative assessment and, instead, proceed directly to the quantitative impairment test. The ultimate outcome of the goodwill impairment assessment will be the same whether the Company chooses to perform the qualitative assessment or proceed directly to the quantitative impairment test. The Company chose to perform a qualitative impairment test for goodwill as of December 31, 2025, 2024 and 2023. The Company determined the fair value of goodwill exceeds the carrying value and no further analysis is required as of December 31, 2025, 2024 and 2023.

Deferred Loan Costs

In accordance with FASB ASU 2015-03, "Simplifying the Presentation of Debt Issuance Costs", the Company defers certain loan costs, which are presented as a reduction of long-term debt on the consolidated balance sheets. These costs are amortized over the term of the debt using the straight-line method, which approximates the effective interest method. Amortization of \$29,520 is included in interest expense on the consolidated statements of operations for the years ended December 31, 2025.

Taxes

The Company and its subsidiaries are limited liability companies and are not subject to federal or state income taxes. Accordingly, no provision has been made for federal or state income taxes since these taxes are the responsibility of individual members. The Company utilizes a two-step approach for recognizing and measuring uncertain tax positions accounted for in accordance with the asset and liability method. The first step is to evaluate the tax position for recognition by determining whether evidence indicates that it is more likely than not that a position will be sustained if examined by a taxing authority. The second step is to measure the tax benefit as the largest amount that is 50% likely of being realized upon settlement with a taxing authority. There were no amounts recorded as of December 31, 2025, 2024 or 2023 related to uncertain tax positions.

Extraordinary Brands, LLC and Subsidiaries, Including Discontinued Operations
Notes to Consolidated Financial Statements (Continued)
December 31, 2025, 2024, and 2023

2. Summary of Significant Accounting Policies: (Continued)

Advertising Costs

The NAF advertising expenses are recognized as incurred and are included in franchise support expenses on the consolidated statements of operations. NAF advertising expenses for the years ended December 31, 2025, 2024 and 2023 were \$1,148,609, \$259,971, and \$0 respectively.

<u>2025</u>	<u>CB</u>	<u>RB</u>	<u>NB</u>	<u>RH</u>	<u>PF</u>	<u>EF</u>	<u>Total</u>
Ad Fund Fees	\$ 454,156	\$ 297,659	\$ 120,147	\$ 259,501	\$ 14,115	\$ 3,031	\$ 1,148,609
<u>2024</u>	<u>CB</u>	<u>RB</u>	<u>NB</u>	<u>RH</u>	<u>PF</u>	<u>EF</u>	<u>Total</u>
Ad Fund Fees	\$ -	\$ -	\$ 37,147	\$ 201,907	\$ 11,084	\$ 9,833	\$ 259,971
<u>2023</u>	<u>CB</u>	<u>RB</u>	<u>NB</u>	<u>RH</u>	<u>PF</u>	<u>EF</u>	<u>Total</u>
Ad Fund Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Non-NAF advertising expenses are recognized as incurred and included in franchise sales expenses on the consolidated statements of operations. Franchise sales expenses for the years ended December 31, 2025, 2024 and 2023 were \$286,477, \$115,350 and \$0, respectively.

Fair Value Measurements

The Company applies fair value accounting for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions and credit risk.

The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The carrying amounts of cash and cash equivalents, accounts receivable, inventory, prepaid expenses, accounts payable, accrued liabilities and deferred franchise fees approximate fair value because of the short maturity of the instruments. The carrying value of long-term debt approximates fair value as the stated interest rates are at market rates.

Extraordinary Brands, LLC and Subsidiaries, Including Discontinued Operations
Notes to Consolidated Financial Statements (Continued)
December 31, 2025, 2024, and 2023

3. Acquisitions

During 2025, the Company acquired CycleBar and Rumble Boxing. The acquisitions were accounted for as business combinations, and the results of the acquired operations are included in the consolidated financial statements from the acquisition date. The Company recognized a bargain purchase gain of \$5,289,453 during 2025, consisting of \$3,325,541 related to CycleBar and \$1,963,912 related to Rumble Boxing.

During 2024, the Company acquired Row House Franchising, LLC and Neighborhood Barre / Barre Skinny. The Company recognized a bargain purchase gain of \$2,040,000 related to Row House. No bargain purchase gain was recognized related to Neighborhood Barre / Barre Skinny; however, goodwill of \$12,424 was recognized in connection with the acquisition.

The acquired intangible assets and bargain purchase gains consisted of the following:

	2025			2024		
	CycleBar	Rumble Boxing	Total	Row House	Neighborhood Barre	Total
Trade name	\$ 2,020,000	\$ 1,420,000	\$ 3,440,000	\$ 430,000	\$ 130,000	\$ 560,000
Franchise agreements	5,880,000	3,630,000	9,510,000	1,610,000	390,000	2,000,000
Goodwill recognized	-	-	-	-	12,424	12,424
Total intangible assets and goodwill recognized	\$ 7,900,000	\$ 5,050,000	\$ 12,950,000	\$ 2,040,000	\$ 532,424	\$ 2,572,424
Less: purchase consideration/ acquisition cash flow impact	\$ (4,574,459)	\$ (3,086,089)	\$ (7,660,547)	\$ -	\$ (532,424)	\$ (532,424)
Gain on bargain purchase	\$ 3,325,541	\$ 1,963,911	\$ 5,289,453	\$ 2,040,000	\$ -	\$ 2,040,000

4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following as of December 31, 2025, 2024 and 2023:

	2025	2024	2023
Prepaid expenses	\$ 364,882	\$ 44,118	\$ -
Other current assets	325,379	-	-
Prepaid expenses and other current Assets	\$ 690,261	\$ 44,118	\$ -

Extraordinary Brands, LLC and Subsidiaries, Including Discontinued Operations
Notes to Consolidated Financial Statements (Continued)
December 31, 2025, 2024, and 2023

5. Property and Equipment

Property and equipment consisted of the following as of December 31, 2025, 2024 and 2023:

	Estimated Useful Life	2025	2024	2023
Computer Equipment	3 – 5 years	\$ 3,774	\$ -	\$ -
AD - Computer Equipment	1 – 2 years	(511)		
Software	5 years	28,321	23,321	-
AD - Software		(10,828)	(1,388)	
Software Under Development		59,225		
Total Property and Equipment, net		<u>\$ 79,981</u>	<u>\$ 21,933</u>	<u>\$ -</u>

Depreciation and amortization expense related to property and equipment recognized in the consolidated statements of operations was \$9,951, \$1,388 and \$0 for the years ended December 31, 2025, 2024 and 2023, respectively.

6. Intangible Assets and Goodwill

Intangible Assets

Intangible assets consisted of the following as of December 31, 2025, 2024 and 2023:

2025					
	Estimated Useful Life	Gross Amount	Accumulated Amortization	Net Amount	Weighted Average Remaining Useful Life
Franchise relationships	10 years	\$ 11,510,000	\$ 703,167	\$ 10,806,833	9.5
Trademarks	15 years	4,000,000	152,500	3,847,500	14.5
Intangible assets		<u>\$ 15,510,000</u>	<u>\$ 855,667</u>	<u>\$ 14,654,333</u>	
2024					
	Estimated Useful Life	Gross Amount	Accumulated Amortization	Net Amount	Remaining Useful Life
Franchise relationships	10 years	\$ 2,000,000	\$ 106,917	\$ 1,893,083	9.5
Trademarks	15 years	560,000	19,611	540,389	14.6
Intangible assets		<u>\$ 2,560,000</u>	<u>\$ 126,528</u>	<u>\$ 2,433,472</u>	

Extraordinary Brands, LLC and Subsidiaries, Including Discontinued Operations
Notes to Consolidated Financial Statements (Continued)
December 31, 2025, 2024, and 2023

6. Intangible Assets and Goodwill: (Continued)

Amortization expense related to intangible assets was \$729,140 and \$126,528 and \$0 for the years ended December 31, 2025, 2024 and 2023, respectively, based on the supporting intangible asset schedules in the Excel workbook.

Estimated amortization expense for the subsequent five years and thereafter is as follows:

<u>Year</u>	<u>Amount</u>
2026	\$ 1,417,667
2027	1,417,667
2028	1,417,667
2029	1,417,667
2030	1,417,667
Thereafter	7,566,000
Total	\$ 14,654,333

Goodwill

Changes in the net carrying value of goodwill for the years ended December 31, 2025, 2024 and 2023 are as follows:

<u>Changes in the net carrying value of goodwill</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 12,424	\$ -	\$ -
Goodwill acquired during the year	-	250,000	-
Goodwill acquired — Neighborhood Barre (Aug 2024)	-	12,424	-
Goodwill write-off (discontinued operations)	-	(250,000)	-
Balance, end of year	\$ 12,424	\$ 12,424	\$ -

2024: Goodwill of 250,000 recognized upon acquisition of Eat the Frog Franchising LLC (Apr 2024).

2025: EF goodwill of 250,000 fully written off upon wind-down of EF discontinued operations (Jun 2025). NB goodwill of 12,424 recognized upon acquisition of Neighborhood Barre (Aug 2024) remains on the balance sheet. CycleBar/Rumble Boxing acquisition (Jul 2025) resulted in a Bargain Purchase Gain — no goodwill recorded.

7. Other Long-term Assets & Discontinued operations

Discontinued Operations

The Company has classified certain operations as discontinued operations. These operations include certain activities associated with Eat the Frog Franchising LLC, Purvelo Franchising LLC, and Purvelo, LLC / Studio. The results of these operations have been excluded from continuing operations and are presented separately as loss from discontinued operations in the accompanying consolidated statements of operations.

Extraordinary Brands, LLC and Subsidiaries, Including Discontinued Operations
Notes to Consolidated Financial Statements (Continued)
December 31, 2025, 2024, and 2023

7. Other Long-term Assets & Discontinued operations: (Continued)

For the years ended December 31, 2025, 2024, and 2023, the Company recognized losses from discontinued operations of \$373,761, \$339,749, and \$268,601, respectively.:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Loss from discontinued operations, per consolidated statements of operations	\$ (321,869)	\$ (289,838)	\$ (225,396)

Assets and liabilities related to discontinued operations are presented separately in the accompanying consolidated balance sheets as assets held for sale — discontinued operations and liabilities held for sale — discontinued operations. As of December 31, 2025, the discontinued operations consisted primarily of remaining current liabilities, with no assets classified as held for sale. As of December 31, 2024 and 2023, the Company had assets and current liabilities related to discontinued operations remaining on the consolidated balance sheets.

The assets and liabilities related to discontinued operations consisted of the following:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Due from (to) affiliates, net	\$ (215,365)	\$ -	\$ -
Total other assets (net)	\$ <u>(215,365)</u>	\$ <u>-</u>	\$ <u>-</u>

Other long-term assets consisted of the following as of December 31, 2025, 2024 and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current assets held for sale — discontinued operations	\$ -	\$ -	\$ 14,566
Non-current assets held for sale — discontinued operations	<u>264,618</u>	<u>579,559</u>	<u>354,679</u>
Total assets held for sale — discontinued operations	\$ <u>264,618</u>	\$ <u>579,559</u>	\$ <u>369,245</u>
Current liabilities held for sale — discontinued operations	\$ <u>156,197</u>	\$ <u>212,617</u>	\$ <u>266,472</u>
Net assets / liabilities held for sale — discontinued operations	\$ <u><u>108,421</u></u>	\$ <u><u>366,942</u></u>	\$ <u><u>102,773</u></u>

Extraordinary Brands, LLC and Subsidiaries, Including Discontinued Operations
Notes to Consolidated Financial Statements (Continued)
December 31, 2025, 2024, and 2023

8. Long-term Debt

Long-term debt consisted of the following as of December 31, 2025, 2024 and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total debt per Balance Sheet	\$ 9,140,796	\$ 1,658,525	\$ 1,708,813
Bay Point Capital - Senior Secured Loan			
Principal	\$ 5,500,000	\$ -	-
Interest rate	13.50%	0.00%	0.00%
Maturity			
DannRiver Holdings LLC - Promissory Note			
Principal	\$ 2,000,000	\$ -	-
Interest rate	16.50%	0.00%	0.00%
Maturity	7/24/2028		
NB Seller Note (paid off Nov 2025)	\$ 236,474	\$ 1,658,525	

As of December 31, 2025, 2024, and 2023, debt per the consolidated balance sheets was \$9,140,796, \$1,658,525, and \$1,708,813, respectively.

Amortization of deferred loan costs of \$29,520 was included in interest expense for the year ended December 31, 2025.

For the year ended December 31, 2025, the consolidated statement of cash flows reflects borrowings from long-term debt of \$7,500,000 and repayments of long-term debt of \$236,474.

Future maturities of long-term debt as of December 31, 2025 are as follows:

<u>Year</u>	<u>Amount</u>
2026	\$ 671,463
2027	1,130,934
2028	5,790,437
2029	33,335
2030	34,607
Thereafter	1,480,020
Total	\$ <u>9,140,796</u>

Extraordinary Brands, LLC and Subsidiaries, Including Discontinued Operations
Notes to Consolidated Financial Statements (Continued)
December 31, 2025, 2024, and 2023

9. Leases

At December 31, 2025, 2024, and 2023, the Company had an operating lease related to one of its discontinued operations. The lease is payable in various monthly installments through February 2028 and bears interest at a rate of 3.9%.

The related right-of-use asset is no longer being amortized, as the lease relates to discontinued operations and amortization ceased at the beginning of 2023. The following table presents the right-of-use asset and lease liability balances as of December 31, 2025, 2024, and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
ROU Asset (Discontinued)	\$ 264,618	\$ 264,618	\$ 264,618
Lease Liability (Discontinued)	\$ 119,610	\$ 171,502	\$ 221,413

The following are the annual requirements of the lease:

2026	\$ 57,473
2027	57,473
2028	<u>4,789</u>
Total	119,735
Less imputed interest	<u>\$ 124</u>
Net	<u><u>\$ 119,610</u></u>

10. Contingencies

The Company is engaged in various legal proceedings incidental to its normal business activities. Management has determined that it is not probable that the Company has incurred any loss contingencies as defined in FASB ASC Topic 450, Contingencies. Accordingly, no liabilities have been recorded for such matters as of December 31, 2025, 2024 and 2023. Management believes that the outcome of such matters will not have a material effect of the Company's consolidated financial statements.

11. Employee Benefits Plans

The Company sponsors a 401(k) plan covering employees meeting certain eligibility requirements. Company contributions to the plan, if any, are discretionary.

12. Subsequent Events

Management has evaluated subsequent events through May 28, 2026, the date on which the financial statements were available to be issued and has determined there are no additional items requiring recognition or disclosure.

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GUARANTEE OF PERFORMANCE FTC

For value received, Extraordinary Brands, LLC, a Delaware limited liability corporation located at 126 Garrett Street, Suite J, Charlottesville, Virginia 22902 (the “**Guarantor**”), absolutely and unconditionally guarantees to assume the duties and obligations of Basecamp Fitness Franchisor LLC, a limited liability corporation located at 126 Garrett Street, Suite J, Charlottesville, VA 22902 (the “**Franchisor**”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor executes this guarantee in Bald Head Island, North Carolina on the 2nd day of June, 2026.

Guarantor:

Extraordinary Brands, LLC

Signed by:
By: Paul Flick
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Name: Paul Flick

Title: CEO

GUARANTEE OF PERFORMANCE

Illinois

For value received, Extraordinary Brands, LLC (“**Guarantor**”), a limited liability company organized under the laws of the State of Delaware and located at 126 Garrett Street, Suite J, Charlottesville, Virginia 22902, absolutely and unconditionally guarantees to assume the duties and obligations of Basecamp Fitness Franchisor LLC, located at 126 Garrett Street, Suite J, Charlottesville, VA 22902 (the “**Franchisor**”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and on its successors and assigns.

The Guarantor executes this guarantee in Bald Head Island, North Carolina on the 2nd day of June, 2026.

Guarantor:

Extraordinary Brands, LLC

Signed by:
 By: Paul Flick
 6EBDD110AAAF472...

Name: Paul Flick

Title: CEO

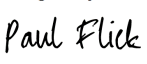
GUARANTEE OF PERFORMANCE
Virginia

For value received, absolutely and unconditionally guarantees the performance by Extraordinary Brands, LLC, a Delaware limited liability corporation located at 126 Garrett Street, Suite J, Charlottesville, Virginia 22902 (the “**Guarantor**”) of all the obligations of Basecamp Fitness Franchisor LLC, limited liability corporation located at 126 Garrett Street, Suite J, Charlottesville, VA 22902 under its franchise registration in the State of Virginia and of its franchise agreements. This guarantee continues until all such obligations of Basecamp Fitness Franchisor LLC under its franchise registration and franchise agreements are satisfied. Extraordinary Brands, LLC is not discharged from liability if a claim by the franchisee against Basecamp Fitness Franchisor LLC remains outstanding. Notice of acceptance is waived. Notice of default on the part of Basecamp Fitness Franchisor LLC is not waived. This guarantee is binding on Extraordinary Brands, LLC and on its successors and assigns.

The Guarantor executes this guarantee in Bald Head Island, North Carolina on the 2nd day of June, 2026.

Guarantor:

Extraordinary Brands, LLC

Signed by:
By: 
6EBDD110AAAF472...

Name: Paul Flick

Title: CEO

EXHIBIT E

FRANCHISE AGREEMENT, GUARANTY, GENERAL RELEASE AND STATE SPECIFIC ADDENDA

FRANCHISE AGREEMENT

BASECAMP FITNESS FRANCHISOR LLC

126 Garrett St, Suite J
Charlottesville, VA 22902
Telephone: (877) 827-8074
www.basecampfitness.com

BASECAMP FITNESS FRANCHISE AGREEMENT

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RIDER 38

BASECAMP FITNESS FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made as of the Effective Date set forth in the Rider attached to this Agreement (the “Rider”) between BASECAMP FITNESS FRANCHISOR LLC, a Delaware limited liability company (“we” or “us”) and the person or persons named in the Rider as “Franchisee” (“you”).

RECITALS:

A. We along with our predecessors have developed a system of operating boutique interval training fitness studios under the “Basecamp” and “Basecamp Fitness” service marks that offer short, high intensity guided workouts that combine strength, cardio and core training in a fast-paced, high-energy environment. We grant franchises to qualified candidates for the establishment and operation of these studios. We license our trademark rights in “Basecamp” and “Basecamp Fitness” and may in the future adopt, use and license additional or substitute trademarks, service marks, logos and commercial symbols in connection with the operation of Basecamp Fitness studios (collectively, the “Marks”). These studios use our methods, procedures, standards, specifications and the Marks, all of which we may improve, further develop or otherwise modify from time to time (all of which are collectively referred to as the “System”).

B. You acknowledge that the Basecamp Fitness concept is a relatively new concept. As such, the methods of operation for a Basecamp Fitness studio continue to evolve. These businesses and the System will evolve over time, and such evolution will likely result in numerous changes to the System, some of which may require additional investment by you.

C. You acknowledge that you have had an adequate opportunity to be thoroughly advised of the provisions of this Agreement and our Franchise Disclosure Document and have had sufficient time and opportunity to evaluate and investigate the System and the procedures and financial requirements associated with the System, as well as the competitive market in which it operates.

D. You desire to operate a Basecamp Fitness franchise that will conform to our uniform requirements and quality standards as established from time to time by us.

AGREEMENTS:

1. GRANT OF FRANCHISE; FRANCHISED LOCATION

A. Grant of Franchise. Subject to the provisions stated below, we license to you a personal franchise to operate a Basecamp Fitness studio (your “Basecamp Studio”) in conformity with our System at the location described on the Rider (the “Franchised Location”). You accept the license and undertake the obligation to operate your Basecamp Studio using the System and in compliance with our standards. Your Basecamp Studio may only be operated at the Franchised Location. If you would like to open a second or subsequent location, you must sign a new franchise agreement on our then-current form for each location, and pay the applicable franchise fees for each location.

B. Protected Territory. Included in the Rider is a map or description of an area surrounding the Franchised Location (the “Protected Territory”). Except as specified in this Section, in Section 2.B, or in the Rider, during the term of this Agreement, we will not operate or license to anyone else the right to operate a Basecamp Fitness studio physically located in the Protected Territory. You acknowledge and agree that: (i) we and our affiliates have the right to grant other franchises or licenses and to operate

company or affiliate owned fitness studios/businesses (including Basecamp Fitness studios) at locations outside the Protected Territory even if they compete with your Basecamp Studio for customers or members; (ii) we and our affiliates have the right to grant other franchises or licenses and to operate company or affiliate-owned fitness studios/businesses (including Basecamp Studios) within private establishments located within the Protected Territory, provided that access to those centers is limited to employees of the business, or transient guests of the business who, in either case, would not have any reciprocity with any other Basecamp Studio as a result of their use or membership in this private studio; and (iii) we and our affiliates have the right to operate, and to grant franchises or licenses to others to operate, any fitness studios/business and any other business from locations within and outside the Protected Territory under trademarks other than the Marks, without compensation to you. In addition, the boundaries of your Protected Territory may overlap with a territory we grant to another franchisee or to a Basecamp Fitness studio we or our affiliates operate, so long as no other Basecamp Fitness studio is located within your Protected Territory.

C. Additional Reservation of Rights. We and our affiliates reserve any and all rights not expressly granted to you under this Agreement, including, without limitation, the right to sell anywhere (including within the Protected Territory) products and services (including to your members and other customers) under the “Basecamp Fitness” name, or under any other name, through any channel of distribution, including via the Internet, our website, mobile applications, social media platforms or otherwise.

D. Limitations. The rights and privileges granted to you under this Agreement are personal in nature and may not be used at any location other than the Franchised Location. You do not have the right to delegate, subfranchise, or sublicense any of your rights under this Agreement. Without our written consent, you may not use the Franchised Location for any purpose other than the operation of a Basecamp Fitness studio.

2. TERM; RENEWAL RIGHTS

A. Initial Term. The term of this Agreement is for six (6) years commencing on the Effective Date of this Agreement, unless terminated earlier as provided in this Agreement.

