FRANCHISE DISCLOSURE DOCUMENT

Kline Franchising, LLC
a North Carolina limited liability company
17036 Kenton Dr., Suite 100
Cornelius, North Carolina 28031
Phone: 1-833-289-2876
Franchisedevelopment@burnbootcamp.com
www.BurnBootCamp.com

The franchise offered is for the operation of a fitness boot camp under the Burn Boot Camp® mark and system specializing in focused fitness programs that are complemented by nutritional and goal setting assistance, as well as the Burn App, which is an interactive virtual application to help Members manage their personal fitness journey. The programs are individually and family centric and open to everyone that finds them beneficial to their personal fitness and nutritional goals, weight loss, muscle strength, and improved confidence.

The total investment necessary to begin the operation of a Burn Boot Camp® franchise ranges from $221,324 to $823,123. This includes $53,500 to $103,248 that must be paid to the franchisor or an affiliate.

We also offer to qualified persons the right to develop multiple "Burn Boot Camp®" businesses within a specific geographic area under an area development agreement. The total investment necessary to begin the operation of a Burn Boot Camp® area development franchise ranges from $326,324 to $1,113,123. This includes $158,500 to $393,248 that must be paid to the franchisor or an affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read the 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 Amber Burke at 17036 Kenton Dr., Suite 100, Cornelius, North Carolina 28031 or at 1-833-289-2876.

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

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

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

Issuance Date: April 20, 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 F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Burn Boot Camp® 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 Burn Boot Camp® franchisee?	Item 20 or Exhibit F 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 C.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and area development agreement require you to resolve disputes with the franchisor by mediation or litigation only in North Carolina. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in North Carolina than in your own state.

2. **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.

3. **Unopened Franchises**. The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

4. **Significant Expansion**. During the last 3 years, the franchisor expanded significantly and plans to continue to expand aggressively. This franchise is likely to be a riskier investment than a franchise that grows gradually.

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

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

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

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

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

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

(c) A provision that permits a Franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the Franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 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 YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, DIRECT THEM TO THE DEPARTMENT OF THE ATTORNEY GENERAL OF THE STATE OF MICHIGAN, 670 LAW BUILDING, 525 WEST OTTAWA, LANSING, MICHIGAN 48913, (517) 373-7117.

If this Franchise Disclosure Document has been registered in any of the states listed in the State Effective Dates Page, Exhibit H, the effective date of that authorization is listed in that Page.

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ITEM 1: THE FRANCHISOR AND ANY PARENTS, PREDECESSORS & AFFILIATES

To simplify the language in this Disclosure Document, "we," "us," "our" or "Franchisor" means Kline Franchising, LLC. We will refer to the person or entity who buys the Franchise as "you," "your," or "Franchisee," throughout this Disclosure Document. If you are a corporation or limited liability company, partnership or other entity, certain provisions of the Franchise Agreement also apply to your shareholders, members, partners or owners and will be noted. Any such entity may be referred to as an "Entity" and those who own the Entity may be referred to as "Owners."

The Franchisor

We are a North Carolina limited liability company incorporated on October 9, 2014. We converted from a North Carolina corporation to a North Carolina limited liability company on September 29, 2025. Our principal business address is 17036 Kenton Dr., Suite 100, Cornelius, North Carolina 28031. Our agents for service of process are disclosed in Exhibit C

We have never conducted the same type of business as our franchisees. However, our principals have operated Burn Boot Camp® outlets through various affiliated entities since the concept was launched in April 2012. In addition, we have partnered with Kevin Hart and Christopher Comstock (stage name: Marshmello), who each own an equity interest in an affiliate-owned Burn Boot Camp® gym.

Since February 15, 2015, we have offered franchises for the operation of a fitness boot camp facility known as "Burn Boot Camp®" specializing in the focused fitness programs that are complemented by nutritional and goal setting assistance, as well as the Burn App (defined below) to help Members manage their personal fitness journey. The programs are individually and family centric and open to everyone that finds them beneficial to their personal fitness and nutritional goals, weight loss, muscle strength, and improved confidence (the "Business", "Franchise" or "Franchised Business"). We have never offered franchises in any other line of business. We do not engage in any business other than the offer of Burn Boot Camp® franchises.

Parents, Predecessors and Affiliates

We do not have any predecessors. As part of an internal reorganization completed in September 2025, our ultimate parent became Burn Holdings, LLC, a Delaware limited liability company. Our parent's principal business address is the same as ours. Our parent does not sell franchises in any line of business or engage in any other business activities.

We do not have any affiliates that offer, or have ever offered, franchises in this or any other line of business. Except for the affiliates described in the following two paragraphs, we do not have any other affiliates to disclose in this Item 1.

We currently have 3 affiliates that offer goods or services to our franchisees. Those affiliates are Burn Retail, LLC ("Burn Retail"), Burn Media Company, LLC ("Burn Media"), and Burn on Demand, LLC ("Burn On Demand"), which are all North Carolina limited liability companies. Burn Retail, Burn Media and Burn On Demand all share the same principal business address as us. Burn Retail was formed on February 13, 2017, Burn Media was formed on November 1, 2017 and Burn On Demand was formed on September 27, 2023. Burn Retail, Burn Media and Burn On Demand have never operated a Burn Boot Camp® outlet. Burn Retail is the exclusive designated supplier for branded apparel, nutritional supplements and various accessories. Burn Retail is also the exclusive supplier for certain exercise equipment franchisees purchase after opening, including equipment needed to replace worn out or damaged equipment and new or additional equipment the franchisee chooses to add to their facility. Burn Media is an optional supplier for grand opening and other marketing services. Burn On Demand is accessible only through the Burn App, which is a virtual product providing Members with multiple ways to maximize their Burn Boot Camp® fitness journey ("Burn App"). We may at any time require that you use a different supplier for any of these products or services in our sole and absolute discretion.

We have an additional affiliate, Devan Kline Fitness, LLC ("DKF"), that owns the Marks (as defined below) and has entered into a trademark license agreement with us licensing us the right to use, and sub-license the use of, the Marks in connection with the System (as defined below). DKF is a North Carolina limited liability company formed on February 14, 2012, with a principal place of business of 17036 Kenton Dr., Suite 100, Cornelius, North Carolina 28031.

The Burn Boot Camp Business

Burn Boot Camp® is a fitness boot camp with core offerings that include workouts conducted in a group setting that are motivational and goal-oriented resulting in a balanced, a comprehensive fitness program that is individually and family centric, and an app that assists franchisees with supporting Members on their fitness journey as well as fostering brand loyalty and Member confidence. Each Business offers affordable membership options and provides members ("Members") with fast-paced sessions taught by certified personal trainers who nurture an encouraging environment to enhance their workout experience and further assist Members through the Burn App which grants Burn On Demand Members a virtual experience with unlimited access to a library of online workouts, Burn Boot Camp® live workouts and recovery videos, as well as the capability to book camps and childwatch, sign membership agreements and liability waivers, keep track of camp attendance, and access the Burn Boot Camp® online store. The Burn App also provides a vehicle to deliver omnichannel products and services to your Members, prospective members, and non-members and focuses on improving customer experience and engagement and allow Members to purchase a virtual-only membership ("Virtual Members"). Members can download the Burn App through the Google Play Store or Apple App Store. Burn on Demand can be purchased through the Burn App or directly from Burn Boot Camp® franchised locations. Additionally, we offer Businesses the right to add-on as a pilot program, either upon execution of the Franchise Agreement or after execution, an AFTERBURN smoothie bar (in accordance with the System and requirements outlined within the Operations Manual). If you request, and we grant you the right, to operate an AFTERBURN smoothie bar at the Facility, you must follow our policies, procedures and requirements and execute our then current Pilot Program Addendum.

Each Business operates from a fitness facility that must be approved by us. Fitness facilities are typically located in shopping malls, strip centers or free-standing structures. The fitness facility that we approve for your Burn Boot Camp® business is referred to as your "Facility." Each Business must designate 1 trainer ("Lead Trainer") that is responsible for overseeing the training portion of the Business that has successfully completed those portions of the franchisee education program for trainers (as further outlined in Item 11). You may act as the Lead Trainer only if you receive our prior written consent. Additionally, you must have a person to personally oversee the operations of the Business ("Operations Manager"). You may act as the Operations Manager only if you receive our prior written consent. The Operations Manager must have completed those portions of the franchisee education program for operations managers.

Each Business will specialize in focused fitness programs that are complemented by nutritional and goal setting assistance, as well as an interactive app to help Members manage their personal fitness journey. The programs are individually and family centric and open to everyone that finds them beneficial to their personal fitness and nutritional goals, weight loss, muscle strength, and improved confidence.

Each Burn Boot Camp® Business is characterized by a uniform business format that offers different membership options, our fitness programs and workout routines; specific methods and techniques when executing our workout routines; nutrition programs, exercise equipment, products and operational procedures; quality and uniformity of all services and products offered; relationships with suppliers, purchasing strategies, sales techniques and methods; our build-out specifications with unique décor, color scheme and signage; a regional Franchise website housed within our national website; guidelines for hiring, training and retaining employees, advertising, sales and promotional programs; cost controls, management, administrative and record keeping procedures; the Burn Boot Camp® confidential operations manual ("Operations Manual") and other manuals and materials which are made available either in hard copy or electronically; all of which may be changed, improved and further developed by us periodically (referred to as the "System"). We identify the System by means of certain trade names, service marks, trademarks, logos, emblems, trade dress and other indicia of origin, including but not limited to the mark "Burn Boot Camp®" and such other trade names,

service marks, trademarks and trade dress we may designate for use in connection with the System (collectively, the "Marks").

A copy of our single unit Franchise Agreement is attached as Exhibit A to this Disclosure Document.

Multi-Unit Program

In addition to our single unit offering, we offer to qualified applicants the right to enter into an Area Development Agreement ("ADA") to develop multiple Businesses within a specifically described geographic territory ("Development Area"). If you wish to enter into an ADA, we must approve of your qualifications to do so. In making this decision, we will consider a variety of factors, including your financial resources, experience in the fitness industry, business experience, as well as your marketing and sales plans.

If we grant you area development rights, you must sign our current form of ADA, a copy of which is attached as Exhibit B to this Disclosure Document. For each Business that you develop under the ADA, you must sign our then-current form of the Franchise Agreement that we offer to new franchisees, which may differ from the current Franchise Agreement attached to this Disclosure Document. You will sign the Franchise Agreement for your 1st Business at the same time you sign the ADA. You must sign any subsequent franchise agreement at least 12 months before the scheduled opening date for the applicable Business under the ADA and open the applicable Business under the terms of the ADA.

Under the ADA, you must develop, open and operate a certain number of Businesses located in the Development Area in accordance with a development schedule ("Development Schedule"), which will set forth opening deadlines for each Business that you are required to satisfy in order to remain in compliance with the ADA.

Market and Competition

The Business will face competition from national, regional and local fitness centers and/or health clubs operated by national chains, local chains and independent operators, independent personal trainers and to some extent athletic and recreational programs, not for profit organizations and other fitness-related businesses offering similar services to those offered by a Burn Boot Camp® business. Generally, there is no seasonality to this business. The fitness industry is highly competitive throughout the United States as the market is continuously changing and evolving. Your competitive advantage in the marketplace will be based on your adherence to our System standards and guidelines, as well as your entrepreneurial and managerial abilities, sales aptitude and focus on customer service.

Laws and Regulations

In addition to laws and regulations that apply to businesses generally, there are consumer protection laws that exist in several states that regulate the offering and selling of memberships for fitness facilities. Some states prescribe the term of memberships that can be sold, the escrowing of membership fees before the fitness facility opens for business, terms of membership agreements and terminology that can be used in selling memberships. Certain states have regulations relating to health club membership agreements and fitness centers and require that you purchase and maintain a bond in order to operate a fitness facility that offers and sells memberships. Certain states require that you purchase and maintain a bond in order to operate a fitness facility that offers and sells memberships. In addition, some states have sales tax laws on all fitness related services and defibrillator laws that require a fitness facility to have a defibrillator and staff members that are qualified to operate one at all times. Certain states regulate the inclusivity of the customer base to which your Business can offer the camps. Certain states require postings concerning steroids and other drug use and limit supplements that a fitness facility can sell. You may have to comply with various state laws concerning labeling of ingredients in any supplements you sell. In addition, there may be local codes, ordinances, statutes or laws which license or regulate fitness facilities such as the one being offered in this Disclosure Document and such regulations could affect the operations of your Business. In addition to complying with all laws, we require that any individual who plans on instructing any camps, be certified by a personal training program accredited by the National Commission for Certifying Agencies ("NCCA") or

a 4-year degree in Exercise Science or a related field in addition to being CPR and First Aid certified and maintaining such certification.

Your Business will also be subject to federal, state and local laws and regulations regarding the operation of businesses generally that are not specific to fitness facilities, including labor laws, zoning laws, OSHA laws and regulations, the Fair Labor Standards Act, workers' compensation laws, business licensing laws, tax regulations, the Americans with Disabilities Act, the Telephone Consumer Protection Act of 1991 ("TCPA"), the Telemarketing Sales Rule and "Do Not Call" list legislation and Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 ("CAN-SPAM"). You are solely responsible for compliance with these laws and regulations.

You must, and it is your sole responsibility to, investigate all applicable federal, state, and local laws and regulations, and your cost to comply with such laws and regulations, with an attorney and/or financial advisor before purchasing a franchise for a Burn Boot Camp® Business from us. Applicable laws and regulations are subject to change.

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ITEM 2: BUSINESS EXPERIENCE

Each individual listed in this item works in our headquarters in Cornelius, North Carolina, unless otherwise specified.

Co-Founder and Visionary: Devan Kline

Devan Kline is our Co-Founder and Visionary and has held the following positions with us and our affiliates: (i) CEO (October 2014 to August 2022); and (ii) President (July 2012 to October 2014). Since July 2012, Devan has also served as President for our affiliate, DKF, based out of Cornelius, North Carolina.

Co-Founder and Chief Executive Officer: Morgan Kline

Morgan is our Co-Founder and has held the following positions with us and certain of our affiliates: (i) CEO (since August 2022); (ii) COO (January 2018 to July 2022); (iii) CFO (October 2014 to December 2017); and (iv) Vice President (October 2014 to December 2017). Since June 2013, Morgan has also served as Vice President for our affiliate, DKF, based out of Cornelius, North Carolina, overseeing all of its Burn Boot Camp® locations.

Chief Operating Officer: Amber Burke

Amber has been our Chief Operating Officer since November 2023. Amber has held the following positions with us and our affiliates: (i) Vice President of Franchise Operations (October 2022 to November 2023); (ii) Director of Operations (October 2021 to 2022); and (iii) Sales and Marketing Education Manager (May 2012 – October 2021). Prior to that, she served as Regional Manager of Operations and Education for Fitness Connection in Charlotte, North Carolina from April 2010 to April 2021.

Chief Development Officer: Jason Losco

Jason has served as our Chief Development Officer since March 9, 2026. Before then, he was providing independent consulting services as the founder and general partner of Axe Endeavors, LLC, in Los Angeles, California an investor in sports, lifestyle and fitness brands from March 2024 to February 2026, as well as the Chief Development Officer for WellBiz Brands, Inc. in Denver, Colorado from February 2022 to February 2024. He also served as the Executive Vice President of Franchise Development for Xponential Fitness, Ic., in Irvine, California from October 2019 to February 2022 and the Director of Franchise Development for UFC Gyms from May 2016 to May 2018, both in Irvine, CA. Jason is based in Los Angeles, CA.

Vice President of Marketing: Trish Pena

Trish has held the following positions with us and our affiliates: (i) Vice President of Marketing (January 2023 to present); (ii) Growth Marketing Director (January 2022 to January 2023); (iii) Growth Marketing Manager (June 2021 to January 2022); and (iv) Community Marketing Specialist (January 2021 to June 2021). Prior to that, Trish has held the following positions with our affiliates: (1) HQ Gyms Marketing Manager (January 2019 to January 2021); and (2) Trainer (January 2018 to January 2019).

Vice President of Fitness: Matthew Morris

Matthew has held the following positions with us and our affiliates: (i) Vice President of Fitness (July 2023 to present); (ii) Director of Fitness (January 2023 to July 2023); (iii) Master Trainer & Programming Manager (October 2021 to January 2023). Prior to that, Matthew has held the following positions with our affiliates: (1) Burn Boot Camp Lake Norman Head Trainer (October 2017 to March 2021).

Vice President of Finance: Mark Davis

Mark has served as the Vice President of Finance since September 2024. Before then, he was Investment Banking Vice President for Citizen's Financial Group in Charlotte, North Carolina from July 2024 to September 2024. He also served as Investment Banking Vice President for Wells Fargo Securities in Charlotte, North Carolina from July 2016 to January 2024.

Vice President of Technology: Jason Breazeale

Jason has served as the Vice President of Technology since April 2024. Before then, he was Senior Director Restaurant and Digital for Denny's Inc. in Spartanburg, South Carolina from May 2018 to April 2024.

Vice President of Operations: Deanna Sieg

Deanna has served as the Vice President of Operations since March of 2026. Before then, she served as the Chief Growth Officer for Ballast Wax from April 2025 to February 2026; she was Sr. Vice President of Franchise Operations for European Wax Center from November 2017 to December 2024. Deanna is based in Asheville, NC.

Senior Brand Standards Manager: Lauren Phillips

Lauren has held the following positions with us and our affiliates: (i) Senior Brand Standards Manager (February 2026 to present); Brand Standards Manager (February 2025 to February 2026); Brand Standards Specialist (February 2023 to February 2025); Compliance Specialist (October 2021 to February 2023); and Personal Trainer (February 2020 to July 2023).

Franchise Sales & Marketing Manager: Matt Foxx

Matt has served as the Franchise Sales & Marketing Manager since December 2025. Before then, he was Executive Vice President of The Franchise Department, in Cincinnati, Ohio from April 2025 to November 2025; he was Senior Director of Franchise Development for Hand & Stone, Trevose, Pennsylvania, from February 2023 to November 2024; and Senior Director of Franchise Development for Driven Brands, Charlotte, North Carolina, from December 2016 to February 2023.

Senior Director of Development: Dan Tavares

Dan has served as the Senior Director of Development since November 2025. Before then, he was the Vice President of Market Planning and Real Estate for European Wax Center in Dallas, Georgia, from March 2024 to August 2025; the Senior Director of Real Estate for CKE Restaurants in Franklin, Tennessee, from January 2023 to March 2024; the Director of Real Estate, SMO for Subway Restaurants in Shelton, Connecticut from April 2022 to December 2022; and he was Development Manager for Inspire/Dunkin' Brands in Atlanta, GA from August 2010 to December, 2021.

Vice President of Gym Development: Bryce Morrow

Bryce has held the following positions with us and our affiliates: (i) Vice President of Gym Development since January 2026; (ii) Vice President of HQ Gym Operations, December 2021 to January 2026; and (iii) Senior Vice Director of Operations, March 2021 to December 2021.

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ITEM 3: LITIGATION

State Corporation Commission, Commonwealth of Virginia v. Kline Franchising, LLC and Devan Kline; Case No. SEC-2016-00044. On June 3, 2016, the Virginia State Corporation Commission, Division of Securities informed us of its investigation that we and our founder Devan Kline sold three unregistered Burn Boot Camp franchises to be located in Virginia. In response, we made offers of rescission to three Virginia entities, all of whom accepted, and we refunded the initial fees. In a Settlement Agreement with the Division of Securities dated April 5, 2017, which dismissed the action, we agreed to (i) pay the Treasurer of Virginia (the "Treasurer") the sum of $15,000 in penalties; (ii) pay the Treasurer the sum of $4,000 to cover its costs; and (iii) not violate the act.

Pending Actions Involving Individuals Listed in Item 2:

Jason Losco, our Chief Development Officer, previously served as the Executive Vice President of Franchise Development for Xponential Fitness has been named as a defendant, along with other officers and employees of Xponential, in the following lawsuits involving Xponential and its affiliates, which involve similar claims and allegations. We are not affiliated with Xponential and these lawsuits do not involve us or our affiliates.

Dance Fitness Michigan LLC, et al. v. AKT Franchise, LLC, et al., filed August 30, 2023, Superior Court of the State of California, County of Orange, Case No. 30-2023-01345433-CU-AT-CXC (the "AKT Lawsuit"). This action was filed by certain former AKT® franchisees and their owners, including Dance Fitness Michigan LLC, Property Maintenance, Inc., 6pk Mason LLC, 6pk Liberty LLC, Teeny Turner LLC, S2 Fitness Enterprises, LLC, Soros & Associates, LLC, AdEdge Services Inc., Deanna Alfredo, Amanda Davis, Nisha Moeller, Samantha Cox, Suzanne Fischer, Nichole Soros, Michael Soros, Paul Dumas, Jodi Dumas and Laura Hannan (collectively, the "AKT Plaintiffs") against (i) AKT Franchise, LLC and AKT Franchise SPV, LLC; (ii) Xponential Fitness LLC, Xponential Holdings LLC, Xponential Fitness, Inc., XPOF Assetco, LLC, and Xponential Intermediate Holdings, LLC (collectively, the "Xponential Entities"); (iii) H&W Franchise Intermediate Holdings LLC, H&W Investco LP, and H&W Investco II LP (collectively, the "H&W Entities"); (iv) LAG Fit, Inc.; (v) MGAG LLC; and (vi) Anthony Geisler, Mark Grabowski, Melissa Chordock, Elizabeth "Liz" Batterton Cooper, Alexander Cordova, Lance Freeman, Ryan Junk, Megan Moen, John Meloun, Sarah Luna, Tori Johnston, Justin LaCava, Bobby Tetsch, Brandon Wiles, Jason Losco, Brittney Holobinko, Amy Wehrkamp, Scott Svilich, Sarah Nolan, Emily Brown, Rachel Markovic, and Brenda Morris (collectively, (i) through (vi), the "AKT Defendants") after AKT Franchise, LLC initiated an arbitration against and sought damages from certain of them for breaches of their franchise agreements. The AKT Plaintiffs alleged that one or more of the AKT Defendants (a) violated pre-sale disclosure obligations under the California Franchise Investment Law, the Florida Franchise Act, and the Michigan Franchise Investment Law by failing to provide a compliant Franchise Disclosure Document, making statements that they contend were erroneous or prohibited, and failing to disclose information that they contend necessitated disclosure; (b) fraudulently induced them to invest in franchises; (c) breached the implied covenant of good faith and fair dealing; (d) breached a purported agreement to provide certain financing; and (e) engaged in unfair and deceptive trade practices. The principal factual allegations underlying these claims include: (i) understating initial investment amounts; (ii) understating the time necessary to open; (iii) misrepresenting the AKT Defendants business relationship with Anna Kaiser, the brand's namesake; (iv) failing to make certain management, litigation and bankruptcy disclosures in Items 2, 3 and 4 of the relevant franchise disclosure documents; and (v) making materially misleading financial performance representations and financial performance representations that were not contained in Item 19 of the relevant franchise disclosure documents. The AKT Plaintiffs seek (1) declaratory and injunctive relief regarding the enforcement of the mandatory arbitration provisions in their franchise agreements; (2) rescission of their franchise agreements; (3) actual and special damages; and (4) attorneys' fees, costs, and interest. The AKT Defendants have all filed a demurrer to the complaint. The parties entered into a Settlement Agreement, dated July 16, 2025, pursuant to which Jason Losco was fully and finally released from all claims and was not held liable.

Enlightened Armadillo, Inc., et al. v. Yoga Six Franchise, LLC, et al., filed November 22, 2023, Superior Court of the State of California, County of Orange, Case No. 30-2023-01367265-CU-AT-CXC. This action was filed by two Yoga Six® franchisees and their owners, including Enlightened Armadillo, Inc., Snug Holding Company LLC, Mark Hrubant, Ella Hrubant, and Melinda Sung (collectively, the "Y6 Plaintiffs") against (i) Yoga Six Franchise, LLC ("Y6") and Yoga Six Franchise SPV, LLC; (ii) the Xponential Entities; (iii) the H&W Entities; (iv) LAG Fit, Inc.; (v) MGAG LLC; and (vi) Anthony Geisler, Mark Grabowski, Lindsay Junk, Nate Chang, Jason Losco, Lance Freeman, Ryan Junk, Megan Moen, John Meloun, Sarah Luna, Brenda Morris, and Justin LaCava (collectively, (i) through (vi), the "Y6 Defendants"). The Y6 Plaintiffs alleged that one or more of the Y6 Defendants (a) violated pre-sale disclosure obligations under the California Franchise Investment Law by failing to provide a compliant Franchise Disclosure Document, making statements that they contend were erroneous or prohibited, and failing to disclose information that they contend necessitated disclosure; (b) fraudulently induced them to invest in franchises; (c) breached the implied covenant of good faith and fair dealing (as to the Yoga Six entities only); and (d) engaged in unfair and deceptive trade practices. The principal factual allegations underlying these claims include: (i) understating initial investment amounts; (ii) understating the time necessary to open; (iii) misrepresenting the AKT Defendants business relationship with Anna Kaiser, the brand's namesake; (iv) failing to make certain management, litigation and bankruptcy disclosures in Items 2, 3 and 4 of the relevant franchise disclosure documents; and (v) making materially misleading financial performance representations and financial performance representations that were not contained in Item 19 of the relevant franchise disclosure documents. The Y6 Plaintiffs seek (1) declaratory and injunctive relief regarding the enforcement of the mandatory arbitration provisions in their franchise agreements; (2) rescission of their franchise agreements; (3) actual and special damages; and (4) attorneys' fees, costs, and interest. The Y6 Defendants have all filed a demurrer to the complaint.

Other than three matters disclosed above, there is no other litigation that is required to be disclosed in this Item.

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ITEM 4: BANKRUPTCY

Bankruptcy Involving Individuals Listing in Item 2:

In Re Jason Nickolas Losco, Debtor, filed May 5, 2019, United States Bankruptcy Court for the Central District of California, Case No. 8:19-bk-11739-MW. Prior to joining us, Jason Losco, our Chief Development Officer, filed a Voluntary Petition for Individuals Filing for Bankruptcy on May 5, 2019 related to debts incurred in connection with business previously owned by Mr. Losco. On August 26, 2019, the Bankruptcy Court entered an Order of Discharge. Mr. Losco's principal business address is the same as ours.

Other than the matter disclosed above, no bankruptcy information is required to be disclosed in this Item.

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ITEM 5: INITIAL FEES

Initial Franchise Fee

The initial franchise fee for a single franchise ("Initial Franchise Fee") is $60,000. The Initial Franchise Fee is nonrefundable and payable in lump sum.