B. Renewal. You have the right to renew your Basecamp Fitness franchise for the Franchised Location for an additional five (5) year term, provided you meet all of the following conditions:

1. you have given us written notice at least two hundred ten (210) days prior to the end of the then current term of this Agreement of your desire to renew;

2. you and all entities you are a member, partner or shareholder of, are in compliance with all agreements between you and us and between you and our affiliates, and there has been no series of defaults by you thereunder (i.e., an abnormal frequency of defaults or a default that has occurred repeatedly, or a combination thereof), whether or not such defaults were cured;

3. you make, or provide for in a manner satisfactory to us, such renovation and re-equipping of your Basecamp Studio as we deem appropriate to reflect the then-current standards and image of the System, including, without limitation, renovation or replacement of signs, equipment, furnishings, fixtures and decor;

4. you pay us a renewal fee at least fifteen (15) days prior to the expiration of the initial term of this Agreement in an amount equal to Five Thousand Dollars (\$5,000) (the “Renewal Fee”);

5. you sign the standard Franchise Agreement then being used by us within thirty (30) days of receipt, provided that you pay the Renewal Fee in lieu of the Initial Franchise Fee set forth in the then-current Franchise Agreement. The terms of such Franchise Agreement may differ from this Agreement, including higher fees and a modification to the Protected Territory based upon our then-current methods of determining protected territories (and which may include a reduction in the size of the Protected Territory);

6. you present satisfactory evidence that you have the right to remain in possession of the Franchised Location for the duration of the renewal term, unless we determine that the location of your business is no longer viable for the operation of your Basecamp Studio, in which case we may condition your right to renew on your obtaining a new site for your Basecamp Studio that we approve;

7. your management staff successfully completes any refresher training prescribed by us at least thirty (30) days prior to the expiration of the term of this Agreement; and

8. at the time you sign the Franchise Agreement to renew your franchise, you sign and deliver to us a general release, in the form we prescribe, releasing, to the fullest extent permitted under the laws of the state where your Basecamp Studio is located, all claims that you may have against us and our affiliates and our respective current and former officers, directors, shareholders, employees, insurers, consultants, contractors and agents, in both their corporate and individual capacities.

If you fail to timely comply with any provision of this Section 2.B, time being of the essence, we will at all times thereafter be permitted to operate or license to someone else the right to operate a Basecamp Fitness studio from any location in the Protected Territory, and you specifically grant to us and to the owner of that studio the right to contact the members and any other customers of your Basecamp Studio, notify them that you have chosen not to renew your relationship with us, and solicit those members and customers to patronize a new Basecamp Fitness studio in the Protected Territory.

3. MARKS AND COPYRIGHTS

A. Identity of Your Studio. Your Basecamp Studio will be identified by the Marks we prescribe from time to time.

B. Ownership of Marks and System Improvements. You agree that we own the Marks and the System. You also agree that any and all improvements and derivations by you relating to the Marks and System are our sole property and you hereby assign to us the same, together with the goodwill associated with the same. We will have the exclusive right to register and protect all such improvements and derivations of the Marks and the System.

C. Use. Your right to use and identify with the Marks and System applies only to the Franchised Location, and exists concurrently with the term of this Agreement and only so long as you are in complete compliance with our quality standards. You will have the right to use the Marks and System only in the manner prescribed, directed and approved by us in writing and in accordance with all applicable laws and regulations pertaining to advertising and marketing, including, without limitation, federal and state laws pertaining to telemarketing (including the Telephone Consumer Protection Act), false advertising, unfair competition and unfair practices. You will not have or acquire any rights in any of the Marks or System other than the right of use as governed by this Agreement. You may not authorize others to use or reproduce our Marks without our prior written consent. Your use of the Marks and any resulting goodwill will be to our exclusive benefit. If, in our judgment, your conduct infringes upon or demeans the goodwill, standards of uniformity or quality, or business standing associated with the Marks or the System, you will immediately, upon written notice from us, modify your use of the Marks and the System in the

manner prescribed by us in writing. You will not during or after the term of this Agreement do anything directly or indirectly which would disparage, infringe upon, harm, or contest our rights in, the Marks or System.

D. Promotion. You will operate your Basecamp Studio so that it is clearly identified and advertised as a Basecamp Fitness studio. The style, form and use of the words “Basecamp Fitness” in any advertising, written materials, products or supplies, including but not limited to any Technology Platform (defined below), must, however, have our prior written approval and comply with our specifications as we may prescribe in writing and as set forth in the Manual, or otherwise. You will use the Marks that now or hereafter may form a part of the System, on all signs, paper supplies, business cards, uniforms, advertising materials, Technology Platforms, and other items in the identical combination and manner as we may prescribe in writing and you will supply to us samples or photographs of the same upon our request. You will comply with all trademark, trade name, service mark and copyright notice marking requirements and you will supply to us samples or photographs of the same upon our request. You will not use the words “Basecamp” or “Basecamp Fitness” in your corporate, partnership, limited liability company or other entity name. You may not market or advertise in violation of federal laws regulating advertising, such as the CAN-SPAM Act and the TCPA, and state advertising laws applicable to your Basecamp Studio.

E. Substitutions of, or Adverse Claims to, Marks. We have the right to protect and maintain all rights to the Marks against encroachment, misuse or unauthorized use and against all challenges to any rights of its use, as we deem appropriate. If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Mark, or to discontinue using any Mark, or if there is an adjudication by a court of competent jurisdiction that any party’s rights to any of the Marks are superior to ours, then upon written notice from us, you will, at your sole expense, immediately adopt and use the changes and amendments to the Marks that are specified by us in writing, and if the Mark that is changed is the name “Basecamp Fitness” then all references in this Agreement to the name “Basecamp Fitness” will be deemed references to such substitute Mark. If we modify or discontinue use of any Mark, you will immediately cease using the Marks specified by us, and will, as soon as reasonably possible, commence using the new trademarks, trade names, service marks, logos, designs and commercial symbols designated by us in connection with all advertising, marketing and promotion of your Basecamp Studio. We will have no liability or obligation whatsoever with respect to your modification or discontinuance of any Mark. You will not make any changes or amendments in or to the use of the Marks or System unless directed by us in writing.

F. Litigation. You will have no obligation to and will not, without our prior written consent, defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. You will, however, immediately notify us of any claims or complaints made against you with respect to the Marks and will, at your reasonable expense, cooperate in all respects with us in any court or other proceedings involving the Marks. We will pay the cost and expense of all litigation incurred by us, including attorneys’ fees, specifically relating to the Marks. We will have the right to control and conduct any litigation relating to the Marks and be entitled to all recovery related to claims with respect to the Marks. While we are not required to defend you against a claim based on your use of the Marks, we will reimburse you for your liability arising from your authorized use of the Marks. You will also be required to reimburse us for liability arising out of your unauthorized use of any of the Marks.

G. Copyrighted Materials. You acknowledge and agree that we may authorize you to use certain copyrighted or copyrightable works (the “Copyrighted Materials”), including the Manual (as defined below). The Copyrighted Materials are our valuable property. Your rights to use the Copyrighted Materials are granted to you solely on the condition that you comply with the terms of this Agreement.

Your use of the Copyrighted Materials does not vest you with any interest other than the temporary, non-exclusive license to use the Copyrighted Materials granted in this Agreement. All rights that inure as a result of the use of the Copyrighted Materials belong solely to us.

H. Protection. You will sign any documents that we or our counsel deem necessary for the protection of the Copyrighted Materials or the Marks or to maintain their validity or enforceability, or to aid us, at our expense, in acquiring rights in or in registering any of the Marks or any trademarks, trade names, service marks, slogans, logos or emblems that we subsequently adopt.

4. INITIAL FRANCHISE FEE

A. Initial Franchise Fee. Upon execution of this Agreement you will pay us a nonrefundable initial franchise fee (the “Initial Franchise Fee”) as set forth in the Rider.

B. No Refunds. The Initial Franchise Fee has been fully earned upon our signing of this Agreement and is nonrefundable in consideration of the expenses incurred by us in granting this franchise and for the lost or deferred opportunity to franchise others.

5. CONTINUING FEES

A. Monthly Royalty Fee. On or about the 10th day of the month for the prior month, you will pay to us a non-refundable monthly royalty payment (the “Royalty Fee”) equal to eight percent (8%) of the Gross Revenues generated in the preceding month by your Basecamp Studio.

1. Your obligation to pay us the Royalty Fee under the terms of this Agreement will begin on the date you open your Basecamp Studio. Your obligation to pay the Royalty Fee will remain in full force and effect throughout the term of this Agreement.

2. “Gross Revenues,” shall mean the total amount of revenues generated from all business activities taking place by, through or at the Basecamp Studio, in the form of cash or credit, plus the fair market value of products delivered and services rendered to you, or to your designee, in consideration for products and services provided in, from, or in conjunction with your Basecamp Studio. There will be excluded from “Gross Revenues” bona fide refunds, credits given or allowed to members and other customers for the return of merchandise and amounts collected from members and other customers and remitted by you to any governmental taxing authority in satisfaction of sales taxes, however, chargebacks are not deducted from the calculation of Gross Revenues.

B. Monthly Advertising and Marketing Fund Contribution. On or about the 10th day of each month, you will pay to us a non-refundable monthly “General Advertising and Marketing Fund Contribution” equal to two percent (2%) of the previous calendar month’s Gross Revenues (the “General Advertising and Marketing Fund Contributions”). We may periodically increase the percentage amount General Advertising and Marketing Fund Contribution upon notice to you; provided that the General Advertising and Marketing Fund Contributions will not exceed three percent (3%) of your Gross Revenues. We will account for all General Advertising and Marketing Fund Contributions we receive as part of a “General Advertising and Marketing Fund.”

1. We may use General Advertising and Marketing Fund Contributions for any purpose that promotes the System, the Marks, including the Basecamp Fitness name, as we deem appropriate in our sole discretion, including the creation, production and placement of consumer advertising; agency costs and commissions; costs of preparing, producing and conducting local, regional or national media of our choice, including: television, radio, Internet, magazine, direct mail and

newspaper, billboard, social media and digital advertising, and direct mail campaigns, and other public relations activities; developing and/or hosting, maintaining and optimizing our website, other websites, and other applications or similar activities; implementing keyword or adword purchasing programs; administering regional and multi-regional advertising programs, and other media advertising; in-house staff assistance and related administrative costs; local and regional promotions; public relations campaigns including the cost of retaining public relations firms and other advertising, promotion or marketing agencies; developing marketing and advertising training programs and conducting market research (including sampling) and secret shopper programs; and other advertising, promotion and marketing activities, including participating at trade shows. For the avoidance of any doubt, we may also reimburse ourselves, our authorized representatives or our affiliates from the General Advertising and Marketing Fund for any expenses incurred by us or any of them related to the promotion of the Basecamp Fitness brand, the Marks or the System, including administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us, them and our authorized representatives and associated with the programs funded by the General Advertising and Marketing Fund.

2. Advertising may be placed in local, regional or national media of our choice. We do not guarantee that advertising expenditures from the General Advertising and Marketing Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. All interest, if any, earned by the General Advertising and Marketing Fund will be used for the payment of the foregoing expenses before application of any principal.

3. Methods, media employed, the contents of advertising and marketing, and terms and conditions of advertising, marketing and promotional programs, will be in our sole discretion.

6. ADVERTISING AND PROMOTION

A. Retail Product Package. Before you open your Basecamp Studio, you must purchase a package of retail products to offer for sale in your Basecamp Studio from us at our then-current prices. These amounts are nonrefundable and are due at the time we specify.

B. Grand Opening Program. You must spend Forty Thousand Dollars (\$40,000) on a “Grand Opening Program” we have approved for your Basecamp Studio beginning 12 to 16 weeks before your scheduled opening and ending 30 days following the opening of your Basecamp Studio. If you fail to spend this amount on the Grand Opening Program, you must pay us the difference and we can either spend it in your market area on your behalf or place the money in the General Advertising and Marketing Fund. We may require you to implement a local marketing plan that we develop in consultation with you and one of our preferred marketing vendors. We may also require you to pay the \$40,000 to us and we will execute the Grand Opening Program.

C. Local Advertising & Minimum Spend Requirement. In addition to the General Advertising and Marketing Fees, you agree to conduct your own local marketing of your Basecamp Studio. You must spend at least Two Thousand Five Hundred Dollars (\$2,500) per month on local advertising (the “Monthly Local Advertising Requirement”), after completion of the Grand Opening Program to promote your Basecamp Studio. These expenditures must be on advertising that we have approved. You must use our preferred or designated vendors for your Grand Opening Program and local marketing services for your Basecamp Studio, which may include us or our affiliates, and we may require you to submit your grand opening plans and local marketing plans for our prior approval, submit proof of purchase or other documentation to verify you have met minimum spend requirements, and show proof of performance of your advertising activity. If you fail to meet the Monthly Local Advertising Requirement in any calendar month, you must pay us the difference and we can either spend the amount

in your market or place the money in the General Advertising and Marketing Fund. We may also require you to pay us the \$2,500 per month and we will spend it on local advertising in your market. If we implement this requirement you must also pay us on demand our then-current one-time set-up fee.

D. Compliance. We reserve the right to audit your records upon request to determine compliance with the requirements of Sections 6.B and 6.C. You must provide us with all information we reasonably request in connection with determining your compliance with such Sections, including invoices showing advertising expenditures. You acknowledge that it is your responsibility to market your Basecamp Studio, and that the General Advertising and Marketing Fees are merely used to supplement the local marketing conducted by each of our franchisees. You must submit to us for our prior approval any advertising you propose to use for the promotion of your Basecamp Studio at least four (4) weeks before you may use any such advertising. We reserve the right to refuse, reject, adjust or require changes to any advertising material you prepare.

E. Marketing Materials. You also must purchase a representative sample of all marketing materials we prepare for brand level promotions. We may prescribe minimum amounts of these materials that you must purchase and we may auto-ship these items to you at your cost. The amounts you pay for these items are nonrefundable and must be paid at the times we specify. These items will not constitute all of the items you will need to market your Basecamp Studio and you will need to purchase other items. If you choose to contract with marketing vendors that are not our preferred vendors, you may not have access to certain resources, assets and communications.

F. Advertising Cooperative. At such time as we in our sole discretion may determine, you shall join an advertising cooperative made up of other Basecamp Fitness franchisees (the “Local Cooperative”), as we determine. In such event, you must participate in the Local Cooperative on the terms and conditions we require. We can create, modify or dissolve any Local Cooperative at any time we determine.

G. Charitable Contribution. You may choose to participate in our Charitable Contribution Program. If you do, you will pay One Hundred Dollars (\$100) to a charitable organization we designate on or before the first day of each month.

7. BASECAMP STUDIO PREMISES

A. Site Acquisition. Prior to the acquisition by lease or purchase of the site for your Basecamp Studio, you will submit to us such information and materials as we may require, which may include, but not be limited to, your proposed lease. We will have ten (10) business days after receipt of the information and materials we requested to approve or disapprove your proposed site. No site will be deemed approved unless it has been expressly approved in writing by us by notice of site approval sent to you. Our examination and approval of the location of your Basecamp Studio site does not constitute a representation, guaranty or warranty, express or implied, of the successful operation or profitability of the Basecamp Studio at that location. In addition, we may require you to furnish us with a copy of the signed lease within five (5) days after its execution. Following our approval of the site and your acquisition of it, you authorize us to amend the Rider to this Agreement, without your signature, to identify: (1) the address of the site; and (2) the Protected Territory via a map or description of an area surrounding the site.

B. Build-Out Package. You must purchase from us a “Build-Out Package”, which includes your signage, initial marketing materials, furniture, fixtures and a design kit. You will order these items as a package through our on-line portal. The amounts you pay for these items are nonrefundable and are due at the times we specify. These items will not constitute all of the items you will need to establish and operate your Basecamp Studio and you will need to purchase other items.

C. Opening. You may not initially open your Basecamp Studio for business until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled and we have approved your opening date; (2) the initial training program and any other trainings that must be completed by you or your personnel before opening must be completed to our satisfaction; (3) all amounts due to us and our affiliates have been paid; (4) we have been furnished with copies of all insurance policies and certificates required by this Agreement, or other documentation of insurance coverage and payment of premiums that we request; (5) you notify us that all approvals and conditions in this Agreement have been met; (6) you have received all required permits and licenses; (7) you have met or exceed the minimum number of qualifying presold memberships (also referred to as founding members) that we have set for you based on your market density and other factors, not to exceed 150; and (8) you have ordered, received and installed all equipment, supplies, inventory and computer systems that we require.

Unless otherwise agreed in writing by us, you must open your Basecamp Studio on the Required Opening Date, but in no event more than twelve (12) months from the Effective Date. Notwithstanding the foregoing, if you are entering into this Agreement pursuant to the terms of an Area Development Agreement executed between you and us, you will open your Basecamp Studio on or before the date set forth in the “Development Schedule” (as defined in the Area Development Agreement). Your failure to open your Basecamp Studio on or before the Required Opening Date will constitute a default of this Agreement and allow us to terminate this Agreement.

D. Construction Problems. If your Basecamp Studio is not constructed strictly according to the plans we have approved and our Mandatory Specifications, we may not approve you to open for business. If we do not approve your opening, you will have thirty (30) days from the date we deny our approval for opening to correct all the construction problems so that your Basecamp Studio is strictly constructed according to our approved plans. If you fail to correct the problems within this 30-day period, we may immediately terminate this Agreement. If your Basecamp Studio opening is delayed for these or any other reasons, you will be responsible for any losses or costs relating to such delay. In any event, you may not open your Basecamp Studio until all of these problems have been resolved to our satisfaction and if the time period to correct the problems extends past the Required Opening Date you will only have to the Required Opening Date to correct the problems.

E. Relocation. You may not move or relocate your Basecamp Studio without our prior written consent, which consent shall not be unreasonably withheld.

1. The request for relocation must be made in writing, stating the new location, received by us at least sixty (60) days prior to the date of intended relocation, and be accompanied by a relocation fee of One Thousand Five Hundred Dollars (\$1,500). You must also pay any expenses we incur in reviewing the new location. The new location must be within the Protected Territory (as defined below), and it may not be located within any territory we grant to any other franchisee. We will refund the relocation fee to you if we do not approve your new location.

2. Upon receipt of our approval, you must upgrade the new space to comply with all of our current specifications, and construct the new premises in the manner required under Section 9.A.

3. Following your relocation, we or our designee will conduct a security inspection of the premises to assure all security equipment has been properly installed. You also consent to our amendment of the Rider to indicate the new location and any update to your Protected Territory.

8. OUR PRE-OPENING AND ONGOING OBLIGATIONS/TRAINING

Our pre-opening obligations to you include those set forth in Sections 1, 6.A, 7.A, 8.A to 8.G and 9.

A. Location. We will provide you with consulting services to assist you in determining the evaluation criteria for selecting the site location for your Basecamp Studio as described above.

B. Prototype Floor Plan. Before you begin construction of your Basecamp Studio, we will provide you with a prototype floor plan, as well as a list of the equipment, displays, fixtures and furnishings for your studio. It will then be your obligation to conform the prototype plans to your space, and to construct your premises in accordance with the provisions of this Agreement in compliance with all local laws.

C. Compliance Drawing. Before you begin construction of your Basecamp Studio, we will create a specific studio layout/design for your Basecamp Studio (a “Compliance Drawing”). If, however, you would like additional Compliance Drawings, you must pay us our then-current fee per Drawing.

D. Construction Documents. You must retain our designated architectural vendor to create a complete set of detailed construction documents and to complete construction of your facility in compliance with our mandatory specifications (“Construction Documents”), and to obtain any required permits, and conform the premises to local ordinances or building codes.

E. Initial Training. We will, at our expense, provide an initial training program to the person you designate as the “Principal Operator” (whether you, if you are an individual, or one of your owners if you are an entity) of your Basecamp Studio and your Studio Manager. In addition, someone owning a ten percent (10%) or greater interest in your Basecamp Studio and guaranteeing this Agreement (a “Principal Owner”), if other than the Principal Operator, must also attend the training program. The training program will include instruction on basic operating skills and other topics we select. All of these people must attend and complete the initial training program to our satisfaction. This program may be provided in a virtual format, in-person at our corporate offices, or at another location designated by us, in our discretion. If you have more than one Franchise Agreement with us, we may, at our option, provide this training program one (1) time for multiple agreements. All individuals who attend this training program must sign a confidentiality agreement that meets our requirement before they attend and you must provide us a copy of that agreement. The length of the training program will be at our discretion, and will be scheduled by us in our discretion. You will be responsible for travel costs, room and board, salaries, fringe benefits, and other expenses incurred by you and your employees in attending the training program.

F. Coaches Training. Between forty-five (45) and sixty (60) days before opening of your Basecamp Studio, your Fitness Manager must attend and complete to our satisfaction our “Coaches Training Course” and “Day in the Life Training.” Further, between seven (7) and thirty (30) days before opening of your Basecamp Studio, at least 3 of your fitness coaches must attend and complete to our satisfaction our “Coaches Training Course.” Each new coach you retain must complete to our satisfaction this course within forty-five (45) days after you retain the person. This course will be held online or at a location we specify. We will charge our then-current fee for this course, plus costs of travel, lodging and meals if held at a location other than our corporate offices or online. Fees are payable before the training occurs. You are also responsible for all travel and living expenses your personnel may incur in attending the training.

G. Additional Pre-Opening Training. In addition to the other training requirements set forth above, prior to the opening of your Basecamp Studio you and/or your Principal Operator, as we may specify, and your Studio Manager must complete various training programs we require from time to time. These trainings must be completed to our satisfaction within the timeframes that we specify from time to time. Other than our “Launch Training” and the Coaches Training discussed above, we do not charge a fee for these pre-opening training courses. However, you are responsible for all travel and lodging expenses you and your personnel incur to attend these trainings. We can hold these trainings online, at

your Basecamp Studio or another location, as we determine. You must pay the then-current fee for the Launch Training prior to the training.

H. Relaunch Training. Your Principal Operator is required to successfully complete this training at the time we specify if your Basecamp Studio fails to satisfy the 6-month membership requirement for your Basecamp Studio as set forth in the Rider to this Agreement or is not on track, as we may determine in our sole discretion, to meet that requirement. We will charge our then-current fee for this training course. This fee is payable before the training occurs.

I. Vitals Training. If we do not hold a conference, you must send a representative to a “Vitals” program, if we offer it. The program typically includes training in the following areas: marketing, client engagement, member service, and other topics that we designate from time to time. This training will be conducted in a virtual format or at a location we designate, at our discretion. We will charge our then-current fee for this training course, plus our costs to conduct the training. Fees are payable before the training occurs.

J. Continuing Engagement Credits. Each calendar year that your Basecamp Studio is open, you must obtain at least one thousand two hundred (1,200) continuing engagement credits within the Basecamp Fitness system. These are credits we will establish from time to time for attending various training programs, and for other participations in the Basecamp Fitness system. If you fail to meet this requirement in any year, you must pay a fee of One Dollar (\$1.00) for each credit for which you are deficient multiplied by the number of Basecamp Studios you or your affiliates own, which we will deposit in the General Advertising and Marketing Fund. The fee is due immediately after notice from us. The number of required credits will be prorated for any partial year your Basecamp Studio is open.

K. Conference. A Principal Owner must register for, pay the registration fee, and attend our conferences, if and when we have them. Additional representatives of yours may also attend the conference, as long as you register them and pay the then-current registration fee for their attendance. This conference may be a live or virtual event. You must also pay for all travel and living expenses incurred by you and your representatives in attending the conference. If your Principal Owner fails to attend our annual conference, we will bill you for the then-current “early bird” (or similar) conference fee after the conference.

L. Additional Training Programs. Throughout the remaining term of this Agreement, we will make available additional training which we deem advisable to familiarize you and your management team on changes and updates in the System. You can ask us to provide you with additional training and we can require you to undergo additional training if you are not meeting our requirements, if we determine additional pre-opening or post-opening assistance is required, or if we determine that it is necessary for us to provide additional assistance to you to keep the System competitive, including on-site studio operations and member experience training and training on any topics we consider vital to your operations. You must pay us our then-current fee for such additional training programs plus the cost of travel, lodging and meals. These trainings may be conducted live or via the Internet.

M. Manual. We will loan you one copy of the manual in which we describe the System operational policies, standards, requirements and practices (the “Manual”). The Manual may be loaned to you by providing you access to an electronic version of the Manual. The Manual contains mandatory and suggested specifications, standards and operating procedures that we have developed for Basecamp Fitness studios and information relating to other obligations of you. You will comply with and operate your Basecamp Studio in conformance with all mandatory provisions of the Manual. We have the right to revise the Manual at any time or add additional manuals. You will incorporate all revisions into the Manual, and at all times any hard copies of the Manual (including any additional manuals) will remain on

the premises of your Basecamp Studio. You will not make copies of any portion of the Manual without our prior written consent. You acknowledge that the required provisions of the Manual are designed to protect our standards and systems and our Marks and to create a uniform member experience, and not to control the day-to-day operation of your Basecamp Studio.

N. Mystery Shopping. We will arrange a mystery shopping service to periodically assess your Basecamp Studio member/customer experience during the term of this Agreement. We will provide those results to you so that you can make any changes necessary to improve the service experience for your members and other customers.

O. Other Ongoing Assistance. During the operation of your Basecamp Studio, we will make available to you from time to time all changes, improvements and additions to the System and all supplements and modifications to the Manual, and will make a representative available to speak with you on the telephone, or at our option, on our intra-net, during our regular business hours, to discuss your operational issues and support needs. If you require additional operations or member/customer experience training beyond what we provide, you can request that we send a representative to provide further assistance to you. If we agree to provide this additional assistance, we must agree in advance to the charges you will pay and the length of the visit. We may also require you to receive additional assistance if you are not meeting our requirements, if we determine, in our sole discretion, additional pre-opening or post-opening assistance is required, or if we determine that it is necessary for us to provide additional assistance to you to keep the System competitive or correct any deficiencies in your Basecamp Studio. Our current rate for this additional assistance is Five Hundred Dollars (\$500) to One Thousand Dollars (\$1,000) per day, per representative, plus the cost of travel, lodging and meals, but we reserve the right to adjust this rate periodically, as described in the Manual.

P. Nature of Assistance and Training. You agree that we are not obligated to provide any training or assistance to your particular level of satisfaction, but as a function of our experience, knowledge and judgment. You also acknowledge that we are not obligated to provide any services to you that are not set forth in this Agreement. If you believe we have failed to adequately provide any pre-opening services to you or to your employees, whether with respect to site selection, selection and purchase of equipment and supplies, training, or any other matter affecting the establishment of your Basecamp Studio, you must notify us in writing within thirty (30) days following the opening of your Basecamp Studio or you will be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by us were sufficient and satisfactory in your judgment, and complied with all representations made to you.

Q. No Show Fee. If we are scheduled to conduct an on-site visit at your Basecamp Studio, or if you register for a training program and you cancel, fail to attend, fail to have the appropriate parties attend, fail to adequately prepare resulting in a delay or early termination for an on-site visit or training program, or fail to stay for the entire program, and you did not provide us with at least two (2) weeks prior written notice that you or the appropriate parties would not be attending, then you must pay us the greater of our then-current no show fee or the actual costs and expenses of rescheduling our travel arrangements.

R. Technology & Fitness Equipment Package. You will purchase from our affiliate a “Technology & Fitness Equipment Package” that includes fitness equipment and various technology systems, including computer hardware and software and other related components and lighting you need to operate your Basecamp Studio. You will also pay our affiliate a one-time nonrefundable set-up fee and nonrefundable monthly fees for these technology solutions. All amounts shall be due at the times we specify. These systems will not include all of the technology systems you will need to operate your Basecamp Studio and you will need to purchase other systems.

S. Bookkeeping. We may require you to use a designated bookkeeping vendor for certain bookkeeping services. If we institute this requirement you will be required to pay us the then-current fee charged by us or the vendor for these services. This fee will not exceed \$500 per month for your Basecamp Studio operated under this Agreement.

T. Post-Opening Coaches Training. You will not pay a separate training fee for those of your fitness coaches who attend the Coaches Training Course within the first 12 months after the date your Basecamp Studio opens. Beginning in month 13, you will be charged our-then current per attendee training fee for this training for each of your coaches who attend this training, or its successor training, if any. This fee is payable before the training and is nonrefundable. You are also responsible for all travel and living expenses your personnel may incur in attending the Coaches Training Course.

9. APPEARANCE AND OPERATION OF YOUR BASECAMP STUDIO

The Marks and System licensed to you represent valuable goodwill distinctive of our business and reputation. We will promulgate, from time to time, standards of quality and service regarding the business operations of Basecamp Fitness studios so as to protect the distinction and goodwill represented and symbolized by the Marks and System. You must abide by those standards and the provisions set forth below unless otherwise authorized by us in writing.

A. Construction. Your Basecamp Studio must be developed in accordance with applicable laws, regulations, codes and other governing requirements, as well as our mandatory specifications (the “Mandatory Specifications”) that we provide to you, and with any Compliance Drawing. You may not begin construction of your Basecamp Studio until you have received our written consent to your actual design for your Basecamp Studio. You must supply us with accurate site information for your proposed location to allow us to create a Compliance Drawing for you. This information will include, but not be limited to, as-built drawings, surveys, technical data, construction documents and site plans.

1. Promptly after you have obtained possession of the site for your Basecamp Studio, you will: (i) retain the services of a licensed and qualified architect and/or design professional(s) to create the Construction Documents, and to complete construction of your Basecamp Studio in accordance with such Construction Documents; (ii) retain the services of a general contractor; (iii) have prepared and submitted for our approval a site survey and basic architectural plans and specifications consistent with our Mandatory Specifications; (iv) purchase or lease, and then, in the construction of your Basecamp Studio, use only the building materials, equipment, fixtures, furniture and signs we have approved; (v) complete the construction and/or remodeling, equipment, fixtures, furniture and signage lease in decorating your Basecamp Studio in full and strict compliance with the plans and specifications we approve, and with all applicable ordinances, building codes and permit requirements without any alterations; (vi) obtain all customary contractors’ sworn statements and partial and final waivers; and (vii) 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 Americans With Disabilities Act.

2. If you do not use our designated architectural vendor to create your Construction Documents, you must pay our then-current fee to review and approve your Construction Documents. Notwithstanding the foregoing, if this is your first Basecamp Studio, we may require you to obtain your Construction Documents from our designated architectural vendor.

3. You will make no changes to any building plan, design, layout or decor, or any equipment or signage in your Basecamp Studio without our prior written consent, and such changes may not be contrary to the Mandatory Specifications.

B. Signs. You will prominently display, at your expense, both on the interior and exterior of your Basecamp Studio premises, signs in such form, color, number, location and size, and containing such Marks as we designate. We also may require you to use illuminated signs. You will obtain all permits and licenses required for such signs and will also be responsible for ensuring that all signs comply with all laws and ordinances. You will not display in or upon your Basecamp Studio premises any sign or advertising of any kind to which we object.

C. Services. You will conform to all quality and member and other customer service standards prescribed by us in writing.

D. Maintenance of Premises. You will paint and keep in an attractive, clean and sanitary condition the interior and exterior of your Basecamp Studio premises. All equipment will be kept in good working order and will meet our quality standards.

E. Approved Information System. We may designate the technology systems used in your Basecamp Studio, including the point of sale system, computer hardware and software, security systems, audio and video systems, related components, cloud based technology and other equipment and enhancements (the "Information System"). In connection with the Information System, you agree to the provisions set forth below.

1. You must acquire the right to use the Information System, obtain peripheral equipment and accessories and arrange for installation, required maintenance and support services, and interfacing of your Information System with our accounting system, all at your cost. You acknowledge and agree that you will be required to purchase portions of the Information System from us and our affiliates, or from other mandatory suppliers or vendors that we approve.

2. We will have the right at all times to access the Information System and to retrieve, analyze, download and use all software, data and files stored or used on the Information System. We may access the Information System in your Basecamp Studio or from other locations. You will store all data and information on the Information System.

3. As upgrades to the hardware and/or software are developed, we may require you to obtain and install any or all of these upgrades. We also may require you to replace any hardware or software used in the Information System. You are responsible for the cost of all replacements and upgrades, including any initial and/or ongoing license, support or service fees.

4. You must have e-mail and high speed Internet access capabilities at your Basecamp Studio. We may require you to use one or more designated vendors and/or software programs for mass marketing conducted via email, text messages, and/or other forms of communications. You may not send or otherwise transmit, or allow or use a third-party entity or service not approved by us to send or transmit any automated SMS text messages. All automated SMS text messages must be sent through our platform or another third-party platform approved by us. You must subscribe to the music services for your Basecamp Studio that we require and pay our then-current music licensing fees.

5. You hereby release and agree to hold us and our affiliates, and our respective officers and directors, harmless from and against any and all claims, liability, damages, or causes of action of any nature arising from, or in connection with, the installation, maintenance, or operation of the Information System and its billing and payment processing, except to the extent arising from such party's gross negligence or intentional acts.

6. You are solely responsible for protecting yourself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and you waive any and all claims you may have against us or our affiliates as the direct or indirect result of such disruptions, failures or attacks. If you suspect or know of a security breach, you must immediately give notice of such security breach and promptly identify and remediate the source of any compromise of security breach at your expense. You assume all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning members and other customers of the Basecamp Studio, unless otherwise directed by us.

F. Technology Platforms. We reserve the sole right to advertise the System on the Internet and to sell any products or services via the Internet, including via live-stream, or any mobile or electronic application, whether web-based or otherwise (or any current or future form of electronic platform or communication), via our website, social media platforms or otherwise. For the avoidance of any doubt, you may not establish or have established any digital or electronic medium or method of communication, including a website, web page, review or opinion page, social media and/or social networking site, channel, avatar, profile, including an online business profile, business networking site, account, hashtag, user name or application, whether web-based or otherwise, relating to or making reference to us, your Basecamp Studio, or to the System (each, a “Social Media Presence”). You may not use all or part of any of the Marks, or any similar name, word, symbol, or variant thereof, in a domain name, email address, account name, username, profile, or URL (each, an “Online Identifier”). We reserve the right at any time, in our sole discretion, to require you to remove, delete, or modify any Online Identifier or Social Media Presence, or any information, content, or post thereon or created therewith. We will retain sole ownership of any Online Identifier and Social Media Presence, as well as any domain name related thereto and all content thereon or created therewith, which includes all or a portion of any of the Marks, or any word, phrase, or symbol confusingly similar thereto or variant thereof, as part of the Online Identifier. You must provide us with all passwords and administrative access to any such Social Media Presence or Online Identifier. You shall not establish or maintain, or have established or maintained on your behalf, a mobile application making use of any of the Marks or otherwise related to the Basecamp Studio or the System. You shall not use any of the Marks in any keyword advertising, pay-per-click advertising or other search engine marketing, unless otherwise approved by us.

You must participate in any Internet website, home page, web pages, electronic mail, social media sites, applications, web-based or otherwise, online platforms, and other current or future forms of electronic communications that we require (collectively the “Technology Platforms”), as described in the Manual or otherwise in writing. You must use the Technology Platforms to communicate with us, including email and messaging. To the extent that you may control or access any Technology Platform, the Technology Platforms must be operated and maintained by you in compliance with all provisions of this Agreement, including those regarding the use of confidential and proprietary information, as well as any and all operating procedures, policies, standards and requirements as we may specify from time to time. You must maintain any Technology Platform you control or access in compliance with all applicable laws, rules, and regulations, including but not limited to those applicable to copyright and trademark, privacy, anti-defamation, and advertising and endorsements. You must submit all content for any Technology Platform to us for our prior written approval before using such content. You must pay us or our designee (which may be our affiliate) the then-current fees for the access to, modification of and maintenance of the Technology Platforms. We may modify, suspend, replace, discontinue or add to any Technology Platforms at any time and you must comply with such changes at your expense. We retain sole ownership of the Technology Platforms, including any domains names, content, email addresses and information stored on the Technology Platforms. Your access to the Technology Platforms will automatically terminate upon expiration or termination of this Agreement. You hereby release and agree to hold us, our officers and directors, harmless from and against any and all claims, liability, damages, or causes of action of any nature, arising from, or in connection with, the creation, operation, or

maintenance of the Technology Platform, unless such liability arises out of our gross negligence or intentional acts.

G. Payment of Amounts You Owe Us or Our Affiliates. You agree that your obligation to pay all amounts owing to us and to our affiliates is independent of any other obligation either of us have in this Agreement, and that all amounts owing to us and to our affiliates, as well as to your other suppliers, lessors and creditors, must be timely paid. You agree that you will not withhold payment of any Royalty Fees, General Advertising and Marketing Fund Contributions or any other amount due us, and that the alleged non-performance or breach of any of our obligations under this Agreement or any related agreement does not establish a right at law or in equity to withhold payments due us for Royalty Fees, General Advertising and Marketing Fund Contributions or any other amounts due. You agree to sign and deliver to us, our bank(s) and your bank, as necessary, all forms and documents that we may request to permit us to debit your account, either by check, via electronic funds transfer or other means or methods as we may designate ("Payment Methods") for all fees and payments due to us and to our affiliates. You will notify us at least twenty (20) days before closing or changing the account against which such debits are to be made. If such account is closed or ceases to be used, you will immediately provide all documents and information necessary to permit us to debit the amounts due from an alternative account. You acknowledge that these requirements are only a method to facilitate prompt and timely payment of amounts due and will not affect any obligation or liability for amounts owed.

1. If any check that you submit to us is returned for insufficient funds, or if we are unable to collect funds via the Payment Methods due to insufficient funds, you will pay us an Insufficient Funds Fee of One Hundred Dollars (\$100) for each returned check and each time we were unable to collect monies via the Payment Methods.

2. You grant us a first priority security interest in your receivables and equipment, whether now existing or hereinafter created, together with all proceeds of such assets. You authorize us to file one or more financing statements to evidence this security interest. However, we will subordinate our first priority interest to a lending institution that provides you financing for your Basecamp Studio.

3. If you have not timely reported the Gross Revenues for your Basecamp Studio to us for any reporting period, withhold our access to accounting and financial systems or data, or otherwise fail to pay amounts due to us, then we will be authorized, at our option, to debit your account for (a) 110% of the fees transferred from your account for the last reporting period for which a report of the Gross Revenues was provided to us; or (b) the amount due based on information we have retrieved from your operating system.

H. Compliance with Our Standards. You will operate your Basecamp Studio through strict adherence to any mandatory standards, specifications and policies of the System as they exist from time to time, in order to ensure compliance with the quality standards of the System. You may offer and sell from your Basecamp Studio only those products and services that we approve. You may not offer or sell at your Basecamp Studio or otherwise any products or services we have not approved nor may you offer or sell any products or services via a means or medium we have not approved, including via the Internet, live-streaming, or via an application, whether web-based or otherwise or a social media platform. We have the right to change the products and services that we require you to offer from your Basecamp Studio at any time, without limitation. You must offer the membership types that we designate and you may not create your own membership types or retain products for sale or distribution without our prior written approval. You will at all times be responsible for the conduct of the day-to-day operation of your Basecamp Studio and for the terms of employment for your employees.

1. You acknowledge that the mandatory standards, specifications and policies we establish are not aimed at the day-to-day operation of your Basecamp Studio, which will solely be within your control, but are merely intended to preserve the goodwill of the System and Marks.

2. Periodically, as we deem appropriate, a representative of ours may visit your Basecamp Studio to ensure compliance with our required standards, specifications and procedures. You will allow our representative to inspect the condition and operation of your Basecamp Studio and all areas of your Basecamp Studio at any time during your business hours. Such inspections may include, without limitation, conducting any type of audit or review necessary to evaluate your compliance with all required payments, standards, specifications or procedures.

- a. We will provide you a copy of the report at your request. If your Basecamp Studio does not receive a passing score from a visit, a new inspection will be conducted. This process will be repeated until you have received a passing score. At our option, and in addition to any other rights we may have, you must pay us a failed inspection fee we establish for each failed inspection to defer any costs we incur in re-inspecting your Basecamp Studio after the first inspection. This fee will be payable in the manner we specify.
- b. We may, from time to time, make suggestions and give mandatory instructions with respect to your operation of your Basecamp Studio, as we consider necessary or appropriate to ensure compliance with the then-current quality standards of the System and to protect the goodwill and image of the System.
- c. You expressly agree that these visits will not imply that you are in compliance with your obligations under this Agreement or under the law or that we waive our right to require strict compliance with the terms of this Agreement or the Manual. Furthermore, these visits will not create any responsibility or liability on our part.
- d. If you request that we make additional visits to your Basecamp Studio, you will pay the fees we establish for those visits.

3. If you fail to maintain the premises of your Basecamp Studio in a condition that satisfies our reasonable requirements, or if you otherwise fail to comply with any provision of this Agreement, we may, upon not less than three (3) days' notice to you, order or accomplish the cleaning of the premises, and/or designate one of our representatives to assist you in fulfilling your obligations under this Agreement, and you will be responsible to pay us for all costs we incur in doing so and all fees we set for providing assistance to you. However, our action in exercising this option does not relieve you from your obligation to properly maintain the premises of your Basecamp Studio and to comply with the terms of this Agreement, each of which shall be your sole responsibility.

4. You recognize that modifications that we may make to the System may necessitate that you make capital expenditures during the term of this Agreement in amounts that we cannot forecast. Nothing in this Agreement limits the frequency or cost of future changes to the System that we may require. You understand and agree that we have no ability to identify with specificity the nature of these future general improvements or their expected cost and accept the risk that future general improvements may be imposed that will require significant capital expenditures in an amount that is

unknown on the Effective Date and that cannot be fully amortized over the period of time then remaining in the term of this Agreement.

I. Compliance with Laws. You will, at your expense, comply with all applicable local, state, federal and municipal laws, ordinances, rules and regulations pertaining to the operation of your Basecamp Studio, including, without limitation, any and all licensing and bonding requirements; health and safety regulations; labor and employment laws; the Americans with Disabilities Act; pricing, membership, consumer disclosure, and unfair and deceptive consumer practice laws; the CAN-SPAM Act, the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rule (TSR), and other federal and state anti-solicitation laws regulating marketing phone calls; and federal and state laws that regulate data security and privacy (including but not limited to the use, storage, transmission, and disposal of data regardless of media type). You will, at your expense, consult an attorney to obtain advice with regard to compliance with all laws relating to the operation of your Basecamp Studio. Further, you will, at your expense, be exclusively responsible for determining the licenses and permits required by law for your Basecamp Studio, for filing, obtaining and qualifying for all such licenses and permits, and for maintaining all necessary licenses and permits throughout the term of this Agreement. You must comply with all laws and regulations relating to privacy and data protection and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You must notify us immediately of any suspected data breach at or in connection with the Basecamp Studio. If you suspect or know of a security breach, you must immediately give notice of such security breach and promptly identify and remediate the source of any compromise of security breach at your expense. You assume all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning members and other customers of the Basecamp Studio, unless otherwise directed by us.

J. Payment of Liabilities. You will timely pay all of your obligations and liabilities, including, without limitation, those due and payable to us and our affiliates, and to your suppliers, lessors and creditors.

K. Taxes. You will promptly pay all federal, state and local taxes arising out of the operation of your Basecamp Studio. We will not be liable for these or any other taxes and you will indemnify us for any such taxes that may be assessed or levied against us which arise or result from your Basecamp Studio, including any taxes imposed by your state on any royalties or other amounts you are required to pay to us and our affiliates.

L. Personnel. You are responsible for recruiting, hiring and training sufficient personnel to operate your Basecamp Studio. You must, at your cost, conduct criminal background checks on each employee (unless prohibited by law) before they begin providing any services in your Basecamp Studio.

1. The people you retain to work in your Basecamp Studio will be your agents and employees. They are not our agents or employees and we are not a joint-employer of these persons. It will be up to you to determine who to retain, how many people to retain (subject to any minimum staffing requirements we may prescribe), how you compensate these people, terms of employment and working conditions for your employees, when and how to discipline the people you hire, and when and how to terminate the people you hire. However, you must at all times comply with all applicable employment laws. We will not have any duty or obligation to operate your Basecamp Studio, to direct your employees, to schedule your employees, or to oversee your employment policies or practices.

2. You will designate an individual to serve as the Principal Operator of your Basecamp Studio. The Principal Operator will devote his/her best efforts to the supervision and conduct of the development and operation of your Basecamp Studio. In addition to the other training requirements in this Agreement the Principal Operator must complete all additional training as we may reasonably

designate. You and the Principal Operator must attend and participate in any on-site visits by our representatives at your Basecamp Studio. You must participate in any business review calls we schedule.

3. You will be solely responsible for all wages, travel, and living expenses, and all other costs incurred by you and your employees in connection with any training or instruction that we provide.

4. You will obtain from your Principal Operator and your studio and fitness manager (and all other persons performing similar functions, regardless their title), a Confidentiality Agreement, enforceable by us, and in such form as we approve, in which they agree, among others, to maintain in confidence all confidential information and trade secrets we provide to them, and not to use any of the names and Marks except in the performance of their duties in the Basecamp business.

5. If you or any of your personnel teach a fitness class after the time you or your personnel are required to successfully complete the Coaches Training Course discussed above but before you or your personnel actually complete it, you must pay us, on demand, a fee of Two Thousand Dollars (\$2,000), of which One Thousand Five Hundred Dollars (\$1,500) will constitute the fee for us to perform a coach certification course. This fee will be in addition to any of our other rights and remedies and may be charged and the class required each time this occurs.

M. Photographs. We will have the right to photograph and make video or digital recordings of your Basecamp Studio premises and your employees at all reasonable times. We will have the right to use all photographs and videos or digital recordings of your Basecamp Studio for such purposes as we deem appropriate, including, but not limited to, use in training, advertising, marketing and promotional materials, and as evidence in any court or arbitration proceeding. To the extent the consent of any of your employees or others is required for our use of these photographs and recordings for commercial purposes, you will use your best efforts to obtain these consents. Neither you nor your employees will be entitled to any right to be compensated by us, our advertising agencies, or other Basecamp Fitness franchisees for any use of such photographs or recordings.