If we determine that you are financially and operationally qualified to develop multiple locations, we may offer you the opportunity to enter into a Development Agreement, in which you will commit to develop a certain number of locations that you and we consider appropriate. If you enter into a Development Agreement, the Initial Franchise Fee (referred to collectively as the "Development Fee") will vary based on the number of locations that you commit to develop. If you commit to develop between one and two locations, the Development Fee will be $60,000 per location. If you commit to develop between three and five locations, the Development Fee will be $45,000 per location. If you commit to develop between six and nine locations, the Development Fee will be $40,000 per location. If you commit to develop ten or more locations, the Development Fee will be $35,000 per location. You must pay us the entire Develpoment Fee at the time you sign the Development Agreement, and all such Development Fees are nonrefundable. We will not charge an additional fee when you sign a Franchise Agreement for each Business developed under the Development Agreement.

Except for the military discount, area developer discount and Build Your Empire program discussed further below, the Initial Franchise Fee is uniformly imposed for all franchisees currently buying a franchise. During the fiscal year ending December 31, 2025, we collected fees ranging from $15,000 to $60,000, as part of our 2025 Build Your Empire program for qualifying franchisees.

We participate in the International Franchise Association's VetFran Program. If one of your owners with at least a 50% interest in the Business is a veteran honorably discharged from the U.S. Armed Forces or on active duty in the U.S. Armed Forces at the time the Franchise Agreement is executed, we will reduce the initial franchise fee by 15%.

Build Your Empire Program

If you are an existing franchisee in good standing and meet our qualifications, we may approve you to be a part of our "Build Your Empire" ("B.Y.E.") program to develop additional Units. Our Build Your Empire program rewards qualifying Franchise Partners by offering significant financial incentives to encourage and support expansion and multi-unit growth. The 2026 B.Y.E. program will only be offered through December 31, 2026 ("Incentive Period"). We may eliminate, extend or change the terms of the B.Y.E. program in our sole and absolute discretion prior to the aforementioned date.

Franchise Partner Referral Reward

In addition to the B.Y.E. Program, we also have a Franchise Partner Referral Reward Program. Participation in this program is standalone and does not require participation in securing additional territories. Franchise Partners are encouraged to refer candidates to join the Burn Boot Camp® system. The reward will not be paid unless the referred party executes a Franchise Agreement. This program is available for all Franchise Partners that are listed on your Franchise Agreement. The cash reward is limited to one reward per new Franchise Agreement signed. The reward is not available for referrals associated with re-sale (transfer) candidates, leads currently in our system, or existing Franchise Partners purchasing an additional Business. This referral program may be altered, modified or terminated at any time.

Initial Inventory Package

Prior to opening, you must purchase from our affiliate, Burn Retail, an initial supply of branded apparel, nutritional supplements and various accessories (the "Initial Inventory Package"). The Initial Inventory Package includes a minimum of $1,700 in apparel and accessories (including $200 for employee uniforms) and a minimum of $2,760 in nutritional

supplements. The total package price is estimated range from $4,460 to $7,488 depending on the size of your Facility and the number of trainers you hire. We reserve the right to change the specific items included within the Initial Inventory Package at any time (which may result in a change to the price). The purchase price for the Initial Inventory Package is nonrefundable and uniformly imposed.

Marketing Services

You have the option, but not the obligation, to contract with our affiliate and marketing partner, Burn Media Co., for purposes of conducting local marketing and advertising on your behalf. If you choose to contract with Burn Media Co. for your pre-opening marketing, the total cost will be $30,000 ($15,000 between the signing of your Franchise Agreement and 2 weeks before opening and another $15,000 from 2 weeks before opening until 90 days after opening). The price for these marketing services is nonrefundable and uniformly imposed.

Technology Fees

You must begin to pay us a technology fee immediately after signing the Franchise Agreement. In exchange for the technology fee, we provide you with access to various software, technology and related services. The "technology fee" includes all amounts that you must pay us or our affiliates relating to the Technology Systems. Please see more detail in Item 11 under the Section entitled "Computer System". As of the issuance date of this Disclosure Document, the amount of the technology fee is: (i) $100 per month for the month in which you sign the Franchise Agreement through the month in which you sign your lease or purchase contract for your Facility; and (ii) $860 per month for each subsequent month (subject to periodic adjustment as further discussed in Note 5 to Item 6). Most franchisees require 6 months to sign their lease or purchase contract and an additional 4-6 months to open, which results in pre-opening technology fees ranging from $4,040 to $5,760. The technology fees are uniformly imposed and nonrefundable.

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ITEM 6: OTHER FEES

Type of Fee [1]	Amount	Due Date	Remarks
Royalty Fee	6% of Gross Revenues per Report Period	Due by the day we specify during each Report Period for the immediately preceding Report Period	See Note 2.
System Brand Fee	2% of Gross Revenues per Report Period (may increase up to 3%)	Same as Royalty Fee	See Note 3.
Graphic Design Fee	Up to $200 per design (currently, $100 per design)	As Incurred	See Note 4.
Technology Fee	Currently, $860 per month post lease signing, not to exceed $1,500 per month	Monthly	See Note 5.
Additional Education Session Fee	Up to $5,000 for a two-day training program, plus the attendee's travel and lodging expenses.	At time education session is scheduled and/or additional assistance is requested by you for our personnel to travel to your location at your request.	We may charge you the additional education session fee for any supplemental on-site education that we deem necessary and any other post-opening education that we provide to you or your staff (or in case of a transfer, to the transferee). This may include the following types of franchisee education which may be subject to change with written communication (as outlined further in Item 11): Sales and Marketing Education, Fitness Product Education, Burn Operating System (BOS) Education, Strategic Business Planning, Opening Support

Type of Fee [1]	Amount	Due Date	Remarks
Additional Burn U Education Attendees	$1,500 per additional franchisee staff person education not covered in the remarks for training purposes. $900 per additional staff person education including Advanced training programs not covered in the remarks for training purposes.	At the time the training is scheduled and/or additional assistance is requested by you	While the Initial Franchise Fee includes the cost of our initial franchisee education program, the Initial Franchise Fee only covers Burn U education for up to 3 individuals, or 2 individual for a resale, must occur prior to opening (or within 90 days of transfer for a resale), and is non-transferable to other locations or to other franchisees.
Virtual Education Opportunities (Optional)	Currently, as follows: $129 per trainee for Fitness Product Training $129 per topic or $599 for 5 topics for Sales Training	As Incurred	We may offer optional virtual education opportunities on various topics, including Fitness Product and Sales. We may increase these fees by up to 10% per year. We may add additional topics from time to time, and fees for these additional topics will be published in the Operations Manual or otherwise in writing. While these education opportunities are generally optional, we may require you to complete them if you have defaulted under the franchise agreement.
Conference Registration Fee	Up to $1,000 per person, per conference (currently, we only require 1 ticket purchase)	As Incurred (once annually)	In addition to the conference registration fee, you are responsible for all costs and expenses incurred by you and your staff in attending a conference. If you fail to attend a required conference, you must still pay us a conference registration fee up to $1,000 to assist in covering the costs we incur to set up and host the conference.

Type of Fee [1]	Amount	Due Date	Remarks
Minimum Inventory & Other Purchases from Affiliate	Currently, a minimum inventory purchase of $500 per quarter in soft goods such as apparel (excluding nutrition items).	Monthly	Payable to Burn Retail, but subject to change. In addition to the minimum inventory purchase, you may also be required to purchase certain exercise equipment from Burn Retail after opening and you have the option, but not the obligation, to contract with Burn Media to provide local marketing services on your behalf.
Product, Vendor and Exercise Equipment Testing Fee	Currently, $150 per product or vendor; $150 for equipment testing; may be increased in either case, not to exceed $300	On Demand	You must pay this fee if you request our approval for any product, vendor and/or supplier or exercise equipment that you wish to use in the operation of your Business.
Music Subscription Services	Approximately $40 to $50 per month, based on supplier, plus $150 per month for licenses	As incurred	You must obtain a music subscription service for use at the Facility. This fee is paid directly to the third-party provider. This cost does not cover the song licensing costs, which varies by state, size of Facility and number of members.
Accounting Software	Approximately $30 - $2,000 per month based on supplier	As incurred	We recommend that you use an accounting software with the operation of your Business. This fee is paid directly to the third-party provider

Type of Fee [1]	Amount	Due Date	Remarks
Temporary Management Fee	• Upon death/disability: up to 3% of the Facility's Gross Revenue, plus any out-of-pocket expenses incurred in connection with the Facility's management. • Upon default: not to exceed 15% of the Facility's Gross Revenue, plus any out of-pocket expenses incurred in connection with the Facility's management.	On Demand	Payable if we appoint a representative to manage your Facility upon your default of the Franchise Agreement or upon your death or disability.
Renewal Fee	$10,000	At the time of renewal	We will provide you with 3 complimentary Burn U registrations (for the franchisee education program) in connection with your renewal. If you wish for other personnel to attend Burn U, you must pay us a fee of $1,500 per individual.
Holdover Fee	$1,000 per month	As incurred	If you continue to operate the Business after the termination or expiration of the Franchise Agreement, we may charge you a holdover fee, in addition to any other rights or remedies we may have.
Transfer Fee	$12,500	Prior to or at time of transfer	All transfers are subject to our right of first refusal. If the transferee was already in our lead database at the time of first contact between you and the transferee, we may require you to pay the amount of any broker fees that we are responsible for paying to third parties (which does not include our employees).

Type of Fee [1]	Amount	Due Date	Remarks
Relocation Fee	If we grant your relocation request for a new location within your existing Territory, you must pay us a relocation fee of $15,000	When we approve your request to relocate	Payable if we approve your request to relocate your Business. If we approve your relocation request, we reserve the right to approve your new site location in the same manner and under the same terms that are applied to your first site selection. You may not relocate outside your territory. If you desire to develop a gym at a location outside of your territory, you must purchase a separate franchise and pay our then-current initial franchise fee.
Admin & Legal Services Fee	$2,500	As incurred	Franchisee shall pay an admin & legal services fee to reimburse the Company for expenses incurred in conncection with administrative or legal review services requested by the Franchisee, including franchise entity transfers, document review, and other requested services. The Company may bill additional costs separately if incurred.
Interest	1.5% per month or maximum rate allowed by law	After due date of fees	See Note 6.

Type of Fee [1]	Amount	Due Date	Remarks
Insufficient Funds/Late Fee	Currently, $100 per instance. We may increase up to $200 per instance.	Immediately when assessed	If you write us a check that is returned, cancelled or dishonored, or if we debit your bank account and your account has insufficient funds or is inaccessible, you must pay us an insufficient funds fee. If you make a late payment, you must pay us a late fee each week any said payment is past due. You must also pay any damages, expenses, collection costs and reasonable attorneys' fees that we incur based upon your failure to make timely payments to us.
Non-Compliance Fee	Up to $1,000 per notice of violation	10 days after notice of violation	We may assess a non-compliance for violations of the Franchise Agreement and/or the Operations Manual. We reserve all other rights and remedies.
Audit Expenses	Cost of Audit Fees plus interest at 18% per annum (1.5% per month) up to the maximum interest allowed by law	Ten days after receipt of audit report	Payable only if you understate Gross Revenues by 2% or more. We expect the cost to be between $5,000 - $7,500 unless your financial records are not well kept.
Costs and Attorney's Fees	Will vary under circumstances	As Incurred	Payable if we engage attorney to enforce the Franchise Agreement (whether or not formal judicial proceedings are initiated).
Indemnification	Will vary under circumstances	On Demand	See Note 7.

Type of Fee [1]	Amount	Due Date	Remarks
Liquidated Damages	An amount equal to the lesser of 24 or the number of months remaining in the term multiplied by the average monthly Royalty Fees and System Brand Fees accrued during the 12-month period before the month of termination (or, if your Business has been open less than 12 months, during the period during which the Business has been open)		If we terminate this Agreement as a result of your default or this Agreement is otherwise terminated prior to the expiration date besides by mutual agreement, you shall pay to us the Liquidated Damages.

Notes:

Note 1: Except as otherwise described in this Item, all of the fees listed in the table above are nonrefundable, uniformly imposed, and payable to us or our affiliates. Our affiliates that operate the affiliate-owned Burn Boot Camp® businesses did not sign franchise agreements with us and are not subject to the various fees imposed on franchisees, however, they do contribute to the System Brand Fund as further discussed in Item 11 of this Disclosure Document. The voting power of all outlets, including franchisor-owned outlets, on any fees imposed by franchisee cooperatives are one per unit. Franchisor-owned outlets do not have controlling power.

Note 2: "Gross Revenue" means the gross amount, in money or other forms of consideration, that you earn or receive from any source-related to, or in connection with, the operation of your Business, whether on or off your premises, including, without limitation, any Gross Revenue derived from Virtual Members that purchase a membership through the Burn App (as defined in Item 1). This includes all membership-related fees (such as initiation fees, termination fees, enrollment fees, processing fees, paid-in-full dues, renewal fees; monthly, semi-annual or yearly dues and all revenues generated and derived during any presale of memberships). Gross Revenue also includes the fair market value for any service or product you receive in barter or exchange for your services or products and all insurance proceeds that you receive for the loss of the Business due to a casualty to or similar event at the Business. We exclude only gratuities paid by Members to employees of the Business, sales tax receipts that you must by law collect or pay and any Member refunds of previous payments you actually make, and certain charitable donations specifically authorized in the Operations Manual. With respect to the Gross Revenue paid to us by Virtual Members, we will remit to you a certain portion of the Gross Revenue paid by those Members that provide a primary address that is located in your Territory. Specifically, for those Virtual Members, we will remit to you the Virtual Members' Gross Revenue paid to us (which deducts certain fees paid to Google and Apple), less Royalty Fees and System Brand Fees owed on the Gross Revenues and any other amounts that are past due and owing to us.

Royalty Fee payments will be due by the day we specify during each Report Period for the immediately preceding Report Period. "Report Periods" will consist of calendar months, weeks, or such other period as we may designate from time to time. Royalty Fee payments shall be payable by direct deposit from your account to us and all Royalty Fee charges are imposed by us only. See Direct Deposit Agreement attached as Schedule 1 of the Franchise Agreement. We reserve the right to change the time and manner of payment upon written notice to you.

Note 3: You will pay us a System Brand Fund contribution equal to 2% of Gross Revenues. We may increase this fee upon 90 days' notice to you. However, your total contribution will not exceed 3% of Gross Revenue in any calendar year. We will deposit this fee into our System Brand Fund for ongoing technology, new equipment and product development,

and such national and regional advertising, marketing and/or public relations programs as we, in our sole discretion, may deem appropriate to promote the Marks and System. You pay the System Brand Fee at the same time and under the same terms as the Royalty Fee described above. A material portion of the System Brand Fund is allocated towards our partnerships with Kevin Hart and Marshmello.

In addition to your System Brand Fund contributions, you must spend the minimum amount of money we require (your "Local Advertising Expenditure") on approved local advertising and marketing. The amount of the Local Advertising Expenditure is as follows: (i) $15,000 between the time you sign the Franchise Agreement and 2 weeks prior to your projected opening date; (ii) $15,000 between the time beginning 2 weeks prior to your projected opening date and expiring 90 days after opening; and (iii) $3,000 each month for the remainder of the term of your Franchise Agreement. We may require that you utilize our preferred public relations vendor for all or part of your local advertising and marketing conducted prior to opening through 90 days after opening. If your actual expenditure on approved local advertising and marketing is less than the applicable Local Advertising Expenditure amount, we may require that you pay us the difference (due within 14 days of invoicing), which we will deposit into the System Brand Fund (any such deposited amount will not be credited towards your required System Brand Fund contributions). You have the option, but not the obligation, to contract with our affiliate, Burn Media Co., to provide local advertising and marketing services on your behalf.

Note 4: We, our affiliates and/or our approved suppliers will complete all retail designs, create local advertising assets, update and/or promote your website, and provide other design services, including Gym signage, vinyls & decor, and miscellaneous advertising materials as needed. Any requests for changes or updates to the content of your website and/or any type of website promotion you wish to do must be approved by us in writing and performed by us, our affiliates and/or our approved suppliers. We will respond to you within 30 days of our receipt of your request for all website changes. We may charge a fee of up to $200 per design as necessary to update and/or promote your website or provide other graphic design services. However, our current design fee is $100 per design. We will provide you with at least 90 days' notice of any change to our graphic design fee. Currently, we do not charge for minor updates such as such as changes to phone number, physical gym address, location email, or location URLs.

Note 5: You must pay us a monthly technology fee commencing immediately after signing the Franchise Agreement. The technology fee is $100 per month for the month in which you sign the Franchise Agreement through the month in which you sign your lease or purchase contract for your Facility. The technology fee increases to $860 per month post lease signing for each subsequent month. The amount of the technology fee may change from time to time, not to exceed $1,500 per month. We will provide you with at least 90 days' notice of any change to our technology fee. See Item 11 for more information on the technology fee.

Note 6: Interest begin to accrue from the due date of payment and will only be owed in connection with amounts that are owed and past due that exceed $5,000. You must also pay any damages, expenses, collection costs and reasonable attorneys' fees that we incur based upon your failure to make timely payments to us. However, any interest we charge may not exceed the maximum interest allowed by applicable law.

Note 7: You must protect, defend, indemnify, and hold us harmless against any claims, lawsuits or losses arising out of your operation of the Franchised Business. If you default under the Franchise Agreement and we engage an attorney for collection or enforcement, you must reimburse us for all damages, legal fees, and costs that we incur.

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ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement

Estimated Initial Investment – Single Franchised Business					
Type of Expenditure [1]	**Low Amount**	**High Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial Franchise Fee [2]	$15,000	$60,000	Lump sum	At time you sign Franchise Agreement	Us
Technology Systems [3]	$11,690	$30,090	As incurred	Before Opening	Suppliers
Technology Fees [4] (Pre-opening and 3-month period after opening)	$5,760	$7,500	As incurred	Before opening and monthly	Us
Exercise and Safety Equipment, Furniture and Fixtures [5]	$29,935	$61,950	As incurred	Before Opening	Suppliers
Real Estate [6] (security deposit)	$3,373	$30,000	As incurred	Before Opening	Landlord
Real Estate (estimated 3 months' rent) [7]	$3,236	$45,669	As incurred	3 months after opening	Landlord
Pre-Opening Payroll [8]	$1,400	$16,066	As incurred	About 3 months prior to opening	Staff members
Leasehold Improvements [9]	$84,104	$369,816	As incurred	Before Opening	Landlord
Initial Inventory Package [10]	$4,460	$7,488	Lump sum.	Before Opening	Affiliate (Burn Retail)
Operating Supplies [11]	$500	$11,034	As incurred	Before Opening	Suppliers
Janitorial Expenses	$532	$1,200	As incurred	As incurred	Suppliers
Grand Opening Marketing [12] (Pre-opening and 3-month period after opening)	$30,000	$30,000	As incurred	After signing Franchise Agreement through 90 days after opening	Suppliers and/or Affiliate (Burn Media Co)

Estimated Initial Investment – Single Franchised Business					
Type of Expenditure [1]	**Low Amount**	**High Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Insurance [13] (3 months' premium)	$750	$1,500	Lump sum	Before Opening	Insurance company
Travel, Lodging and Meals for Initial Franchisee Education Program [14]	$600	$6,000	As incurred	As Incurred	Suppliers
Legal and other professional fees [15]	$3,299	$75,400	As incurred	Before Opening	Appropriate licensing authorities and suppliers
Additional Funds [16] (3 months post opening)	$26,685	$99,500	As incurred	Spent over the course of first 3 months	Suppliers
Total [17]	**$221,324**	**$823,123**			

Notes:

Note 1: Unless otherwise stated in this Item, all payments to us are non-refundable. For any amounts paid to third parties, the availability and conditions under which you may obtain refunds will depend on the terms offered by those third-party suppliers. We do not offer direct or indirect financing.

Note 2: The standard Initial Franchise Fee is $60,000. However, if you qualify for certain programs, including our Development Program, Build Your Empire Program, or VetFran Program, your Initial Franchise Fee may be lower. See Item 5 for details.

Note 3: This includes the costs for a computer, iPads, software, credit card processing equipment, printer, scanner, wireless router, networking equipment, copier, sound system, microphone system, security cameras, a telephone and optional Mindbody payments hardware. Prices subject to change, including due to price changes from product manufacturers.

Note 4: You must pay us a monthly technology fee commencing immediately after signing the Franchise Agreement. The technology fee is $100 per month for the month in which you sign the Franchise Agreement through the month in which you sign your lease or purchase contract for your Facility. The technology fee increases to $860 per month for each subsequent month. The amount of the technology fee may change from time to time as further discussed in Item 6, not to exceed $1,500 per month. We estimate that a typical franchisee will need 6 months to sign their lease or purchase contract and an additional 4-6 months to open, which results in pre-opening technology fees ranging from $4,040 to $5,760. This estimate includes the total estimated technology fees paid prior to opening ($3,840 to $4,440. and during the 3-month period after opening ($2,580). This range is only an estimate and may be higher based off delays in opening.

Note 5: This is an estimate for the items you will need for all exercise and safety equipment, furnishing, and fixtures. You must purchase various new pieces of exercise equipment for the operation of the Franchised Business as specified in

the Operations Manual, including dumb bells, kettle bells, medicine balls, soft plyo boxes, sand bags, agility equipment, different types of exercise balls, an automated external defibrillator ("AED") and other types of approved exercise and safety equipment depending on the size of your facility. The furnishings and fixtures necessary to operate your Business include a desk, chairs, tables, filing systems, shelving, body fat analyzer, retail center, interior signage, equipment storage racks, cabinets, dehumidifiers, pull up systems, cubical storage lockers and seating options for the operation of your Business. The low end of the estimate given is based on opening a 3,600-sq. foot fitness facility and the high end of the estimate is based on opening a 7,000-sq. foot fitness facility. Actual exercise equipment, furniture and fixture costs may vary due to square footage. If applicable, you must also pay state and local sales tax on purchases of exercise equipment, furnishings and fixtures. Sales tax typically ranges from 3% to 10% of the purchase price and is not included in these estimates. The cost of all exercise equipment, furnishing and fixtures will depend on financing terms available, the condition of the exercise equipment, furnishing and fixtures and other factors.

Note 6: A typical Burn Boot Camp Business is in a shopping center, mall, or free-standing building with approximately 3,600-7,000 square feet of space (it may be less than 3,600 square feet in a densely populated urban market as we define that from time to time in our sole discretion). This estimate includes a security deposit equal to 1 months' rent. Some landlords may refund security deposits at the end of the lease if the tenant has fulfilled all of its obligations and the property is returned in good condition.

Note 7: We estimate that the monthly rent for a typical franchised location will range from $5,500 to $20,000 per month. Real estate costs depend on location, size, visibility, economic conditions, accessibility, and competitive market conditions. These sums do not include the costs to purchase real property, as we do not expect you to buy real property. You may be able to reduce this expense if you are able to occupy a space in an existing location that compliments another business. The space must be enclosed and separate from other businesses with its own locking door. Lease payments for periods of time that you occupy your premises may not be refundable. This range may be higher or lower depending on the area, demographic, median income, rent abatement and other factors.

Note 8: Estimated payroll costs for employees, including operations managers, trainers, administrative staff, or other personnel necessary to operate the franchise prior to the official opening date. This amount reflects wages, taxes, and benefits accrued during training, setup, and preparation activities before generating revenue. This amount may also include costs associated with travel expenses associated with the initial training. Actual costs may vary based on location, staffing needs, and timing of the opening.

Note 9: We suggest you find a space needing minimal leasehold improvements or fixtures. In most cases, you will need to add exterior signage and alter the interior of your Facility before you open for operation, and you will need to install a floating floor system with rubber flooring materials according to our specifications. Leasehold improvement costs will vary and may be higher than what is projected in the table above depending on factors such as property location, the condition of the property and the extent of alterations required for the property (such as sound proofing), as well as the cost of your contractor. You may be able to negotiate with your landlord to obtain a tenant improvement allowance whereby your landlord will give you a sum of money upon or following execution of your lease for you to use for leasehold improvements, and the amount of any allowance will typically be added into your rent payments and amortized over the initial term of your lease. The high estimate in the table reflects the potential need to add drinking fountains, bathrooms (you may choose to add a single shower in each bathroom but it is not required), lighting, fire sprinklers, fire alarms and an HVAC system that entails mechanical, electrical and plumbing costs. You should investigate all these costs in the area in which you wish to establish a Burn Boot Camp® Business.

Note 10: You must purchase the Initial Inventory Package that we designate from our affiliate, Burn Retail, or other approved suppliers as we determine. Our current Initial Inventory Package includes your initial supply of branded apparel (including uniforms for your Lead Trainer and other trainers), nutritional supplements and various accessories. The low estimate assumes you purchase the minimum required amount ($1,700 for apparel and accessories and $2,760 for nutritional supplements), while the high estimate assumes you choose to purchase more than our required minimums.

Note 11: This estimates your cost to purchase your initial operating supplies, including hand sanitizers, hampers, dry erase boards, trash cans, scale and measuring tape, storage containers, child watch toys, miscellaneous forms, cleaning supplies and general office supplies.

Note 12: You are required to spend a minimum of $30,000 ($15,000 between the signing of your Franchise Agreement and 2 weeks before opening and another $15,000 from 2 weeks before opening until 90 days after opening) on local marketing between the time you sign the Franchise Agreement and 90 days after opening. You have the option, but not the obligation, to contract with our affiliate, Burn Media Co., to provide some of these marketing services.

Note 13: This estimated range represents 3 months of pre-paid insurance premiums with the minimum coverage amounts that we require and does not take into account workers' compensation insurance which may vary by state, payroll and classification.

Note 14: The Initial Franchise Fee covers initial franchisee education for up to 3 individuals, but you are responsible for all salaries, benefits, and travel, living, and other expenses incurred by you and your employees while attending the education program. The amount of these expenses varies depending on the distance you must travel, the types of accommodations you select, the number of your employees attending the program, their wages and any other applicable fees.