N. Ownership of Information. All of the information we or our affiliates obtain from you or about your Basecamp Studio, and all information in your records or ours concerning the members and other customers of your Basecamp Studio (the "Information") and all revenues we derive from the Information will be our property. However, you may at any time during the term of this Agreement use in the operation of your Basecamp Studio (but for no other purpose), to the extent lawful and at your sole risk and responsibility, any information that you acquire from third parties in operating your Basecamp Studio, such as member/customer data. The Information (except for information you provide to us or our affiliates with respect to you and your affiliates, including your respective officers, directors, shareholders, partners or equity members of your entity) will become our property which we may use for any reason as we deem necessary or appropriate in our discretion. Following termination or expiration of this Agreement, you will no longer use any of the Information, except to comply with your post-term obligations under this Agreement. You must comply with all standards, laws, rules, regulations, or any equivalent thereof relating to personal information, data privacy, and data protection, including, but not limited to, as applicable, the California Consumer Privacy Act, Cal. Civ. Code Section 1798.100 et seq., and must comply with any privacy policies or data protection and breach response policies we periodically may establish. If you suspect or know of a security breach, you must immediately give notice of such security breach and promptly identify and remediate the source of any compromise of security breach at your expense. You assume all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning members and other customers of the Basecamp Studio, unless otherwise directed by us.

O. Manual. You will operate your Basecamp Studio in accordance with all mandatory provisions of the Manual. You will treat the Manual as confidential, and will use all reasonable efforts to maintain the Manual as confidential. You will use the Manual only in the operation of your Basecamp Studio. The Manual will remain our sole property. We may from time to time revise the contents of the Manual. You agree to comply with each new or changed standard. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by us will control. Any required specifications, standards and operating procedures described in the Manual or otherwise exist to protect our interests in the System and the Marks and to create a uniform member experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you.

P. Notices of Default: Lawsuits or Other Claims. You will immediately notify us of, and deliver to us a copy of any notice regarding, a breach, default, claim, lawsuit, administrative or agency proceedings or investigations, or other actions or proceedings relating to your Basecamp Studio. Upon request from us, you will provide such additional information as may be required by us regarding the same.

Q. Your Dealings With Us and Our Affiliates. You acknowledge that when we are required to perform any services for you, we may use any third parties, including affiliates of ours, to perform services. We may designate another party to perform, or delegate to another party the performance of, our duties and obligations under this Agreement or authorize that party to act on our behalf. If you are required to pay us a fee for services, we may have you pay that fee directly to the affiliate or third party that performs the service. However, if you are not required to pay us a fee for the service, you will not be obligated to pay any parties we contract with for services that we are required to provide to you without charge under this Agreement. We and our affiliates may also receive rebates or compensation from other parties in connection with the provision of such services.

R. Purchases. You will purchase only such types, models or brands of fixtures, furniture, equipment, inventory, supplies and other items that we approve for Basecamp Fitness studios as meeting our standards for quality, design, warranties, appearance, function and performance. Although we do not do so for every item, we have the right to approve the manufacturer or supplier of any item used in the operation of your Basecamp Studio. You will not install or maintain at your Basecamp Studio any newspaper racks, video games, jukeboxes, gaming machines, gum machines, vending machines, video or similar devices without our, and any necessary governmental, prior written approval. We may require you to offer additional services or products and some of those products or services may require that you purchase additional equipment or training for your staff. We may require you, in our sole discretion, to purchase certain fixtures, furniture, equipment, inventory, supplies, services, and other items used or offered at your Basecamp Studio from suppliers who have been approved by us, in which case we will provide you with a list of approved suppliers.

1. You acknowledge and agree that you may be required to purchase for use in the operation of your Basecamp Studio certain products, including all retail products you offer for sale, supplies or other services, including certain items comprising the Information System, the Grand Opening Program, marketing collateral and services, local marketing collateral and services, and mass communication services, including texts and email messages, exclusively from us or our affiliates, or from other mandatory suppliers or vendors that we approve, in our sole discretion.

2. You must honor and participate in all member programs, national campaigns, consumer sales and satisfaction programs or surveys that we require, including loyalty programs, rewards programs, member challenges. You must obtain and maintain all technology we require to deliver member exercise programming. You may not create your own programs, campaigns, incentives or other promotions without our prior written approval.

3. We or an affiliate or other third party are currently the sole suppliers of certain fitness equipment, certain items logo'd with our Marks, including branded mobile applications, all retail products for re-sale, and workout formats and fitness programming, that you must use at your Basecamp Studio. Certain third parties are sole suppliers for some of the items included in the Build-Out Package you must purchase from us, including the signage, marketing materials, including marketing collateral and marketing services, furniture, fixtures. Our affiliate is also the sole supplier of certain fitness equipment, technology services, technology, network hardware, security systems, computer hardware and software, security systems, lighting, audio and video systems, and other related components, including a point of sale system and certain cloud based technology in the Technology & Fitness Equipment Package you must purchase from our affiliate to operate your Basecamp Studio. We also have a sole supplier of studio management, billing, payment and scheduling software which you must use to operate your Basecamp Studio. We may also require you to pay the \$40,000 for the Grand Opening Program to us and we will execute the Grand Opening Program. We may also require you to pay us the monthly amount you must spend to satisfy the Monthly Local Advertising Requirement and we will spend this amount on local advertising in your market.

4. If you do not use our designated architectural vendor for the creation of your Construction Documents, you will pay us upon demand a nonrefundable fee of Two Thousand Seven Hundred Dollars (\$2,700) to review your Construction Documents. The vendor you use must meet any standards and specifications we require.

5. **THOUGH 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 FIXTURES, FURNITURE, EQUIPMENT (INCLUDING WITHOUT LIMITATION ANY AND ALL REQUIRED COMPUTER SYSTEMS), SUPPLIES, INVENTORY OR OTHER APPROVED ITEMS.**

S. Taxes on Fees. If your state, or any governmental body in your state, charges a tax on any fee you owe to us or to our affiliates, then you are required to pay an additional amount equal to the amount of this tax. (For purpose of clarification, this does not apply to any federal or Virginia income taxes that we or our affiliates must pay.)

T. National and Regional Accounts. We, or others acting on our behalf, may from time to time solicit companies or organizations to offer fixed pricing packages to their employees. You will have the right to participate in, and receive the benefits of, all such programs we establish with companies or organizations that have employees in your market.

U. Participation in Programs; Reciprocity. You must honor and participate in all member programs, national campaigns, member/customer loyalty, reward, gift card, service packages, member challenges, and other promotional programs we require. In addition, you agree to abide by any reciprocity policy we may establish as modified from time to time. Such policy will likely prohibit you from selling any service packages or other offers that do not provide full reciprocity benefits to your members with other Basecamp Fitness studios, and require you to honor service packages and other approved offers sold by other Basecamp Fitness studios. We require you to participate in reciprocity programs we may specify and you are not compensated if a member from another location uses your Basecamp Studio. All memberships and products must comply with our pricing guidelines.

10. CONFIDENTIAL INFORMATION/IMPROVEMENTS

A. You acknowledge that all the information you have now or obtain in the future concerning the System and the concepts and methods of promotion franchised hereunder is derived from us pursuant

to this Agreement, and that you will treat such information in confidence. You agree never to, directly or indirectly, engage in or abet the misappropriation (as the term “misappropriation” is defined in the Virginia Uniform Trade Secrets Act), or the disclosure, divulgence, or distribution of all or any part of the System and the concepts and methods of promoting franchises hereunder. You will disclose such confidential information only to such of your employees as must have access to it in order to operate your Basecamp Studio and use it only for the operation of your Basecamp Studio. At our request, you must deliver to us confidentiality agreements and non-compete agreements in a form satisfactory to us signed by your owners and the spouses of your owners. All of your managers must sign confidentiality agreements. The scope of the confidentiality agreements shall be consistent with the provisions of this Section 10.A, and the scope of the noncompete agreements shall be consistent with the provisions of Section 17 of this Agreement. For the avoidance of doubt, you may not use any such confidential information for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence (“AI”) model, algorithm improvement, or similar data aggregation activities without our express written consent. Such uses shall not be deemed related to the performance of this Agreement and are expressly prohibited. You shall not, without our prior written consent, input any such confidential information into any generative AI platform, or disclose such information to any provider or source of generative AI services. You shall opt out of allowing any provider or source of generative AI to utilize confidential information for training of any AI model or for other purposes.

B. Notwithstanding any provision of Section 10.A, at your discretion, you may allow any financial institution that has loaned money to you or to your business to have access to your books and records to confirm your billings, collections, receivables, and any other financial information you have provided to the financial institution.

C. If you conceive or develop any improvements or additions to the System, new trade names, trade and service marks or other commercial symbols related to your Basecamp Studio, or any advertising and promotion ideas related to your Basecamp Studio, or have any suggestions, comments, or other feedback with respect to the System (collectively, “Improvements”), you will fully disclose the Improvements to us without disclosure of the Improvements to others, and you will obtain our written approval before using such Improvements. Any such Improvement that we approve may be used by us and all our other franchisees without any liability to you or obligation to pay you royalties or other compensation. You will assign Improvements to us, and hereby do assign, without charge, any rights, together with the goodwill associated with the Improvements, including the right to grant sublicenses to any such Improvement. We, at our discretion, may make application for and own copyrights, trade names, trademarks and service marks relating to any such Improvement. We also may consider such Improvement as our property and trade secret. We will, however, authorize you to use any Improvement authorized generally for use by our other franchisees.

D. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets in limited circumstances, as specified in the Manual.

11. INSURANCE; INDEMNIFICATION

A. Insurance. You alone will be responsible for any claim, action, loss, damage, liability, injury or death arising out of, or relating to, the operation of your Basecamp Studio or arising out of, or relating to, your acts or omissions or the acts or omissions of any of your agents, employees or contractors in connection with the operation of your Basecamp Studio. You agree to indemnify and hold us and our affiliates and our respective officers and directors harmless against and from any and all such claims, actions, losses, liability, damages, injuries, or deaths, including costs and reasonable attorneys’ fees. You will obtain and maintain in force and pay the premiums for general liability insurance with complete

operations coverage, broad form contractual liability coverage, property damage, and other insurance (including bonds) in such types as we may require (such as cyber insurance and employment practices insurance), or as required by law from time to time. All such policies will have minimum limits we may prescribe from time to time, and will be with carriers who have minimum ratings that we may prescribe from time to time. Such insurance policies will expressly protect both you, us and our affiliates and our respective officers, directors and employees, and will require the insurer to defend both you and us in any action you will submit to us, within thirty (30) days of our request, any and all loss ratios or other information we request in connection with such insurance policies. You will furnish to us copies of all insurance policies, certificates of insurance, endorsements, or other proof of insurance in the form we require, as set forth above, naming us as an additional insured, and providing that such policy will not be canceled, amended or modified except upon thirty (30) days' prior written notice to us. At our request, you will deliver to us proof of insurance in the form we require and evidence of policy renewals at least thirty (30) business days before expiration. You will have all policies of insurance provide that the insurance company will have no right of subrogation against either party hereto or their respective agents or employees. Maintenance of the insurance requirement will not relieve you of the obligations of indemnification. If you fail to obtain or maintain in force any insurance as required by this Section or to furnish any proof of insurance required hereunder, we may (but have no obligation to), in addition to all other available remedies, obtain such insurance or certificates, and you will promptly reimburse us for all insurance premiums and other costs incurred in obtaining such insurance, including an administrative fee for our time in obtaining the coverage for you. You assume all risks in connection with the adequacy of any insurance or self-insurance program and waive any claim against us for any liability costs or expenses arising out of any uninsured claim, in full or in part, of any nature whatsoever. Your obligation to obtain and maintain these insurance policies in the minimum amounts we require is not limited in any way by reason of any insurance that we may maintain, nor does your procurement of required insurance relieve you of liability under the indemnity obligations described in Section 11.B. Your insurance procurement obligations under this Section are separate and independent of your indemnity obligations. We do not represent or warrant that any insurance that you are required to purchase will provide adequate coverage for you. The requirements of insurance specified in this Agreement are for our protection. You should consult with your insurance agents, brokers, attorney or other insurance advisors to determine the level of insurance protection you need in addition to the coverages and limits we require. If you do not obtain or maintain insurance coverage that meets our requirements and we obtain it for you, you must pay us our then current insurance handling fee plus the cost of the premiums we pay for the insurance.

B. Relationship; Your Indemnification. We and you are independent contractors. Neither we nor you will make any agreements, representations, or warranties in the name of or on behalf of the other or that our relationship is other than franchisor and franchisee. Neither we nor you will be obligated by or have any liability under any agreements, representations or warranties made by the other nor will we be obligated for any damages to any person or property directly or indirectly arising out of the operation of your Basecamp Studio. You assume sole and complete responsibility for and will defend at your own cost and indemnify, reimburse and hold harmless us, our affiliates and our respective officers and directors from and against all loss, costs, expenses, obligations and damages and liabilities (including defense costs) arising directly or indirectly out of the development or operation of your Basecamp Studio, including, without limitation, claims relating to your employment practices, equipment selection, and floor plan, you or your employees' actions or inactions and any amounts we pay on your behalf. You will have the right to defend any such claim against you. We, using our own counsel, by notice to you, may control any matter in which we are named or directly affected, but this will not affect your liability to pay all attorneys' fees we incur in defending ourselves, which obligation is part of your indemnification obligation. The indemnities and assumptions of liabilities and obligations set forth in this Agreement will continue in full force and effect subsequent to the expiration or termination of this Agreement.

C. Our Indemnification. We will indemnify you against and reimburse you for any obligations or liability for damages payable to third parties and attributable to agreements, representations or warranties made by us, or caused by our negligence or willful action (so long as such obligations or liabilities are not asserted on the basis of theories such as agency, apparent agency or vicarious liability or claim of negligent failure to compel your compliance with the provisions of this Agreement, the Manual or any other agreement between you and us), and for costs reasonably incurred by you in the defense of any such claim brought against you or in any action in which you are named as a party, provided that we will have the right to participate in and, to the extent we deem necessary, to control any litigation or proceeding which might result in liability of or expense to you subject to such indemnification.

12. FINANCIAL STATEMENTS AND AUDIT RIGHTS

A. Financial Information, Reports, Inspections and Audits. Following the opening of your Basecamp Studio, by the 10th of each month, you will provide us with monthly sales information from the Basecamp Studio. In addition, within thirty (30) days following your fiscal year end, you will provide us with copies of your financial statements (reviewed by your accountant), including an income statement for the fiscal year just ended and a balance sheet, cash flow statement, and any other document accompanying your financial statements, as of the end of such fiscal year, which financial statements will have been prepared in accordance with generally accepted accounting principles applied on a consistent basis. We will also have the right to request other financial statements, reports and information from you during the year, and you will deliver those financial statements, reports and information to us when, and in the form and manner, we require. Also, on or before April 15 of each year, you must provide us with a copy of your federal tax return and the federal tax returns of your owners for the previous tax year.

1. If you fail to timely provide any information to us, you must pay us a late reporting fee of One Hundred Dollars (\$100) per violation. This payment does not, however, limit our rights or excuse your compliance with this obligation, and your failure to timely report the information will be a material default under this Agreement.

2. You will make all of your financial books and records available to us and our designated representatives at all reasonable times for review. Your financial books and records for each fiscal and calendar year will be kept in a secure place and will be available for review by us for at least five (5) years after the end thereof. Without limiting the foregoing, we reserve the right, without notice to you, to independently access the Basecamp Studio's accounting and financial systems and data or any accounting or financial systems used or required by us for the System to determine Gross Revenues and fees due to us under this Agreement, and you shall grant us access to all such accounting and financial systems and data.

3. We will have the right to audit or cause to be audited any financial information you provide to us, and your books, records, and sales and income tax returns. If any audit discloses an understatement of the Gross Revenues of your Basecamp Studio for any period or periods, you will, within five (5) days of receiving the audit report, pay to us all Royalty Fees and General Advertising and Marketing Fund Contributions due on the previously unreported Gross Revenues, plus late payment charges. In addition, if an understatement for any period equals two percent (2%) or more of the Gross Revenues of your Basecamp Studio for the period, you must reimburse us for the cost of the audit, including, without limitation, the charges of the person auditing your records, and their travel and living expenses.

13. ASSIGNMENT OF FRANCHISE AGREEMENT

A. By Us. We may transfer or assign this Agreement or any or all of the rights, interests, benefits or obligations arising under it without restriction. Upon any transfer or assignment of this Agreement by us, we will be released from all obligations and liabilities arising or accruing in connection with this Agreement after the date of such transfer or assignment.

B. Conditions to Your Transfer or Assignment. This Agreement, and your rights and obligations under it, are and will remain personal to you. As used in this Agreement, the term “Transfer” will mean any sale, lease, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by your disability or death or by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of your assets used to operate your Basecamp Studio, or of any interest in you, or if you are a corporation, partnership, limited liability company or other entity, a transfer, pledge, assignment, or other disposition of direct or indirect control or ownership of fifty percent (50%) or more of any interest in your entity. In addition, if there are two (2) individuals signing this Agreement as Franchisee, and one (1) of those individuals is no longer involved in the ownership of your Basecamp Studio, the withdrawal of that person will be considered a “Transfer.” A “Transfer” will also be deemed to occur when there are more than two (2) people listed as the Franchisee and there is a change in the ownership of your Basecamp Studio such that less than a majority of the original signators continue to have a majority interest in the equity of the business. You (and your shareholders, partners and members) will not directly or indirectly make a Transfer without our prior written consent and any transfer shall be subject to our right of first refusal, as set forth in Section 19 below. Unless otherwise provided in this Agreement, we will not unreasonably withhold, delay or condition our consent to a Transfer, subject to all of the following conditions being satisfied:

1. you are in full compliance with this Agreement, you have no uncured defaults, and all your debts and financial obligations to us and our affiliates are current;
2. you provide us with all information we may require concerning the proposed transaction (including a copy of the purchase agreement and all related documents), and the proposed transferee;
3. we are satisfied that the proposed transferee (and if the proposed transferee is an entity, all holders of any interest in such entity) meets all of the requirements for our new franchisees, including, but not limited to, good reputation and character, business experience, and financial strength, credit rating and liquidity, and that the sale price is not excessive;
4. you sign a written agreement in a form satisfactory to us in which you and your investors covenant to observe all applicable post-term obligations and covenants contained in this Agreement and release us and our affiliates from any claims you may have against us, or any further obligations we may have to you;
5. the proposed transferee enters into a new franchise agreement with us, on the terms we then generally offer to new franchisees (including fees payable and size of territory); provided, however, that no new initial franchise fee will be required to be paid, and further provided that the term of that franchise agreement, unless otherwise agreed, will be the remaining term of your franchise agreement;

6. the proposed transferee agrees in writing to perform such maintenance, remodeling and re-equipping of your Basecamp Studio that we determine necessary to bring your Basecamp Studio in compliance with our then-current standards, including any updates to your technology and security equipment that we determine necessary;

7. prior to the date of the proposed Transfer, the proposed transferee's Principal Operator successfully completes such training and instruction as we deem necessary;

8. you and all holders of an interest in you sign a general release, in the form prescribed by us, releasing, to the fullest extent permitted by law, all claims that you or any of your investors may have against us and our affiliates, including our and their respective shareholders, officers, directors and employees, in both their individual and corporate capacities;

9. prior to the Transfer, you or the proposed transferee pay to us or the applicable broker, as we designate, any broker fees or commissions that we or you incur in connection with the Transfer; and

10. prior to the Transfer, you pay us a transfer fee of Seven Thousand Five Hundred Dollars (\$7,500), but if Transfer occurs before the opening of your Basecamp Studio the transfer fee is Fifteen Thousand Dollars (\$15,000).

11. if the proposed transferee is a new franchisee, prior to the Transfer, the proposed transferee pays us a Launch Training fee of Three Thousand Dollars (\$3,000) and agrees to attend and successfully complete the Launch Training to our satisfaction.

We may expand upon, and provide more details related to, the conditions for transfer and our consent as described in this Section 13.B, and may do so in the Manual or otherwise in writing.

You consent to our releasing to any proposed transferee any information concerning your Basecamp Studio that you have reported to us, or that is in our files or otherwise available to us, including but not limited to financial information.

If a transfer or assignment is caused by your death or incapacity (including the death or incapacity of any person directly or indirectly owning fifty percent (50%) or more of an interest in the entity that is the franchisee under this Agreement), the provisions of this Subparagraph B must be met by the heir or personal representative succeeding to your interest; provided, however, if the heir or personal representative assigns, transfers, or sells its interest in the franchise and in the Basecamp Studio within one hundred twenty (120) days after your death or incapacity, the transferee, and not the heir or personal representative, must comply with the provisions of this Subparagraph B.

Nothing in this Section will be construed as prohibiting your interests from being pledged as security to an institutional lender who has provided financing to or for your Basecamp Studio, provided the institutional lender accepts such security interest subject to our conditions.

C. Acknowledgement of Restrictions. You acknowledge and agree that the restrictions imposed on transfers are reasonable and necessary to protect the goodwill associated with the System and the Marks, as well as our reputation and image, and are for the protection of us, you, and all other franchisees that own and operate Basecamp Fitness studios.

14. OUR TERMINATION RIGHTS

A. Without Notice. You will be in default and we may, at our option, terminate this Agreement, without affording you any opportunity to cure the default, effective upon delivery of notice of termination to you, following the occurrence of any of the following events:

1. you are liquidated or dissolved;
2. your Basecamp Studio is not constructed strictly according to the plans we have approved and you do not remedy the deficiencies within thirty (30) days after notice from us;
3. you fail to operate for seven (7) consecutive days (unless prevented from doing so by fire, flood, or acts of nature), or otherwise abandon your Basecamp Studio, or forfeit the right to do or transact business in the jurisdiction where your Basecamp Studio is located, or lose the right to possession of the premises in which your Basecamp Studio operates;
4. you or any of your owners make an unauthorized Transfer under this Agreement;
5. you or any of your owners are proven to have engaged in fraudulent conduct, or are convicted of, or plead guilty or no contest to a felony or a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks or the goodwill associated therewith;
6. you are given three (3) or more notices of being in material violation of any of the terms or requirements of this Agreement within any twelve (12) month period, whether or not such defaults are timely cured after notice;
7. you misuse or make any unauthorized use of the Marks and do not cease such misuse or unauthorized use within twenty-four (24) hours' notice from us;
8. you maintain false books or records or submit any false or misleading application, statement or report to us, whether in applying for the franchise or during the term of this Agreement;
9. you withhold our access to accounting and financial systems or data, revoke any electronic-funds transfer or direct debt authorization granted to us or our affiliates, or initiate any stop payments against us or our affiliates;
10. you fail to open the Basecamp Studio for business to the general public by the Required Opening Date in the Rider to this Agreement;
11. you, by act or omission, materially impair the value of, or the goodwill associated with, any of the Marks or the System; or
12. you fail to comply with our requirements for securing real estate.