Note 15: Legal and Other Professional Fees include costs for attorneys, accountants, architects, engineers, and other consultants engaged in connection with the establishment of the franchised business. These may include fees related to lease review and negotiation, entity formation, preparation and modification of architectural plans, and compliance with local zoning, permitting, and construction requirements. Architectural and engineering costs will vary based on site-specific conditions, landlord requirements, and municipal regulations. Business licenses differ from state to state but typically are used to track and monitor businesses for tax purposes and are required for businesses to operate lawfully in the state. Some states have sales tax laws on all fitness related services and defibrillator laws that require a fitness facility to have a defibrillator and staff members that are qualified to operate one at all times. You may need to obtain a re-sale certificate issued by your state for wholesale goods that you purchase and then re-sell. Certain states require postings concerning steroids and other drug use and limit supplements that a fitness facility can sell. You may have to comply with various state laws concerning labeling of ingredients in any supplements that you choose to sell. In addition, there may be local codes, ordinances, statutes or laws which license or regulate fitness facilities. We also require that any individual who plans on instructing any camps, be certified by a personal training program accredited by the National Commission for Certifying Agencies ("NCCA") or a 4-year degree in Exercise Science or a related field in addition to being CPR and First Aid certified and maintaining such certification. You also may or may not need to obtain use permits or zoning variances that will allow the premises to be used as a Burn Boot Camp® business. If you are required to do so, the total cost involved, including fees paid to local governmental authorities, attorneys and other consultants, will vary geographically. The low-end estimate is for states with lower fees and less regulatory requirements and the high-end estimate is for states with higher fees and more regulatory requirements.

Note 16: The estimated range includes minimum working capital for the startup of your Business and miscellaneous startup costs such as: the purchase of additional exercise equipment, products and supplies; workman's compensation insurance payments ; tax deposits; prepaid expenses; additional permits; legal fees; accounting fees and other miscellaneous costs. This amount also includes the estimated amount for staffing and utilities three months post opening. We relied on our experience and that of our affiliates and franchisees to arrive at these estimates. As further outlined in the Operations Manual regarding staffing minimums, you must employ 1 Lead Trainer, 1 Ops Manager, 3 full-time "Burn Ambassador", and enough support trainers and childwatch and Burn Ambassador staff to provide the Approved Services, including, without limitation, childwatch services. You may act as the Lead Trainer provided that you receive our prior written consent. You must also hire an Operations Manager. You may act as the Operations Manager provided that you receive our prior written consent in the manner in which we request. We may, in our sole discretion, waive the requirement for you to provide childwatch services at your Franchised Business if we determine, in our sole discretion, that childwatch services are not likely to be expected by customers at your location. This estimate does not include all the costs you are

estimated to incur after opening including rent, marketing or insurance (all of these expenses are separately listed in the table).

Note 17: We based these estimates on our experience, as well as the experience of our principals, affiliates, and franchisees, and on additional independent research conducted by us and our affiliates. We also survey our franchisees annually to gather further data and rely on financial information provided by Franchise Partners. These amounts are estimates only, and your actual costs may be higher.

The estimate of initial investment funds is based on an owner-operated business. The estimated initial investment does not include salaries or benefits for your owners. As your Business grows, you may choose to hire additional employees to carry out support service tasks.

The estimated initial investment also does not include Royalty Fees and System Brand Fees you must pay. You must begin paying these fees as soon as your Business begins generating any revenues (including from pre-opening sales of memberships and other goods and services). You should account for these fees when developing your projections of overall operations costs beginning with your first month of operation. Franchisees may choose to invest additional funds into their business during the first 3 months of operation, and sometimes longer.

We do not offer direct or indirect financing. We do not guarantee your lease, note, or obligation. The availability and terms of third-party financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have, and the lending policies of financial institutions. The estimate does not include any finance charges, interest, or debt service obligation, or your living expenses. You should have sufficient capital or other means to pay for your living expenses for at least 6 months.

We currently have a program for existing franchisees to encourage and support expansion and multi-unit growth. The "Build Your Empire" pilot program rewards qualifying franchisees by offering financial incentives when they expand their business by signing a new franchise agreement for an additional location(s). This program may be changed, terminated, or revised at our absolute sole discretion.

Please note that this table does not include the initial investment costs associated with the add-on pilot program for an AFTERBURN smoothie bar. If you elect to add-on this pilot program, your costs will differ from those outlined in this table.

B. Area Development

Estimated Initial Investment – Area Development Franchise					
Type of Expenditure [1]	**Low Amount**	**High Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Development Fee [2]	$120,000	$350,000	Lump Sum	At time you sign ADA	Us
Total Initial Investment for First Outlet (less Initial Franchise Fee)[3]	$206,324	$763,123	As described in first table under Item 7	Before opening	As described in first table under Item 7
Total Initial Investment	**$326,324**	**$1,113,123**			

Notes:

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

Note 2:

The Development Fee is calculated as the sum of all aggregate Initial Franchise Fees for all Businesses you commit to develop under the ADA. The Development Fee ranges between $120,000 for 2 locations and $350,000 for 10 locations. You do not pay a separate Initial Franchise Fee for any Business developed under an ADA. The low estimate assumes you purchased 2 locations while the high estimate assumes you purchased more than 10 locations.

Note 3: This figure represents the total estimated initial investment to develop the first Business to be developed under the ADA (from the table in Item 7(A) above), less the Initial Franchise Fee (which is included in the Development Fee). It does not include the cost to open the second or any subsequent Business.

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ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Source Restricted Purchases and Leases - Generally

We require that you purchase or lease certain "source restricted" goods and services for the development and ongoing operation of your Business. By "source restricted," we mean that the good or service must meet our specifications and/or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate).

You must purchase certain goods and services that meet our specifications. We base our specifications for all exercise equipment, products, supplies, and supplier approvals on our discretionary determination of quality, demand, price, value, durability, reliability, accuracy of product claims, safety, warranty, prompt attention to complaints, frequency of delivery, appearance and contributions or other benefits to us and/or any marketing fund. Our specifications often involve confidential and proprietary information regarding the specifications for exercise equipment and content or formulation of a product. We will only share these details with suppliers that agree to sign a confidentiality agreement with us. We develop these specifications either through our research and development staff or with a particular manufacturer.

Our specifications and list of approved and designated suppliers are contained in the Operations Manual. One of our primary methods of communication with franchisees is through announcements or newsletters we may periodically publish and an intranet system provided to franchisees on our website. You are responsible for knowing all of the information contained in the announcements and/or newsletters and the intranet system and complying with any standards and specifications provided within them. We may establish and change our standards and specifications and our list of approved and designated suppliers through our announcements or newsletters and intranet system as well as by written notices and emails described above. We may also notify you of these changes through updates to the Operations Manual.

Suppliers

You must purchase or lease certain goods and services only from us, our affiliates, or third-party suppliers that we designate or approve, including your exercise equipment, computer, iPads, sound and microphone system, software, furniture, fixtures, floating floor systems, signage, uniforms and an inventory of products and supplies for the operation of your Facility. We may offer or designate others to offer certain exercise equipment, products, supplies or services, and we or our affiliates may become approved suppliers, or the only approved suppliers, for such items. If we develop proprietary exercise equipment or software in the future, you must purchase such exercise equipment and/or software from us, our affiliates or other suppliers that we designate or approve.

We (or our affiliate) are currently the only approved supplier for your webpage and email accounts, software, certain subscription services and related technology and services covered by the technology fee (we license the software and technology from third-party suppliers and sublicense them to you). The technology fee accounts for fees we pay to various third-party suppliers, and may also include reimbursement ourselves for out-of-pocket costs and costs associated with development of further technological developments, including, without limitation, personnel costs in connection with those technological developments, and additional amounts above those costs. Our affiliate, Burn On Demand, has developed the Burn App (defined in Item 1), which you must use in connection with the operation of your Business. The technology fee will cover the costs associated with your use of the Burn App. This application grants Members the capability to book camps and childwatch, sign membership agreements and liability waivers, keep track of camp attendance, and access the Burn Boot Camp® online store as well as unlimited access to a library of online workouts, Burn Boot Camp® live workouts and recovery videos for Burn On Demand Members. The Burn App also provides a vehicle to deliver omnichannel products and services to your Members, prospective members, and non-members and focuses on improving customer experience and engagement and allow Members to purchase a virtual-only membership. Members can download the Burn App through the Google Play Store or Apple App Store. Burn On Demand can be purchased through the Burn App or directly from Burn Boot Camp® franchised locations.

Our affiliate, Burn Retail, is currently the only approved supplier for all branded apparel (including employee uniforms), nutritional supplements and various accessories to be purchased by you for the operation of your Business, including all items included within the Initial Inventory Package. Burn Retail is also currently the only approved supplier for certain exercise equipment purchased after opening, including equipment needed to replace worn out or damaged equipment and new or additional equipment that you choose to add to your facility. Currently, you must purchase all advertising, promotional and marketing materials and miscellaneous forms and updates from our approved supplier. Our affiliate, Burn Media, is an approved supplier, but not the only approved supplier, for marketing services. Our affiliate Burn On Demand is currently the only approved supplier of the Burn App. Our Visionary/Co-Founder, Devan Kline, owns an interest in Burn Retail, Burn Media and Burn On Demand. Our CEO/Co-Founder, Morgan Kline, owns an interest in Burn Retail. There are no other approved or designated suppliers in which any of our officers owns an interest.

If you want to purchase or lease a new source restricted item, or purchase or lease an existing source restricted item from a non-approved supplier, you must send us a written request for approval and submit any additional information that we request in the manner in which we request it. We may require you to submit to us sufficient specifications, photographs, drawings or other information and samples to determine whether the items meet our specifications and require third party testing, in which case you will pay the actual cost of the tests. We may require that the proposed supplier provide certain information, sign a nondisclosure agreement, and agree to guarantee our level of quality and produce sufficient samples to allow us to test the sample at your expense. We will notify you of our approval or disapproval within 30 days after we receive your request for approval plus all additional information and samples that we require. We may, at our option, re-inspect the facilities and products of any approved supplier and revoke our approval if the product and/or supplier fails to meet any of our then-current criteria. We will notify you by email, updates to the Operations Manual or any other written form of communication of our approval, disapproval, or revocation of any prior approval, of any equipment, product, or supplier.

Current Source-Restricted Purchases

As described below in more detail, we currently require that you purchase or lease the following source restricted goods and services: site selection services; the lease for your Facility; the design and buildout of your Facility; fixtures and furnishings; exercise equipment and supplies; technology systems; signage; uniforms; inventory; operating supplies; marketing materials and services; call center services; merchant processing services; insurance policies; and maintenance and remodeling of your Facility. We estimate that 55% to 65% of the total purchases and leases that will be required to establish your Business and 30% to 35% of your ongoing purchases and leases will consist of source restricted goods or services.

Site Selection Services

You must use a real estate search consultant or broker that we have pre-approved to assist you in your real estate search. You are also required to work with our Real Estate team and submit a complete Site Acceptance Package to obtain our written approval of your proposed site. The designation of a search area is solely for the purpose of identifying a general geographic region in which you may attempt to locate and develop a Franchised Business and does not constitute a representation, warranty, or guarantee that suitable sites are available within that area. We do not represent or warrant that rental rates will be commercially reasonable, that landlords will negotiate on terms acceptable to you, or that you will be able to secure a location that satisfies our site selection criteria and approval standards. Site approval is granted in our sole discretion. The availability, suitability, and economic viability of any proposed site are subject to market conditions and other factors beyond our control. You are solely responsible for conducting all due diligence, evaluating site economics, negotiating lease terms, and determining whether development within the designated area is appropriate based on your independent business judgment and risk tolerance. Your inability to identify, secure, or develop an approved site within the designated search area does not relieve you of any obligations under your Franchise Agreement or any applicable Development Agreement, including development deadlines and related performance requirements.

Lease for Your Facility

You must also submit the proposed lease to us for acceptance at least 30 days prior to execution. Our approval of the lease does not constitute our opinion that the lease is sufficient to meet all of your obligations under your Franchise Agreement, and we do not perform a legal review of the lease on your behalf. You should consult your independent legal counsel for a review of the Lease and its terms. As a condition of our acceptance, the Lease must include our the-current form of the Conditional Collateral Assignment of lease and landlord Consent (the "Franchisor Lease Rider"), or such alternative provision as we may approve in writing in our sole discretion. The collateral assignment allows us to secure performance of your liabilities and obligations to us through which your landlord grants us the unconditional right to assume and/or assign your rights and obligations under the lease in the event that you breach your lease and/or your Franchise Agreement is terminated or expires. You must ensure that the lease permits sounds and vibrations consistent with the activities described in this Disclosure Document and in our Operations Manual that will take place in your Facility. Our acceptance does not constitute a representation or warranty that the Lease is financially favorable to you or sufficient to meet your legal, financial or operational obligations.

Design and Buildout of your Facility

We will provide you with floor plans and mandatory specifications for the construction of a Burn Boot Camp® Business, including the exterior and interior design. We require you to hire an architect to create a complete set of drawings based on your building size and local permitting requirements. It is your responsibility to confirm that your Business satisfies all state and local zoning ordinances, regulations, fire, health and building codes. Your construction plans must comply with our standards and specifications and you must submit them to us prior to construction commencement for approval. We will notify you of our approval or disapproval within 30 days after we receive your request for approval plus all additional information and samples that we require. We will not modify the final set of drawings, architectural plans, floor plans, schematics and/or specifications for the Business developed by you once those final set of drawings, architectural plans, floor plans, schematics and/or specifications have been approved by us and given to you. You must purchase and install the rubber flooring and floating flooring system that we designate. You must purchase the flooring exclusively from suppliers that we designate. We may require you to use approved suppliers for all leasehold improvements. Once constructed, you must furnish and equip your Facility in compliance with the requirements in the Operations Manual. You may not install or permit to be installed on the Facility premises any fixtures, furnishings, exercise equipment, décor items, signs, games, vending machines or other items without our written consent or that do not comply with our specifications.

Furniture and Fixtures

All of your furniture and fixtures (e.g., body fat analyzers, tables, pull up systems, dehumidifiers, lockers, shelving units, racking systems, etc.) must comply with our standards and specifications. You must purchase these items only from suppliers that we designate or approve.

Exercise Equipment and Supplies

All of your exercise equipment and supplies (e.g., dumbbells, kettlebells, pull up systems, med balls, agility equipment, jump ropes, heavy bags, sand bags, soft plyo boxes, resistance cords and bands, etc.) must meet our standards and specifications. You may only utilize the exercise equipment and supplies that we designate from time to time. You are strictly prohibited from using or selling any other exercise equipment or supplies. We will provide you with a written list of approved exercise equipment and supplies ahead of opening your Franchised Business. You may not use, offer or sell any exercise equipment, accessory or supply that has not been authorized by us. You must purchase all of your exercise equipment exclusively from approved or designated suppliers. Burn Retail is currently the exclusive supplier for certain exercise equipment purchased after opening.

Technology Systems

You must acquire and utilize all information and communication technology systems that we specify from time to time (the "Technology Systems"). Our required Technology Systems may include computer systems, point-of-sale system, webcam systems, telecommunications systems, security systems, music systems, sound systems, and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems. Certain components of the Technology Systems must be purchased or licensed from third-party suppliers. You are required to provide your Members with the Burn App. This application grants Members the capability to book camps and childwatch, sign membership agreements and liability waivers, keep track of camp attendance, and access the Burn Boot Camp® online store as well as unlimited access to a library of online workouts, Burn Boot Camp® live workouts and recovery videos, for On Demand Members. The Burn App also provides a vehicle to deliver omnichannel products and services to your Members, prospective members, and non-members and focuses on improving customer experience and engagement and allow Members to purchase a virtual-only membership. Members can download the Burn App through the Google Play Store or Apple App Store. Burn on Demand can be purchased through the Burn App or directly from Burn Boot Camp® franchised locations. You must comply with all of the policies and procedures associated with the Burn App, as outlined in the Operations Manual or otherwise. The technology fee will cover the costs associated with your use of the Burn App. We and/or our affiliate may develop proprietary software, technology or other components of the Technology Systems that will become part of our System. If this occurs, you agree to pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees. We also reserve the right to enter into master agreements with third-party suppliers relating to any components of the Technology Systems and charge you for all amounts we must pay to these suppliers based upon your use of the software, technology, equipment, or services provided by these suppliers.

We are currently the exclusive supplier of certain software and technology that you must use in operating the franchised business. We license this software and technology from third-party providers and sublicense it to you for use in the franchised business. Currently, our approved member management and point-of-sale system is Mindbody.

You must process all payments for memberships, retail products, and any other goods or services offered at the franchised business through the Mindbody platform using card acquirers supported by that system, unless we approve an alternative in writing.

You must also comply with the Payment Card Industry Data Security Standard ("PCI-DSS") and Personally Identifiable Information (PII) as established by the Payment Card Industry Security Standards Council, or any successor standards organization we designate, in connection with the collection, processing, storage, or transmission of payment card data.

We may modify, update, or replace the required software, technology systems, payment processors, or related vendors from time to time, and you must implement and use any such changes within the timeframe we establish. You are responsible for all costs associated with acquiring, implementing, maintaining, and using the required systems and for maintaining compliance with applicable payment card security standards and other system requirements.

Signage

All your exterior and interior signage must meet our standards and specifications and must be purchased exclusively from suppliers that we designate or approve.

Uniforms

Your staff must wear the uniforms that we specify. You must purchase your uniforms exclusively from suppliers that we designate or approve. Burn Retail is currently the exclusive supplier for uniforms.

Inventory

You must maintain a minimum inventory of products (including branded apparel, accessories and nutritional supplements) and exercise equipment to offer for sale in your Business (currently we do not authorize you to sell exercise equipment but reserve the right to do so in the future). All of your inventory must meet our standards and specifications. You may not offer or use any inventory items that we have not approved. You must purchase all inventory items exclusively from suppliers that we designate or approve. Burn Retail is currently the exclusive supplier for certain inventory items.

Operating Supplies

You must purchase certain operating supplies that meet our standards and specifications, such as hand sanitizers, hampers, dry erase boards, trash cans, scale and measuring tape, storage containers, child watch toys, miscellaneous forms, cleaning supplies, general office supplies, etc. You may purchase most of these items from any supplier of your choosing, but certain operating supplies may only be purchased from suppliers that we designate or approve.

Marketing Materials and Services

All marketing and promotion of your Franchise by you in any medium must be conducted in a professional and dignified manner and must conform to our specified standards and requirements. You must submit samples of all advertising or promotional plans and materials that you desire to use to us for approval if such has not been prepared or previously approved by us. You may not use any marketing or promotional materials that we have disapproved. This includes any promotion over the Internet to promote events at your Facility. You must submit a request to us for any type of Internet promotion you wish to do in addition to any edits, changes or updates to your website. Internet promotions, edits, changes or updates to your website must be done by us, our affiliates or approved suppliers with our consent. Upon approval of your request, you may be responsible for any website maintenance cost. Our response to your request for such marketing and promotional materials, Internet promotions and edits, changes and/or updates to your website will be made within 30 days after we receive it. We will notify you by email or any other written form of communication of our approval or disapproval. You may conduct advertising without our written permission in social media as long as you comply with our social media policy. You must adhere to the social media policies that we establish from time to time and must require your employees to do so as well. Use of social media, including any pictures that may be posted on, using or through one or more social media sites, must be in compliance with our Operations Manual and System standards, including our take-down policies. You must participate in and cooperate with all promotional programs that we establish (including any gift certificate or gift card program) and follow our requirements and guidelines. We may require that you purchase and use specific software, operational forms, contracts, checklists and promotional items in connection with these programs. You must purchase certain marketing materials and promotional items only from suppliers that we designate or approve. Burn Media Co. is currently an approved supplier (but not the only approved supplier) for certain marketing materials and services. We reserve the right to require you to modify or discontinue the use of any advertising agency, vendor, or partner that does not comply with our brand standards, system standards, or other requirements we establish from time to time.

Call Center Services

We may require that you participate in any call center program that we designate from time to time. We may require that you utilize the specific call center provider that we specify.

Merchant Processing Services

You must obtain merchant processing services from a supplier that we designate or approve.

Insurance

Before you open, you must obtain insurance coverage for the Business in the types and with the coverages that we specify. The insurance coverage must be maintained during the term of the Franchise Agreement and provide evidence of insurance to us that insurance has been obtained from a responsible carrier or carriers acceptable to us. Our current requirements for insurance are as follows:

1. Comprehensive General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations and fire damage coverage, in the amount of $1,000,000 per occurrence and $2,000,000 aggregate; and $500,000 in Abuse and Molestation Liability.

2. Property and casualty insurance (Tenants liability insurance) that covers you for damages or losses to the Business with a minimum policy limit of $1,000,000 per occurrence or an amount we reasonable specify;

3. Property coverage for the full cost of replacement for the up-fit or betterment to the business premises and all other property in which we may have an interest with no coinsurance clause; special risk with fire, windstorm and theft is required. "All Risks" coverage for the full cost of replacement of the Business premises and all other property in which we may have an interest with no coinsurance clause;

4. Professional liability insurance that covers you for damages that you create or damages incurred from your training that may include bodily injury or other damages with a minimum policy limit of $1,000,000 or an amount we reasonably specify;

5. Business Interruption insurance in such amount as will reimburse you for direct or indirect loss of earnings attributed to all perils commonly insured against by prudent business owners and coverable by insurance carriers or attributable to prevention of access to the Business, with coverage for a period of interruption of 180 days and such longer period as we may specify periodically. Business interruption insurance is optional, however we may require you to obtain this coverage in the future with liability limits in amounts we may reasonably specify which will relate to the right to be reimbursed for direct or indirect loss of earnings attributed to all perils commonly insured against by prudent business owners;

6. Product liability insurance that covers you for damages that result in injury from products that you distribute with a minimum policy limit of $1,000,000 per occurrence and $1,000,000 aggregate or an amount we reasonably specify;

7. Automobile liability coverage (optional), including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than $500,000 combined single limit or what is in accordance with your state guidelines;

8. Workers' compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation to injured workers, subject to the conditions set forth in the Franchise Agreement.

9. Employment practices liability insurance of a minimum of $100,000(required) that covers you and your Business against claims made by employees, former employees or potential employees for discrimination, wrongful termination, sexual harassment and other employment related obligations;

10. Crime insurance (optional) for employee dishonesty in the amount of $10,000 combined single limit;

11. Any other insurance or Bond required by the state or locality in which the Facility is located and operated, in such amounts as required by statute; and

12. Other insurance coverage, as we or the landlord may reasonably require.

With regard to any construction, renovation remodeling of the Business, you must maintain builder's risks insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, satisfactory to us. All of the policies must name us and our affiliates, as additional insureds and must include a waiver of subrogation in favor of all those parties.

We may change these insurance requirements upon reasonable notice to you. All insurance coverage shall be taken out in your name and shall name us an additional insured and be placed with insurers designated by us or acceptable by us. You must furnish us with certified copies of each of the insurance policies described above on the earlier of your opening of the Business or 60 days following the date that the Franchise Agreement is executed. You must purchase "A" rating insurance policies. Each such policy shall provide that it cannot be canceled without 30 days' prior written notice to us and that we shall receive at least 30 days prior written notice of its expiration. You shall promptly refer all claims or potential claims against you or us to each of us and our insurer.

Maintenance and Remodeling

You must maintain, repair, refinish, repaint, and replace fitness equipment, furniture, fixtures, displays, signs, decor, and any other tangible part or property of the Business to ensure that the Business operates in an efficient manner pursuant to our current standards and specifications, including the minimum frequency specified in the Operations Manual.

Purchase Agreements

From time to time, we have negotiated purchase agreements (including price terms) with suppliers relating to goods or services that must be purchased or leased by our franchisees. As of the issuance date of this Disclosure Document, we have negotiated purchase agreements (including price terms) with suppliers for rubber flooring, floating flooring, exercise equipment, interior signage, advertising services, fans and technology software programs.

We do not provide material benefits (for example renewal or additional franchises) to you based solely on your use of designated or approved suppliers, other than having access to any favorable pricing that we negotiate. We do not currently have, or require that you belong to, any purchasing or distribution cooperative, although we reserve the right to establish them in the future and require that you participate.

Franchisor & Affiliate Revenues Based on Franchisee Purchases and Leases

We and our affiliates may derive revenue from required franchisee purchases and leases in any manner, including rebates, license fees, promotional fees, advertising allowances, sponsorships, commissions, discounts, or other monies paid by approved suppliers.

We currently receive rebates from certain suppliers from franchisee purchases for exercise equipment, flooring, signage, and promotional items. Some of these rebates are calculated as a percentage of the purchase price as sold to our franchisees and range in an amount up to 15% of the purchase price.

During the fiscal year ended December 31, 2025, we generated $4,557,640.00 in revenues based on required purchases or leases by our franchisees (including $4,144,820.00 from technology fees, which are pass-through fees we remit to various third-party suppliers, $232,760.00 in fees from required tickets for our franchisee annual Summit, and $180,060.00 in payments from suppliers based on franchisee purchases), which represents 16% of our total annual revenues of $28,965,790 for the fiscal year ended December 31, 2025.

During the fiscal year ended December 31, 2025, Burn Retail generated $757,333 in revenues based on required purchases or leases by our franchisees.

We have no other afiliates that derived revenue based on required purchases or leases by our franchisees.

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ITEM 9: FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Section in ADA	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections IX.R and XVII.C. of Franchise Agreement	Section 1 and Exhibit 1 of the ADA	Items 7, 11 and 12
(b) Pre-opening purchases/leases	Section V of Franchise Agreement	Not Applicable	Item 7 and 8
(c) Site development and other pre-opening requirements	Sections IV.S, V, IX.T, XVII.C. of Franchise Agreement	Not Applicable	Items 6, 7, 11
(d) Initial and ongoing training	Sections IV.T and IV.U of Franchise Agreement	Not Applicable	Item 11
(e) Opening	Section VI.A of Franchise Agreement	Section 5 of the ADA	Item 11
(f) Fees	Sections VI and VII of Franchise Agreement	Section 2 of the ADA	Items 5, 6 and 7
(g) Compliance with standards and policies (Operations Manual)	Sections IX.A and IX.G. of Franchise Agreement	Not Applicable	Item 8, 11 and 16
(h) Trademarks and proprietary information	Sections XII and XIII of Franchise Agreement	Not Applicable	Items 13 and 14
(i) Restrictions on products/services offered	Section IX.H. of Franchise Agreement	Not Applicable	Items 8 and 16
(j) Warranty and customer service requirements	None	Not Applicable	None
(k) Territory development and sales quotes	Section III of Franchise Agreement	Sections 1 and 5 of the ADA	Item 12
(l) On-going product/services purchases	Section IX.H. of Franchise Agreement	Not Applicable	Item 8
(m) Maintenance, appearance and remodeling requirements	Section IX.E. of Franchise Agreement	Not Applicable	Item 11
(n) Insurance	Section X of Franchise Agreement	Not Applicable	Items 6 and 7
(o) Advertising	Sections VII.B, IX.K and XVII.J	Not Applicable	Items 6, 7, and 11

Obligation	Section in Franchise Agreement	Section in ADA	Disclosure Document Item
(p) Indemnification	Section XV of Franchise Agreement	Not Applicable	Item 6
(q) Owner's participation/ management/staffing	Sections IX.F and IX.J. of Franchise Agreement	Not Applicable	Items 11 and 15
(r) Records/reports	Section XI of Franchise Agreement	Not Applicable	Item 6 and 11
(s) Inspections/audits	Sections IX.P and XI.B. of Franchise Agreement	Not Applicable	Item 6 and 11
(t) Transfer	Section XIX of Franchise Agreement	Section 8 of the ADA	Item 6 and 17
(u) Renewal	Section IV.B. of Franchise Agreement	Not Applicable	Item 6 and 17
(v) Guarantee	Section IX.Q. of Franchise Agreement	Not Applicable	Item 15
(w) Post-termination Obligations	Section XXI of Franchise Agreement	Not Applicable	Item 17
(x) Non-competition covenants	Section XVI of Franchise Agreement	Not Applicable	Item 17
(y) Dispute Resolution	Sections XXII.C, XXII.D, and XXII.E of Franchise Agreement	Sections 11-15 of the ADA	Item 17

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ITEM 10: FINANCING

We do not offer direct or indirect financing. We do not guarantee your lease, note or obligation.

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ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS & TRAINING

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

Pre-Opening Obligations: We or our designee will provide you with the following assistance prior to opening:

1. We will define the territory within which you must operate the Business. (Franchise Agreement, Section III).

2. Provide you with written specifications for all computers, iPads, software, exercise equipment, furnishings, fixtures and signage necessary for the operation of your Business, and a written list of all approved suppliers to purchase all exercise equipment, products, supplies and services from that you are authorized to use, offer and sell in your Business. Burn Retail will deliver to your Facility all of the items included within the Initial Inventory Package that you must purchase. Neither we nor our affiliates deliver or install any other items that you are required to purchase before opening. (Franchise Agreement Sections XVII.H and XVII.I).

3. Make available to you in electronic form during the term of the Franchise Agreement our confidential Operations Manual, which may include other manuals or other written materials for the operation of a Burn Boot Camp® business, containing mandatory and suggested specifications, standards and operating procedures required by us and information relative to your other obligations under the Franchise Agreement. We reserve the right to provide the Operations Manual to you solely electronically and not via hard copy. We have the right to add to, and otherwise modify, any manual, including the Operations Manual, to reflect changes in authorized exercise equipment, products and services, as well as changes in specifications, standards and operating procedures of a Burn Boot Camp® Business. You must keep the Operations Manual, confidential and current, and may not copy any part of the Operations Manual. The Operations Manual currently contains 272 pages and the table of contents of the Operations Manual as of our last fiscal year end is included with this Disclosure Document as Exhibit F. (Franchise Agreement, Section XVII.G).

4. Approve you to execute the Lease for your Business. You must submit the Lease to us for our acceptance at least thirty days before you sign the agreement. As a condition of our acceptance, the Lease must include our then-current form of the Conditional Collateral Assignment of lease and landlord Consent (the "Franchisor Lease Rider"), or such alternative provision as we may approve in writing in our sole discretion. You must send us a signed copy of the Lease, including the Conditional Collateral Assignment of Lease, within five days after execution by all parties. Our review and acceptance of the Lease, including the Franchisor Lease Rider, is soley for the purpose of confirming compliance with our site and operational requirements and protecting our rights under the Franchise Agreement. Our acceptance does not constitute a representation or warranty that the Lease is financially favorable to you or sufficient to meet your legal, financial, or operational obligations. We do not provide legal advice, and you should consult your independent legal counsel fregarding the Lease and its terms. (Franchise Agreement, Sections IX.R and XVII.C).

5. We will provide the initial franchisee education program described below (Franchise Agreement Section XVII.A).

Site Selection Assistance and Opening. We will provide you with the following site selection and opening assistance:

1. We will review and accept or reject locations selected by you for your Business. If you and we have not already agreed upon a site for your Business operations that meets our requirements, we may provide you with assistance in locating a Business site. You must select the site of your Business within the designated site selection area provided in the Franchise Agreement. We will accept the site if we feel in our total discretion that it meets or exceeds our standards. The factors that we consider in acceptance of the site include but are not limited to cost, competition, population density, demographics, traffic patterns, convenience, adequate parking, safety, zoning ordinances, neighborhood and physical characteristics of the premises such as size, configuration and layout. A typical Burn Boot Camp® business has approximately 3,600 to 7,000 square feet of space. We evaluate each proposed site and accept or reject, each one on a case-by-case basis and will notify you by email or any other form of written communication of our acceptance or rejection of any proposed site within 30 days after we receive your request. If we do not respond within 30 days, then the proposed site will be deemed rejected. The space for a Burn Boot Camp® Business must be enclosed and separate from other businesses with its own locking door (Franchise Agreement, Sections IX.R and XVII.C).

2. You have 365 days after the execution of your Franchise Agreement to open your Franchised Business. Time is of the essence. Failure to acquire a lease and/or open your Business within the timeframes mentioned above, will constitute a default under the Franchise Agreement, for which we may terminate the Franchise Agreement. (Franchise Agreement, Section VI.A).

3. We will provide you with floor plan examples and mandatory specifications for the construction of a Burn Boot Camp® business which includes the exterior and interior design. We require you to hire an architect to create a complete set of drawings based on your building size and local permitting requirements. You will be required to confirm that your Business satisfies all state and local zoning ordinances, regulations, fire, health and building codes. Your construction plans must comply with our standards and specifications and you must submit them to us prior to construction commencement for approval. We will notify you of our approval or disapproval within 30 days after we receive your request for approval plus all additional information and samples that we require. We will not modify the final set of drawings, architectural plans, floor plans, schematics and/or specifications for the Business developed once those final set of drawings, architectural plans, floor plans, schematics and/or specifications have been approved by us and given to you. It is your responsibility to comply with all laws, ordinances, regulations, zoning and building codes for your Business. You must select and employ licensed contractors reasonably acceptable by us for the complete build out and/or any leasehold improvements (Franchise Agreement, Sections XVII.D and IX.S).

4. We will provide Franchisee with a list of all approved exercise equipment, Products, supplies and services that Franchisee is authorized to use, offer or sell in the operation of its Business; and a written list of all approved suppliers to purchase such items prior to opening your Franchised Business . Franchisee will be required to submit in writing alternate exercise equipment, Products, supplies, services, or suppliers to us for approval in the manner in which we require. (Franchise Agreement, Sections XVII.I and IX.H).

Obligations During Operation. We will provide you with the following assistance after your Business has opened.

1. Provide additional on-site supervision and assistance as we deem necessary and in our discretion. Additional visits are for the purpose of advising you with respect to membership sales, executing our fitness programs and workout routines, exercise equipment operation and maintenance, products, services, customer service, operational and sales matters related to your Business. You will be responsible for the transportation, room and board and miscellaneous expenses incurred by our personnel during the visits, which will take place per the terms of the Franchise Agreement, or at your request, and at times and dates selected by us (Franchise Agreement, Section XVII.A).

2. Provide you and your personnel with continuing education meetings and training sessions at locations we designate, which we anticipate will typically be held at our headquarters. You may be required to attend such meetings and trainings and to pay our then-current applicable fee, together with our related expenses, which may vary by location. We reserve the right to adjust the per-day fee from time to time in a reasonable amount based on reasonable and consistently applied criteria. (Franchise Agreement, Section XVII.A).

3. Conduct quarterly meetings or an annual convention at such place as shall be designated by us, at our current fees which can change based on Franchisor's cost (Franchise Agreement, Section XVII.A).

4. Provide you with: updated written lists for services, products and exercise equipment you are authorized to sell and/or offer; and updated written lists of exercise equipment, products, supplies and services (as described in Item 8) that you must use in the operation of your Business. We will also provide you with updated and current lists of approved suppliers for exercise equipment, products, supplies and services you can purchase from for the operation of your Business. Our affiliate, Burn Retail, will provide you with an ongoing supply of certain inventory items you must purchase, including branded apparel, nutritional supplements, and various accessories. (Franchise Agreement, Sections IX.G, IX.H, IX.I, XVII.H and XVII.I).

5. Review and approve or disapprove any piece of exercise equipment, product, supply, service and/or supplier you wish to use, sell, or offer in the operation of your Business. We will inform you of such approval or disapproval in writing or by email. We may require third party testing of such items and you are responsible for paying the costs of such tests as described in Item 8 (Franchise Agreement, Section IX.H).

6. Review and approve advertising and promotional materials in addition to any promotions, edits, changes, or updates to your website that you submit to us, by notifying you in writing or by email of such approval or disapproval. Any plans or materials submitted by Franchisee to us, which have not been approved or disapproved in writing, within such 30 day period shall be deemed not approved (Franchise Agreement, Sections IX.I, IX.K and XVII.J).

7. Provide continuing education to any new Operations Manager or Lead Trainer of your Business as discussed below under the Section entitled "Franchisee Education (Training)". We may require that you (or if you are an Entity, an Owner) and any Operations Manager(s), or Lead Trainer(s) to complete supplemental and refresher education programs during the term of the Franchise Agreement (Franchise Agreement, Section XVII.A).

8. You shall have the right to offer and sell services and products at any prices you may determine, except that we reserve the right to establish minimum and maximum prices for any given service or product nationwide to the extent allowed by federal and state laws. To clarify, we have the right, in our sole discretion, to establish minimum and maximum prices for any service or product (including exercise equipment if we authorize you to sell exercise equipment in the future) so long as such decisions are made with the honest belief that the measure we are adopting will help everyone in the System meet competition and succeed in the marketplace. Promotional pricing, including grand opening and founding member offers, will not be considered the minimum price. You are prohibited from heavily discounting services and products offered for sale and must adhere to our minimum and maximum pricing guidelines, except as otherwise provided by applicable federal or state laws. You must participate in and comply with all sales and promotional programs and/or product promotions promulgated by us periodically, except as otherwise provided by applicable federal or state laws.

9. As permitted under applicable law, provide you with minimum and maximum pricing guidelines and

sales and promotional programs and/or product promotion (Franchise Agreement, Section IX.G.11).

Area Development Program

If you sign an ADA, you will receive a designated geographic area for each Burn Boot Camp Business you agree to develop. We will accept or reject a site for your business locations according to the then-current standards, within the timelines applicable in each Franchise Agreement. In addition to granting you the right to establish a specific number of Businesses under your ADA, we will also provide you with the assistance described in this Item 11 for each Business you must open under your ADA.

System Brand Fund

We have created, maintain and administer a system brand fund (referred to as the "System Brand Fund") to support ongoing technology and new equipment or product development to be made available to franchisees, and such national advertising as we, in our sole discretion, may deem appropriate to promote the Burn Boot Camp® name to benefit all franchised businesses. We will direct all such programs and will have sole discretion over the creative concepts, materials and endorsements and media used in such programs, and the placement or allocation of such programs. The source of the advertising will come from our in-office advertising department or from a national or local advertising agency. We reserve the right to determine in our sole discretion the composition of all geographic territories and market areas for the implementation and development of such programs. The advertising programs may be national, regional, or local at our sole discretion. We are not obligated to spend a specific dollar amount on advertising in your territory (Franchise Agreement, Section VII.B).

You will pay us 2% of monthly Gross Revenue for System Brand Fund contribution as designated in the Franchise Agreement. We may raise, discontinue, or reduce the contribution, but your total contribution will not exceed 3% of your Gross Revenue in any calendar year for the term of your Agreement. Contributions are due by the day we specify during each Report Period for the immediately preceding Report Period.

The contributions will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the System Brand Fund and its programs including conducting evaluation of new exercise equipment, products, services and technologies; product and/or exercise equipment development, market research, preparing advertising, promotion and marketing materials, and collecting and accounting for contributions to the System Brand Fund. Usage of the System Brand Fund may include ongoing development of the national website and development of new exercise equipment, products, and services to be made available to franchisees. The media in which advertisements may be disseminated include print advertising, signs, billboards, radio, television, or Internet, digital and social media marketing campaigns, mailers and flyers, telemarketing, SMS and email marketing, celebrity and public figure partnerships and endorsements, and any other medium, type or form of advertising as we may determine in our sole discretion, and may be conducted on a regional or national basis. The Fund may also be used for: local franchisee group advertising or marketing; local, regional, national or international advertising or marketing; administration of advertising and marketing (including salaries, accounting, collection, legal and other costs), related expenses and any media or agency costs. We will direct all such programs, and will have sole discretion over the creative concepts, materials, endorsements and media used in such programs, and the placement or allocation of such programs. We reserve the right to determine, in our sole discretion, the composition of all geographic territories and market areas for the implementation and development of such programs.

We may spend on behalf of the System Brand Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Burn Boot Camp® Franchises in that year, and the System Brand Fund may borrow from us or others to cover deficits or invest any surplus for future use. While we do not anticipate that any part of System Brand Fund contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the Fund for public relations or recognition of the Burn Boot Camp® brand, for the creation and maintenance of a website, a

portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available" or similar language. A material portion of the System Brand Fund is allocated towards our partnerships with Kevin Hart and Marshmello.

We are under no obligation to ensure that expenditures by the System Brand Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Fund by franchises operating in such geographic area or that you or your Business will benefit directly or in proportion to your contribution to the System Brand Fund. Neither the Fund nor we shall be liable to you with respect to the maintenance, direction, or administration of the System Brand Fund, including without limitation, with respect to contributions, expenditures, investments, or borrowings. All Burn Boot Camp® businesses owned by us or our affiliates must contribute to the System Brand Fund in the same proportion as all franchisees.

We administer the System Brand Fund, which is not audited. If contributions paid into the System Brand Fund are not spent in the fiscal year in which they accrue, we can use the remaining amounts for the same purposes in future years. We will prepare an annual un-audited statement of monies collected and costs incurred by the System Brand Fund within 120 days after the end of our fiscal year and furnish it to you upon written request. We reserve the right not to spend all of the funds in the System Brand Fund in any one year and such funds may be accrued into the next year.

In the fiscal year ended December 31, 2025, the System Brand Fund contributions were expended as follows: Media Placement 47%; Production 29%; and Administration 24%.

Advertising Cooperatives

We do not now, but may in the future, require you to join, participate in and pay into, one or more franchisee marketing councils (regional advertising cooperative) for your region, determined by the penetration area of local advertising media used (for example, the area of a regional 'newspaper's circulation). Because, we have not yet formed any franchisee marketing councils, we do not know how the area or the membership of any franchisee marketing council (regional advertising cooperative) will be determined. Because we have not formed any franchisee marketing councils (regional advertising cooperative), we have not determined whether any of our company-owned businesses will be contributing to any advertising spent by any franchisee marketing council. If we choose to establish a franchisee marketing council (regional advertising cooperative), we will be responsible for administering it. If we do create any franchisee marketing councils (regional advertising cooperative), they must operate in accordance with bylaws (or an operating agreement if it is a limited liability company). If we do create any franchisee marketing councils, the franchisee marketing council will prepare annual financial statements that you can review, but which will be unaudited. We will have the right to form, dissolve, and merge any specific franchisee marketing council. Even though we have not yet formed any franchisee marketing councils (regional advertising cooperative), we may require that all franchisees within close proximity to a consumer show, convention or exhibition where services and products are being offered or sold to participate in the cost and benefit of the show. We reserve the right to issue binding policies to coordinate marketing councils and/or advertising cooperative programs. We must approve in advance and will direct and coordinate all franchisee Internet advertising. All such programs and policies are our proprietary trade secrets.

Grand Opening Marketing and Local Advertising

You must spend $15,000 in local marketing between the signing of your Franchise Agreement and 2 weeks before opening, and then you must spend another $15,000 from 2 weeks before opening until 90 days after opening. Thereafter, you must spend on approved forms of local advertising the minimum amount of $3,000 per month ("Local Advertising Expenditure"). You have the option, but not the obligation, to contract with our affiliate, Burn Media Co., to provide these marketing services. You must give us a quarterly report of your Local Advertising Expenditures within 15 days following the end of each calendar quarter. You cannot include expenditures for any of the following to satisfy your Local Advertising Expenditure requirement: (i) incentive programs for your employees or agents; (ii) non-media promotional costs; (iii) charitable, political, or other contributions or donations; (iv) fixtures or equipment in your Facility; (v) business

directory listings (online, digital, or otherwise); or (vi) grand opening expenses. If we direct you in writing, you must pay the Local Advertising Expenditure to us, and we will administer the Local Advertising Expenditures on local promotional campaigns and marketing for your Business. You will not use any independent advertising or sales promotion programs in any media (including electronic) without our prior review and written approval. We will approve or disapprove in writing the materials you submit to us within 30 days and, if we do not respond within such period, all such materials will be deemed automatically disapproved. You will make reasonable efforts to participate in and cooperate with all advertising programs selected by us or by any approved group of franchisees, except that you may not need to follow or maintain any sales price or suggested promotional pricing. You are responsible for any expenses of this independent advertising.

Franchise Advisory Council

We have established an elected Advisory Council. Selected Franchisee(s) must actively participate in the Advisory Council as we designate and participate in all Advisory Council meetings approved by us, including serving on Advisory Council subcommittees for specific topics determined by us from time to time, including marketing, technology, retail and fitness product. We reserve the right to prepare and amend the governing documents for the Advisory Council from time to time. We will determine the topic areas to be considered by the Advisory Council. The purpose of the Advisory Council includes, among other things, exchanging ideas and problem-solving methods, advising us on expenditures for System-wide advertising, and coordinating franchisee efforts. Amounts and expenditures may vary from time to time due to variations in Advisory Council participation and costs, as determined by the Advisory Council, and as we approve. The Advisory Council acts in an advisory capacity only. We have the right to form, change, or dissolve any Advisory Council at any time in our sole discretion.

Computer System

Required Components

You must purchase and use all Technology Systems (as defined in Note 5 in Item 6) that we designate from time to time. One component of our Technology Systems is your "computer system," which consists of the following items: computer; iPads; credit card processing equipment; printer; scanner; wireless router; networking equipment; copier; sound system; microphone system; music subscription support; a telephone; and the various business management software covered by the technology fee. We may change the components of the Technology Systems from time to time, including your computer system. Additionally, we recommend that you use an accounting software to assist in the management of the Business, which must allow you to prepare and submit financial statements consistent with our required financial statements (as outlined in the Operations Manual). Lastly, you must obtain a music subscription service (including licensing) to stream music in the Facility. The costs for the accounting software and music subscription service are not included in the Technology Fee. Your use of the Burn App is included in your Technology Fee.

Email Addresses

As part of the Technology Fee, we will provide you with the email addresses for use with your Business. You must exclusively use the email address or addresses that we provide for all communications with us, members, suppliers, and other persons relating to your Business. You may not use any email address that we provide to you for any purpose unrelated to your Business. We will own the email addresses and the account but will allow you to use them during the term of your franchise.

How Computer System Is Used

Your computer system will be used for a variety of purposes. The technology fee paid to us covers the licensing fees associated with the suite of software and subscription services you must license through us (we license these items from third parties and sublicense them to you). Our suite of software currently includes the following programs:

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TECHNOLOGY FEE – COVERED SOFTWARE, TECHNOLOGY AND SERVICES	
Type of Software/ Service	**How Used by Franchisees**
Franchise Management Software	Managing the business development process, storing, and accessing documents, accessing the Operations Manual and other important business-related data, tracking financial information, and communicating with us and other franchisees. This software also provides us with insight into your operations to allow us to monitor and provide suggestions for improvement.
Customer Relationship Management Software	Centralized storage and management of client communications and profiles, including purchases, visits, notes, tasks, and communications. Conducting and managing email marketing campaigns. Lead management and automations, user segment creation, and follow up
Member Management and Point-of-Sale Software	Invoicing members, processing payments (including cash, check, and credit card transactions), scheduling/managing appointments, managing inventory, preparing operational reports and storing member waiver and contract documents.
Learning Management System Software	Cloud-based virtual education management system including testing and scoring for all Burn platforms and processes
Website Hosting	We will develop and host your local webpage as part of our corporate website.
Firewall Hosting	Protects the website from various threats.
Email Hosting	We will host the email accounts used by you and your location.
API Hosting	Cloud-based platform for supporting software integrations.
Software Helpdesk	Online support website available to provide software, technology, and business support.
Burn On Demand (BOD)	All Burn On Demand features and development including Live Studio streaming, video content storage and management and BOD contract management
Data Warehouse and BI (ODS, Domo and Burn Intelligence)	Data management, engineering and reporting for transactional reporting and business revenue management
Data Governance	Data integrity, as well as cloud-based processing and storage for our online data store, which is the source for our Business Intelligence platform
App and Digital Costs	Maintenance, hosting, development and support of the digital web solutions, digital marketing, and Burn Boot Camp App
Various vendors	Software maintenance for management, maintenance, and support of other technology solutions, including “Click-to-Cancel” compliance

TECHNOLOGY FEE – COVERED SOFTWARE, TECHNOLOGY AND SERVICES	
Type of Software/ Service	**How Used by Franchisees**
Enterprise email and collaboration software	This software includes, but is not limited to, email, calendar management, file sharing, messaging, video conferencing, and team collaboration tools. Franchisees are responsible for accessing and using the software in accordance with the franchisor's policies and security guidelines. Use of the software is necessary for internal communication, operational coordination, and compliance with franchisor reporting requirements.
Enterprise security solutions	These solutions may include antivirus/anti-malware software, firewalls, secure VPN access, multi-factor authentication, data encryption, and monitoring tools.

Fees and Costs

We estimate the initial cost of your Technology Systems, including computer and point-of-sale system hardware, will range from $5,778 - $7,828.

We and/or our affiliate may develop proprietary software, technology or other components of the Technology Systems that will become part of our System. If this occurs you agree to pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees. We also reserve the right to enter into master agreements with third-party suppliers relating to any components of the Technology Systems and then charge you for all amounts that we must pay to these suppliers based upon your use of the software, technology, equipment, or services provided by the suppliers. The "technology fee" includes all amounts that you must pay us or our affiliates relating to the Technology Systems, including amounts paid for proprietary items and amounts that we collect from you and remit to third-party suppliers based on your use of their systems, software, technology or services. The amount of the technology fee may change based upon changes to the Technology Systems or the prices charged by third-party suppliers with whom we enter into master agreements. The technology fee does not include any amounts that you directly pay to third party suppliers for any component of the Technology Systems.

The table below identifies the ongoing fees and costs you must pay for the Technology Systems:

COMPUTER SYSTEM – ONGOING FEES AND COSTS			
Item	**Fee (Monthly)**	**Fee (Annual)**	**To Whom Paid?**
Technology Fee	$100 (before lease signed) $860 (after lease signed) The Technology Fee may be increased periodically, not to exceed $1,500/mo.	$1,200 (before lease signed) $10,320 (after lease signed)	Us

COMPUTER SYSTEM – ONGOING FEES AND COSTS			
Item	**Fee (Monthly)**	**Fee (Annual)**	**To Whom Paid?**
Music Subscription Services	Approximately $39.99 subscription fee based on supplier, plus approximately $150 per month for music licensing services (during the first two years after opening) Approximately $49.99 subscription fee based on supplier, plus approximately $150 per month for music licensing services (after the first two years after opening)	$2,279.88 (during the first two years after opening) $2,399.88 (after the first two years after opening)	Third-party supplier

Maintenance, Support, Updates and Upgrades

In exchange for the ongoing fees described in the preceding section, the licensors of the various software will provide all required maintenance, support, updates, and upgrades. There are no optional or required maintenance, updating, upgrading or support contracts relating to your computer system. Except as otherwise disclosed above: (i) neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system; and (ii) we are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your computer system.

Collection and Sharing of Data

Your computer system will collect the following data: email communications (including sender/recipient data, delivery/email open data, email click data, email subscriber name/email and opt in-/out status); operational data relating to your Business; template and signed documents from you and your members/suppliers; member information (including name, date of birth, gender, contact information, payment information, purchase history and visit history); consumer reviews; local business listings data; website metrics (including site visitor geo location); and music play history. We will have independent unlimited access to all data that you enter into your cloud-based software applications (including your franchise management software, member management and point-of-sale software, CRM software, etc.) and there are no contractual limits imposed on our access. We will not have independent access to any other data that you enter into your computer system and store locally on your hard drive. You are solely responsible for managing and maintaining your computer system and the information stored locally on the computer system.

Computer System Maintenance and Changes

You must maintain the computer system in good working order at your cost. During the term of your franchise, you may be required to upgrade or update your computer hardware and/or software to conform to our then-current specifications. You must replace all computer systems and iPads at your expense: (i) as such items become obsolete or inoperable; or (ii)

if, in our sole discretion, replacement is necessary because of new functionality, change in software, change in methods of service or because of health or safety considerations. You have 90 days after you receive written notice from us to either remove or replace such computer systems and iPads. Your failure to remove, replace and/or maintain your computer systems and iPads as described above may result in termination.

Website and Internet Presence

We may establish electronic Local Listings and Citations for your business on your behalf, and provide access to make adjustments, as necessary, to customize elements of those web listings. Unless we approve otherwise in writing, you may not establish a separate Website and will only have one website, as we designate and approve, within our website. The term "Website" includes: Internet and World Wide Web home pages, as well as other electronic sites (such as social networking sites like Facebook, TikTok, X, LinkedIn, Pinterest, Yelp, blogs and other applications). You must comply with our requirements regarding selling, advertising, discussing, or disseminating any information, or otherwise having a presence on a Website, regarding the Business. If we approve a separate Website for you (which we are not obligated to do), we will provide you with guidelines for establishing and maintaining such Websites and each of the following provisions will apply: (i) you may neither establish nor use any Website without our prior written approval; (ii) before establishing any Website, you must submit to us, for our prior written approval, a sample of the proposed Website, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta-tags), in the form and manner we may require and all such work (except for social networking sites) must be performed by us, our affiliates or approved suppliers (as described in Item 8); (iii) you must not use or modify a Website (except for social networking sites) without our prior written approval; (iv) you must comply with the standards and specifications for Websites that we may periodically prescribe in the Operations Manual or otherwise in writing; (v) if we require, you must establish hyperlinks to our website and other Websites; and (vi) you must not engage in any link building activities unless approved by us.

You may not create, distribute, or operate any smartphone, tablet, computer or other app using any of the Marks or related in any way to the System.