B. With Notice and Failure to Cure. Except for those defaults provided for under Section 14.A above, you will be in default hereunder for any failure to maintain or comply with any of the terms, covenants, specifications, standards, procedures or requirements imposed by this Agreement or any other agreement you or any of your affiliates have with us or with any of our affiliates, or in any Manual, policy or procedure statement or other written document provided by us, or to carry out the terms of this Agreement in good faith. Before we terminate this Agreement as a result of such defaults, we will provide

you with thirty (30) days written notice of your default. If the defaults specified in such notice are not cured within the thirty (30) day period (either by you or by any financial institution that has loaned money to you or to your business), we may terminate this Agreement upon the expiration of the thirty (30) day period without further notice. Such defaults will include, without limitation, the occurrence of any of the following events:

1. you fail to construct or remodel your Basecamp Studio within the time provided for in this Agreement;

2. you fail, refuse, or neglect to promptly pay when due any monies owing to us, to our affiliates, or to other creditors you have, or to submit the financial or other information required under this Agreement;

3. a threat or danger to public health or safety results from the construction, maintenance, or operation of the Basecamp Studio;

4. you offer or sell non-approved products or services or offer or sell products or services via a medium we do not approve; or

5. you, by act or omission in connection with the operation of your Basecamp Studio, permit a continuing violation of any applicable law, ordinance, rule, or regulation of a governmental body; provided, however, that if such act or omission damages the goodwill associated with the System or the Marks, we will have the right to terminate this Agreement if you do not cure such default within twenty-four (24) hours after notice from us.

C. Standard Default Fee. In addition to our right to terminate the Franchise Agreement, if you breach your obligations under this Agreement and fail to cure the default within the applicable cure period provided above, you must pay us our then-current “Standard Default Fee” on a monthly basis until the default is cured in order to offset our costs incurred to address the default. The Standard Default Fee is in addition to any other costs or damages we may incur as a result of the breach.

D. Applicable Law. If the provisions of this Section 14 are inconsistent with applicable law, the applicable law will apply.

E. Pre-termination Options. Prior to the termination of this Agreement, if you fail to pay any amounts owed to us or our affiliates, fail to comply with any term of this Agreement, or notify us that your Basecamp Studio is closing, then in addition to our right to terminate this Agreement or to bring a claim for damages, we have the option to:

1. remove the listing of your Basecamp Studio from all advertising published or approved by us;
2. cease listing your Basecamp Studio on any Technology Platforms;
3. prohibit you from attending any meetings or programs held or sponsored by us;
4. terminate your access to any computer system or software we own, maintain or license to you (whether licensed by us or by one of our affiliates);
5. suspend all services we or our affiliates provide to you under this Agreement or otherwise; and/or

6. contact your landlords, lenders, suppliers and members regarding the status of your operations, and provide copies of any default or other notices to your landlords, lenders and suppliers.

Our actions, as outlined in this Section 14.E may continue until you have brought your accounts current, cured any default, and complied with our requirements, and we have acknowledged the same in writing. The taking of any of the actions permitted in this Section will not suspend or release you from any obligation that would otherwise be owed to us or our affiliates under the terms of this Agreement or otherwise. Further, you acknowledge that the taking of any or all such actions on our part will not deprive you of the most essential benefits of this Agreement, and will not constitute a constructive termination of this Agreement.

15. YOUR TERMINATION RIGHTS: NOTICE REQUIRED

You may terminate this Agreement upon ten (10) days' notice to us if we violate any material obligation to you and fail to cure such violation within thirty (30) days after our receipt of written notice from you; provided, however, that you must be in compliance with the Agreement at the time of giving each notice and at the time of termination. Your written notice of our alleged violation must identify the violation, demand that it be cured, and indicate your intent to terminate this Agreement if it is not cured.

16. YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted to you under this Agreement will terminate, the franchise will revert to us, and you will have the obligations set forth below, which obligations survive the expiration or termination of this Agreement, along with any other provisions of this Agreement which by their nature may or are to be performed following expiration or termination of this Agreement:

A. You will immediately cease to operate the business franchised under this Agreement, and will not thereafter, directly or indirectly, represent to the public or hold yourself out as a Basecamp Fitness franchisee with respect to such business.

B. You will immediately and permanently cease to use, in any manner whatsoever, all confidential information, approved Information System and related software, methods, procedures and techniques used by or associated with the System, and the Marks and distinctive forms, slogans, signs, symbols, logos and devices associated with the System, as well as any name, mark, symbol, logo or slogan similar to any of the Marks. You will also specifically authorize us to physically remove any signage bearing any of the Marks that you may fail to remove. Further, if we elect to remove such signage, you will, upon demand, reimburse us for any costs we incur in doing so.

C. You will immediately return to us the Manual, all copies or excerpts thereof, and any property held or used by you that is owned by us and will cease to use, and either destroy or convey to us, all signs, advertising materials, displays, stationery, forms and any other materials that bear or display the Marks.

D. Subject to Section 16.H below, you will take such actions as may be necessary to cancel any assumed name or similar registration that contains the Marks "Basecamp" or "Basecamp Fitness" or any other Mark, and will immediately and permanently refrain from and cease all use of the Marks on or in any Technology Platforms and cancel any Technology Platform you control as we direct. You agree and acknowledge that your continued use of the Marks after the expiration or termination of this Agreement will be without our consent and will constitute an "exceptional case" under federal trademark law (15 U.S.C. § 1117) entitling us to recover treble damages, costs and attorneys' fees.

E. You will, within ten (10) days after termination or expiration of this Agreement, make such modifications and alterations to your Basecamp Studio premises as may be necessary to distinguish the appearance of the premises from all attributes of the System and will make such specific additional changes thereto as we may request. You agree that, at a minimum, such modifications will include: (i) removal of all signage; (ii) alteration of the color scheme and decor; and (iii) discontinuation of the use of any item containing any of the Marks.

F. Within five (5) days after termination, you will pay to us all amounts owed to us under this Agreement, including the Royalty Fees that would be due through the date this Agreement was scheduled to expire. Further, if this Agreement is terminated for any reason other than as a result of a material breach of this Agreement by us that is not cured within thirty (30) days following notice from you, such sums will include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us as a result of the default and the termination. You agree that until such obligations are paid in full, you hereby grant us a lien against any and all of the personal property, furnishings, equipment, signs, fixtures and inventory owned by you and located on your Basecamp Studio premises on the date this Agreement terminates or expires and authorize us to file financing statements and other documents we deem appropriate to perfect such lien.

G. If requested by us, you will take all further action and execute all documents necessary to convey and assign to us all telephone and fax numbers that have been used in the operation of your Basecamp Studio, as well as any other registrations or listings for any Technology Platforms that we may have allowed you to use and that include the word "Basecamp" or if we do not so request, you will cease all use of such telephone numbers and Technology Platforms that include the word "Basecamp."

H. You will comply with the covenants contained in this Agreement, including, but not limited to, the covenants not to compete and the covenants not to disclose trade secrets or confidential information.

I. We may, if you fail or refuse to do so, execute in your name and on your behalf, any and all actions and/or documents that may be necessary to affect your obligations under Sections 16.D and 16.H, and you hereby irrevocably appoint us as your attorney in fact to do so, which appointment is coupled with an interest.

J. You will furnish us with written evidence satisfactory to us of compliance with all the obligations set forth in this Section 16 within thirty (30) days after termination or expiration of this Agreement.

K. Upon expiration or termination of this Agreement, we have the option, upon thirty (30) days' written notice from the date of expiration or termination, to purchase from you all or any portion of the tangible and intangible assets relating to the Basecamp Studio, including the Basecamp Studio premises if you own the Basecamp Studio premises (excluding any unsalable inventory, cash, short-term investments and accounts receivable) (collectively, the "Purchased Assets") and to take an assignment of your lease for (1) the Basecamp Studio premises (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as your lease) and (2) any other tangible leased assets used in operating the Basecamp Studio. We may assign to a third party this option to purchase and assignment of leases separate and apart from the remainder of this Agreement.

The purchase price for the assets of the Basecamp Studio will be the "Book Value" (as defined below) of the Purchased Assets. "Book Value" means the net book value of the Purchased Assets, as disclosed in the last statement of the Basecamp Studio provided to us under Section 12 before termination or expiration, provided, however, that: (1) each depreciable asset will be valued on a "straight-line" basis

without provision for salvage value; (2) we may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement; and (3) we may exclude from Book Value any provision for goodwill or similar value attributable to intangible property. If we are not satisfied with the accuracy or fairness of any financial statements, or none has been submitted, our regularly employed firm of certified public accountants will determine (by audit) the Book Value. We and you will equally bear the cost of the audit. The results of the audit will be final and binding on both parties.

The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur no later than sixty (60) days after we deliver notice of our election to purchase the assets of the Basecamp Studio, unless Book Value is determined by audit, in which case the closing will occur within a reasonable time, not to exceed sixty (60) days, after the results of the audit are made available. At the closing, you will deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to us or our designee and such other documents we may reasonably request to permit us to operate the Basecamp Studio without interruption. We may set off against and reduce the purchase price by all amounts you owe to us or any of our affiliates. If we exercise our option to purchase the Basecamp Studio, we may, pending the closing, appoint a manager to maintain Basecamp Studio operations.

If we assume any leases for the premises for the Basecamp Studio or if we assume the leases for other tangible leased assets used in the Basecamp Studio under this Section, you will pay, remove or satisfy any liens or other encumbrances on your leasehold interests and will pay in full all amounts due the lessor under the leases existing at or prior to assumption. We are not liable for any obligation you incur before the date we assume any leases.

17. YOUR COVENANTS NOT TO COMPETE

A. During Term. You will not, directly or indirectly, during the term of this Agreement, on your own account or as an employee, consultant, partner, officer, director, shareholder or member of any other person, firm, entity, partnership, corporation or company, own, operate, lease to or lease from, franchise, engage in, be connected with, have any interest in, or assist any person or entity engaged in owning, operating, or managing any business that offers interval training classes or high-intensity guided workouts, wherever located, whether within the Protected Territory or elsewhere.

B. After Expiration, Termination, or Transfer. You will not, directly or indirectly for a period of two (2) years after the transfer by you, or the expiration or termination of this Agreement, on your own account or as an employee, consultant, partner, officer, director, shareholder, lender, or joint venturer of any other person, firm, entity, partnership, corporation or company, own, operate, lease to or lease from, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in offering interval training classes or high-intensity guided workouts, within the Protected Territory or within a ten (10) mile radius of any Basecamp Fitness studio, wherever located, whether within the Protected Territory or elsewhere.

C. Reasonableness. You agree that the scope of the prohibitions set forth in Sections 17.A and 17.B are reasonable and necessary to protect us and the System (including other franchisees of the System). You agree that the prohibitions in Section 17.A 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 set forth in Section 17.B 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 have training or experience.

D. Exception. The purchase of a publicly traded security of a corporation engaged in a competitive business or service will not in itself be deemed violative of this Section 17 so long as you do not own, directly or indirectly, more than five percent (5%) of the securities of such corporation.

E. Relief. You agree that damages alone cannot adequately compensate us if there is a violation of these noncompetitive covenants and that injunctive relief is essential for our protection. You therefore agree that in case of your 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. In addition, if you violate the restriction provided for in Section 17.B, the period of time during which the restriction will remain in effect and be extended until two (2) years after you cease violating the restriction.

18. ENFORCEMENT

A. Injunctive Relief/Attorneys' Fees. We and you will each be entitled to the entry of temporary restraining orders and temporary and permanent injunctions to: (i) enforce your and our rights to terminate this Agreement for the causes set forth in Paragraphs 15 and 16 of this Agreement; and (ii) prevent or remedy a breach of this Agreement if that breach could materially impair the goodwill associated with our or your business, including but not limited to, the enforcement of obligations upon termination or expiration of this Agreement and the enforcement of the non-compete provisions of this Agreement. You and we will also be entitled to the entry of temporary restraining orders and temporary and permanent injunctions enforcing these provisions. If we are successful in obtaining an injunction, or any other judicial relief or order from an arbitrator against you, or in successfully defending any claim you have brought against us, you will pay us an amount equal to all of our costs of prosecuting and/or defending the action, including reasonable attorneys' fees, costs of investigation, court and arbitration costs, and other litigation or arbitration expenses and interest on such costs. Your and our respective rights to obtain injunctive or other equitable relief is in addition to any other right we or you may have under this Agreement. It will in no way limit or prohibit us from obtaining money damages from you if you breach this Agreement.

B. Mediation. Except where it is necessary for either you or us to obtain equitable relief to preserve the goodwill of our respective businesses (including, but not limited to, the enforcement of obligations upon termination of this Agreement and the covenants not to compete contained in this Agreement), you and we each agree to enter into mediation of all disputes involving this Agreement or any other aspect of the relationship between us, for a minimum of four (4) hours, prior to initiating any legal action or arbitration against the other.

1. Upon written notice by either you or us, to the other, of your or our desire to mediate, the party receiving the notice will select an independent entity that provides mediation services to serve as mediator in the proceeding. If the party receiving the notice of intent to mediate does not name such an organization within ten (10) days from the date the notice of intention to mediate is received, then the other party may proceed as if this Section 18.B did not exist, or, at its option, make the selection of the organization to provide mediation services. If you or we select an organization that is unwilling to serve as mediator, then the other party may select the organization. Once the organization is designated and agrees to accept the appointment as mediator, the organization will be directed to schedule a mediation proceeding at a time mutually convenient to us and to you. The mediation will be held within thirty (30) days following receipt by the mediation organization of notification that its services are requested. If you and we cannot agree on a date for mediation, then the mediation organization will select a date it believes is reasonable for both of us, given all of the claimed conflicts in dates. The person actually mediating the

dispute will be required to have at least ten (10) years of experience as either a franchisee or franchisor (or as an officer of such an entity) or in franchise law. You and we will equally share the cost of the mediator. The mediator will select the location for the mediation, but unless you and we both agree otherwise, the mediation will be held in a metropolitan area with at least 250,000 persons that is not located within one hundred (100) miles of either your principal office or our principal office.

2. Except for the matters identified above where you or we are permitted to seek injunctive relief without first mediating the dispute, if either party initiates litigation or arbitration without complying with their obligation to mediate in accordance with this paragraph (unless the other party has failed to respond on a timely basis or has indicated it will not engage in mediation in accordance with the provisions of this Section 18.B), then upon petition of whichever of us has a lawsuit or arbitration proceeding brought against us, the court or arbitrator will dismiss the litigation or arbitration without prejudice, and award attorneys' fees and costs to the party seeking dismissal in an amount equal to the attorneys' fees and costs the party seeking dismissal incurred. If the court or arbitrator refuses for any reason to dismiss the action, then regardless of the outcome of the action, or of any award given in the action, the party initiating the litigation or arbitration will be responsible for all attorneys' fees and costs incurred throughout the litigation or arbitration by the other party as damages for failing to comply with the provisions of this Section 18.B.

C. Arbitration. Except insofar as you or we elect to enforce this Agreement by judicial process and injunction as provided in Section 18.A hereof, all disputes and claims arising out of or relating to this Agreement, or to the breach thereof, or to any of our standards or operating procedures, or other obligation of either of yours or ours, or to the breach thereof (including any claim that this Agreement, any provision of this Agreement, any specification, standard, operating procedure or any other obligation of yours or ours is illegal, unenforceable or voidable), or any aspect of the relationship between you and us (even if additional persons are named as parties to such action), must be resolved by arbitration in Charlottesville, VA, or if our principal office is not located in Virginia, then at the office of the American Arbitration Association located closest to our principal office. It is our intention that state laws attempting to void out of state forum selection clauses for arbitration be preempted by the Federal Arbitration Act and that arbitration be held in the place designated above.

1. The arbitration will be held in accordance with the United States Arbitration Act (9 U.S.C. § 1 et seq.), if applicable, and the rules of the American Arbitration Association (relating to the arbitration of disputes arising under franchise agreements, if any; otherwise, the general rules of commercial arbitration).

2. The arbitrator appointed must have at least ten (10) years' experience in franchising or franchise law, and the arbitrator will be instructed that he or she must follow the substantive law and the other requirements, waivers and limitations of this Agreement. The arbitrator shall have no authority to add, delete or modify in any manner the terms and provisions of this Agreement. However, if an arbitrator, notwithstanding the foregoing, determines that any contractual limitations period provided for in this Agreement is not applicable or enforceable, then the parties agree to be bound by the provision of any statute of limitations which would otherwise be applicable to the controversy, dispute or claim which is the subject of any arbitration proceeding initiated hereunder. All findings, judgments, decisions and awards of the arbitrator will be limited to the dispute or controversy set forth in the written demand for arbitration and response to that demand. The arbitrator may not award any relief that was not specifically requested by the parties prior to the start of the arbitration hearing. The arbitrator will have the right to award or include in any award the specific performance of this Agreement, but will be required to file a reasoned brief with his or her award.

3. You and we each agree that any award from the arbitrator may be appealed under the Optional Appellate Arbitration Rules of the American Arbitration Association.

4. You and we acknowledge that judgment upon an arbitration order may be entered in any court of competent jurisdiction and will be binding, final, and nonappealable, except for mistakes of law, as permitted under the United States Arbitration Act or for failure of the arbitrator to meet the requirements of this Section 18.C.

5. Unless this Agreement is terminated in accordance with the provisions of Paragraphs 15 or 16, during the pendency of any arbitration proceeding, you and we will fully perform the requirements of this Agreement.

6. If there is any dispute as to whether a particular claim or matter is subject to arbitration, and the matter relates to an issue for which either party seeks an injunction in accordance with the provisions of Subparagraph 18.A, the arbitrability of such claim will be determined by the court that would otherwise hear the motion to issue the injunction. In the case of a dispute as to the arbitrability of any other claim brought by either party against the other, the decision as to whether or not the claim is subject to arbitration will be made by the arbitrator appointed in accordance with this Agreement. All arbitration proceedings will be individual proceedings between you and us, and will not be conducted on a “class” basis, or include any other of our franchisees as named parties unless you and we each agree.

If, after either you or we institute an arbitration proceeding, one or the other asserts a claim, counterclaim or defense, the subject matter of which, under statute or current judicial decision, is nonarbitrable for public policy reasons, the party against whom the claim, counterclaim or defense is asserted may elect to proceed with the arbitration of all arbitrable claims, counterclaims or defenses or proceed to litigate all claims, counterclaims or defenses in a court having competent jurisdiction.

D. Waiver of Punitive Damages. We and you (and your owners and guarantors if applicable) agree to waive, to the fullest extent permitted by law, any right to, or claim for, any punitive or exemplary damages against the other and against any affiliates, owners, employees, or agents of the other and agree that in the event of a dispute between us, each of us will be limited to the recovery of any actual damages sustained by it.

E. Venue. We and you (and your owners and guarantors if applicable) each agree that if litigation is permitted under this Agreement, the sole forum for litigation arising under this Agreement, or any aspect of the relationship between us (even if additional parties are named as parties to that litigation) will be the state or federal courts of Virginia. Those actions must be exclusively venued either exclusively in the state courts of the Commonwealth of Virginia sitting in or serving Albemarle County, Virginia, or the United States District Court for the Western District of Virginia, Charlottesville Division. You and we each waive any objection you or we may have to either the jurisdiction or the venue of such court (except to the extent jurisdiction is preempted by the arbitration provisions of this Agreement), and you and we each consent to personal jurisdiction and venue in such court. However, if we are permitted to seek injunctive relief under this Agreement, we may, at our option, bring that action in the county in which your Basecamp Studio is located.

F. Jury Waiver. YOU AND WE EACH WAIVE THE RIGHT TO A TRIAL BY JURY. This waiver applies to all causes of action that are or might be included in any such action, including claims related to the enforcement or interpretation of this Agreement, allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action and it applies even if persons that are not a party to this Agreement are named as additional parties in the proceeding.

G. Waiver of Collateral Estoppel. The parties agree they should each be able to settle, mediate, litigate, arbitrate, or compromise disputes in which they are involved with third parties, without having those disputes directly affect the contract or relationship between us. We and you therefore each agree that a decision of an arbitrator or court of law to which one of us is not a party will not prevent the person that was a party to such action from making similar arguments, or taking similar positions, in any action between us. You and we therefore each waive the right to assert that principles of collateral estoppel prevent either you or us from raising any claim or defense in an action between us if either you or we lost a similar claim or defense in another action.

H. No Affiliate Liability. No past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of ours or of any of our affiliates will have any liability for (i) any obligations or liabilities we have relating to or arising under this Agreement, or (ii) any claim against us based on, in respect of, or by reason of, the transactions contemplated in this Agreement. This provision will not, however, affect any right, duty or obligation of ours or yours, or of any guarantor of your obligations.

19. RIGHT OF FIRST REFUSAL

If, at any time during the term of this Agreement, you receive a bona fide offer to purchase or lease your Basecamp Studio (or if you are a company, partnership or other entity, the equity ownership of you), which offer you are willing to accept, you will communicate in writing to us the full terms of the offer and the name of the offeror. We may elect to purchase or lease the business on the terms set forth in the offer. If we elect to purchase or lease the business, we will give you written notice of the election within thirty (30) days after we receive your communication of the offer. If we fail to give written notice of election within thirty (30) days, you may sell or lease to the offeror on the terms offered, subject to the provisions relating to assignment. The sale or lease must, however, be completed within sixty (60) days of the termination of the thirty (30) day period during which we may give written notice of election to purchase or lease; otherwise, an additional notice must be given to us and an additional option period must expire prior to any such transfer. If we elect to purchase or lease the business, we will have the right to substitute equivalent cash for any non-cash consideration included in the bona fide offer to purchase or lease the business and we and you will use our best efforts to complete the purchase or lease within sixty (60) days from the date of our notice of election to purchase or lease. Our failure to exercise our rights under this Section 19 shall not affect our right to approve or disapprove the transfer as set forth in Section 13 above.

20. MISCELLANEOUS

A. Unpaid Amounts. Any unpaid amounts owed by you to us or any of our affiliates including any Royalty Fees and General Advertising and Marketing Fund Contributions will bear interest at the rate of one and one half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. You must reimburse us and our affiliates for all costs incurred in the collection of unpaid amounts, including attorneys' fees.

B. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. You and we will substitute a valid and enforceable provision for any specification, standard, operating procedure, rule or other obligation of either of us, which is determined to be invalid or unenforceable and is not waived by the other party. Such modifications to this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

C. Cumulative Rights. Except as otherwise set forth in this Agreement, our and your rights under this Agreement are cumulative and no exercise or enforcement of any right or remedy under this Agreement will preclude the exercise or enforcement of any other right or remedy under this Agreement or which we or you are entitled by law to enforce.

D. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.) and the Federal Arbitration Act, this Agreement and the franchise relationship will be governed by the laws of the Commonwealth of Virginia, except that: (i) any disputes or actions involving any non-competition covenants set forth in any agreement, including the interpretation and enforcement thereof, shall be governed by the law of the state where the Franchised Location is located; and (ii) any franchise-specific or franchise-applicable laws of the Commonwealth of Virginia, including those related to pre-sale disclosure and the franchise relationship generally, will not apply to this Agreement or the franchise awarded hereunder unless the awarding of said franchise meets all jurisdictional and other requirements to specifically fall within the scope of such Virginia laws, regulations or statutes without reference to and independent of any reference to this choice of law provision. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through the laws of any state (including Virginia) relating to franchises or business opportunities, other than those of the state in which the Franchised Location is located. This waiver of any rights under Virginia law will not apply if the Franchised Location is located in Virginia or you are a resident of (or if you are an entity, your principal(s) is a resident of) Virginia.