You must participate in any System-wide computer network, intranet system or extranet system that we implement and may be required by us to use such a network to, among other things: (i) submit reports to us; (ii) view and print updates to or portions of the Operations Manual; (iii) download approved local advertising materials; (iv) communicate with us and other System franchisees; and (v) complete franchisee education programs. You agree to use the facilities of any such computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Operations Manual, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements.

Franchisee Education (Training)

We will provide the initial education program at our headquarters or another location of our choice. Certain of this training is mandatory and certain of the training is optional, as further outlined below.

With respect to mandatory training, we will provide this initial education program without charge for you and up to 2 additional individuals (for a total of 3 people), being the Owners, Lead Trainer, Operations Manager or key personnel as designated by you, no earlier than the date you sign your lease.

If you are a new franchisee and are taking over an existing Burn Boot Camp® location, the education program must be completed no later than 90 days after the effective date of the consent to transfer document that you sign. In addition, you must complete general, non-proprietary franchisee education prior to the transfer and can be completed prior to the completion of the transfer (provided, that all attendees execute a non-disclosure agreement and have completed that appropriate qualification requirements). Part of this franchisee education may be conducted online (Burn Learning Portal) but Burn University ("Burn U") must be completed in person. If you are an existing franchisee taking over an existing

Burn Boot Camp® location, the franchisee education program must be completed within no later than 90 days after the effective date of the consent to transfer document that you sign, unless we waive this requirement based on your recent completion of the franchisee education program in the two years prior to the transfer (in our sole discretion).

You will be responsible for travel, accommodation, food, and other costs for all your attendees at all training programs outlined below (and as otherwise required under the franchise agreement), and you must attend and satisfactorily complete the program within the timeframe mentioned above. If, during the franchisee education program we determine, in our sole discretion, that you (or your Operations Manager, managing partner, member or shareholders) are not qualified to manage a Burn Boot Camp® Business, you can appoint someone else to attend and satisfactorily complete the education program at your expense and if the other attendee does not satisfactorily complete the program to our satisfaction, then we may terminate your Franchise Agreement.

If your Lead Trainer fails to timely complete the initial education program to our satisfaction, you have the right to appoint another Lead Trainer to attend Trainer Burn University at your expense. If the other Lead Trainer does not satisfactorily complete Trainer Burn University to our satisfaction, then we may terminate your Franchise Agreement. If you or your affiliate has owned and operated a Burn Boot Camp® Business previously and you purchase another existing Burn Boot Camp® Business, then we will not be obligated to provide all of the aforementioned education to you at no cost, however, we will provide you with two (2) complimentary Burn U registrations. You must use these complimentary Burn U registrations if the location does not have a designated Burn U certified trainer, and/or you have not attended two years prior to the transfer date. You must pay for any additional Burn U registrations you may need as outlined below.

FRANCHISEE EDUCATION PROGRAMS - FRANCHISEES AND OPERATIONS MANAGERS

You and your Operations Manager must complete Fundamental Burn U to our satisfaction prior to opening. The entire Burn U program is described below (Fundamental and Renewal) and may be subject to change upon our written direction. If you wish to send more than 3 people to Fundamental Burn U, subject to availability and capacity, we may accommodate the request and you must pay us a fee $1,500 per additional attendee.

We have created an additional training program, Renewal Burn U (as outlined below; subject to change upon our written direction), that is only available to, and required for, renewing franchisees. If you attend Renewal Burn U to satisfy your renewal training obligations, you do not have to pay a fee for the first 3 people you send.

ONLINE PRE-EDUCATION PROGRAM			
Subject	**Hours of Classroom Education (Training)**	**Hours of on the Job Education (Training)**	**Location**
Brand Standards/Cultivating Culture	1 Hour	0 Hours	Online
Fitness Product Training	1 Hour	0 Hours	Online
Burn Operating System Overview	1 Hour	0 Hours	Online
Retail Process	1 Hour	0 Hours	Online
System Platform	1 Hour	0 Hours	Online
Blue Carpet Experience (BCE)	20 minutes	0 Hours	Online
Compliance	15 minutes	0 Hours	Online
Sales	20 minutes	0 Hours	Online
Total	**6 Hours**	**0 Hours**	

FUNDAMENTAL BURN U EDUCATION PROGRAM			
Subject	**Hours of Classroom Education (Training)**	**Hours of On The Job Education (Training)**	**Location**
Blue Carpet Experience	2 Hours	2 Hours	Corporate Headquarters in Cornelius, North Carolina or as we otherwise specify.
Fitness Product	3 Hours		Corporate Headquarters in Cornelius, North Carolina or as we otherwise specify.
Marketing Processes and Technology Platforms	5 Hours		Corporate Headquarters in Cornelius, North Carolina or as we otherwise specify.
Sales Processes and Technology Platforms	4 Hours	2 Hours	Corporate Headquarters in Cornelius, North Carolina or as we otherwise specify.
Business and People Operations	12 Hours		Corporate Headquarters in Cornelius, North Carolina or as we otherwise specify.
Total	**26 Hours**	**4 Hours**	

RENEWAL BURN U EDUCATION PROGRAM			
Subject	**Hours of Classroom Education (Training)**	**Hours of on the Job Education (Training)**	**Location**
Leadership Development, Performance Coaching, Fitness Product, and Strategic Planning	9 Hours	0 Hours	Corporate Headquarters in Cornelius, North Carolina or as we otherwise specify.
Sales Management, Lead Management, Retention Management, and Membership Renewal Processes	8 Hours	0 Hour	Corporate Headquarters in Cornelius, North Carolina or as we otherwise specify.
Business Management, Referral Management, Sales Processes, Quarterly Priorities, Meeting Cadences, and Team Accountability	9 Hours	0 Hours	Corporate Headquarters in Cornelius, North Carolina or as we otherwise specify.
Total	**26 Hours**	**0 Hours**	

FRANCHISEE EDUCATION PROGRAMS – TRAINERS

Your Lead Trainer must complete Trainer Burn U to our satisfaction prior to opening. The Trainer Burn U program is described below. If you wish to send more than one person to Trainer Burn U, subject to availability and capacity, we may accommodate the request and you must pay us a fee $1,500 per additional attendee.

ONLINE PRE- EDUCATION PROGRAM –PRE-BURN U			
Subject	**Hours of Classroom Education (Training)**	**Hours of on the Job Education (Training)**	**Location**
Brand Standards/Cultivating Culture	1 Hour	0 Hours	Online
Nutrition/Protocol & Programming	1 Hour	0 Hours	Online
Focus Meetings	1 Hour	0 Hours	Online
Trainer Evaluation Cycle	1 Hour	0 Hours	Online
Rate of Perceived Exertion and Form and Modification	1 Hour	0 Hours	Online
Sales and Member Experience	1 Hour	0 Hours	Online
Total	**6 Hours**	**0 Hours**	

BURN U EDUCATION PROGRAM			
Subject	**Hours of Classroom Education (Training)**	**Hours of on the Job Education (Training)**	**Location**
Trainer Evaluation Cycle & Fitness Product Process	4 Hours	8 Hours	Corporate Headquarters in Cornelius, North Carolina or as we otherwise specify.
Protocol & Programming; Mock Camp/Components of Camp, Nutrition & Focus Meetings	8 Hours	6 Hours	Corporate Headquarters in Cornelius, North Carolina or as we otherwise specify.
Understanding Trainer Resources: Trainer Portal, Trainer Manual and Sales/Member Experience Process	5 Hours	6 Hours	Corporate Headquarters in Cornelius, North Carolina or as we otherwise specify.
Form & Modifications; Pre/Post-Natal Support	4 Hours	1 Hours	Corporate Headquarters in Cornelius, North Carolina or as we otherwise specify.
Tying it all Together - Exam	2 Hours	1 Hours	Corporate Headquarters in Cornelius, North Carolina or as we otherwise specify.

BURN U EDUCATION PROGRAM			
Subject	**Hours of Classroom Education (Training)**	**Hours of on the Job Education (Training)**	**Location**
Feedback loop, training camps, form and modifications	0 Hours	21 Hours	Headquarters/Burn Approved Education Hub
Support Training w/Master Trainer, Dissecting the Trainer checklist	0 Hours	1 Hours	Headquarters/Burn Approved Education Hub
Understanding Protocol Training Camps Focus Meetings	1 Hours	6 Hours	Headquarters/Burn Approved Education Hub
Training Camps Specialty Members Systems Training	0 Hours	6 Hours	Headquarters/Burn Approved Education Hub
Perfecting the Trainer Checklist/Building Culture in the Gym/Marketing in the Gym	0 Hours	4 Hours	Headquarters/Burn Approved Education Hub
Total	**24 Hours**	**60 Hours**	

Any person designated by you replacing a previously trained Owner, Operations Manager or Lead Trainer must attend and satisfactorily complete, within 30 to 90 days of first employment, the applicable education program at your cost.

Our instructional materials and methods for the franchisee education program include demonstrations, presentations, various speakers, our proprietary marketing plan, on the job education for some of the subjects, and the operations manual. The actual hours of classroom and on-the-job education may vary and may change uon our written direction. For example, it may take less time to cover a subject in a smaller class than in a larger class.

The Operations Manual will detail all aspects of franchise operations presented in the franchisee education program and serve as an ongoing reference. Updates to the Operations Manual will be made available to you through various means including online. The education sessions will be taught or supervised by Nicole Odom, Senior Director of Operations who has more than 5 years of experience with us and more than 15 years of experience in franchise operations. Additionally, other members of our team will provide various education sessions, however, each person will have at least 1 year of experience with us and 1 year of experience in the industry of the topics covered by that person's education session. Occasionally, different guest speakers may make an appearance at the education program to provide information about various pieces of exercise equipment, products and services used and offered by us. For example, some speakers may be our franchisees, suppliers, or industry experts.

We may require you, your Owners or Lead Trainers to receive or attend and complete to our satisfaction additional or advanced education from time to time (including upon a default of the franchise agreement). You may be required to pay a fee for such education as we reasonably determine. While the Initial Franchise Fee includes the cost of our initial education program, the Initial Franchise Fee only covers the program for up to 3 individuals, must occur prior to opening, and is non-transferable to other locations or to other franchisees. We may charge you an additional education session fee for Burn U equal to $1,500 per attendee, plus our expenses. Alternatively, you can request that we send one team members to your Facility for a fee of $1,500 for the two-day training. You must also pay for travel, food, and accommodations and all other related expenses. We may, in our sole discretion, hold refresher and ongoing education courses. We may require you and your management personnel to attend education at the location we designate. Finally, we may offer optional

virtual education opportunities on various topics, including Fitness Product and Sales. Rates for these additional education opportunities are set forth in the table below.

Type of Franchisee Education and Topic	**Fee**
Burn University (required as summarized above but optional for additional attendees)	$1,500 per individual ($300 per day)
Virtual Education Opportunities (Optional)	$129 per trainee for Fitness Product Training $129 per topic or $599 for 5 topics for Sales Training We may increase these fees by up to 10% per year. We may add additional topics from time to time, and fees for these additional topics will be published in the Operations Manual or otherwise in writing. While these education opportunities are generally optional, we may require you to complete them if you have defaulted under the franchise agreement.

However, we reserve the right to require that you attend any of these education programs in our discretion. All expenses, including you and your personnel's transportation, meal, and lodging expenses to attend such education session, will be your sole responsibility. We may also provide education programs for employees and managers to complete over our intranet system at your expense.

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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.

Franchise Agreement

The Franchise Agreement grants you the right to operate a single Burn Boot Camp® Business at a specific location that you select and we accept, in our sole discretion. You will be given a specific geographic area (the "Site Selection Area") within which you must locate a site for your Business. The Site Selection Area is used only for selection of a site for the Business, grants no territorial rights or protection, and, after we grant you a Territory as described below, the Site Selection Area is void and no longer applicable.

We will grant you a protected Territory as outlined in your Franchise Agreement. Except as expressly provided in the Franchise Agreement, the Territory is established solely to define the geographic area within which we agree not to establish or license another franchised business operating under the same brand and format. Each territory will be defined by a protected radius that is determined as follows:

- If there are fewer than 50,000 people within a 3-mile radius from your Business location, then your Territory shall include the geographic area within a 3-mile radius from your Business location.

- If there are more than 50,000 people within a 3-mile radius from your Business location, then your Territory shall include the geographic area within the radius from your Business location that results in a population of 50,000 within your territory.

The population data is based on census data utilized by our territory mapping software. We have no obligation to modify your Territory based on changes to population that take place after our initial determination of your Territory. We will determine the Territory and insert a description of the Territory in a data sheet annexed to the Franchise Agreement.

Your Territory may be altered during the initial term, but only by: (i) mutual consent in writing; (ii) at the time of transfer or renewal as a condition to transfer or renewal; or (iii) for any default of this Agreement which triggers our ability to terminate the Franchise Agreement. We must have consented to the location for your Burn Boot Camp® Business within your Territory in writing before you open for business. Relocation of your Facility or establishment of additional Facilities within your Territory requires our written consent. We base our consent on traffic patterns in your new location, population, and a review of your lease agreement.
So long as you are in compliance with the terms and conditions of your Franchise Agreement, we will not establish, nor license any other person the right to establish, another Burn Boot Camp® Business at any location within the Territory granted to you after your location is chosen. However, you will not receive an exclusive territory because your Territory will not be exclusive in terms of marketing or clientele and because of certain rights that we reserve, as further discussed below.

The Territory described above is for administrative purposes and affects where you and other franchisees may solicit business, sell services (such as membership options), products, and exercise equipment (if authorized) and service members. You may sell services and products to anyone from anywhere, provided your sales do not result from Target Marketing (as defined below) directed outside your Territory. You may also sell and ship products outside your Territory so long as the sales do not result from Target Marketing directed outside your territory.

We, other franchisees, licensees, and company-owned businesses, reserve the right to sell services and products and service members anywhere without compensation to you.

You may only conduct business at your approved Franchised Business unless we provide prior written consent to relocate within your territory. Off-site events within your Territory are permitted; events outside your Territory require prior written approval. If approved, you must immediately stop conducting business at the event if the area is purchased by another franchisee.

If you are asked to conduct business at off-site events in geographical areas in which there is another franchise, licensee or company-owned business, you must immediately refer that request to the Burn Boot Camp® business in that geographical area or directly to us. Whether the other Burn Boot Camp® business is a franchise, licensee or company-owned location, you must not conduct business at off-site events in that geographical area. If the other franchisee, licensee or company-owned business gives you permission to conduct business at such off-site events, then you must immediately inform us in writing, and you can then proceed to conduct business at such off-site event.

"Target Marketing" means a concerted effort to solicit Members or customers through advertising, marketing, promotions, or other outreach that is specifically directed to individuals located within another franchisee's Territory. You acknowledge that digital advertising platforms, search engines, social media platforms, and other online marketing tools may distribute advertisements beyond intended geographic areas. Advertising that unintentionally reaches individuals located within another franchisee's Territory through these platforms will not be considered Target Marketing or a violation of territorial rights.

Territory Clarification
The Territory does **not** confer:

- **Exclusive marketing boundaries.** You do not receive exclusive marketing rights inside or outside the Territory. Advertising and marketing activities conducted by us or other franchisees may reach individuals within your Territory.

- **Member ownership.** Members residing or working within your Territory are not exclusively assigned to you and may choose to obtain services from any franchised or company-owned location.

- **Lead exclusivity.** Leads or inquiries generated through system-wide, regional, or digital marketing channels may be distributed in accordance with our policies and are not guaranteed to you

We may allow you and other franchisees, licensees or company-owned businesses to sell services (including memberships), products and/or exercise equipment through an alternative channel of distribution (such as on the Internet or Websites). If you are granted permission to sell memberships, products and/or exercise equipment through an alternative channel of distribution, per our written approval, you may sell memberships, products, and/or exercise equipment to anyone from anywhere without compensation to the other franchisee, licensee or company-owned business. We, other franchisees, licensees and company-owned businesses reserve the same right to sell memberships, products and/or exercise equipment (including shipping such items) through an alternative channel of distribution to anyone from anywhere without compensation to you.

We reserve the right to conduct national, regional and system-wide marketing campaigns that may reach individuals located within your Territory, including campaigns featuring brand ambassadors, influencers, or public figures.

Minimum Gross Revenues

After two (2) years of operation, you are required to achieve $40,000 in Gross Revenues per month for a rolling 12-month period. If you fail to do so, we may: modify, reduce or remove your Territory protections; or terminate your Franchise Agreement.

National Accounts

We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to sell services (such as membership options) and products and offer services to any business or organization which owns, manages, controls or otherwise has responsibility for locations in more than one area whose presence is not confined within any one particular franchisee's territory regardless of the contract amount of products to be provided or services to be performed (a "National Account"). After we sign a contract with a National Account, we may, at our option, provide you the option to provide services (such as membership options) and/or products or perform services to businesses under the National Account contract. If we choose, or if you choose not to provide such services or products to the National Account, we may direct the National Account to seek such services and products from another franchisee or company-owned location even if the National Account is located within your Territory without compensation to you.

Reserved Rights

Your rights in the Territory are exactly (and only) as expressly set forth in the Franchise Agreement. Except as expressly provided in the Franchise Agreement, you have no right to exclude, control or impose conditions on the location, operation, or otherwise of present or future Burn Boot Camp® (or any other brand) units or distribution channels of any type, franchised or company-owned, regardless of their location or proximity to the Business and whether or not they provide Services or Products within the Territory. You do not have any rights with respect to other and/or related businesses, services, and/or products, in which we or any related persons or entities may be involved, now or in the future. Any rights not expressly granted to you under the Franchise Agreement are reserved to us. Such rights reserved to us include, but are not limited to the right to:

1. Establish, and license others to establish, Burn Boot Camp businesses at any location outside the Territory, notwithstanding their proximity to the Territory or the location of the Business or their actual or threatened impact on your sales;

2. Own and operate health and fitness businesses under different marks at any location(s) inside or outside of the Territory, or license to others the right to own and operate health and fitness businesses under different marks at any location(s) inside or outside of the Territory;

3. Sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise, from any location or to any purchaser, through any channel or method of distribution (including, but not limited, to sales made by or through mail order and/or on the Internet), so long as such sales are not conducted from a Burn Boot Camp business operated from a location inside the Territory;

4. In the event we or our affiliates acquire another chain or system, or we or our affiliates are acquired by another chain or system, that operates and/or franchises stores or retail outlets that are the same or similar to Burn Boot Camp® Businesses in that they have a substantially similar concept and/or offer for sale similar products or services, we or our affiliates may establish, acquire or operate, or license others to establish and operate, stores and retail outlets under other systems or other marks, which stores or retail outlets may offer or sell products or services that are the same as, or similar to, the products and services offered from a Burn Boot Camp® Business, and which stores or retail outlets may be located within or outside your Territory, despite these stores' proximity to your Business or their actual or threatened impact on sales at Franchisee's Business; and

5. Engage in any other activities not expressly prohibited by your Franchise Agreement.

Although we reserve the above-referenced rights, neither we nor any affiliate of ours currently operates, franchises, or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those that you will offer at your Burn Boot Camp® Business.

We are not responsible for paying any compensation to you concerning the sale of products, exercise equipment, supplies or services by us over the Internet, World Wide Web, smartphone apps or other similar venues, by alternative means of distribution, advertising cooperative programs, outlets, businesses that are or are not substantially similar to the Franchised Business or any business that does not use the Marks. For clarity, your Franchise Agreement grants you no rights to offer and provide services, sell or distribute products or exercise equipment, through any alternative channels of distribution (other than our approved list of channels of distribution) without our permission or share in any of the proceeds from our activities through alternative channels of distribution.

Area Development Agreement

Under an ADA, you will develop, open and operate multiple Burn Boot Camp® Businesses within a defined Development Area (the specific number of Businesses you must develop will be listed in the ADA before you sign it). We determine the Development Area using the same criteria that we use in deciding the Territory for a Business. However, the Development Area must be able to support the number of Businesses you intend to establish in that area. As a result, the Development Area generally consists of a portion of a city, county, or designated market area. Your Development Area will be described in the ADA before you sign it.

We and our affiliates have the right to continue to own and operate, and allow others to own and operate, Burn Boot Camp® businesses existing inside your Development Area as of the date you sign the ADA, if applicable. However, as long as you are in compliance with the ADA and all Franchise Agreements, we will not develop or operate, or permit anyone else to develop or operate, any new Burn Boot Camp® Business in your Development Area during the term of the ADA.

If you sign an ADA, you will receive a designated geographic area for each Burn Boot Camp Business you agree to develop. We will accept or reject a site for your business locations according to the then-current standards, within the timelines applicable in each Franchise Agreement. In addition to granting you the right to establish a specific number of Businesses under your ADA, we will also provide you with the assistance described in this Item 11 for each Business you must open under your ADA.

You have no right of first refusal or similar rights to acquire additional franchises or establish additional Businesses that are not in your Development Area. If you wish to obtain an additional location, it must be included in your Development Schedule and you will be required to enter into a separate Franchise Agreement for such location.

Upon expiration or termination of the ADA, we will be entitled to develop and operate or to franchise to others the right to develop and operate, Burn Boot Camp® Businesses in the Development Area, except within any Territory under any Franchise Agreement between us and you that has not expired or been terminated.

Options, Rights of First Refusal and Similar Rights

Neither the Franchise Agreement nor ADA grant you any options, rights of first refusal or similar rights to acquire additional franchises.

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ITEM 13: TRADEMARKS

You will obtain the right to use the following marks in the manner in which we require in connection with operating your Burn Boot Camp® Business, which our affiliate, DKF, has registered on the U.S. Patent and Trademark Office ("PTO") Principal Register:

Mark	Registration Number	Registration Date	Register
BURN BOOT CAMP	Reg. No. 4747914	June 2, 2015	Principal
BURN MOTION	Reg. No. 6,663,688	March 8, 2022	Principal
BURN NATION	Reg. No. 6,240,913	January 5, 2021	Principal
	Reg. No. 6,889,784	November 1, 2022	Principal
	Reg. No. 6,889,785	November 1, 2022	Principal
BURN BOOT CAMP	Reg. No. 7,095,095	June 27, 2023	Principal
	Reg. No. 7,095,096	June 27, 2023	Principal
	Reg. No. 7192661	October 17, 2023	Principal
BURN BOOT CAMP	Reg. No. 7960992	September 23, 2025	Principal

DKF will file all required affidavits when due. In addition, DKF has applied for registration of the following marks with the PTO:

Mark	Serial Number	Application Date	Register
	Ser. No. 97/437,925	June 1, 2022	Principal
	Ser. No. 97/384,961	April 27, 2022	Principal
BCE	Ser. No. 97/599,101	September 20, 2022	Principal
BLUE CARPET EXPERIENCE	Ser. No. 97/599,091	September 20, 2022	Principal
	Ser. No. 97/059,315	October 4, 2021	Principal
BURN BOOT CAMP	Ser. No. 99/335,709	August 13, 2025	Principal
KIDS CAMP BY BURN BOOT CAMP	Ser. No. 98/830,296	October 31, 2024	Principal

We do not have a federal registration for the 7 marks referenced in the table immediately preceding this paragraph, Serial Numbers 97/437,925; 97/384,961; 97/599,101; 97/599,091; ; 97/059,315; 99/335,709, and 98/830,296 Therefore, those trademarks do not have many legal benefits and rights as our federally-registered trademarks. If our right to use these trademarks is challenged, you may have to change to alternative trademarks, which may increase your expenses.

We obtained our right to use and license others the use of the Marks and the System under a license agreement with DKF. The Agreement may be terminated if we fail to follow the quality standards of DKF. In addition, DKF. has the right to substitute alternative trademarks for license at any time. Therefore, you may have to change the trademarks that you use in operating your franchise business at your expense. The intellectual property license agreement will remain in effect for as long as we offer franchises, unless we are in default of the trademark license agreement.

There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding or material litigation involving the Marks. There are no effective agreements that limit our right to sublicense you the trademarks, other than a sublicense to use the trademarks from DKF.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Marks, or claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become

aware. We have the sole discretion to take such action as we deem appropriate and the right to exclusively control any litigation, USPTO proceeding or other administrative proceeding.

We are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks or participate in your defense, protect you against claims of infringement or unfair competition with respect to them. The Franchise Agreement does not require that we participate in your defense or indemnify you for expenses or damages if you are a party to a judicial or administrative proceeding involving one of the Marks or if the proceeding gets resolved unfavorably to you. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously.

You may not, without our written consent, in our sole discretion, commence or prosecute, or seek leave to intervene in, any litigation or other proceeding, including any arbitration proceeding, in which you purport to enforce any right or recover any element of damage arising from the use or infringement of any of the Marks or unfair competition.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Mark, and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions with respect to a reasonable time after notice by us. You, in connection with the use of a new or modified Mark, may be required, at your own expense, to remove existing signs from your Facility, and to purchase and install new signs. We have no liability to you for such modification or discontinuance.

We do not know of any infringing uses that could materially affect your use of our Marks in any state; however, a federal trademark registration does not necessarily protect the use of the concerned mark against a prior user in a given relevant market area. We do not know of any superior prior rights that may limit your use of the Marks. Before entering into the Franchise Agreement, you should make every effort to ascertain that there are no existing uses of the Marks or confusingly similar marks being used in the market area where you wish to do business. You should immediately notify us of any confusingly similar marks you discover.

All your usage of the Marks granted under the Franchise Agreement is nonexclusive, and we retain the right, among others: (a) to use the Marks in connection with selling services and products; (b) to grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees and licensees; (c) to develop and establish other systems using the same or similar Marks, or any other proprietary marks, and to grant licenses or franchises in those systems without providing any rights to you as described in Item 12.

All your usage of the Marks and any goodwill you establish are to our exclusive benefit and you retain no right or rights in the Marks on the termination or expiration of your Franchise Agreement. You may not use the marks as a part of any corporate or trade name, nor may you use any trade name, trademark, service mark, emblem or logo other than the Marks, as we may designate periodically. You must prominently display the Marks on such items and in the manner we designate. You must obtain such fictitious or assumed name registrations as we require or under applicable law. You must identify yourself as the owner of your Franchise by placing your name on the Business and on all checks, invoices, receipts, contracts and other documents that bear any of the Marks, and on all printed materials your name must be followed by the phrase “A franchise of Kline Franchising, LLC” or such other phrase as we occasionally direct.

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ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered patents or copyrights or have any pending patent applications which are material to the Franchise; however, we claim copyright and common law trade secret protection for several aspects of our System, methods, techniques and operational procedures; the Operations Manual; our fitness programs and workout routines, exercise equipment, products and supplies; exercise equipment and product specifications, systems, design, décor, signage, manuals and all related materials including advertisement and promotional materials although such materials may not have been registered with the United States Copyright Office. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in your Franchise Agreement. We reserve the right to register any of our copyrighted materials at any time we deem appropriate. We also reserve the right to renew any and all such copyright registrations at our discretion.

There currently are no effective determinations of the United States Copyright Office or any court regarding any of the copyrighted materials.

There are no effective agreements that limit our right to sublicense to you the copyrights and trade secrets, other than a sublicense to use the copyright and trade secrets from DKF. The Agreement may be terminated if we fail to follow the quality standards of DKF. In addition, DKF has the right to substitute alternative copyrights and/or trade secrets for license at any time. Therefore, you may have to change the copyrights and trade secrets that you use in operating your franchise business at your expense. The intellectual property license agreement will remain in effect for as long as we offer franchises, unless we are in default of the intellectual property license agreement.

There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend any patent, trade secret, copyright or to participate in your defense, or indemnify you.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of our copyrighted materials or trade secrets, or claim by any person of any rights in any copyright or trade secret which you become aware. We have the sole discretion to take such action, as we deem appropriate and the right to exclusively control any litigation, United States Copyright Office proceeding or other administrative proceeding. We may require you to discontinue use or modify any materials that may in our opinion infringe on the copyright, trade secret, or patent rights of any other person or business.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any copyrighted materials or trade secrets, and/or use one or more additional or substitute copyrighted materials or trade secrets, you must comply with our directions with respect to a reasonable time after notice by us. We have no liability to you concerning substitution or modification of copyrighted materials or trade secrets.

We possess certain confidential information that includes our different membership options, fitness programs and workout routines; specific methods and techniques when executing our workout routines; nutrition programs, exercise equipment, products and operational procedures; relationships with suppliers, purchasing strategies, sales techniques and methods; our build out and design specifications with unique décor, color scheme and signage; guidelines for hiring, training and retaining employees, advertising, sales and promotional programs; cost and pricing strategies, procedures for safety and quality control, our website, software, forms, contracts, record keeping and reporting procedures, promotional, advertising and marketing materials; systems and knowledge of, and experience in, the operation and franchising of a Burn Boot Camp® business (the "Confidential Information"). We will disclose Confidential Information to you during our initial franchisee education program, seminars, workshops, continuing education programs, sessions and conventions sponsored by us, in the Operations Manual, and in guidance furnished to you during the term of your Franchise Agreement.

If you or your partners, members, managers, directors, shareholders, employees, agents or independent contractors develop any new piece of equipment, service, product, program, concept, technique, formula, process or improvement in

the operation or promotion of your Business, you are required to promptly notify us with all necessary related information, without compensation. However as a matter of corporate policy, we may create an incentive program to reward you, your partners, members, managers, directors, shareholders, employees, agents or independent contractors for any new piece of equipment, service, product, program, concept, technique, formula, process or improvement that we implement throughout the System. You and if you are an Entity, then one of your Owners acknowledge that any such equipment, service, product, concept, process, technique or improvement will become our property and we may use or disclose such information to other franchisees as we deem appropriate.

The Franchise Agreement provides that you will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of your Business during the term of your Franchise Agreement, and that the use or duplication of the Confidential Information in any other business would constitute unfair competition. You also agree that the Confidential Information is proprietary to us and is disclosed to you solely on the condition that you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of your Franchise Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written or electronic form; and (4) will adopt and implement all reasonable procedures required by us to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosures to employees and independent contractors of your Franchise and any other business(es) owned by you and if you are an Entity, any of your Owners, and the use of nondisclosure and non-competition clauses in employment agreements with your employees, independent contractors and Owners.

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

The Franchise Agreement provides that a Burn Boot Camp® Franchise must at all times be under the direct, day-to-day, full time supervision of the Operations Manager who is approved by us. You may serve as the Operations Manager but the Operations Manager does not need to have an ownership interest in the franchisee entity. This person must have successfully completed the Burn Boot Camp® franchisee education program for franchisees/operations managers outlined in Item 11. The Operations Manager must use his or her best efforts in, and devote his or her time to, the operation of a Burn Boot Camp® Business.

In addition to the Operations Manager, you must designate the Lead Trainer to oversee the training regimen at the Burn Boot Camp® Business. The Lead Trainer may, but need not, be you (or one of your Owners if you are an Entity). The Lead Trainer must meet all of our standards and criteria for such positions as set forth in the Operations Manual. The Lead Trainer does not need to have any ownership interest in the franchisee entity. This individual and their replacements must also satisfy the applicable trainer education sessions, as outlined in the Franchise Agreement (Franchise Agreement Section IX.F). You, the Operations Manager and the Lead Trainer must all successfully complete our training program to our satisfaction. If you, the Operations Manager, and/or Lead Trainer do not successfully complete our training program to our satisfaction, you may be required to send another qualified individual within the time frame in which we may specify in writing.

Each of your employees, independent contractors, service providers, agents, principals and affiliates must sign a confidentiality agreement containing substantially the same protections as provided in the form agreement contained in the Operations Manual (although you are responsible for ensuring its adequacy and enforceability under local law).It is your responsibility to ensure enforcement and maintain accurate records of this document. You will provide us with copies of the executed agreements upon request.

If you are an Entity, every Owner must personally guarantee your obligations under the Franchise Agreement and also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, agree to be bound by the confidentiality provisions and non-competition provisions of the Franchise Agreement and agree to certain restrictions on their ownership interests. The required Guaranty of Obligations is attached as Schedule 4 of the Franchise Agreement. In addition, we require the spouse of each shareholder, partner, or member to execute a personal guaranty.

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ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer only approved services and sell only approved products as specified by us that includes but is not limited to: group fitness sessions using our fitness programs and high intensity workout routines, membership options, goal setting materials, nutrition coaching and meal planning programs, limited supplements for sale in addition to other fitness-related apparel, products, equipment and merchandise as expressly authorized by us in writing or in the Operations Manual, or developed by us as a result of your pre-market entry study to meet the needs of your unique market, and any updates to be incorporated in the Operations Manual periodically. You must offer and sell the services, products and exercise equipment that we have expressly approved in writing and must only purchase said exercise equipment from our affiliate, Burn Retail. We reserve the right to change, modify or discontinue such services and products (and exercise equipment) you are authorized to offer at any time upon 90 days' written notice to you and you may be required to participate in any promotion and/or discount membership options we offer which may change from time to time. To clarify, you must: offer only the services (such as membership options, fitness programs and workout routines) we specify; offer for use and sale only the products and exercise equipment we specify; comply with our standards pertaining to the execution of all services (such as fitness programs and workout routines); and use and maintain the exercise equipment as described in the Operations Manual or other written instructions.

The following additional services and products may be customized and offered by you in our discretion and only with our consent: sports performance coaching, childwatch services, beverages for sale, juice bar and smoothies, pre-packaged meals, healthy snacks for sale and other fitness-related programs and recovery services, services and products approved by us. You must use the Burn App as part of the service offering, if applicable. This includes through a proprietary application for use by your members. Advertisement of these services may only take place within your Territory. We may recommend a standard price for these services and we require that you use the Burn App for virtual services, if applicable. Members can download the Burn App through the Google Play Store or Apple App Store. Burn on Demand can be purchased through the Burn App or directly from Burn Boot Camp® franchised locations.

You must offer and sell all services and products we specify and perform services and sell products either from your Facility or at off-site events within your defined Territory; and you acknowledge that we allow you and other franchisees, licensees or company-owned businesses to sell services (such as memberships) and products to anyone from anywhere so long as such sales do result in Target Marketing. You may offer additional services and products that are unique to your area in an effort to blend in with your community; however, you must obtain our written approval before such services and products are offered and the time to approve or deny your request is 30 days. You must discontinue selling and offering any service, product or exercise equipment (if we authorize you to sell exercise equipment in the future) that we may disapprove in writing at any time, whether a service or product or piece of exercise equipment is being submitted for approval or currently in use. We can and expect to change the types of services, products and exercise equipment (if applicable) we authorize. There are no limits on our right to do so. We will inform you by email or by any other form of written communication of such changes and/or modifications. You may not offer for sale any services (such as membership options) or products and/or provide any services that has not specifically approved by us in writing. You may not independently act as an exclusive distributor for any third-party supplier or secure any exclusive rights to sell any product or exercise equipment for any manufacturer or supplier inside or outside your Territory without our written consent.

You shall have the right to offer and sell services and products at any prices you may determine, except that we reserve the right to establish minimum and maximum prices for any given service or product nationwide to the extent allowed by federal and state laws. To clarify, we have the right, in our sole discretion, to establish minimum and maximum prices for any service or product (including exercise equipment if we authorize you to sell exercise equipment in the future) so long as such decisions are made with the honest belief that the measure we are adopting will help everyone in the System meet competition and succeed in the marketplace. Promotional pricing, including grand opening and founding member offers, will not be considered the minimum price. You are prohibited from heavily discounting services and products offered for sale and must adhere to our minimum and maximum pricing guidelines, except as otherwise provided by applicable federal

or state laws. You must participate in and comply with all sales and promotional programs and/or product promotions promulgated by us periodically, except as otherwise provided by applicable federal or state laws.

In addition, you acknowledge that we may, in our discretion, allow you and other franchisees, licensees or company-owned businesses to sell services (such as membership options), products and/or exercise equipment through an alternative channel of distribution (such as on the Internet or Websites) provided you adhere to our standards. You acknowledge that this may create competition and you will not receive any compensation from such sales made by other franchisees, licensees or company-owned businesses. If we authorize you to sell services, products and/or exercise equipment through alternative channels of distribution, all services, products and/or exercise equipment sold must be from your Facility. Unless otherwise approved by us in writing, you are not authorized to sell any services, products and/or exercise equipment on the Internet, World Wide Web or in any other media, whether known or hereinafter invented.

You must participate in any gift certificate, gift card or loyalty program we establish. You may not create or issue your own gift certificates or gift cards or institute a loyalty or discount program unless approved by us in writing.

You must maintain proper permits and licenses to operate a Burn Boot Camp® Business and provide services and products in your area. You must not engage in any trade, practice or other activity that is harmful to our goodwill or reflects unfavorably on our reputation, that constitutes deceptive or unfair competition, or that is in violation of any applicable law.

You may directly advertise and market to sell and offer services and products to anyone located within your Territory. Except as noted above, we place no restrictions upon your ability to offer and sell services and products to anyone from anywhere provided you perform services and ship products from your Facility or at off-sites events in accordance with your Franchise Agreement and our standards.

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ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document. "FA" refers to the Franchise Agreement and "ADA" refers to the Area Development Agreement.

Provision	**Franchise Agreement**	**Summary**
a. Length of the Franchise Term.	FA Section IV.A ADA Section 6.1	FA- Initial term is 10 years. ADA- The ADA will commence on the date it is fully-executed and end on the last day of the calendar month that the final Franchised Business is required to be opened and operating under the mandatory development schedule.
b. Renewal or extension of the term.	FA Section IV.B ADA Not Applicable	FA- one 10-year renewal if you meet certain term requirements. ADA- Not Applicable
c. Requirements for you to renew or extend	FA Section IV.B ADA Not Applicable	FA - Written notice from you to renew; you must be in full compliance with the FA; you must have complied with all terms of the FA during the initial term, regardless of whether any breaches or defaults have been cured; sign then current FA, pay the renewal fee,) comply with our then current education and qualification requirements, execute a general release (subject to state law); and upgrade the Facility to the then current standards. You may be asked to sign a contract with materially different terms and conditions than your original contract. ADA- Not Applicable
d. Termination by you.	FA Not Applicable ADA Not Applicable	FA – Not Applicable ADA - Not Applicable These provisions may be subject to state law
e. Termination by us without cause.	FA Not Applicable ADA Not Applicable	We cannot terminate your FA or ADA without cause.

Provision	**Franchise Agreement**	**Summary**
f. Termination by us with cause.	FA -Section XX.A, XX.B and XX.C ADA Section 6.2	FA – You breach a material provision of the Franchise Agreement, including your ADA, or you fail to open the franchised business within the required time period. ADA – We may terminate the ADA, including any applicable FAs, if you abandon the business or discontinue development within the development area, become bankrupt or have action taken by or against you; you fail to meet your development obligations.
g. "Cause" defined – curable defaults.	FA- Section XX.C ADA- Section 6.2	FA- 30 days if you fail to perform or comply with one or more of the terms or conditions of the FA, the accompanying ADA, or other agreements between us. ADA- 30 days with one or more terms or conditions of the ADA or the accompanying FA(s).
h. "Cause" defined – noncurable defaults.	FA- Sections XX.A, XX.B ADA Section 6.2	FA and ADA - Automatic Termination upon assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, involuntary bankruptcy or unauthorized transfer. FA - You and we fail to agree upon a territory within the time period mentioned in the Franchise Agreement; you fail to attend and satisfactorily complete the initial franchisee education program; you abandon the Business; surrender of control; you fail to submit any financial statement, tax return, or pay any royalty 3 or more times; you operate the Business in any manner that results in a safety, health, or environmental hazard; you are unable to provide any products or services associated with our system; you fail have to any applicable professional license; you fail to comply with any law or regulation for 15 days after receiving notification of non-compliance; any misrepresentation or

Provision	Franchise Agreement	Summary
		omission in application; felony conviction; unauthorized assignment improper assignment upon death or disability; loss of possession of Business; unauthorized use of Confidential Information or Marks; disclosure of Confidential Disclosure Information; failure to pay taxes or liens; you fail to comply with our modifications to system standards within 90 days of notice; you undertake any activity that has a material adverse effect on us or our Trademarks; you challenge our ownership rights in the system, any of our copyrights, or confidential information; you reverse engineer, decompile, disassemble or create derivative works our confidential information, products, or software; you manufacture or sell any product that is similar to or competes with our products; you distribute any product without our consent; you sublicense, rent, sell, or transfer our confidential information, or software; you exhibit a reckless disregard for the physical or mental well-being of your employees or members; you fail to procure and maintain all required insurance coverage; you fail to remove any product or equipment that we deem to be a violation of this agreement; you sell any products or exercise equipment on the Internet without our permission; you use any unapproved supplier without our permission; you fail to comply with our inventory requirements or minimum representation requirements; you fail to use any auto ship program that we may require, you engage in target marketing; you use our name or marks without our prior written consent; dishonest or unethical conduct; assignment for benefit of creditors; and bankruptcy; if you fail to satisfy any final judgment within 30 days; you maintain any false books, or records; you underpay royalties to us by 2% or more twice in any 2 year period; you breach Article XII, Article XVI, Article XX, or Article XXII of the Franchise Agreement; you maintain false books or records, or submit false reports to us; failure to make advertising contributions; producing or distributing a product or service that competes

Provision	**Franchise Agreement**	**Summary**
		with us; or you have 6 or more complaints against you with any governmental agency over a 12 month period; any of the individual franchise agreements or any other agreement between you and us is terminated; if you default 3 or more times during any 12-month period or 5 or more times during the term; if you fail to achieve $40,000 in monthly Gross Revenues for a rolling 12-month period after being in operation for at least two (2) years; if you fail to actively and continuously use best efforts to operate the Business during the term; if you fail to cooperate in a respectful, courteous and commercially reasonable manner with us, our employees, independent contractors, agents or representatives, or any franchisee. ADA- We may terminate the ADA if: (i) you cease to actively engage in development activities in the Development Area or otherwise abandon the development business for three consecutive months, or any shorter period that indicates an intent to discontinue development of the Businesses within the Development Area; (ii) you become insolvent or are adjudicated bankrupt, or if any action is taken by you, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit or creditors or a receiver is appointed by you; or (iii) if any Franchise Agreement that is entered into in order to fulfill your development obligations under the ADA is terminated or subject to termination by us, pursuant to the terms of that Franchise Agreement.
i. Your obligations on termination / non-renewal	FA- Section XXI ADA Not Applicable	FA - Cease operating franchised Business cease use of confidential information and Marks; deliver property containing the Marks; cancel assumed or similar name registrations; pay outstanding amounts and damages; deliver manuals; assign phone numbers; comply with covenants and see “r” below. ADA- Not Applicable

Provision	**Franchise Agreement**	**Summary**
j. Assignment of contract by us.	FA- Section XIX.C ADA- Section 8	FA and ADA -No restriction on our right to assign.
k. "Transfer" by you – defined	FA- Section XIX.B ADA- Section 8	FA -Includes transfer of the FA or Assets by you. ADA - Any sale, transfer, or assignment of any of your rights under the ADA.
l. Our approval of transfer by you.	FA- Section XIX. ADA- Section 8	FA -We must approve all transfers by you. ADA - You may not transfer any rights or obligations under the ADA without our prior written consent.
m. Conditions for our approval of transfer.	FA- Section XIX.B ADA Not ApplicableB	FA- Full compliance; transferee qualifies; all amounts due are paid in full; completion of initial franchisee education program by transferee; transfer fee paid; transferee agrees to be bound by all terms of FA; you sign and deliver other required documents including a release (subject to state law). ADA- Not Applicable
n. Our right of first refusal to acquire your Business.	FA- Section XIX.C ADA Not Applicable	FA - We have the right to match any offers to buy your Business. ADA- Not Applicable
o. Our option to purchase your business.	FA- Section XXI.B ADA- Not Applicable	FA- We reserve the right to purchase your franchise or certain assets of your business upon termination or expiration of the FA. This option specifies the terms, conditions, and timing under which the franchisor can exercise the right to buy. ADA- Not Applicable
p. Your death or disability.	FA- Section XIX.D ADA Not Applicable	FA - Franchise must be assigned or transferred to approved buyer within six months. ADA- Not Applicable

Provision	**Franchise Agreement**	**Summary**
q. Non-competition covenants during the term of the Franchise.	FA- Section XVI.C.1 ADA Not Applicable	FA - No involvement in any competitive business other than existing business. ADA - Nothing additional. Please see non-competition covenants set forth in your Franchise Agreement(s) entered into under the ADA. Non-competition provisions are subject to state law
r. Non-competition covenants after the franchise is terminated or expires.	FA- Section XVI.C.2 ADA Not Applicable	FA - No interest in competing business for 2 years at the location of the Business, within your Territory, or within 10 miles of the Territory or any company owned outlet or other franchises. ADA - Nothing additional. Please see non-competition covenants set forth in your Franchise Agreement(s) entered into under the ADA. Non-competition provisions are subject to state law
s. Modification of the Agreement.	FA- Section XXII.P ADA- Section 27	FA and ADA - No modification except by written agreement, Operations Manuals are subject to change.
t. Integration / merger clause.	FA- Section XXII.P ADA- Section 27	FA– Only terms of Franchise Agreement are binding (subject to state law). Any representations or promises made outside of the disclosure document and the Franchise Agreement may not be enforceable. ADA - Only the terms of the ADA are binding (subject to state law). Any representations or promises made outside of the disclosure document and the ADA may not be enforceable.
u. Dispute resolution by arbitration or mediation.	FA- Section XXII.C, XXII.D ADA- Sections 12 and 13	FA – We have the option of submitting all claims and disputes that were not first solved through internal dispute resolution to mediation in Mecklenburg County, North Carolina, in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect.

Provision	**Franchise Agreement**	**Summary**
		ADA - You must bring all disputes before our Chief Executive Officer prior to bringing a claim before a third party. At our option, all claims or disputes between you and us must be submitted first to mediation in or near Mecklenburg County, North Carolina in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect. These provisions are subject to state law
v. Choice of forum.	FA- Section XXII.E ADA- Section 15	FA and ADA - All claims not subject to mediation must be brought before a court of general jurisdiction closest to Mecklenburg County, North Carolina, or the United States District Court for the Western District of North Carolina. You consent to the personal jurisdiction and venue of these courts (subject to state law).
w. Choice of law.	FA- Section XXII.H ADA- Section 11	FA and ADA- State of North Carolina laws apply (this provision is subject to state law).

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ITEM 18: PUBLIC FIGURES

Kevin Hart is an actor, comedian, and entrepreneur who promotes the Burn Boot Camp brand. Christopher Comstock (stage name: Marshmello) is a musician and recording artist. Kevin and Marshmello are serving as a Brand Champions and strategic promotional partners for Burn Boot Camp. They will each support national marketing campaigns, create branded content, participate in key launches, amplify across their social platforms, and make select appearances. The intent behind these partnerships is to drive brand awareness, cultural relevance, and top-of-funnel marketing growth. Kevin and Marshmello will each own a Burn Boot Camp franchise location in partnership with the Burn Boot Camp Headquarters gym portfolio. Kevin and Marshmello are each partnering closely with Headquarters on the development and positioning of their locations to ensure alignment with brand standards and prototype requirements. Day-to-day operations will be run by a designated operating team. Their primary role is brand promotion and strategic partnership rather than direct operational management.

As part of this partnership, in exchange for the in-kind services invested in the Burn Boot Camp® enterprise described above, Kevin and Marshmello have each received an equity interest in their respective Burn Boot Camp locations, and have each received incentive equity grants from Burn Investment Holdings, LLC, our immediate parent and subsidieary of our Parent, Burn Holdings, LLC. As further compensation for these services, Kevin and Marshmello will also receive a material allocation of payments from the System Brand Fund.

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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.

Overview

This financial performance representation ("FPR") includes the following for the franchised Burn Boot Camp® businesses described below.

- Each Burn Boot Camp® business is referred to as an "Outlet" and represents a single location. The FPR population started with 395 opened and operational Outlets as of December 31, 2025 and then excluded (i) 36 (9.1%) Outlets opened for less than a year, (ii) 9 (2.2%) corporate owned Outlets, and (iii) 43 (10.8%) Outlets with incomplete financial data for some portion of the 2025 calendar year. The total FPR population includes 307 (77.7%) total Outlets in all summary data tables (the "Reporting Outlets"). Outlet Count and Member Count metrics are taken from point-of-sale data sources. All other data is self-reported by Franchise Partners. There are no material financial and operational characteristics of the outlets represented in the FPR that are reasonably anticipated to differ materially from future operational franchise outlets.

We have presented summary data tables below as follows:

- Reporting Outlet Count by Maturity of Outlet
- Reporting Outlet Count by Member Count Range
- Reporting Member Count, Reporting Outlet Annual Gross Revenue, Reporting Outlet Annual Net Operating Income (Loss), and Reporting Outlet Annual Net Operating Margin
- Reporting Outlet Member Count by Member Count Range
- Reporting Outlet Member Count by Maturity of Outlet
- Annual Gross Revenue by Member Count Range
- Annual Gross Revenue by Maturity of Outlet
- Annual Net Operating Income (Loss) by Member Count Range
- Annual Net Operating Income (Loss) by Maturity of Outlet
- Annual Net Operating Margin by Member Count Range
- Annual Net Operating Margin by Maturity of Outlet

Outlets categorized by length of time open are as follows:

- Reporting Outlet open at least 1 year, but less than 2 years, as of December 31, 2025 ("1-Year Outlets")
- Reporting Outlet open at least 2 years, but less than 3 years, as of December 31, 2025 ("2-Year Outlets")
- Reporting Outlet open at least 3 years, but less than 4 years, as of December 31, 2025 ("3-Year Outlets")
- Reporting Outlet open more than 4 years as of December 31, 2025 ("Mature Outlets")

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2025 TOTAL SYSTEM OUTLET COUNT BY MATURITY OF OUTLET				
Mature	**3 Year Outlets**	**2 Year Outlets**	**1 Year Outlets**	**Total**
229	31	25	22	307

2025 TOTAL SYSTEM OUTLET COUNT BY MEMBER COUNT RANGE					
500+	**400-499**	**300-399**	**200-299**	**0-199**	**Total**
50	72	98	75	12	307

OUTLET MEMBER COUNT – TOTAL SYSTEM (307 OUTLETS)			
Highest	**Lowest**	**Median**	**Average**
777	126	367	378

2025 ANNUAL GROSS OPERATING REVENUE - TOTAL SYSTEM (307 OUTLETS)			
Highest	**Lowest**	**Median**	**Average**
$1,662,127	$248,561	$699,718	$732,444

2025 ANNUAL NET OPERATING INCOME (LOSS) – TOTAL SYSTEM (307 OUTLETS)			
Highest	**Lowest**	**Median**	**Average**
$544,596	($143,778)	$109,155	$121,679

2025 ANNUAL NET OPERATING MARGIN TOTAL SYSTEM (307 OUTLETS)			
Highest	**Lowest**	**Median**	**Average**
43%	(57%)	16%	17%

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2025 OUTLET MEMBER COUNT BY MEMBER COUNT					
Subset	**Highest**	**Lowest**	**Median**	**Average**	**Number and Percent Above Average**
Outlets with More Than 500 Members	777	502	569	580	25 of 50 (50%)
Outlets With 400 To 500 Members	498	401	443	445	36 of 72 (50%)
Outlets With 300 To 399 Members	397	300	348	347	49 of 98 (50%)
Outlets With 200 to 299 Members	297	201	252	253	36 of 75 (48%)
Outlets With Less Than 200 Members	196	126	183	175	6 of 12 (50%)

2025 OUTLET MEMBER COUNT BY MATURITY OF OUTLET					
Subset	**Highest**	**Lowest**	**Median**	**Average**	**Number and Percent Above Average**
Mature Outlets	777	164	376	389	114 of 229 (50%)
3-Year Outlets	769	126	344	354	15 of 31 (48%)
2-Year Outlets	697	141	327	357	12 of 25 (48%)
1-Year Outlets	659	216	287	323	11 of 22 (50%)

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2025 ANNUAL GROSS OPERATING REVENUE BY MEMBER COUNT RANGE					
Subset	**Highest**	**Lowest**	**Median**	**Average**	**Number and Percent Above Average**
Outlets with More Than 500 Members	$1,662,127	$893,226	$1,098,572	$1,126,414	25 of 50 (50%)
Outlets With 400 To 500 Members	$1,141,287	$670,488	$869,530	$884,964	36 of 72 (50%)
Outlets With 300 To 399 Members	$856,711	$448,405	$663,370	$661,908	49 of 98 (50%)
Outlets With 200 to 299 Members	$737,313	$307,842	$489,235	$479,156	37 of 75 (49%)
Outlets With Less Than 200 Members	$437,229	$248,561	$338,242	$334,890	6 of 12 (50%)

2025 ANNUAL GROSS OPERATING REVENUE BY MATURITY OF OUTLET					
Subset	**Highest**	**Lowest**	**Median**	**Average**	**Number and Percent Above Median**
Mature Outlets	$1,662,127	$305,173	$722,297	$749,887	114 of 229 (50%)
3-Year Outlets	$1,501,098	$248,561	$714,003	$715,492	15 of 31 (48%)
2-Year Outlets	$1,398,301	$252,933	$630,310	$694,310	12 of 25 (48%)
1-Year Outlets	$1,093,475	$389,426	$606,260	$618,105	11 of 22 (50%)

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2025 ANNUAL NET OPERATING INCOME (LOSS) BY MEMBER COUNT RANGE					
Subset	**Highest**	**Lowest**	**Median**	**Average**	**Number and Percent Above Average**
Outlets with More Than 500 Members	$544,596	$49,483	$253,942	$273,438	25 of 50 (50%)
Outlets With 400 To 500 Members	$390,955	$37,722	$171,185	$183,371	36 of 72 (50%)
Outlets With 300 To 399 Members	$310,044	($51,185)	$87,100	$88,220	49 of 98 (50%)
Outlets With 200 to 299 Members	$264,685	($138,600)	$31,100	$29,118	37 of 75 (49%)
Outlets With Less Than 200 Members	$44,760	($143,778)	($20,382)	($29,058)	6 of 12 (50%)

2025 ANNUAL NET OPERATING INCOME (LOSS) BY MATURITY OF OUTLET					
Subset	**Highest**	**Lowest**	**Median**	**Average**	**Number and Percent Above Median**
Mature Outlets	$544,596	($138,600)	$121,368	$132,985	114 of 229 (50%)
3-Year Outlets	$366,549	($143,111)	$86,590	$102,145	15 of 31 (48%)
2-Year Outlets	$369,783	($143,778)	$70,240	$101,072	12 of 25 (48%)
1-Year Outlets	$264,685	($97,481)	$43,609	$54,932	11 of 22 (50%)

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2025 NET OPERATING MARGIN BY MEMBER COUNT RANGE					
Subset	**Highest**	**Lowest**	**Median**	**Average**	**Number and Percent Above Average**
Outlets with More Than 500 Members	42%	6%	23%	24%	26 of 50 (52%)
Outlets With 400 To 500 Members	39%	5%	20%	21%	39 of 72 (54%)
Outlets With 300 To 399 Members	43%	(8%)	13%	13%	49 of 98 (50%)
Outlets With 200 to 299 Members	36%	(29%)	6%	6%	37 of 75 (49%)
Outlets With Less Than 200 Members	14%	(57%)	(6%)	(9%)	6 of 12 (50%)

2025 NET OPERATING MARGIN BY MATURITY OF OUTLET					
Subset	**Highest**	**Lowest**	**Median**	**Average**	**Number and Percent Above Average**
Mature Outlets	43%	(29%)	17%	18%	114 of 229 (50%)
3-Year Outlets	36%	(42%)	12%	14%	15 of 31 (48%)
2-Year Outlets	33%	(57%)	11%	15%	14 of 25 (56%)
1-Year Outlets	36%	(24%)	7%	9%	10 of 22 (45%)

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Notes to FPR Table:

1. For purposes of this FPR, "Gross Revenues" means the gross amount, in money or other forms of consideration, earned or received from any source-related to, or in connection with, the operation of the Business, whether on or off the Business premises. This includes all membership-related fees (such as initiation fees, termination fees, enrollment fees, processing fees, paid-in-full dues, renewal fees; monthly, semi-annual or yearly dues and all revenues generated and derived during any presale of memberships). Gross Revenue also includes the fair market value for any service or product received in barter or exchange for the services or products offered by the Business and all insurance proceeds that the Business receives for the loss of the business due to a casualty to or similar event at the Business. Gross Revenues excludes only gratuities paid by Members to employees of the Business, service fees for credit card transactions, sales tax receipts that the Business must by law collect or pay and any Member refunds of previous payments actually made, and certain charitable donations specifically authorized in the Manuals.