E. Disavowal of Oral Representations. You and we acknowledge that we want all terms of our business relationship to be defined in this written agreement, and that neither of us wants to enter into a business relationship with the other in which any terms or obligations are subject to any oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations as set forth in this Agreement. Therefore, you and we agree that this Agreement will supersede and cancel any prior and/or contemporaneous discussions between us. We each agree that we placed, and will place, no reliance on any such discussions. You agree that no representations have been made to you concerning this Agreement or the Basecamp Fitness franchise other than as contained in this Agreement and in the Franchise Disclosure Document you received before you signed this Agreement (the "FDD"). You agree that no claims, representations or warranties of earnings, sales, profits, or success of your Basecamp Studio have been made to you other than as set forth in Item 19 of the FDD.

F. Approvals. Wherever our consent or approval is required in this Agreement, unless the provision specifically indicates otherwise, we have the right to withhold our approval in our discretion, for any reason, or for no reason. When the terms of this Agreement specifically require that we not unreasonably withhold our approval or consent, if you are in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable. Our approvals and consents will not be effective unless given in writing.

G. Interpretation. It is the desire and intent of you and us that the provisions of this Agreement be enforced to the fullest extent possible under the applicable laws and public policies. Therefore, if any provision of this Agreement is determined by a court or arbitrator to be invalid or unenforceable, that determination will apply only to the operation of that provision in the particular proceeding in which the determination is made. We and you agree that if any provision of this Agreement is capable of two (2) constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision will have the meaning that renders it valid and enforceable. The language of all provisions of this Agreement will be construed simply according to its fair meaning and not strictly against you or us.

H. Waiver. Except as otherwise provided in this Section 20.H, neither of us will be deemed to have waived any obligation of the other, or to have agreed to any modification of this Agreement, unless we have done so in writing, and the writing is signed by the person giving the waiver or agreeing to the modification. However, you agree that you will give us immediate written notice of any claimed breach or violation of this Agreement as soon as possible after you have knowledge, or determine, or are of the opinion, that there has been a breach or violation by us of this Agreement. If you fail to give written notice to us of any claimed misrepresentation, violation of law, or breach of this Agreement within one (1) year from the date you have knowledge, determine, are of the opinion, or become aware of facts and circumstances reasonably indicating, that you may have a claim against us or against any of our affiliates under any state law, federal law, or common law, then the misrepresentation, violation of law, or breach will be considered to have been condoned, approved and waived by you, and you will be barred from beginning any legal, arbitration, or other action against us or against our affiliates, or from instituting any counterclaim against us or our affiliates, for the misrepresentation, violation of law, or breach, or from using the alleged act or omission as a defense to any action we may maintain against you.

I. Time. Time is of the essence to this Agreement.

J. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered via facsimile, email, or electronic signature, record, process, confirmation, or transmission attached to or logically associated with this Agreement and executed and adopted with the intent to sign.

K. Entire Agreement. The preambles are a part of this Agreement. This Agreement, together with its exhibits, constitutes the entire agreement between you and us with respect to your Basecamp Studio and any other aspect of the relationship we have with you, and cannot be amended except by a written agreement signed by you and us. This Agreement also supersedes all prior agreements and negotiations we have had with you related to your acquisition of this franchise or your and our rights and obligations. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made to you in the FDD.

L. Headings and Terms. The headings of the Sections hereof are for convenience only and do not define, limit or construe the contents of such Sections. The term “you” as used herein is applicable to one or more persons, a corporation, a partnership or limited liability company, and each of their respective owners, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If more than one person executes this Agreement for you, then your obligations are joint and several.

M. Patriot Act. You represent and warrant that to your actual and constructive knowledge:

(i) neither you (including your directors, officers and managers), nor any of your affiliates, or any funding source for your Basecamp Studio, are identified on the list at the United States Treasury’s Office of Foreign Assets Control (OFAC); (ii) neither you nor any of your affiliates are directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither you nor any of your affiliates are acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither you nor any of your affiliates are on the U.S. Department of Commerce Denied Persons, Entities and Unverified Lists, the U.S. Department of State’s Debarred Lists, or on the U.S. Department of Treasury’s Lists of Specialty Designated Nationals, Specialty Designated Narcotics Traffickers or Specialty Designated Terrorists, as such lists may be amended from time to time (collectively, the Lists); (v) neither you nor any of your affiliates, during the term of this Agreement, will

be on any of the Lists; and (vi) during the term of this Agreement, neither you nor any of your affiliates will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists. You agree to notify us in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

N. Personal Guaranty. You, or if you are a corporation, partnership, limited liability company or partnership, or other entity, all of your owners, will sign the personal guaranty agreement in the form attached to this Agreement (the “Guaranty Agreement”). Any person or entity that at any time after the Effective Date of this Agreement becomes an owner of yours will, as a condition of becoming an owner, sign the Guaranty Agreement. In addition, a spouse of an owner and any other person we designate must also sign the Guaranty Agreement.

21. NOTICES

Any and all notices required or permitted under this Agreement will be in writing and will be deemed to have been duly given upon the earlier of (i) when received; (ii) one (1) business day after placement with a reputable national overnight carrier; or (iii) three (3) business days after deposit (not including the day of deposit), if placed in the mail for delivery by certified mail, postage pre-paid, and, in the cases of clauses (ii) or (iii), addressed to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to us: Basecamp Fitness Franchisor LLC
126 Garrett St, Suite J
Charlottesville, VA 22902
Attention: President

Notice to you: See Rider

22. ACKNOWLEDGEMENTS

A. Independent Investigation. You acknowledge that you have conducted an independent investigation of the business franchised under this Agreement, and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon your ability as an independent business person.

B. Franchise Agreement. You acknowledge that you have received, read, and understood this Agreement and that we have fully and adequately explained the provisions of it to your satisfaction and that we have accorded you time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement.

C. Other Franchises. You acknowledge that other Basecamp Fitness franchisees have or will be granted franchises at different times and in different situations, and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement. You also acknowledge that because complete and detailed uniformity under varying circumstances may not be practical, there may be variations we grant to other of our Basecamp Fitness studios (whether franchised, or studios that we or our affiliates operate), and you will not be entitled to require us to grant similar variations or privileges to you.

[THIS AGREEMENT CONTINUES WITH A RIDER AND INITIAL FRANCHISE FEE ATTACHMENT,
WHICH ARE A PART OF THIS AGREEMENT]

FRANCHISEE: _____

FRANCHISE AGREEMENT RIDER

1. Effective Date: _____
2. Franchisee: _____
3. Franchised Location: _____

If no location has been determined at the time this Franchise Agreement has been executed, then the Franchised Location shall be within the following area, provided the exact location shall be subject to our review and approval:

If the above-named location specifies a location yet to be determined, we reserve the right to sell franchises, and grant territories to others who will operate Basecamp Fitness studios in and around the above-described location. You may then be required to choose a final location outside of any protected territory given to any other franchisee, and that territory may be outside of the city or areas identified above. Should this happen, you would have to obtain our review and approval for a new location. Likewise, if you choose to move your final address at any time, or if the location set forth above, or any other location we agree upon, becomes unavailable for any reason, it is your obligation to select a new location, and to obtain our approval of that location before you acquire the site, or obtain any rights in the location.

4. Protected Territory: _____

5. Ownership: Franchisee represents and warrants that any entity to which this Agreement will be transferred will have the initial ownership set forth below, and that no changes will be made in such ownership without the prior written approval of Franchisor:

Name

Percentage Ownership

6. Principal Operator designated by Franchisee: _____
7. Required Opening Date: _____
8. Initial Franchise Fee: See Initial Franchise Fee Attachment.
9. 6 Month Membership Requirement: _____
10. Address for notice to you: _____

IN WITNESS WHEREOF, we and you have signed this Agreement as of the Effective Date set forth above.

FRANCHISOR:
BASECAMP FITNESS FRANCHISOR LLC

FRANCHISEE:
[INSERT NAME OF FRANCHISEE]

By: _____
Its: _____

By: _____
Its: _____

INITIAL FRANCHISE FEE ATTACHMENT TO RIDER

The initial franchise fee is the one that is initialed by you and by us.

____/____	New Franchisee: \$42,500
____/____	New Franchisee (Qualified Veterans Only): \$38,250
____/____	Existing Qualifying Franchisee: \$37,500
____/____	Existing Qualifying Franchisee (Qualified Veterans Only): \$33,750
____/____	Franchise Agreement signed pursuant to an obligation you have under an Area Development Agreement:
____/____	Transfer of an existing franchise or renewal of an existing franchise: No initial franchise fee.

PERSONAL GUARANTY AND AGREEMENT TO BE
BOUND PERSONALLY BY THE TERMS AND
CONDITIONS OF THE FRANCHISE AGREEMENT

In consideration of the execution of the Franchise Agreement (the "Agreement") between BASECAMP FITNESS FRANCHISOR LLC ("we" or "us") and _____ (the "Franchisee"), dated _____, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreement, to be paid, kept and performed by the Franchisee, including without limitation the dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of the Agreement.

The undersigned waive (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; and (4) notice of any changes permitted by the terms of the Agreement or agreed to by the Franchisee.

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 the Franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; and (3) this Personal Guaranty will apply in all modifications to the Agreement of any nature agreed to by Franchisee with or without the undersigned receiving notice thereof.

[Signature page follows]

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of our successors and assigns.

FRANCHISEE: _____

PERSONAL GUARANTORS:

Individually			Individually		
Print Name			Print Name		
Address			Address		
City	State	Zip Code	City	State	Zip Code
Telephone			Telephone		

GENERAL RELEASE

In consideration of the agreement of BASECAMP FITNESS FRANCHISOR LLC (“Franchisor”) to allow (“Franchisee”) to [RENEW OR TRANSFER] its Franchise Agreement dated _____ between Franchisee and Franchisor (“Agreement”), Franchisee hereby releases and forever discharges Franchisor, and its affiliates, as well as their current or former members, directors, officers, employees and agents, in their corporate and individual capacities, and their respective heirs, personal representatives, successors and assigns, from any and all claims Franchisee may have against such parties known and unknown, foreseen and unforeseen, from the beginning of time to the date hereof, whether in law or in equity, including, but not limited to, any claims arising out of the offer or sale of any franchise to Franchisee, and any matters arising under the Agreement or under any other agreement between Franchisee and Franchisor or its affiliates.

The general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

[FOR TRANSFERS: Further, Franchisee acknowledges that transfer of the Agreement shall terminate Franchisee’s interest in the Agreement, but Franchisee will continue to be bound by all post-termination provisions of the Agreement, including but not limited to the obligations of confidentiality, and the covenant not to compete contained in the Agreement.***]***

[IN CALIFORNIA: The foregoing release is intended as a general release of all claims, demands, actions, causes of action, obligations, damages and liabilities of any kind or nature whatsoever that relate to the matters recited therein, and is intended to encompass all known and unknown, foreseen and unforeseen claims which the releasing party may have against any party being released. Section 1542 of the California Civil Code provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

You expressly waive the provisions of Section 1542 of the California Civil Code and expressly release each party to be released from all liability or claims arising out of any matters recited in the release.***]***

DATE: _____

STATE SPECIFIC ADDENDA TO FRANCHISE AGREEMENT (as applicable)

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Franchise Agreement, the following provisions shall supersede and apply to all Basecamp Fitness franchises offered and sold in the state of California:

This California Addendum is only applicable if you are a resident of California or if your business is located in California.

1. The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning termination and non-renewal of the Franchise Agreement and certain provisions of the Franchise Agreement relating to termination and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Franchise Agreement and your relationship with Franchisor, including the areas of termination and renewal of Franchisee's franchise. If the Franchise Agreement is inconsistent with the law, the law will control.

2. The Franchise Agreement requires Franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043)). To the extent required by such laws, Franchisee shall not be required to execute a general release.

3. The Franchise Agreement requires application of the laws and forum of Virginia. This provision may not be enforceable under California law.

4. 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.

5. The provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, United States Code, Section 101.

6. The Franchise Agreement contains a waiver of punitive damages and jury trial provision. These waivers may not be enforceable under California law.

7. The Franchise Agreement requires binding arbitration. The arbitration will occur at the office of the American Arbitration Association in Charlottesville, Virginia. You will bear all costs of arbitration if we secure any relief against you in the arbitration, or are successful in defending a claim you bring against us in the arbitration. 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.

8. Sections 22 (a) and (b) of the Agreement are deleted in their entirety and replaced with the following:

“[Intentionally Deleted]”

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

Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of Illinois:

1. 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.

2. Illinois law governs the Franchise Agreement.

3. Franchisee's rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. 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.

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

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

INDIANA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of Indiana:

This Indiana Addendum is only applicable if you are a resident of Indiana and your business will be located in Indiana.

1. Section 17.B of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

B. After Expiration, Termination or Transfer. You will not, directly or indirectly for a period of two (2) years after the transfer by you, or the expiration or termination of this Agreement, on your own account or as an employee, consultant, partner, officer, director, shareholder, lender, or joint venturer of any other person, firm, entity, partnership, corporation or company, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in offering interval training classes or high-intensity guided workouts, which is located within the Protected Territory.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Franchise Agreement, the following provisions shall supersede and apply to all Basecamp Fitness franchises sold to residents in the state of Maryland:

1. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we secured a surety bond in the amount of \$291,000 from Capitol Indemnity Corporation. A copy of the bond is on file at the Maryland Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, Maryland 21202.

2. Sections B and C of the Recitals to the Agreement are deleted in their entirety and replaced with the following:

“[Intentionally Deleted]”

3. Section 13.B.8 of the Franchise Agreement is revised to provide that, pursuant to COMAR 02.02.08.16L, the general release required as a condition to renewal, sale or consent to assignment/transfer, shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Section 14.A of the Franchise Agreement is revised to provide that termination upon bankruptcy might not be enforceable under the U.S. Bankruptcy Act, but Franchisor intends to enforce it to the extent enforceable.

5. Section 18.E of the Franchise Agreement is revised to include the following language:

Notwithstanding the provisions of this section, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

6. The representations made in the Franchise Agreement are not intended to nor should they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. The Franchise Agreement states that Virginia law generally applies. However, the conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Maryland Law, and we will comply with that law in Maryland.

8. Notwithstanding anything to the contrary in the Franchise Agreement, nothing will prevent the Franchisee from filing suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

9. Sections 22 (a) and (b) of the Agreement are deleted in their entirety and replaced with the following:

“[Intentionally Deleted]”

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

11. Each provision to this Addendum to the Franchise Agreement shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of Minnesota:

This Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

1. Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

2. Franchisor will comply with Minn. Stat. Section 80C.14, subds. 3, 4 and 5, which require, except in certain specified cases, that the Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

3. Section 3 is revised to include the following:

To the extent required by the Minnesota Franchise Act, Franchisor will protect your rights to use the trademarks, service marks, trade names, logos and other commercial symbols, or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding your use of the marks, provided you are using the Names and Marks in accordance with this Agreement.

4. Franchisor shall not require Franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

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

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of New York:

This New York Addendum is only applicable if you are a resident of New York or if your business will be located in New York.

1. Section 8.M of the Franchise Agreement is revised to include the following:

Revisions to the manual will not unduly affect your obligations, including economic requirements, under this Agreement.

2. Section 13.A of the Franchise Agreement is revised to include the following:

The Franchisor will not make an assignment except to an assignee who, in the Franchisor's good faith judgment, is willing and able to assume its obligations under the Agreement.

3. Section 15 of the Franchise Agreement is modified by the addition of the following at the end of such section:

In addition, the Franchisee shall have the right to terminate the Franchise Agreement to the extent allowed under applicable law.

4. Sections 18.E, 18.F, 18.G and 18.H of the Franchise Agreement are revised to include the following language:

Provided, however, that all rights arising under Franchisee's favor from the provisions of Article 33 of the GBL of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Section 687.4 and 687.5 be satisfied.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of North Dakota:

This North Dakota Addendum is only applicable if you are a resident of North Dakota or if your business will be located in North Dakota.

1. Sections 16.F and 18.A of the Franchise Agreement are amended to provide that the prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorneys' fees.

2. Section 16.F of the Franchise Agreement is modified to delete any requirement that franchisee consent to termination penalties or liquidated damages.

3. Section 17.B of the Franchise Agreement is amended by adding the following language at the end:

Covenants not to compete, such as those mentioned in this Section 17.B are generally considered unenforceable in the state of North Dakota.

4. Sections 18.F and 18.G of the Franchise Agreement are deleted in their entirety.

5. Section 18.E of the Franchise Agreement is modified to delete any requirement that franchisee consent to the jurisdiction of court located outside of North Dakota.

6. Section 20.D of the Franchise Agreement is amended to provide that the Franchise Agreement will be governed by the laws of the State of North Dakota.

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

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Franchise Agreement, the following provisions shall supersede and apply to all Basecamp Fitness franchises sold to residents in the state of Rhode Island:

This Rhode Island Addendum is only applicable if you are a resident of Rhode Island or if your business will be located in Rhode Island.

1. Section 18 and 20 of the Franchise Agreement is supplemented by the addition of the following:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.”

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Franchise Agreement, the following provisions shall supersede and apply to all Basecamp Fitness franchises sold to residents in the state of Virginia:

This Virginia Addendum is only applicable if you are a resident of Virginia or if your business will be located in Virginia.

1. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by the Franchisor, franchise seller, or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
2. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.
3. Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.
4. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Virginia law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.
5. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee has initiated.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT
AND RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the

offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Acknowledgments.** Recital C and Sections 22 (a) and (b) of the Agreement are deleted in their entirety and replaced with the following: “[Intentionally Deleted]”
20. **Disavowal of Oral Representations.** Section 20.E of the Agreement shall be deleted in its entirety.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

EXHIBIT F

AREA DEVELOPMENT AGREEMENT, GUARANTY AND STATE SPECIFIC ADDENDA

AREA DEVELOPMENT AGREEMENT

BASECAMP FITNESS FRANCHISOR LLC

126 Garrett St, Suite J
Charlottesville, VA 22902
Telephone: (877) 827-8074
www.basecampfitness.com

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BASECAMP FITNESS AREA DEVELOPMENT AGREEMENT

This Area Development Agreement is made as of the Effective Date set forth in the Rider attached to this Agreement (the “Rider”) between BASECAMP FITNESS FRANCHISOR LLC, a Delaware limited liability company (“we” or “us”), and the Developer named in the Rider (“you”).

RECITALS:

A. We and our predecessors have developed certain policies, procedures and techniques for the operation of boutique interval training fitness studios under the “Basecamp” and “Basecamp Fitness” service marks and related trademarks and service marks, that offer short, high intensity guided workouts combining strength, cardio and core training in a fast-paced, high-energy environment. In addition to the “Basecamp” and “Basecamp Fitness” marks, we may in the future adopt, use and license additional or substitute trademarks, service marks, logos and commercial symbols in connection with the operation of Basecamp Fitness studios (collectively, the “Marks”). We grant franchises to qualified candidates for the operation of Basecamp Fitness studios. These studios use our policies, methods, procedures, standards, specifications and the Marks, all of which we may improve, further develop or otherwise modify from time to time (all of which are collectively referred to as the “System”).

B. You acknowledge that the Basecamp Fitness concept is a relatively new concept that continues to evolve. As such, the methods of operation for a Basecamp Fitness studio continue to be created and refined. These businesses and the System will evolve over time, and such evolution will likely result in changes to the System, some of which may require additional investment by you.

C. You acknowledge that you have had an adequate opportunity to be thoroughly advised of the provisions of this Agreement and the form of Franchise Agreement we currently use to grant rights to operate studios, have had sufficient time and opportunity to evaluate and investigate the System and the procedures and financial requirements associated with the System, as well as the competitive market in which it operates, and have sufficient knowledge and experience in the type of business offered hereunder and are capable of evaluating the merits and risks of the franchise investment.

D. You are entering into this Agreement because you want to develop and operate multiple Basecamp Fitness studios that use the Marks and the System. You recognize that while you will have certain limited rights to transfer your interest in this Agreement, and in the studios you develop, we are entering into this Agreement with you based on your representation that you intend to personally develop all of the studios described in this Agreement, and not with a view to reselling your right to open these studios.

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

1. Grant of Development Rights. The following provisions control with respect to the rights granted hereunder:

A. We grant to you, under the terms and conditions of this Agreement, the right to develop and operate the number of fitness studios identified in the Rider (the “Basecamp Studios”), using the Marks, operating within the nonexclusive area described in the Rider (the “Development Territory”).

B. You agree to be bound by the “Development Schedule” in the Rider. Time is of the essence for the development and operation of each Basecamp Studio in accordance with the Development Schedule.

Each Basecamp Studio must be developed and operated by you pursuant to a separate Franchise Agreement that you enter into with us.

C. Unless otherwise indicated in the Rider and except as set forth in Section D below, if you are in compliance with the Development Schedule set forth in the Rider, we will not develop or operate or grant anyone else a franchise to develop and operate a Basecamp Studio from any location in the Development Territory prior to the earlier of (i) the expiration or termination of this Agreement; (ii) the date on which your last Basecamp Studio must be open pursuant to the terms of the Development Schedule; or (iii) the date on which the Protected Territory for your final Basecamp Studio is determined; except that if the Development Territory covers more than one city, county or designated market area, the protection for each particular city, county or designated market area will expire upon the earliest of (1) any of the foregoing events or (2) the date when the Protected Territory for your final Basecamp Studio to be developed in such city, county or designated market area under this Agreement is determined. Notwithstanding anything in this Agreement, upon the earliest occurrence of any of the foregoing events (i) the Development Territory will expire and (ii) we will be entitled to develop and operate, or to franchise others to develop and operate, Basecamp Studios from locations in the Development Territory, except as may be otherwise provided under any Franchise Agreement that has been signed between us and you and that has not been terminated.

D. You acknowledge and agree that (i) we and our affiliates have the right to grant other franchises or operate company or affiliate owned fitness studios/businesses (including Basecamp Studios) at locations outside the Development Territory even if they compete with your Basecamp Studios for customers or members; (ii) we and our affiliates have the right to grant other franchises or licenses and to operate company or affiliate-owned fitness studios/businesses (including Basecamp Studios) within private establishments located within the Development Territory, provided that access to those centers is limited to employees of the business, or transient guests of the business, in either case who would not have any reciprocity with any other Basecamp Studio as a result of their use or membership in this private studio; and (iii) we and our affiliates have the right to operate, and to grant franchises or licenses to others to operate fitness studios/businesses, or any other business within and outside the Development Territory under trademarks other than the Marks, all without compensation to you.