2. For purposes of this FPR "Net Operating Income" means Gross Revenues minus all operating expenses on the property from the revenue generated.

3. For purposes of this FPR "Net Operating Margin" means Net Operating Income divided by Gross Revenues.

4. In making the above FPR, we have relied upon Gross Revenues self-reported by our Franchisees and verified by figures generated by the point-of-sale and computer systems utilized by our franchisees. Net Operating Income is calculated using operating expenses reported to us by franchisees. Neither we nor any independent certified public accountant has independently audited.

5. The Gross Revenues figures are based on the historical results from the Burn Boot Camp® outlets described above.

Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

Written substantiation of the data used in preparing this information will be made available upon reasonable request.

You should utilize the services of an accountant or other financial professional to help you if you want to prepare budgets or projections. You should consult other sources for financial information, including your financial advisers andour franchisees in order to compare sales experience and to obtain additional information necessary for you to develop estimates of the sales, costs, expenses, earnings and profits of Burn Boot Camp outlets.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Amber Burke, 17036 Kenton Dr., Suite 100, Cornelius, North Carolina 28031, 1-833-289-2876, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table 1 - System-wide Outlet Summary for Years 2023 to 2025				
Outlet Type	**Year**	**Outlets at the Start of the Year**	**Outlets at the End of the Year**	**Net Change**
Franchised	2023	316	335	+19
	2024	335	356	+21
	2025	356	388	+32
Company-Owned	2023	9	9	0
	2024	9	9	0
	2025	9	7	-2
Total Outlets	2023	325	344	+19
	2024	344	365	+21
	2025	365	395	+30

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Table 2 - Transfers of Outlets from Franchisees to New Owners (Other than The Franchisor) for Years 2023 to 2025		
State		Number of Transfers
Arizona	2023	1
	2024	1
	2025	0
California	2023	0
	2024	1
	2025	1
Colorado	2023	0
	2024	2
	2025	0
Connecticut	2023	0
	2024	0
	2025	0
Florida	2023	2
	2024	2
	2025	4
Georgia	2023	2
	2024	4
	2025	5
Idaho	2023	0
	2024	0
	2025	1
Illinois	2023	0
	2024	0
	2025	1
Indiana	2023	0
	2024	1
	2025	0
Iowa	2023	1
	2024	0
	2025	0
Kansas	2023	0
	2024	1
	2025	0
Kentucky	2023	3
	2024	0
	2025	0

Massachusetts	2023	1
	2024	1
	2025	0
Michigan	2023	0
	2024	0
	2025	1
Minnesota	2023	0
	2024	0
	2025	2
Nevada	2023	0
	2024	0
	2025	0
New York	2023	2
	2024	0
	2025	0
North Carolina	2023	3
	2024	1
	2025	1
Ohio	2023	2
	2024	0
	2025	0
Pennsylvania	2023	2
	2024	0
	2025	3
South Carolina	2023	3
	2024	0
	2025	2
Tennessee	2023	0
	2024	1
	2025	1
Texas	2023	3
	2024	6
	2025	1
Utah	2023	0
	2024	1
	2025	0
Virginia	2023	4
	2024	1
	2025	0
Wisconsin	2023	3
	2024	0
	2025	0

Total	2023	32
	2024	23
	2025	23

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Table 3 - Status of Franchised Outlets For Years 2023 to 2025								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Alabama	2023	6	1	2	0	0	0	5
	2024	5	1	0	0	0	0	6
	2025	6	1	0	0	0	0	7
Arizona	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	3	0	0	0	0	9
Arkansas	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	2	0	0	0	0	5
California	2023	5	0	0	0	0	0	5
	2024	5	2	0	0	0	0	6
	2025	6	0	0	0	0	0	6
Colorado	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Connecticut	2023	3	0	1	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	2	0	0	0	0	0	2
Delaware	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Florida	2023	34	2	2	1	0	0	33
	2024	33	1	0	0	0	0	34
	2025	34	5	0	0	0	0	39
Georgia	2023	28	5	0	0	0	0	33
	2024	33	3	0	0	0	0	36
	2025	36	3	0	0	0	0	39
Idaho	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Illinois	2023	5	0	1	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4

Indiana	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	1	0	0	0	0	5
Iowa	2023	2	2	0	0	0	0	4
	2024	4	0	1	0	0	0	3
	2025	3	0	0	0	0	0	3
Kansas	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Kentucky	2023	5	0	0	0	0	0	5
	2024	5	2	0	0	0	0	7
	2025	7	0	0	0	0	0	7
Louisiana	2023	1	0	0	1	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Massachusetts	2023	5	0	0	0	0	0	5
	2024	5	1	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Maryland	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	1	0	0	0	0	3
Michigan	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	1	0	6
	2025	6	0	0	0	0	0	6
Minnesota	2023	6	2	0	0	0	0	8
	2024	8	1	0	0	0	0	9
	2025	9	1	0	0	0	0	10
Mississippi	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Missouri	2023	5	2	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	0	0	0	0	0	7
Nebraska	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
New Jersey	2023	5	3	0	0	0	0	8
	2024	8	1	0	0	0	0	9
	2025	9	0	0	0	0	0	9
Nevada	2023	3	1	0	0	0	0	4
	2024	4	1	0	0	0	0	5
	2025	5	0	0	0	0	0	5

New Mexico	2023	2	0	0	0	0	0	2
	2024	4	0	0	0	0	0	4
	2025	4	0	1	0	0	0	3
New York	2023	4	1	1	0	0	0	4
	2024	4	2	0	0	0	0	6
	2025	6	0	0	0	0	0	6
North Carolina	2023	35	2	0	0	0	0	37
	2024	37	2	0	0	0	0	38
	2025	38	1	0	0	0	0	39
Ohio	2023	9	0	0	0	0	0	9
	2024	9	1	1	0	0	0	9
	2025	9	3	0	0	0	0	12
Oklahoma	2023	4	1	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Oregon	2023	4	0	1	0	0	0	3
	2024	3	1	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Pennsylvania	2023	11	1	0	0	0	0	12
	2024	12	1	1	0	0	0	12
	2025	12	2	0	0	0	0	14
Rhode Island	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
South Carolina	2023	18	1	3	0	0	0	16
	2024	16	0	1	0	0	0	15
	2025	15	1	0	0	0	0	16
South Dakota	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Tennessee	2023	14	3	0	0	0	0	17
	2024	17	1	1	0	0	0	17
	2025	17	0	0	0	0	1	16
Texas	2023	17	4	1	0	0	0	20
	2024	20	3*	0	0	0	0	23
	2025	23	2	2	0	0	0	23

Utah	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	4	0	0	0	0	6
Virginia	2023	31	2	0	0	0	0	33
	2024	33	2	1	0	0	0	34
	2025	34	2	0	0	0	0	36
West Virginia	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Wisconsin	2023	20	0	2	0	0	0	18
	2024	18	1	0	0	0	1*	19
	2025	19	1	0	0	0	0	20
Total	2023	316	35	14	2	0	0	335
	2024	335	29	6	0	1	1	356
	2025	356	34	3	0	0	1	386

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Table 4 - Status of Company-Owned Outlets For Years 2023 to 2025							
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Florida	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	1	0
Michigan	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
	2025	1	0	0	0	1	0
North Carolina	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Texas	2023	1	0	0	0	0	1
	2024	1	0	0	0	1	0
	2025	0	0	0	0	0	0
Utah	2023	6	0	0	0	0	6
	2024	6	0	0	0	0	6
	2025	6	0	0	0	0	6
Total	2023	9	0	0	0	0	9
	2024	9	0	1	0	1	9
	2025	9	0	0	0	2	7

All Burn Boot Camp® outlets listed in Table 4 are owned and operated by our affiliates. We do not operate any of these outlets directly.

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Table 5 - Projected Openings as of December 31, 2025			
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	2	0	0
Arizona	1	1	0
Arkansas	1	0	0
California	7	2	1
Colorado	2	1	0
Connecticut	0	0	0
Delaware	0	0	0
District of Columbia	1	0	0
Florida	8	4	0
Georgia	6	2	0
Idaho	0	0	0
Indiana	3	2	0
Iowa	1	1	0
Kentucky	0	0	0
Louisiana	1	0	0
Maine	0	0	0
Maryland	4	3	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Mississippi	0	0	0
Missouri	1	0	0
Montana	1	0	0
Nebraska	0	0	0
Nevada	0	0	0
New Mexico	0	0	0
New Jersey	2	1	0
New York	1	1	0
North Carolina	2	2	1
Ohio	2	2	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	0	0	0
South Carolina	4	2	0
South Dakota	0	0	0
Tennessee	3	1	0
Texas	3	2	0

Table 5 - Projected Openings as of December 31, 2025			
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Utah	1	1	0
Virginia	3	1	0
West Virginia	1	0	0
Wisconsin	1	1	0
Total	62	30	2

Attached as Exhibit F are the names, addresses and telephone numbers of all franchisees as of December 31, 2025 and franchisees that have been terminated, cancelled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement for fiscal year ended December 31, 2025, or who has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During our last 3 fiscal years, current and former franchisees signed provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees but be aware that not all of those franchisees will be able to communicate with you.

There are currently no franchisee organizations associated with the franchise system that are created, sponsored, or endorsed by us. There is one franchisee association that has requested to be included in this Disclosure Document as follows:

Independent Association of Burn Boot Camp Franchisees, Inc.
16417 Woodlodge Court
Wildwood, MO 63005
board@iabbcf.org
http://www.iabbcf.org
608-633-0224

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ITEM 21: FINANCIAL STATEMENTS

Our audited financial statements for our fiscal years ended December 31, 2025, December 31, 2024 and December 31, 2023 are attached hereto as Exhibit G. Our fiscal year end is December 31 of each year.

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ITEM 22: CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Franchise Agreement - Exhibit A
- Schedule 1 – Authorization for Pre-Arranged Payments
- Schedule 4 – Individual Guaranty
- Schedule 5 – Collateral Assignment of Lease
- Schedule 7 – Confidentiality and Non-Compete Agreement (Limited Principals)

Area Development Agreement - Exhibit B
State Addenda – Exhibit D

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ITEM 23: RECEIPTS

Included as the last document of this Disclosure Document (Exhibit I) and/or as a separate executable form, is a Receipt to be signed by you. This Receipt must be signed and dated and delivered to us at least 14 calendar days before signing of the Franchise Agreement or payment of any fee by you.

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EXHIBIT A
FRANCHISE AGREEMENT

Kline Franchising, LLC
Data Sheet

Franchisee: _____

Guarantors:_____

Operations Manager:_____

Effective Date: _____

Accepted Location: _____

Site Selection Area: _____

Territory: _____

Telephone Number:_____

Facsimile Number:_____

Initial Franchise Fee: _____

Notices: Any notice or demand given or made under this Agreement must be served as follow:

Franchise Notice Address:_____

_____

_____

Email: _____

The terms of this Data Sheet are hereby incorporated

Site Selection Area Map

Kline Franchising, LLC
FRANCHISE AGREEMENT
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SCHEDULE 2: PRE-EXISTING BUSINESSES

SCHEDULE 3: CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS

SCHEDULE 4: INDIVIDUAL GUARANTY

SCHEDULE 5: COLLATERAL ASSIGNMENT OF LEASE

SCHEDULE 6: STATEMENT OF OWNERSHIP INTERESTS AND PRINCIPALS

SCHEDULE 7: CONFIDENTIALITY AND NON-COMPETE AGREEMENT (LIMITED PRINCIPALS)

SCHEDULE 8: CONFIDENTIALITY AGREEMENT (TEMPLATE FOR REVIEW AND USE BY FRANCHISEE)

SCHEDULE 9: ADDITIONAL AMENDMENTS (as needed)

Kline Franchising, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is made and entered into effective as of _____ by and between Kline Franchising, LLC, a North Carolina limited liability company, hereinafter sometimes referred to as "KFI" or "Franchisor; Franchisee identified on the Data Sheet, hereinafter known as "you" or "Franchisee." For ease of reference, Kline Franchising, LLC will also be referred to as "we", "us" or "our" in this Agreement. The persons signing as Franchisee or Owners will also be referenced to herein individually as "you" or "yours" or collectively as "Franchisee." The parties hereto are entering into this Agreement to evidence the agreement and understanding between the parties as follows:

RECITALS

A. Franchisor has developed a uniform system for the establishment and operation of a fitness facility that offers its members ("Members") group fitness sessions using fitness programs and high intensity workout routines, membership options, nutrition coaching and meal planning programs (collectively referred to as "Services") in addition to limited supplements and fitness-related apparel, products and merchandise for sale (collectively referred to as the "Products") at any Burn Boot Camp® franchised location (hereinafter referred to as the "Franchise," the "Franchise Business," the "Franchised Business," "Facility" or "Business"); and

B. Franchisor identifies its system by means of certain trade names, service marks, trademarks, logos, emblems, trade dress and other indicia of origin, including but not limited to the mark "Burn Boot Camp®" and such other trade names, service marks, trademarks and trade dress as are now designated (or may be designated hereafter by Franchisor in writing) for use in connection with our System (referred to as the "Names and Marks," "Names" or "Marks"); and

C. Franchisor has entered into an exclusive license ("License Agreement") with Devan Kline Fitness, LLC for the right to use and sublicense to our franchisees the Names, Marks and other property in connection with the operation of a Burn Boot Camp® business and has developed expertise (including confidential information) and a unique, distinctive and comprehensive system ("System") for the establishment and operation of Businesses; and

D. Franchisor continues to develop, use, and control the use of such Names and Marks to identify for the public the source of services and products marketed thereunder and under its System, and to represent the System's high standards of consistent quality, appearance, and service; and

E. Franchisor has established substantial goodwill and business value in its Names and Marks, expertise and the System; and

F. Franchisor has the right to license the System, including expertise for conducting and operating a business under the Marks; and

G. Franchisee desires to obtain a franchise from Franchisor for the right to use the Names and Marks and the expertise for operating a Burn Boot Camp® Franchised Business, and to obtain the benefits and knowledge of Franchisor's System including, but without limitation, Franchisor's different membership options, fitness programs and workout routines; specific methods and techniques, nutrition programs, exercise equipment, products and operational procedures; relationships with vendors and suppliers, purchasing strategies, sales techniques and methods; build out specifications, guidelines for hiring, training and retaining employees, advertising, sales and promotional programs; cost controls, management, administrative and record keeping procedures; and in general a style, method and procedure of business operation utilizing the Names and Marks and System, all as a Franchisee of Franchisor; and

H. Franchisee recognizes the benefits to be derived from being identified with and licensed by Franchisor and Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, appearance, and service and the necessity of operating the Business in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

I. RELATIONSHIP OF THE PARTIES

This Agreement does not create a fiduciary relationship between Franchisor or Franchisee. Franchisee is an independent contractor responsible for full control over the internal management and daily operation of its Business, and neither party to this Agreement is the agent, principal, partner, employee, employer or joint venture partner of the other party. Franchisee may not act or represent itself, directly or by implication, as Franchisor's or its affiliates' agent, partner, employee or joint venture partner, and Franchisee may not incur any obligation on Franchisor's behalf or in Franchisor's name. All stationery, business cards and contractual agreements entered into by Franchisee must contain Franchisee's corporate or fictitious name and a conspicuously displayed notice in the place Franchisor designates, that Franchisee operates its Business as an independently owned and operated Burn Boot Camp® Business and that Franchisee independently owns and operates the Business as a System franchisee. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's or its affiliates' behalf, or to incur any debt or other obligation in Franchisor's or its affiliates' name; and Franchisor will in no event assume liability for, or be deemed liable hereunder as a result of any such action; nor will Franchisor be liable by reason of any of Franchisee's acts or omissions in operating the Business or for any claim or judgment arising therefrom against Franchisee or Franchisor. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors.

II. FRANCHISE GRANT

Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained and subject to this Agreement, a non-exclusive license to establish and operate one Burn Boot Camp® Business under the System and Marks, and the right to use the System and Marks to operate the Business. Franchisor has the right to supplement, improve or otherwise modify the System from time to time in its discretion, and Franchisee must comply with all changes, which may include, without limitation, the offer and sale of new or different products and services. Nothing in this Agreement gives Franchisee any other right, title or interest in any of the Marks or the System, which remain the sole and exclusive property of Franchisor. The foregoing grant to Franchisee does not include: (i) any right to offer any product or service via e-commerce without prior approval by Franchisor; (ii) any right to establish an independent website or to establish a URL incorporating the Marks or any variation thereof; (iii) any right to distribute, market, or implement Franchisor's products and services in any channel of distribution not specifically identified in this Agreement; or (iv) any right to sell products or services at wholesale prices from the Franchised Business. This Agreement includes no right of Franchisee to sub-franchise. Franchisee shall not, under any circumstances, engage in any wholesale trade or sale of System Products, exercise equipment and/or Software for resale and/or independently act as an exclusive distributor for any third-party vendor or secure any exclusive rights for any System Product, exercise equipment and/or Software or non-System products, exercise equipment or software without our written consent.

III. TERRITORY

A. Except as otherwise provided for in this Agreement, as long as Franchisee is in compliance with the terms and conditions hereof, Franchisor will not establish, nor license any other person the right to establish, another Burn Boot Camp® Business at any location within the Territory granted to you after a location is chosen for your Facility and described in the Data Sheet annexed hereto, which is hereby incorporated into the Franchise Agreement (the "Territory"). Your Territory will not be exclusive in terms of marketing rights or clientele, as further described below. The Territory is determined once a location is chosen and approved by us, and will not be altered even if there is a population increase or decrease during the term of this Agreement. The Territory is not dependent upon achievement of certain revenues, number of Members Franchisee retains, memberships sold, market penetration or any other contingency.

B. Franchisee must operate the Business only at the location Franchisor accepts of in writing, which will be identified in the Data Sheet attached to this Franchise Agreement (the "Accepted Location"). The Accepted Location must be used solely to operate a Business, and not for any other purpose. Franchisee may not conduct business at any other location or locations other than the Accepted Location identified above; however, Franchisee may conduct business at off-site events (for example at fitness expos, health fairs, promotional events, charity events, etc.) to sell Services and/or Products as long as such events are within Franchisee's Territory. If the Accepted Location is not known as of the date this Agreement is signed, then Franchisee must find an accepted site located within the Site Selection Area described in the Data Sheet attached to this Franchise Agreement.

C. Franchisee must operate its Facility within the Territory. Franchisee is not restricted as to the geographic area into which Franchisee may sell Services and Products (including exercise equipment if Franchisor authorizes Franchisee to sell exercise equipment in the future) and can sell to anyone from anywhere, so long as the Services Franchisee performs and Products Franchisee sells are being performed and shipped from the Facility within the Territory at the Accepted Location or conducted at off-site events as described below. Franchisee may not perform any Target Marketing into the territory of another System franchisee, licensee or company-owned business. The term "Target Marketing" means a concerted effort by Franchisee to solicit and obtain Members by any type of advertising or marketing directed at all or a portion of another franchisee's or licensee's territory, company-owned business or any unassigned area. Franchisor shall use commercially reasonable efforts to deal with any franchisee that violates this policy. Franchisee is prohibited from selling Services and/or Products (including exercise equipment if Franchisor authorizes Franchisee to sell exercise equipment) through any alternative channels of distribution (such as Websites as defined below) without our prior written approval. Approval may be revoked in Franchisor's sole discretion.

D. If Franchisee is asked by a third party to conduct business at off-site events (such as fitness expos, health fairs, promotional events, charity events, etc.) in geographical areas within the territory of another System franchisee, licensee or company-owned business, Franchisee must immediately refer that request to the Burn Boot Camp® business whose territory encompasses that geographical area or directly to Franchisor. Franchisee must not conduct business at off-site events in the territory of another System franchisee, licensee or company-owned business. If the other franchisee, licensee or company-owned business gives Franchisee permission to conduct business at such off-site events, then Franchisee must immediately inform Franchisor in writing and Franchisee can then proceed to conduct business at such off-site event. If there is not a Burn Boot Camp® business in that geographical area, then Franchisee must submit a request to conduct business at off-site events to Franchisor, and upon Franchisor's written approval, Franchisee can proceed. However, Franchisee must immediately cease conducting business at such events if the geographical area is purchased or assigned to another System franchisee or licensee. Franchisor shall approve or deny Franchisee's request to conduct business at off-site events in other geographical areas not owned by other franchisees, licensees, Franchisor or its affiliates, which approval is in Franchisor's sole discretion, within three (3) days of Franchisee's written request. If we do not timely respond then your request will be deemed denied.

E. If, during the term of this Agreement, Franchisee is unable to promptly and properly provide Services to Members due to excessive work or for any other cause, Franchisee must refer that Member to another System franchisee, licensee, company-owned business or to Franchisor. If Franchisee fails to: (i) refrain from Target Marketing; or (ii) refer off-site events or Members as described herein, Franchisor will have the right to terminate this Agreement as described in Section XX.B.21 of this Agreement (upon the second occurrence). For any default of this Agreement which triggers Franchisor's ability to terminate (including, without limitation, Franchisees failure to achieve $40,000 in monthly Gross Revenues for a rolling 12-month period after being in operation for at least 2 years), as an alternative to termination, Franchisor will have the right, in its sole discretion, to modify or completely eliminate any rights Franchisee may have with respect to the Territory, effective ten (10) days after delivery of written notice to Franchisee as provided in Section XX.E.

F. We may, from time to time, establish certain programs for the benefit of franchisees and the System whereby Burn Boot Camp® franchisees will be permitted to provide Services and/or Products in accordance with the specifications described in any particular program established by us. Currently in effect is our National Account program. The National Account program is defined as follows:

1. The term "National Account" means a special class of Members which may include but are not limited to large businesses, national organizations or non-profit organizations with outlets located in multiple territories and government agencies who on their own behalf or through agents, franchisees or other third parties owns, manages, controls or otherwise has responsibility for products, buildings or common-services in more than one location whose presence is not confined within any one particular franchisee's Territory regardless of the aggregate contract amount of Services and/or Products the Franchisee performs or provides. Any dispute as to whether a particular account is a National Account shall be determined by Franchisor in its sole and absolute discretion, and Franchisor's determination shall be final and binding;

2. Franchisor shall have the exclusive right, unless otherwise specified in writing, on behalf of itself, Franchisee and/or any other franchisees utilizing the Marks, to negotiate and enter into agreements or approve forms of agreement to offer Services and Products to National Account customers, including any affiliate, company owned or franchised locations within the Territory;

3. Following the execution of a contract with or the acceptance of a bid by a National Account which contemplates the provision of Services or Products to one or more National Account locations within the Territory, Franchisor will, if Franchisee is qualified and not in default under any terms of this Agreement and any addendum, provide Franchisee the option to perform Services and/or offer Products pursuant to the terms and conditions of the National Account contract or on such terms and conditions as we in our sole discretion determine;

4. If Franchisee elects not to provide Services and/or Products to a National Account in conformity with the terms and conditions of the National Account bid or contract, or fails to make an election within the time specified by Franchisor, of being offered the opportunity by Franchisor, then Franchisor shall have the right, exercisable in its sole discretion and without compensation to you, to:

    (a) Provide directly or through any other affiliate or franchisee utilizing our Marks, Services and/or Products to a National Account location(s) within the Territory on the terms and conditions contained in the National Account bid or contract; and/or

    (b) Contract with another party to provide Services and/or Products to a National Account location(s) within the Territory on the terms and conditions contained in the National

Account bid or contract between Franchisor and the National Account Member, utilizing Franchisor's Marks or any trademarks, service marks or trade names.