2. Development Fee. You must pay us a Development Fee in the amount set forth in the Rider. This fee is nonrefundable and is payable in full when you sign this Agreement and is fully earned by us at that time. However, you will not be required to pay an Initial Franchise Fee for any of the Basecamp Studios you develop under this Agreement.

A. You will sign the Franchise Agreement for your first Basecamp Studio concurrently with this Agreement. A separate Franchise Agreement must be signed, on our then-current form, for each such Basecamp Studio. Upon the execution of each Franchise Agreement, the terms and conditions of that Franchise Agreement control the establishment and operation of such Basecamp Studio.

B. The Development Fee is consideration for this Agreement and not consideration for any Franchise Agreement.

3. Development Schedule. The following provisions control with respect to your development rights and obligations:

A. You must comply with the Development Schedule requirements regarding: (i) the date of execution of the Franchise Agreements and site approval requests; (ii) the opening date for each Basecamp Studio; and (iii) the cumulative number of Basecamp Studios to be open and continuously operating for business in the Development Territory. You represent that you have conducted your own independent

investigation and analysis of the prospects for the establishment of Basecamp Fitness studios within the Development Territory, approve of the Development Schedule as being reasonable, viable, and essential to the potential success of your business and recognize that failure to sign a Franchise Agreement, obtain a site approval, open a Basecamp Studio or have a cumulative number of Basecamp Fitness Studios open and operating, according to the applicable dates set forth in the Development Schedule, gives us the right, in our sole discretion, to immediately terminate this Agreement pursuant to Section 5.

B. You may not open a Basecamp Studio under this Agreement unless you have notified us of your intention to develop the Basecamp Studio at least thirty (30) days prior to the date set forth in the Development Schedule and meet each of the following conditions (these conditions apply to each Basecamp Studio to be developed in the Development Territory):

1. Good Standing. You must not be in default of this Agreement, any Franchise Agreement entered into pursuant to this Agreement or any other agreement between you or any of your affiliates and us or any of our affiliates. You also must have satisfied on a timely basis all monetary and material obligations under the Franchise Agreements for all existing Basecamp Fitness studios.

2. Execution of Franchise Agreement. You and we have entered into our then-current form of Franchise Agreement and such other agreements that we require for the grant of Basecamp Fitness studio franchises for the proposed Basecamp Studio. You understand that we may modify the then-current form of Franchise Agreement from time to time and that it may be different than the current form of Franchise Agreement, including different fees and obligations; provided, however, that you will not be required to pay any initial franchise fee under any of those Franchise Agreements. You understand and agree that any and all Franchise Agreements will be construed and exist independently of this Agreement. The continued existence of each Franchise Agreement will be determined by the terms and conditions of such Franchise Agreement. Except as specifically set forth in this Agreement, the establishment and operation of each Basecamp Fitness studio must be in accordance with the terms of the applicable Franchise Agreement.

4. Term. Unless sooner terminated in accordance with Section 5 of this Agreement, the term of this Agreement and all rights granted to you will expire on the date that you sign the Franchise Agreement for the last Basecamp Studio that is scheduled to be opened under the Development Schedule.

5. Default and Termination. You will be deemed in default under this Agreement if you breach any of the terms of this Agreement or if you or any affiliate of yours breaches any of the terms of any Franchise Agreement or any other agreement that you or your affiliates have with us or our affiliates. For purposes of this Agreement, an “affiliate” of any person will be any person or entity that controls that person, is under the control of that person, or is under common control with that person.

All rights granted in this Agreement immediately terminate upon written notice without opportunity to cure if: (i) you become insolvent, commit any affirmative action of insolvency or file any action or petition of insolvency; (ii) a receiver (permanent or temporary) of your property is appointed by a court of competent authority; (iii) you make a general assignment or other similar arrangement for the benefit of your creditors; (iv) a final judgment against you remains unsatisfied of record for thirty (30) days or longer; (v) execution is levied against your business or property, or the business or property of any of your affiliates that have entered into Franchise Agreements with us; (vi) a suit to foreclose any lien or mortgage against premises or equipment is instituted against you and not dismissed within thirty (30) days, or is not in the process of being dismissed; (vii) you fail to timely meet any of your obligations set forth in the Development Schedule or you fail to comply with our requirements for securing real estate for any Basecamp Fitness Studio; (viii) you or any of your affiliates open any Basecamp Fitness Studio before that person or entity

has signed a Franchise Agreement with us for that studio in the form we provide; (ix) you fail to comply with any other provision of this Agreement, or your or any of your affiliates fail to comply with any other agreement you or they have with us or our affiliates and do not correct the failure within thirty (30) days after written notice of that failure is delivered to the breaching party (except that if the failure to comply is the third failure to comply with any provision of any agreement that you or any of your affiliates have with us or an affiliate of ours within any twelve (12) consecutive month period, then we need not provide any opportunity to cure the default); or (x) we have delivered to you or any of your affiliates a notice of termination of a Franchise Agreement in accordance with its terms and conditions.

6. Rights and Duties of Parties Upon Termination or Expiration. Upon termination or expiration of this Agreement, all rights granted to you under this Agreement will automatically terminate, and:

A. All remaining rights granted to you to develop Basecamp Fitness Studios under this Agreement will automatically be revoked and will be null and void and shall revert to us. You will not be entitled to any refund of any fees.

B. You and your affiliates must within five (5) business days of the termination or expiration pay all sums owing to us and our affiliates. In addition, you agree to pay as fair and reasonable liquidated damages (but not as a penalty) an amount equal to Ten Thousand Dollars (\$10,000) for each undeveloped Basecamp Studio. You agree that this amount is in addition to the Development Fee paid under this Agreement, and is for lost revenues from Royalty Fees (as defined in the Franchise Agreement) and other amounts payable to us, including the fact that you were holding the development rights for those Basecamp Studios and precluding the development of certain Basecamp Fitness studios in the Development Territory, and that it would be difficult to calculate with certainty the amount of damage we will incur. Notwithstanding your agreement, if a court determines that this liquidated damages payment is unenforceable, then we may pursue all other available remedies, including consequential damages.

7. Ownership/Transfer. The following provisions govern any transfer:

A. You represent and warrant that the information contained in the Statement of Ownership and Management attached hereto is true and correct as of the Effective Date. You shall immediately notify us of any change in any of the information in the Statement of Ownership and Management last submitted to us. Further, upon our request you shall provide us with an updated Statement of Ownership and Management. Each of your owners as of the Effective Date and thereafter, must sign our then-current Guaranty at the time such individual becomes your owner.

B. We have the right to transfer all or any part of our rights or obligations under this Agreement to any person or legal entity. Upon any transfer of this Agreement by us or any of our legal rights and obligations hereunder, we will be released from all such obligations and liabilities arising or accruing in connection with this Agreement after the date of such transfer.

C. This Agreement is entered into by us with specific reliance upon your personal experience, skills and managerial and financial qualifications. Consequently, this Agreement, and your rights and obligations under it, are and will remain personal to you. You may only Transfer your rights and interests under this Agreement if you obtain our prior written consent as set forth below.

1. As used in this Agreement, the term "Transfer" means any sale, assignment, lease, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations

arising under it, or of any material portion of your assets, or of any interest in you or control of the business franchised hereunder. You acknowledge that these provisions prohibit you from subfranchising or sublicensing any right you have under any agreement with us, and that your intent in entering into this Agreement is that you (and not any licensee or transferee) will be opening and operating the Basecamp Studios to be developed under this Agreement. You shall not in any event have the right to pledge, encumber, charge, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever without our express prior written consent, which consent may be withheld for any reason whatsoever in our sole and absolute judgment.

2. In the event of a proposed Transfer by you we will not unreasonably withhold our consent to the Transfer so long as the conditions set forth below, as well as any other conditions we may impose, are all satisfied:

- (a) The transferee meets our then current standards for the issuance of development rights, including satisfying any requirements imposed by applicable law, be of good moral character and reputation and shall have a good credit rating, financial capabilities and competent business qualifications reasonably acceptable to us. You shall provide us with the information we may reasonably require to make a determination concerning a proposed transferee;
- (b) The transferee, including all shareholders, members and partners of the transferee, shall jointly and severally execute a new area development agreement with us on terms that are reasonably acceptable to us;
- (c) If the transferee is a corporation, limited liability company or partnership, each stock or membership certificate, or the partnership agreement, shall have conspicuously endorsed upon it a statement that it is held subject to, and further Transfer of any interest therein is subject to, all restrictions imposed upon Transfer by this Agreement;
- (d) If the transferee is a corporation, partnership, or limited liability company, no new voting interest in the transferee shall be issued to any person or entity without obtaining our prior written consent;
- (e) You shall have fully paid and satisfied all of your obligations to us and our affiliates, including any under any Franchise Agreements for the operation of Basecamp Fitness studios; provided, however, you shall not be required to pay to us a transfer fee unless you are not transferring Franchise Agreements at that time because you have not opened any Basecamp Fitness studios, then you will pay a \$7,500 transfer fee at the time of your transfer approval request;
- (f) You shall have executed an agreement in form satisfactory to us in which you agree to: (i) release any claims you have against us and our affiliates; (ii) subordinate any claims you may have against the transferee to any amounts owed by the transferee to us; (iii) comply with the post-term obligations referenced in this Agreement, including the non-competition and confidentiality provisions; and (iv) indemnify us against all claims brought against us by the transferee for a period of three (3) years following the transfer;

- (g) If the transferee is a corporation, limited liability company or partnership, all the shareholders, members, or partners of the transferee shall enter into a written agreement, in a form satisfactory to us, jointly and severally guaranteeing the full payment and performance of the transferee's obligations to us and agreeing to be personally bound by all covenants and restrictions imposed upon the transferee under the terms of this Agreement; and
- (h) Contemporaneous with the Transfer hereunder you shall have transferred to the transferee all of the Franchise Agreements under which you or any affiliate are operating Basecamp Fitness studios, and you must comply with all of the conditions for transferring each of those agreements, including the requirement to pay a transfer fee in connection with the transfer of each of those agreements.

D. You consent to us releasing to any proposed transferee any information we may have concerning the development business or any Basecamp Fitness studio.

E. Notwithstanding anything set forth herein, you may not Transfer a portion of your rights or obligations hereunder, if such Transfer would result in the division of the development business operated hereunder.

8. Acknowledgments. To induce us to execute this Agreement, you represent and warrant to us as follows:

A. You recognize and acknowledge the importance of maintaining our standards for service, and further recognize and acknowledge the importance of following the System with respect to the development and operation of Basecamp Fitness studios.

B. You have the entire control and direction of the Basecamp Fitness studios to be opened and operated by you, subject only to the conditions and covenants established by the Franchise Agreements for those studios. You acknowledge that the businesses to be operated under those Franchise Agreements involve business risks, and that your success shall be largely determined by your own skill and efforts as an independent business person.

C. You acknowledge that the Basecamp Fitness concept is a relatively new concept that continues to evolve. As such, the methods of operation for a Basecamp Fitness studio continue to be created and refined. You acknowledge that such businesses as well as the System will evolve over time, and that such evolution will likely result in numerous changes to the System, some of which may require additional investment by you. You have been advised to consult with your own advisors with respect to the legal, financial and other aspects of this Agreement and the Franchise Agreement and you have had the opportunity to consult with such advisors and also have had the opportunity to independently investigate the opportunities offered under all such agreements.

D. You have entered into this Agreement after making an independent investigation of our operations and history and not upon any representation as to profits which you might be expected to realize and that no one has made any representation to induce you to accept the franchise granted hereunder and to execute this Agreement, except as may be set forth in the Franchise Disclosure Document you acknowledge receiving at least fourteen (14) days prior to the date you paid us or any affiliate any money or executed any agreement with us or any affiliate.

9. Miscellaneous. You acknowledge that other Basecamp Fitness franchisees/area developers have or will be granted franchises or area development rights at different times and in different situations, and further acknowledge that the provisions of such agreements may vary substantially from those contained in this Agreement. You shall not complain on account of any variation from standard specifications and practices granted to any other franchisee/area developer and shall not be entitled to require us to grant to you a like or similar variation thereof. The provisions set forth in the Franchise Agreement for your first Basecamp Studio containing any covenants not to compete, enforcement provisions, notice provisions, and sections referenced as “Miscellaneous” or “Acknowledgments” are hereby incorporated into this Agreement by reference and shall be applicable to this Agreement until such time as you sign a subsequent Franchise Agreement, at which time the provisions of the new agreement relating to covenants not to compete, enforcement, notice, and all sections referenced as “Miscellaneous” or “Acknowledgments” shall be incorporated into this Agreement by reference in place of the previous provisions. Likewise, if you or any affiliate later sign yet another Franchise Agreement, at all times, the provisions contained in the last Franchise Agreement you or such affiliate sign with us, which relate to covenants not to compete, enforcement, and notice, and all sections referenced as “Miscellaneous” or “Acknowledgments,” are hereby incorporated into this Agreement by reference in place of the previous provisions. This Agreement and all related agreements executed simultaneously with this Agreement constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between you and us on the matters contained in this Agreement; but nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you. We may designate another party to perform, or delegate to another party the performance of, our duties and obligations under this Agreement or authorize that party to act on our behalf. Any provisions of this Agreement which, by their nature, may or are to be performed following expiration or termination of this Agreement, shall survive such termination or expiration. You must indemnify us in any action, suit, proceeding, demand, investigation, or inquiry (formal or informal) wherein our liability is alleged or in which we are named as a party as a result of activities by you which are not in accordance with this Agreement, with our policies, or with any law, rule, regulation, or custom governing your business that is conducted pursuant to this Agreement. If such an action or a claim is made against us, you shall indemnify and hold us harmless from all costs reasonably incurred by us in the defense of any such claim brought against us or in any action, suit, proceeding, demand, investigation, or inquiry (formal or informal) in which we are named as a party including, without limitation, reasonable attorneys’ fees, costs of investigation or proof of facts, court costs, other litigation expenses, and travel and living expenses, and from all amounts paid or incurred by us arising out of such claim or action (collectively, the “Costs”). We may defend any claim made against us. Such an undertaking by us shall, in no way, diminish your obligation to indemnify us and hold us harmless. We are not required or obligated to seek recovery from third parties or otherwise mitigate our losses in order to maintain a claim against you. The above Recitals are made a part of this Agreement.

[THIS AGREEMENT CONTINUES WITH A RIDER,
WHICH IS A PART OF THIS AGREEMENT]

AREA DEVELOPMENT AGREEMENT RIDER

1. Effective Date: _____, 20____
2. Developer:
3. Development Territory:

If this Development Territory references one or more sites yet to be determined, then we reserve the right to develop and operate a Basecamp Studio in and around the above-described city, county or area, and to sell franchises and grant territories to others (including through area development agreements) who will operate Basecamp Studios in and around the above-described city, county or area. You may then be required to choose a final location for your Basecamp Studio outside of any protected territory given to us or to any other franchisee or area developer, which final location may be outside of the county, city or area identified above. Should this happen, you would have to obtain our review and approval for a new Development Territory, and location for your Basecamp Studio.

4. Total Number of new Basecamp Studios to be opened and operated in the Development Territory:
5. Development Fee: \$
6. Development Schedule: You acknowledge and agree that a material provision of this Area Development Agreement is that the following number of Basecamp Studios must be opened and continuously operated by you in the Development Territory in accordance with the following Development Schedule:

Basecamp Fitness Studio Number	Date by Which the Basecamp Fitness Studio Must Be Opened and Operated by You in the Development Territory	Cumulative Number of Basecamp Fitness Studios to be Opened and Operated by You in the Development Territory as of the Date in Preceding Column

You acknowledge and agree that in no event will any new Basecamp Fitness studio developed outside of the Development Territory be added towards the calculation to determine whether you have satisfied any Cumulative Number as required above. You may not close any Basecamp Studio without our prior written consent, which we may withhold in our sole discretion.

IN WITNESS WHEREOF, we and you have signed this Agreement as of the Effective Date set forth above.

BASECAMP FITNESS FRANCHISOR LLC

DEVELOPER:
[INSERT LEGAL NAME OF DEVELOPER]

By: _____
Its: _____

By: _____
Its: _____

PERSONAL GUARANTY AND AGREEMENT TO BE BOUND
PERSONALLY BY THE TERMS AND CONDITIONS
OF THE AREA DEVELOPMENT AGREEMENT

In consideration of the execution of the Area Development Agreement (the "Agreement") between BASECAMP FITNESS FRANCHISOR LLC ("we" or "us" or "our") and **[INSERT LEGAL NAME OF DEVELOPER]** (the "Developer"), dated _____, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreement, to be paid, kept and performed by the Developer, including without limitation the dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed an Area Development Agreement containing the identical terms and conditions of the Agreement.

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 Developer or any other person as a condition of liability; and (4) notice of any changes permitted by the terms of the Agreement or agreed to by the Developer.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will be joint and several and will not be contingent or conditioned upon our pursuit of any remedies against the Developer or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Developer's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; and (3) this Personal Guaranty will apply in all modifications to the Agreement of any nature agreed to by Developer with or without the undersigned receiving notice thereof.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of our successors and assigns.

DEVELOPER: **[INSERT LEGAL NAME OF DEVELOPER]**

PERSONAL GUARANTORS:

- Individually

Print Name

Address

City State Zip Code

Telephone

STATEMENT OF OWNERSHIP AND MANAGEMENT

The undersigned (“Developer”) represents and warrants to Basecamp Fitness Franchisor LLC (“Franchisor”) that as of the date set forth below all of the information below is true and complete:

Developer’s Director(s): _____

Ownership <i>(Each owner must sign a Guaranty)</i>		
NAME OF OWNER	NO. OF SHARES/UNITS OWNED	OWNERSHIP PERCENTAGE
		%
		%
		%
		%

Management <i>(List each individual holding a position as board-member or officer)</i>	
NAME OF INDIVIDUAL	ROLE/TITLE

Developer acknowledges that this Statement of Ownership and Management applies to the Basecamp Fitness Area Development Agreement. Developer shall immediately notify Franchisor upon any change in the information contained in this Statement of Ownership and Management, and upon request of Franchisor, complete an updated or new Statement of Ownership and Management and Guaranty executed by all owners of Developer.

DEVELOPER:
[INSERT LEGAL NAME OF DEVELOPER]

Date: _____

By: _____
Name: _____
Title: _____

CALIFORNIA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Area Development Agreement, the following provisions shall supersede and apply to all Basecamp Fitness franchises offered and sold in the state of California:

This California Addendum is only applicable if you are a resident of California or if your business will be located in California.

1. The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning termination, transfer and non-renewal of the Area Development Agreement and certain provisions of the Area Development Agreement relating to termination, transfer and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Area Development Agreement and your relationship with Franchisor, including the areas of termination and renewal of Franchisee's franchise. If the Area Development Agreement is inconsistent with the law, the law will control.

2. The Area Development Agreement requires application of the laws and forum of Minnesota. This provision may not be enforceable under California law.

3. The provision in the Area Development Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, United States Code, Section 101.

4. The Area Development Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

5. The Area Development Agreement contains a liquidated damages clause. Under California Civil Code section 1671, certain liquidated damages clauses are unenforceable.

6. The Area Development Agreement requires binding arbitration. The arbitration will occur at the office of the American Arbitration Association in Minneapolis, Minnesota. You will bear all costs of arbitration if we secure any relief against you in the arbitration, or are successful in defending a claim you bring against us in the arbitration. 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.

7. Section 8 of the Area Development Agreement is deleted in its entirety and replaced with the following:

“[Intentionally Deleted]”

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

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

ILLINOIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of Illinois:

1. 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.

2. Illinois law governs the Area Development Agreement.

3. Franchisee's rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. 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.

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

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

MARYLAND ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Area Development Agreement, the following provisions shall supersede and apply to all Basecamp Fitness franchises sold to residents in the state of Maryland:

1. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we secured a surety bond in the amount of \$291,000 from Capitol Indemnity Corporation. A copy of the bond is on file at the Maryland Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, Maryland 21202.

2. Sections B and C of the Recitals to the Area Development Agreement are hereby deleted in their entirety and replaced with the following:

“[Intentionally Deleted]”

3. Section 5 of the Area Development Agreement is revised to provide that termination upon bankruptcy might not be enforceable under the U.S. Bankruptcy Act, but Franchisor intends to enforce it to the extent enforceable.

4. Section 9 of the Area Development Agreement is revised to include the following language:

Notwithstanding the standing provisions of this section, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

5. The representations made in the Area Development Agreement are not intended to nor should they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. Section 7 of the Area Development Agreement is revised to provide that, pursuant to COMAR 02.02.08.16L, the general release required as a condition to renewal, sale or consent to assignment/transfer, shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

7. The Area Development Agreement states that Minnesota law generally applies. However, the conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Maryland law, and we will comply with that law in Maryland.

8. Notwithstanding anything to the contrary in the Area Development Agreement, nothing will prevent the Franchisee from filing suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

9. Section 8 of the Area Development Agreement is deleted in its entirety and replaced with the following:

“[Intentionally Deleted]”

10. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any

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

11. Each provision to this Addendum to the Area Development Agreement shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

MINNESOTA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of Minnesota:

This Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

1. Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

2. Franchisor will comply with Minn. Stat. Section 80C.14, subds. 3, 4 and 5, which require, except in certain specified cases, that the Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Area Development Agreement.

3. Franchisor shall not require Franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

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

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

NEW YORK ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of New York:

This New York Addendum is only applicable if you are a resident of New York or if your business will be located in New York.

1. Section 5 of the Area Development Agreement is revised to include the following:

In addition, Franchisee shall have the right to terminate the Area Development Agreement to the extent allowed under applicable law.

2. Section 7 of the Area Development Agreement is revised to include the following:

Franchisor will not make an assignment except to an assignee who, in Franchisor's good faith judgment, is willing and able to assume its obligations under the Agreement.

3. Section 9 of the Area Development Agreement is revised to include the following:

Provided, however, that all rights arising under Franchisee's favor from the provisions of Article 33 of the GBL of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Section 687.4 and 687.5 be satisfied.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

NORTH DAKOTA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of North Dakota:

This North Dakota Addendum is only applicable if you are a resident of North Dakota or if your business will be located in North Dakota.

1. Section 6.B of the Area Development Agreement is amended to provide that the prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorneys' fees.

2. Section 6.B of the Area Development Agreement is modified to delete any requirement that franchisee consent to termination penalties or liquidated damages.

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

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

VIRGINIA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Basecamp Fitness Franchisor LLC Area Development Agreement, the following provisions shall supersede and apply to all Basecamp Fitness franchises sold to residents in the state of Virginia:

This Virginia Addendum is only applicable if you are a resident of Virginia or if your business will be located in Virginia.

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

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

By: _____
Its: _____
Date: _____

Franchisee:

By: _____
Its: _____
Date: _____

WASHINGTON ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT AND RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgment.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.
19. **Acknowledgments.** Recital C and Section 8 “Acknowledgments” of the Area Development Agreement are deleted in their entirety and replaced with the following: “[Intentionally Deleted]”
20. **Disavowal of Oral Representations.** Section 9 of the Area Development Agreement shall be deleted in its entirety to the extent it requires Franchisee to disclaim reliance on any statement made by Franchisor, franchise seller, or other person acting on behalf of Franchisor.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
BASECAMP FITNESS FRANCHISOR LLC

Franchisee:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

EXHIBIT G

**STATE SPECIFIC ADDENDA TO
FRANCHISE DISCLOSURE DOCUMENT**

STATE SPECIFIC ADDENDUM
AS
REQUIRED BY
THE CALIFORNIA FRANCHISE INVESTMENT LAW

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

Notwithstanding anything to the contrary in the Basecamp Fitness Franchisor LLC Franchise Disclosure Document, the following provisions shall supersede and apply to all Basecamp Fitness franchises offered and sold in the state of California:

This California Addendum is only applicable if you are a resident of California or if your business will be located in California.

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

2. 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.

3. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

4. Franchisees must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk if your franchise fails.

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

6. Item 3 of the Franchise Disclosure Document is supplemented by the additional paragraph.

“Neither Basecamp Fitness nor any person described in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq. suspending or expelling such persons from membership in such association or exchange.”

7. Item 17 of the FDD is amended by the insertion of the following:

“The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning termination and

non-renewal of the Franchise Agreement and certain provisions of the Franchise Agreement relating to termination and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Franchise Agreement and your relationship with us, including the areas of termination and renewal of your franchise. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).”

8. The Franchise Agreement and Area Development Agreement require application of the laws and forum of Virginia. This provision may not be enforceable under California law.

9. The Franchise Agreement and Area Development Agreement require binding arbitration. The arbitration will occur at the office of the American Arbitration Association located nearest Basecamp Fitness Franchisor LLC’s principal offices (currently, Charlottesville, VA). You will bear all costs of arbitration if we secure any relief against you in the arbitration, or are successful in defending a claim you bring against us in the arbitration. 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.

10. California [Civil Code Section 1671] has statutes which restrict or prohibit the imposition of liquidated damage provisions.

11. The maximum interest rate to be charged in California is 10%.

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

STATE SPECIFIC ADDENDUM
AS
REQUIRED BY
THE HAWAII FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary in the Basecamp Fitness Franchisor LLC Franchise Disclosure Document, the following provisions shall supersede and apply to all Basecamp Fitness franchises offered and sold in the state of Hawaii:

This Hawaii Addendum is only applicable if you are a resident of Hawaii or if your business will be located in Hawaii.

1. Basecamp Fitness Franchisor LLC's Franchise Disclosure Document is currently registered in California, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, South Dakota, Virginia, Washington, and Wisconsin.
2. The states in which Basecamp Fitness Franchisor LLC's Franchise Disclosure Document is or will be shortly on file: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.
3. No state has refused, by order or otherwise, to register the Basecamp Fitness franchise.
4. No state has revoked or suspended the right to offer Basecamp Fitness franchises.
5. Basecamp Fitness Franchisor LLC has not withdrawn the proposed registration of the Franchise Disclosure Document in any state.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The Franchisor's registered agent in the state authorized to receive service of process is:

Commissioner of Securities of Department of Commerce and Consumer Affairs
335 Merchant Street
Honolulu, Hawaii 96813

No release language set forth in the Franchise Agreement shall relieve the franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

Based upon the Franchisor's financial condition, the Hawaii Director of Commerce and Consumer Affairs has required the deferral of all initial fees to be paid to the Franchisor until the Franchisor's pre-opening obligations to the franchisee have been fulfilled.

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

STATE SPECIFIC ADDENDUM
AS
REQUIRED BY
THE ILLINOIS FRANCHISE DISCLOSURE ACT OF 1987

Notwithstanding anything to the contrary in the Basecamp Fitness Franchisor LLC Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of Illinois:

1. Illinois law governs the Agreements.
2. Your rights upon Termination and Non-Renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
3. 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.
4. 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.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.
7. Each provision of this addendum to the FDD shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this addendum.

STATE SPECIFIC ADDENDUM
AS
REQUIRED BY
THE MARYLAND FRANCHISE REGISTRATION
AND DISCLOSURE LAW

Notwithstanding anything to the contrary in the Basecamp Fitness Franchisor LLC Franchise Disclosure Document, the following provisions shall supersede and apply to all Basecamp Fitness franchises sold to residents in the state of Maryland:

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

“Termination for bankruptcy filing may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).”

2. The following is added to the end of the “Summary” sections of Item 17(c), entitled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law. Exhibit E is our current form of release for renewals and transfers of franchises.

3. The following sentence is added to the end of the “Summary” section of Item 17(v), entitled “Choice of forum”:

However, subject to your arbitration obligation, you may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The following is added to the end of the “Summary” section of Item 17(w), entitled “Choice of Law”:

However, Maryland law applies to claims arising under the Maryland Franchise Registration and Disclosure Law. Any Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The following language is added to the end of the chart in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

6. Intentionally Omitted.

7. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended by the insertion of the following:

The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

8. The following two sentences are deleted from Item 19:

You should conduct an independent investigation of the costs and expenses you will incur in operating your Basecamp Fitness Studio. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information.

9. Exhibit I (Franchisee Questionnaire) to the Franchise Disclosure Document is revised to include the following language:

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

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

11. Each provision of this Addendum to the FDD shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

STATE SPECIFIC ADDENDUM
AS
REQUIRED BY
THE MINNESOTA FRANCHISE LAW

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE

Notwithstanding anything to the contrary in the Basecamp Fitness Franchisor LLC Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of Minnesota:

This Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

1. Minn. Stat. Section 80C.21 and Minn. Rule Part 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the FDD can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, form or remedies provided for by the laws of the jurisdiction.

2. We will comply with Minn. Stat. Section 80C.14, subds. 3, 4 and 5, which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement.

3. Any limitations of claims must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

4. Item 6 is revised to provide that checks returned for insufficient funds are governed by Minnesota Statutes, Section 604.113, which caps service charges at \$30.

5. Item 13 is revised to include the following language:

“To the extent required by the Minnesota Franchise Act, we will protect your rights to use the trademarks, service marks, trade names, logo types or other commercial symbols related to the trademarks or indemnify you from any loss, costs or expenses arising out of

any claim, suit or demand regarding the use of the trademarks, provided you are using the names and marks in accordance with the Franchise Agreement and Development Agreement.”

6. Item 17(c) and 17(m) are revised to provide that we cannot require you to sign a release of claims under the Minnesota Franchise Act as a condition to renewal or assignment.

7. We are prohibited from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

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

9. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Minnesota Statutes, Chapter 80C are met independently without reference to this Addendum.

STATE SPECIFIC ADDENDUM
AS
REQUIRED BY
THE STATE OF NEW YORK

Notwithstanding anything to the contrary in the Basecamp Fitness Franchisor LLC Franchise Disclosure Document the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of New York:

This New York Addendum is only applicable if you are a resident of New York or if your business will be located in New York.

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR 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 to be added at the end of Item 3:

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

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

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

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

conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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

3. The following is added to the first paragraph of Item 5:

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

4. 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.

5. The following language replaces the “Summary” section of Item 17(d), titled “Termination by You”:

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

6. 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.

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

8. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

STATE SPECIFIC ADDENDUM
AS
REQUIRED BY
THE NORTH DAKOTA FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary in the Basecamp Fitness Franchisor LLC Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of North Dakota:

This North Dakota Addendum is only applicable if you are a resident of North Dakota or if your business will be located in North Dakota.

1. The North Dakota Insurance Commissioner has determined that it is unfair and inequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to sign a general release upon renewal of the Franchise Agreement. Therefore, the requirement that the franchisee signs a release upon renewal of the Franchise Agreement is deleted from Item 17c. and from any other place it appears in the Disclosure Document or in the Franchise Agreement.

2. Item 17r. is revised to provide that covenants not to compete, such as those mentioned in Item 17r. of the Disclosure Document, are generally considered unenforceable in the state of North Dakota.

3. The North Dakota Insurance Commissioner has determined that it is unfair and inequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to consent to the jurisdiction of courts located outside of North Dakota. Therefore, any references in the Disclosure Document and in the Franchise Agreement are deleted and to any requirement that the franchisee consents to the jurisdiction of courts located outside of North Dakota are deleted.

4. Any references in the Disclosure Document and in the Franchise Agreement and to any requirement to consent to a waiver of exemplary and punitive damages are deleted.

5. Any references in the Disclosure Document and in the Franchise Agreement and to any requirement to consent to a waiver of trial by jury are deleted.

6. Any claims arising under the North Dakota franchise law will be governed by the laws of the State of North Dakota.

7. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorneys' fees.

8. Any references in the Disclosure Document and in the Franchise Agreement requiring franchisee to consent to termination penalties or liquidated damages are deleted.

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

STATE SPECIFIC ADDENDUM
AS
REQUIRED BY
THE RHODE ISLAND FRANCHISE INVESTMENT ACT

Notwithstanding anything to the contrary in the Basecamp Fitness Franchisor LLC Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of Rhode Island:

This Rhode Island Addendum is only applicable if you are a resident of Rhode Island or if your business will be located in Rhode Island.

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

STATE SPECIFIC ADDENDUM
AS
REQUIRED BY
THE VIRGINIA RETAIL FRANCHISING ACT

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

1. The following language is added to the end of the “Summary” section of Item 17 (e), entitled “Termination by franchise without cause”:

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

2. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Development Agreement/Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

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

4. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators

is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

STATE SPECIFIC ADDENDUM
AS
REQUIRED BY
THE WISCONSIN FAIR DEALERSHIP LAW

Notwithstanding anything to the contrary in the Basecamp Fitness Franchisor LLC Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Basecamp Fitness franchises offered and sold in the state of Wisconsin:

The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, non-renewal or substantial change in competitive circumstances of a dealership agreement without good cause. The law further provides that 90 days prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. The Disclosure Document, Franchise Agreement and Development Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provision of the Franchise Agreement or Development Agreement that are inconsistent with the law Wis.Stat.Ch.135, the Wisconsin Fair Dealership Law, § 32.06(3), Wis. Code.

EXHIBIT H

**ELECTRONIC FUNDS TRANSFER
AUTHORIZATION**

ELECTRONIC TRANSFER OF FUNDS AUTHORIZATION

Franchisee: _____

Location: _____

Date: _____

Attention: Accounting

The undersigned hereby has entered into a Franchise Agreement with Basecamp Fitness Franchisor LLC (the “Franchise Agreement”), and authorizes Basecamp Fitness Franchisor LLC or any of its affiliated entities (collectively, “Basecamp Entities”) to initiate one-time, weekly and/or monthly ACH debit and credit entries against the account of the undersigned with you in payment of amount for ongoing royalty fees, general advertising contributions, technology fees, and other amounts that become due and payable by the undersigned to Basecamp Entities pursuant to the Franchise Agreement or any other agreement between the undersigned and a Basecamp Entity. The dollar amount to be debited per payment and credited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit and credit entry initiated by the Basecamp Entities.

This authorization is binding, and will remain in full force and effect until ninety (90) days prior written notice has been given to you by the undersigned, subject to state law. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit and credit entries pursuant to this letter of authorization.

Please honor ACH debit and credit 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 and credit entries.

Sincerely yours,

Account Name

Bank Name

Customer Street Address

Branch

City State Zip Code

Bank Street Address

Customer Telephone Number

City State Zip Code

Customer’s Account Number

Bank Telephone Number

Bank’s Account Number

Bank Routing/ABA Number

EXHIBIT I

FRANCHISEE QUESTIONNAIRE



FRANCHISEE QUESTIONNAIRE – PROSPECTIVE FRANCHISEES

If you are a resident of the State of California or your franchise is located in California you are not required to sign this Questionnaire. If any California franchisee completes this Questionnaire, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Questionnaire.

Do not sign this Questionnaire if you are a resident of Hawaii, Maryland, or Washington or if the franchise is to be operated in Hawaii, Maryland, or Washington. If signed or otherwise completed, this Questionnaire will not apply to any Hawaii, Maryland, or Washington franchisee.

As you know, Basecamp Fitness Franchisor LLC (the “Franchisor”) and you are preparing to enter into a Franchise Agreement and/or Area Development Agreement for the operation of a franchised Basecamp® Fitness business (the “Franchise”). Please review each of the following questions carefully and provide honest responses to each question.

QUESTION	YES	NO
1. Have you received and personally reviewed the Franchise Disclosure Document provided to you?		
2. Did you sign a receipt (Item 23) for the Franchise Disclosure Document indicating the date you received it?		
3. Have you received and personally reviewed the Franchise Agreement and/or Area Development Agreement and each exhibit or schedule attached to it?		
4. Are you legally eligible to work or own a business in the United States and/or Canada, including the state or province in which the Franchise will be located?		
5. Has any employee or other person speaking on behalf of the Franchisor made any statement or representation regarding the actual, average or projected memberships, revenues, or profits that you, Franchisor, or any of our franchisees have achieved in operating the Franchise, other than what is contained in the Franchise Disclosure Document?		
6. Has any employee or other person speaking on behalf of the Franchisor made any promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance or any other material subject relating to the Franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document?		
7. Has any employee or other person speaking on behalf of the Franchisor made any other oral, written, visual or other promises, agreements, commitments, understandings, rights-of-first refusal or otherwise to you with respect to any matter, except as expressly set forth in the Franchise Agreement and/or Area Development Agreement or in an attached written Amendment signed by you and us?		
8. Are you legally eligible to travel to and attend New Franchisee Training at one of our designated training centers in the United States? If you answer “no”, please provide an explanation here: _____ _____		
9. Are you currently involved in any other businesses/franchises that may interfere with the non-compete obligations outlined in the Basecamp Fitness Franchise Agreement, or any other agreements you may have with other businesses/franchises? If yes, please describe the businesses/franchises here: _____ _____		

QUESTION	YES	NO
10. Are there any contingencies, prerequisites, or other reservations existing (excluding obtaining financing for equipment or build-out of your Basecamp Fitness Studio) that will affect your ability to sign or perform your obligations under the Franchise Agreement and/or Area Development Agreement?		
11. Have there been any changes in any of the information you have provided to us or our affiliates in connection with any application for the Franchise, or in any application, statement or report you have provided to us? If yes, please describe the changes here:		
12. Have you been proven to have engaged in fraudulent conduct, or been convicted of, or plead guilty or no contest to, a felony or misdemeanor involving dishonesty or fraudulent conduct, or do you have any such charges pending? If yes, please describe all relevant facts here:		
13. Have you, in the past 10 years, declared bankruptcy, or taken any action, or had any action taken against you, under any insolvency, bankruptcy, or reorganization act? If yes, please describe all relevant facts here:		
14. Have you brought, been named in, or been directly involved in any past or pending litigation or formal dispute resolution process? If yes, please describe all relevant facts here:		
15. Is there any information that might appear on a credit or criminal history report that you wish to disclose and/or address, knowing that failure to disclose such information may be considered grounds for denial of a franchise? If yes, please describe all relevant facts here:		

Please insert the date on which you received a copy of the Franchise Agreement with all material blanks fully completed: _____

Please insert the date on which you received a copy of the Area Development Agreement with all material blanks fully completed: _____

You understand that your answers are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully, completely and correctly to the above questions. No representations contained herein are intended to or will act as a release, estoppel or waiver of any liability incurred under any applicable franchise law.

All prospective franchisees applying please sign here:

FRANCHISE APPLICANT

FRANCHISE APPLICANT

FRANCHISE APPLICANT

FRANCHISE APPLICANT

DATE: _____



PRINT NAME: _____

5 Key Questions – New Franchisees

1. Why are you a good fit for Basecamp Fitness? Why will you be an exceptional franchisee?

2. Aside from operating your own club, how will you make the Basecamp Fitness brand and franchise system as a whole stronger?

3. Franchisees purposely give up some entrepreneurial freedom in exchange for joining an established system which provides ongoing education and support. You'll be tapping into a network of vendors, corporate staff and fellow franchisees, all of whom will allow you to flatten your learning curve and reduce your chances for error. Are you willing to trade some of your entrepreneurial freedom to work within this system?

4. What are you willing to sacrifice to run a successful business? What are you unwilling to sacrifice?

5. In your opinion, what are the differences of a successful franchisee vs. a non-successful franchisee? What characteristics does the successful owner have?

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. This questionnaire does not waive any liability the Franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

All prospective franchisees applying please sign here:

FRANCHISE APPLICANT

FRANCHISE APPLICANT

FRANCHISE APPLICANT

FRANCHISE APPLICANT

DATE: _____



FRANCHISEE QUESTIONNAIRE – EXISTING FRANCHISEES

If you are a resident of the State of California or your franchise is located in California you are not required to sign this Questionnaire. If any California franchisee completes this Questionnaire, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Questionnaire.

Do not sign this Questionnaire if you are a resident of Hawaii, Maryland, or Washington or if the franchise is to be operated in Hawaii, Maryland, or Washington. If signed or otherwise completed, this Questionnaire will not apply to any Hawaii, Maryland, or Washington franchisee.

As you know, Basecamp Fitness Franchisor LLC (the “Franchisor”) and you are preparing to enter into a Franchise Agreement and/or Area Development Agreement for the operation of a franchised Basecamp® Fitness business (the “Franchise”). Please review each of the following questions carefully and provide honest responses to each question.

QUESTION	YES	NO
1. Have you received and personally reviewed the Franchise Disclosure Document provided to you?		
2. Did you sign a receipt (Item 23) for the Franchise Disclosure Document indicating the date you received it?		
3. Have you received and personally reviewed the Franchise Agreement and/or Area Development Agreement and each exhibit or schedule attached to it?		
4. Are you legally eligible to work or own a business in the United States and/or Canada, including the state or province in which the Franchise will be located?		
5. Has any employee or other person speaking on behalf of the Franchisor made any statement or representation regarding the actual, average or projected memberships, revenues, or profits that you, Franchisor, or any of our franchisees have achieved in operating the Franchise, other than what is contained in the Franchise Disclosure Document?		
6. Has any employee or other person speaking on behalf of the Franchisor made any promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance or any other material subject relating to the Franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document?		
7. Has any employee or other person speaking on behalf of the Franchisor made any other oral, written, visual or other promises, agreements, commitments, understandings, rights-of-first refusal or otherwise to you with respect to any matter, except as expressly set forth in the Franchise Agreement and/or Area Development Agreement or in an attached written Amendment signed by you and us?		
8. Are there any contingencies, prerequisites, or other reservations existing (excluding obtaining financing for equipment or build-out of your Basecamp Fitness Studio) that will affect your ability to sign or perform your obligations under the Franchise Agreement and/or Area Development Agreement?		

Please insert the date on which you received a copy of the Franchise Agreement with all material blanks fully completed: _____

Please insert the date on which you received a copy of the Area Development Agreement with all material blanks fully completed:

You understand that your answers are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully, completely and correctly to the above questions. No representations contained herein are intended to or will act as a release, estoppel or waiver of any liability incurred under any applicable franchise law.

FRANCHISE APPLICANT

FRANCHISE APPLICANT

FRANCHISE APPLICANT

FRANCHISE APPLICANT

DATE: _____

State Effective Dates

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

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

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Not Registered
New York	Pending
North Dakota	Not Registered
Rhode Island	Pending
Not Registered	Not Registered
Virginia	Pending
Washington	Not Registered
Wisconsin	Not Registered

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

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Basecamp Fitness Franchisor 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.

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 Basecamp Fitness Franchisor 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, DC 20580, and the appropriate state agency identified on Exhibit A.

The franchisor is Basecamp Fitness Franchisor LLC, 126 Garret Rd Suite J, Charlottesville, VA 22902. Its telephone number is 866-956-4612.

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

Franchise Seller Name	Business Address	Telephone Number
	126 Garret Rd Suite J, Charlottesville, VA	(651) 438-5000

ISSUANCE DATE: [Insert Date]

Basecamp Fitness Franchisor LLC authorizes the respective parties identified on Exhibit A to receive service of process for us in the particular state, except in the State of Minnesota, where any of our officers are authorized to receive service of process on our behalf.

I have received a Disclosure Document with an Issuance Date of [Insert Date], that included the following Exhibits:

EXHIBIT A: LIST OF STATE AGENCIES AND AGENTS FOR
SERVICE OF PROCESS
EXHIBIT B: TABLE OF CONTENTS OF OPERATIONS MANUAL
EXHIBIT C: LIST OF OUTLETS
EXHIBIT D: FINANCIAL STATEMENTS
EXHIBIT E: FRANCHISE AGREEMENT, GUARANTY,
GENERAL RELEASE AND STATE SPECIFIC ADDENDA
EXHIBIT F: AREA DEVELOPMENT AGREEMENT, GUARANTY
AND STATE SPECIFIC ADDENDA

EXHIBIT G: STATE SPECIFIC ADDENDA TO FRANCHISE
DISCLOSURE DOCUMENT
EXHIBIT H: ELECTRONIC TRANSFER OF FUNDS
AUTHORIZATION
EXHIBIT I: FRANCHISEE QUESTIONNAIRE

Please indicate the date on which you received this Disclosure Document, and then sign and print your name below, indicate the date you sign this receipt, and promptly return one completed copy of the Receipt to Basecamp Fitness Franchisor LLC, at 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. The second copy of the Receipt is for your records.

Date Disclosure Document Received:

Prospective Franchisee's Signature

Date Receipt Signed:

Print Name

Address: _____

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Basecamp Fitness Franchisor 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.

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 Basecamp Fitness Franchisor 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, DC 20580, and the appropriate state agency identified on Exhibit A.

The franchisor is Basecamp Fitness Franchisor LLC, 126 Garret Rd Suite J, Charlottesville, VA 22902. Its telephone number is 866-956-4612.

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

Franchise Seller Name	Business Address	Telephone Number
	126 Garret Rd Suite J, Charlottesville, VA	(651) 438-5000

ISSUANCE DATE: [Insert Date]

Basecamp Fitness Franchisor LLC authorizes the respective parties identified on Exhibit A to receive service of process for us in the particular state, except in the State of Minnesota, where any of our officers are authorized to receive service of process on our behalf.

I have received a Disclosure Document with an Issuance Date of [Insert Date], that included the following Exhibits:

EXHIBIT A: LIST OF STATE AGENCIES AND AGENTS FOR
SERVICE OF PROCESS
EXHIBIT B: TABLE OF CONTENTS OF OPERATIONS MANUAL
EXHIBIT C: LIST OF OUTLETS
EXHIBIT D: FINANCIAL STATEMENTS
EXHIBIT E: FRANCHISE AGREEMENT, GUARANTY,
GENERAL RELEASE AND STATE SPECIFIC ADDENDA
EXHIBIT F: AREA DEVELOPMENT AGREEMENT, GUARANTY
AND STATE SPECIFIC ADDENDA

EXHIBIT G: STATE SPECIFIC ADDENDA TO FRANCHISE
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