5. Neither the direct provision by Franchisor (or a franchisee, affiliate or agent of Franchisor) of Services or Products to National Account customers as authorized in (i) above, nor if Franchisor contracts with another party to provide Services or Products as authorized in (ii) above, shall constitute a violation of Section III of this Agreement relating to the Franchisee's Territory, even if such Services and/or Products are performed or offered from a location within the Territory. Franchisee disclaims any compensation for Services performed or Products provided by others in the Territory pursuant to this section.

G. Franchisee's rights in the Territory are exactly (and only) as expressly set forth in this Section III. Except as expressly provided in this Agreement, Franchisee has no right to exclude, control or impose conditions on the location, operation, or otherwise of present or future Burn Boot Camp® (or any other brand) units or distribution channels of any type, franchised or company-owned, regardless of their location or proximity to the Business and whether or not they provide Services or Products within the Territory. Franchisee does not have any rights with respect to other and/or related businesses, services, and/or products, in which Franchisor or any Franchisor-related persons or entities may be involved, now or in the future. Any rights not expressly granted to the Franchisee are reserved to the Franchisor. Such rights reserved to the Franchisor include but are not limited to the following:

1. Establish, and license others to establish, Burn Boot Camp businesses at any location outside the Territory, notwithstanding their proximity to the Territory or Franchisee's Location (defined below) or their actual or threatened impact on sales at Franchisee's Burn Boot Camp business;

2. Own and operate health and fitness businesses under different marks at any location(s) inside or outside of the Territory, or license to others the right to own and operate health and fitness businesses under different marks at any location(s) inside or outside of the Territory;

3. Sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise, from any location or to any purchaser, through any channel or method of distribution (including, but not limited to, sales made by or through mail order and/or on the Internet), so long as such sales are not conducted from a Burn Boot Camp business operated from a location inside the Territory;

4. In the event Franchisor or its affiliates acquire another chain or system, or Franchisor or its affiliates are acquired by another chain or system, that operates and/or franchises stores or retail outlets that are the same or similar to Burn Boot Camp® businesses in that they have a substantially similar concept and/or offer for sale similar products or services, Franchisor or its affiliates may establish, acquire or operate, or license others to establish and operate, stores and retail outlets under other systems or other marks, which stores or retail outlets may offer or sell products or services that are the same as, or similar to, the products and services offered from a Burn Boot Camp® business, and which stores or retail outlets may be located within or outside the Territory, despite these stores' proximity to Franchisee's Business or their actual or threatened impact on sales at Franchisee's Business; and

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

Franchisee's Territory may be altered during the initial term, but only by: (i) mutual consent in writing from both Franchisee and Franchisor; (ii) at the time of transfer or renewal as a condition to transfer or renewal; or (iii) for any default of this Agreement which triggers Franchisor's ability to terminate as described above.

IV. TERM AND RENEWAL OF AGREEMENT

A. Term

The franchise herein granted for a Burn Boot Camp® Business shall be for a term of ten (10) years from the date of execution and acceptance (the "Effective Date") of this Agreement by us and subject to earlier termination as herein provided.

B. Renewal

Franchisee shall have the option to renew this Agreement for one additional term of ten (10) years, provided Franchisor is still offering franchises at that time, and further subject to the following conditions, all of which must be met prior to renewal:

1. Franchisee shall give the Franchisor written notice of its election to renew not more than eighteen (18) months and not less than twelve (12) months prior to the end of the then current term;

2. Franchisee has demonstrated to Franchisor's satisfaction that Franchisee has the right to operate the Business at the Accepted Location for the duration of the renewal term; or, if Franchisee is unable to operate the Business at the Accepted Location, Franchisee has secured a substitute location meeting Franchisor's then-current standards and specifications;

3. Franchisee must not be in default under any provision of the Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisor and Franchisee, and Franchisee shall have complied with all the terms and conditions of all such agreements during the terms thereof, regardless of whether any breaches or defaults have been cured;

4. Franchisee's right to renew is contingent on satisfactory performance of and full compliance with this Agreement. Franchisor may refuse to renew the Franchise if: (a) Franchisee has failed to use its best efforts to operate the Franchised Business to Franchisor's satisfaction; (b) the Franchise is terminable by law or under this Agreement; (c) Franchisee fails to give timely written notice of its exercise of its renewal option; (d) Franchisor is withdrawing from franchising in the geographic market Franchisee serves; (e) Franchisee fails to satisfy Franchisor's then-current standards for new franchisees or (f) Franchisee is in default of this Agreement or failed to comply with the terms and conditions of this Agreement or any related agreement during the applicable term (regardless of whether any breaches or defaults have been cured);

5. Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates, and shall have timely met these obligations throughout the previous term;

6. Franchisee shall execute Franchisor's then-current form of Franchise Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ materially from the terms of this Agreement, and renewal may be for the same designated area as outlined in Section III, or Territory, above;

7. Franchisee pays Franchisor a renewal fee equal to $10,000 (for the second renewal term only);

8. Franchisee shall comply with Franchisor's then-current qualification and franchisee education requirements;

9. Franchisee must execute a general release, in a form prescribed by Franchisor releasing any and all claims against Franchisor and its affiliates, and their respective owners, officers, directors, managers, agents and employees, if such release is not in conflict with any local, state or federal laws; and

10. Franchisee has upgraded, remodeled and/or refurbished the Facility (both inside and outside) in order to meet our then-current standards. All signage, graphics, exercise equipment, furnishings, fixtures, computers, iPads, software and any other products that are necessary to operate the Business as determined by us, in our sole discretion, must be updated to meet our then-current requirements. All remodeling, modernization, redecoration, or replacements will be completed at Franchisee's expense in accordance with our specific standards and specifications.

V. FRANCHISEE'S INITIAL INVESTMENT

Franchisee's initial investment will vary depending upon the size of the Facility, the location of the Facility, build-out expenses, the time of year Franchise opens for business, the amount of exercise equipment, products and supplies Franchisee purchases, number of trainers and administrative staff Franchisee hires, implementation of a marketing plan, Franchisee's management skills, economic conditions, competition in the surrounding area and other factors. Franchisee hereby certifies that he or she has reviewed the estimated initial investment and start-up costs as detailed in the Franchise Disclosure Document, and has sufficient cash resources available to meet said expenses. These start-up costs include the initial franchise fee.

VI. FRANCHISEE'S INITIAL FRANCHISE FEE

A. Time Limit for Starting Business

Time is of the essence. Franchisee shall maintain the Facility in accordance with the provisions and requirements of Section IX of this Agreement, and must secure a lease that has been accepted by Franchisor (as described in this Section IX.R) within three hundred (300) days of the execution of this Franchise Agreement and open the Business for operation (the "Opening") four hundred twenty (420) days of the date of execution of this Franchise Agreement (or earlier as provided in an Area Development Agreement, if applicable) which includes having obtained our approval prior to opening. The Opening requires that Franchisee has qualified for and has obtained all necessary licenses and permits needed to perform Services and offer Products. Prior to opening, Franchisee shall complete, to our satisfaction, all the build-out and preparations of the Business, in accordance with specifications set forth in the Operations Manual, and as required by local governmental agencies, including installation of all furnishings and fixtures, the acquisition of exercise equipment, computers, iPads, software, sound system, Products, supplies and inventory, completion of Franchisor's initial education program, and provision to Franchisor of all required local information, artwork and photos for the completion of the Franchisee's website. Upon Franchisee's failure to (i) agree on a Territory and/or timely satisfy the Opening requirement within four hundred twenty (420) days from the Effective Date (or earlier as provided in an Area Development Agreement, if applicable); or (ii) acquire a lease within three hundred (300) days of the execution of this Franchise Agreement then Franchisor may, at its sole discretion, terminate this Agreement.

B. Initial Franchise Fee

In consideration of the franchise granted to you, you must pay us a lump sum initial franchise fee of $60,000, in full, when you sign this Agreement. The initial fee is deemed fully earned and non-refundable in consideration of administrative and other expenses we incur in granting you the franchise, and for our lost or deferred opportunity to franchise to others.

VII. **OTHER FEES**

A. Royalty Fees

1. In addition to the Initial Franchise Fee described in Section VI above, the following recurring payments are required to be made by the Franchisee. The Franchisee pays to Franchisor a "Royalty Fee" of six percent (6%) of total Gross Revenues for each Report Period and is to be received as we specify in writing, "Report Periods" shall be calendar months, weeks or such other period as we may designate from time to time. Royalty Fee payments will be due by the day we specify during each Report Period for the immediately preceding Report Period. For purposes of clarity, Royalty Fees and System Brand Fees are calculated and payable with respect to all Gross Revenues generated by the Business, including all Gross Revenues generated prior to opening.

2. As used in this Agreement, "Gross Revenue" shall include all revenue accrued from the performance of Services and sales of all Products in, at, upon, about, through or from the Business, whether for cash or credit and regardless of collection in the case of credit, and income of every kind and nature related to the Business. This includes all membership-related programs and/or fees (such as initiation fees, termination fees, enrollment fees, processing fees, paid-in-full fees, renewal fees, monthly dues, annual membership fees and all revenues generated and derived during any presale membership programs). Gross Revenue also includes fair market value for any service or product Franchisee receives in barter or exchange for its services and products in addition to all insurance proceeds and/or condemnation awards for loss of sales, profits or business. However, Gross Revenue shall not include: (i) revenues from any sales taxes or other add on taxes collected from Members by Franchisee for transmittal to the appropriate taxing authority; (ii) gratuities paid by Members to Franchisee's employees; (iii) and the amount of cash refunds the Franchisee in good faith provides to its Members; or (iv) certain charitable donations specifically authorized in the Operations Manual. The sale and delivery of all Products and performance of Services away from the facility (such as off-site events) is included in computing Gross Revenue. With respect to the Gross Revenue paid to Franchisor by members purchasing virtual-only memberships, Franchisor will remit to Franchisee a certain portion of the Gross Revenue paid by those members that provide a primary address that is located in Franchisee's Territory ("Virtual Members"). Specifically, for those Virtual Members, Franchisor will remit to Franchisee the Virtual Members' Gross Revenue paid to Franchisor (which deducts certain fees paid to Google and Apple), less Royalty Fees and System Brand Fees owed on the Gross Revenues and any other amounts that are past due and owing to Franchisor.

3. Any payment or report not actually received by us on or before the specified date shall be deemed overdue. If any payment is overdue, in addition to the right to exercise all rights and remedies available to us under this Agreement, Franchisee shall pay us a fee of one hundred dollars ($100) in addition to the overdue amount, plus interest on such amount from the date it was due until paid at the rate of one and a half percent (1.5%) per month or the maximum rate allowed by the laws of the state in which Franchisee's Business is located or any successor or substitute law (referred to as the "Default Rate"), until paid in full. If you write us a check that is returned, cancelled or dishonored, or if we debit your bank account and your account has insufficient funds or is inaccessible, you must pay us an insufficient funds fee of one hundred dollars ($100) for each occurrence.

B. System Brand Fee and Local Advertising

1. Franchisee will pay a System Brand Fee equal to two percent (2%) of Gross Revenues per Report Period to be paid in the same manner as the Royalty Fee. The System Brand Fee can be increased by us and such increase will not exceed three percent (3%) of Franchisee's Gross Revenues in any calendar year. If we increase the System Brand Fee, Franchisee will be given ninety (90) days' notice prior to such increase.

2. System Brand Fee payments are to be received by the Franchisor at the same time, for the same Report Periods and at the same frequency as Royalty Fee payments. This fee will be deposited into our System Brand Fund (the "Fund") for ongoing technology, new equipment and product development, and such national and regional advertising, marketing and/or public relations programs as we, in our sole discretion, may deem appropriate to promote the Marks and System, including print advertising, signs, billboards, radio, television, or Internet, digital and social media marketing campaigns, mailers and flyers, telemarketing, SMS and email marketing, celebrity and public figure partnerships and endorsements, and any other medium, type or form of advertising as we may determine in our sole discretion. The Fund may also be used for: local franchisee group advertising or marketing; local, regional, national or international advertising or marketing; administration of advertising and marketing (including salaries, accounting, collection, legal and other costs), related expenses and any media or agency costs. We will direct all such programs, and will have sole discretion over the creative concepts, materials, endorsements and media used in such programs, and the placement or allocation of such programs. We reserve the right to determine, in our sole discretion, the composition of all geographic territories and market areas for the implementation and development of such programs. Burn Boot Camp® businesses owned or operated by us will contribute to the Fund on same basis as franchisees once the businesses are established.

3. We are not obligated to spend more on advertising and marketing than the amount of the Fund. Any unspent balance in the Fund at the end of the year may be carried over to later years and used for the purposes described in this Agreement. Neither we nor any of our shareholders has any fiduciary duty to the Franchisee regarding any System Brand Account. Franchisee acknowledges that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. While we do not anticipate that any part of Fund contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the Fund for public relations or recognition of the Burn Boot Camp brand, for the creation and maintenance of a web site, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available." The Fund is not required to be independently audited. If contributions paid into the Fund are not spent in the fiscal year in which they accrue, we can use the remaining amounts for the same purposes in future years. We will prepare an annual un-audited statement of monies collected and costs incurred by the Fund within 120 days after the end of our fiscal year and furnish it to Franchisee upon written request.

4. Franchisee must participate in Franchisor's Grand Opening Marketing program and, at Franchisor's option, utilize the services of Franchisor's preferred public relations vendor for all or part of the program. Franchisee must spend fifteen thousand dollars ($15,000) in local marketing between the execution of this Agreement and two (2) weeks before opening, and then another fifteen thousand dollars ($15,000) from two (2) weeks before opening until ninety (90) days after opening.

5. In addition to the System Brand Fund contributions and the Grand Opening Marketing program set forth in above, beginning on Franchisee's fourth (4th) month of operations and for the remainder of the Term, Franchisee shall spend a minimum of $3,000 a month on local advertisement and promotion as described in Section IX.K of this Agreement.

6. Franchisee's failure to pay required advertising contributions of any kind is a material breach of this Agreement, subjecting Franchisee to all remedies at law and as set forth in this Agreement.

C. Electronic Funds Transfer

We reserve the right to require Franchisee to remit fees and other amounts due to us hereunder via electronic funds transfer or other similar means utilizing our approved computer system or otherwise. If we notify Franchisee to use such payment method, Franchisee agrees to comply with procedures specified by us and/or perform such acts and deliver and execute such documents, including the attached "Authorization Agreement for Prearranged Payments" attached as Schedule 1, for direct debits from Franchisee's business bank operating account, as may be necessary to assist in or accomplish payment by such method. Under this procedure, Franchisee shall 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 and related processing fees due. Franchisee shall make funds available to us for withdrawal by electronic transfer no later than the due date for these payments. If Franchisee has not timely reported the Business's Gross Revenue to us for any reporting period, then we shall be authorized, at our option, to debit Franchisee's account in an amount equal to: (a) the fees transferred from Franchisee's account for the last reporting period for which a report of the Business's Gross Revenue was provided to us as required hereunder; or (b) the amount due based on information retrieved from our approved computer system and/or software.

D. Technology Fees

Franchisee will be required to use our specific management software and online applications for the operation of the Business and must use our approved vendors for the software and applications. The software and applications are specific to the fitness industry and manage Member activity and incorporate contact management, scheduling, payroll and reporting functionality. The current fee for the usage and ongoing support of this software is: (i) $100 per month commencing with the month in which Franchisee executes the Franchise Agreement through the month in which Franchisee signs the lease or purchase contract for the facility; and (ii) $860 per month for the remainder of the term of the Franchise Agreement (subject to any periodic adjustments to the technology fee contemplated by this Agreement), not to exceed $1,500 per month. This technology fee must be paid to Franchisor and is subject to change. In addition to the technology fee that must be paid to Franchisor, Franchisee shall be responsible for payment of all initial and ongoing licensing, support, updating and other fees to the licensors of any third-party software or technology not covered by the technology fee. The use of the software may require Franchisee to sign a license agreement. It is Franchisee's responsibility to install, maintain and upgrade any hardware necessary to operate the software at its own expense. We, at our sole discretion, may change such software requirements (including approved vendors) at any time and will provide Franchisee with ninety (90) days' written notice to implement such changes. Franchisee acknowledges that Franchisee must comply with such changes in software requirements at its own expense. If Franchisee fails to comply with our software requirements within the timeframe stated above, such failure may be deemed a material breach of this Agreement. We reserve the right to change the manner of payment or the amount of the fee described in this Section, or to impose additional fees, as changes are made to the System's hardware, software and other computer requirements or as required by the third-party service provider(s) or by any regulatory agency.

E. Graphic Design Fee

Franchisor, its affiliates and/or approved vendors will perform all retail designs, create local advertising assets, update and/or promote Franchisee's website, and provide other design services for Franchisee. Franchisee will pay Franchisor, its affiliates or approved vendors its then current rate, not to exceed $200 per design (the current design rate is $125 per design as of the Effective Date of this Agreement). Any requests for changes, edits or updates to Franchisee's website or any type of promotion over the Internet must be approved by Franchisor in writing and the work is to be performed by either Franchisor, its affiliates or approved vendors. Franchisor shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request by email or any other form of written communication. Franchisor may change such website maintenance and promotion requirements, at

its sole discretion, and Franchisee shall have ninety (90) days after receipt of Franchisor's written notice within which to adhere to the new website maintenance and promotion requirements at Franchisee's expense, without any liability to the Franchisor. If Franchisee fails to comply with Franchisor's new website maintenance and promotion requirements within the timeframe mentioned above, such failure may be deemed a material breach of this Agreement.

F. Product, Vendor and Exercise Equipment Testing Fee

Franchisee will pay a fee for our approval of any product, vendor and/or supplier or exercise equipment (to the extent not then on our list of approved exercise equipment, products, vendors and suppliers), that Franchisee wishes to use or sell in the operation of the Business which may also require third party testing. The fee is fifty dollars ($50) for a single product, vendor and/or supplier that Franchisee wishes to use, sell and/or substitute in the Business. The fee is one-hundred fifty dollars ($150) or the actual cost incurred by us for any piece of exercise equipment that Franchisee wishes to use or sell (if we authorize Franchisee to sell exercise equipment in the future) in the Business. We may waive these fees if the products, vendors, suppliers or exercise equipment that the Franchisee selects meet our requirements and make it on Franchisor's approved list of exercise equipment, products, vendors or suppliers for all franchise locations.

Franchisee must obtain our written approval for the use of such exercise equipment, products, vendors and/or suppliers in the Business (Section IX.H of this Agreement). Franchisor will have thirty (30) days following the receipt of Franchisee's written request to approve or disapprove proposed exercise equipment, products, vendors and/or suppliers. Such approval or disapproval shall be made by e-mail or any other form of written communication. Franchisee also acknowledges that the cost for third party testing is Franchisee's responsibility.

G. Non-Compliance Fee

If we determine that you have violated any of your obligations under this Agreement, including any failure to comply with any standards set forth in the Operations Manual (defined below), we may send you a notice of violation and assess you up to $1,000 (the "Non-Compliance Fee"), which must be paid within 10 days from your receipt of our notice. The Non-Compliance Fee applies for each notice of violation that we send to you, even if the violation is of the same provision of this Agreement for which you previously received a notice of violation from us. We reserve all other rights and remedies available to us.

VIII. FINANCING ARRANGEMENTS

Franchisee hereby acknowledges that financing is the responsibility of Franchisee. Franchisor does not finance or guarantee the obligations of the Franchisee for a Burn Boot Camp® Business.

IX. GENERAL OBLIGATIONS OF FRANCHISEE

A. Follow Operations Manual and Directives of Franchisor

Franchisee agrees that use of Franchisor's System and adherence to our Operations Manual (the "Operations Manual" or "Manual"), in compliance with Franchisor's standardized design and specifications for décor, signage and uniformity of the Business are essential to the image and goodwill thereof. The Manuals contain mandatory and suggested specifications for the Business, standards and operating procedures and further define Franchisee's obligations under this Agreement. Franchisor may change or add to the Manuals to reflect changes in its image, specifications and procedures and methods of operation and will lend Franchisee copies of any changes or additions. Franchisee shall cooperate and assist Franchisor with any customer or marketing research program, which Franchisor may institute from time to time.

Franchisee's cooperation and assistance shall include, but not be limited to, the distribution, display and collection of surveys, comment cards, questionnaires, evaluations and similar items.

B. Operate Franchised Business Only

Franchisee shall use the System and the Names and Marks provided to Franchisee by us for the operation of the Business and shall not use them in connection with any other line of business or any other activity. Neither Franchisee, nor any of its employees, may conduct any business at the Facility other than that authorized pursuant to this Agreement, without the prior written approval of Franchisor. Neither Franchisee, nor any of its employees, may conduct any activity at the Facility or in connection therewith which is illegal or which could result in damage to the Names and/or Marks or the reputation and goodwill of Franchisor. Franchisee will not allow the Franchised Business to be used for any immoral, unethical, unauthorized or illegal purpose. Franchisee must conduct all business through the Burn Boot Camp® Business unless otherwise approved by us in writing. Franchisee must disclose to us any pre-existing businesses and sign and deliver to us, along with a signed copy of this Agreement, the Schedule 2 "Pre-Existing Businesses" attached to this Agreement.

C. Comply with Laws

1. Franchisee must comply with all applicable federal, state and local laws, ordinances and regulations regarding the operation of the Business including, without limitation, all government regulations relating to health club membership agreements and fitness centers generally, occupational hazards and health (including but not limited to OSHA), dispensing of perishable items, consumer protection, trade regulation, worker's compensation, unemployment insurance, withholding and payment of federal and state income taxes and social security taxes and sales, use and property taxes, and the applicable provisions of the Americans with Disabilities Act ("ADA") regarding the construction, design and operation of the Business.

2. Franchisee's obligations with respect to compliance with all applicable laws and regulations as set forth in Section IX.C(1) above, expressly includes for the avoidance of doubt, compliance with all laws and regulations regarding music licensing (e.g. ASCAP, BMI, SESAC and GMR) the privacy and security of credit card data and all other data privacy and security laws, including without limitation those regarding unsolicited communications, autorenewals and "click-to-cancel" laws, text messaging and other consumer communications (expressly including the CAN-SPAM Act of 2003 ("CAN-SPAM") the Telephone Consumer Protection Act of 1991 ("TCPA")). Furthermore, with respect to credit card transactions and Member information obtained through credit card usage, Franchisee agrees to protect the privacy of credit card holders and must, at all times, comply with the Payment Card Industry Data Security Standard (PCI-DSS) as outlined by the Payment Card Industry Security Standards Council (or such similar or successor standards organization that we may designate), whether or not compliance with PCI-DSS is mandated for Franchisee under applicable law or contracts. Copies of all subsequent inspection reports, with the conduct of a Burn Boot Camp® business which indicates the Franchisee's failure to meet or maintain governmental or industry standards, or less than substantial compliance by the Franchisee with any applicable law, rule, regulation or industry standard, shall be forwarded to the Franchisor within five (5) days of the Franchisee's receipt thereof. Franchisee agrees to defend, hold harmless, and indemnify us under Section XV of this Agreement which includes any claims arising out of Franchisee's failure to perform Franchisee's obligations as described above, including reasonable attorneys' fees and expert witness fees.

3. Franchisee acknowledges that Franchisor requires that any individual who plans on instructing any camps be certified by a personal training program accredited by the National Commission for Certifying Agencies

("NCCA") or a 4-year degree in Exercise Science of a related field, in addition to being CPR and first aid certified, and must maintain such certifications.

4. Franchisee shall agree to comply and/or assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to antiterrorist activities, including without limitation the U.S. Patriot Act, Executive Order 13224 and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, Franchisee agrees not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to the Franchise Business as may be required by law. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such laws, orders and/or regulations, and specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in Section XV pertain to Franchisee's obligations hereunder.

D. Maintain Confidentiality of Proprietary Information

1. Neither Franchisee nor any of its Owners, officers, directors, shareholders, partners, members, agents, employees or independent contractors (if you are an Entity), except as required in the performance of the duties contemplated by this Agreement, may disclose or use at any time, whether during the terms of this Agreement or thereafter, any confidential and proprietary information disclosed to or known by Franchisee or any such person as a result of this Agreement. Such information, includes, but shall not be limited to, confidential matters, trade secrets, our Services including specific methods and techniques when executing our workout routines; fitness programs, membership options, nutrition programs, exercise equipment, Products and operational procedures; relationships with vendors and suppliers, purchasing strategies, sales techniques and methods; our build out and design specifications with unique décor, color scheme and signage; advertising, sales and promotional programs; promotional advertising and marketing materials; cost and pricing strategies, procedures for safety and quality control, our website, software, applications for mobile devices, forms, contracts, record keeping and reporting procedures, proprietary information conceived, originated, discovered, or developed by Franchisee or by any employee or independent contractor of Franchisee which is not generally known in the trade or industry about Franchisor's Services or Products, including information relating to discoveries, ideas, production, purchasing, accounting, engineering, website development and design, marketing, merchandising or selling of Services and Products (collectively referred to as "Confidential Information" and further defined in Section XIII.A of this Agreement).

2. Franchisee further acknowledges that the Confidential Information was unknown to Franchisee prior to negotiation for and execution of this Agreement and that the unique and novel combination of "know how," exercise equipment, fitness programs and workout routines, Services, Products, methods and techniques developed by Franchisor and licensed to Franchisee for the operation of a Burn Boot Camp® Business are particular to a Burn Boot Camp® business. Franchisee agrees to take all steps necessary, at Franchisee's expense, to protect the Confidential Information and shall not release it to any person that does not have a need to know, including employees, agents and independent contractors, either during the term or after the expiration or termination of this Agreement without our prior written consent. Franchisee further agrees that it will not contest in any manner the Franchisor's ownership rights to any or all of the above Confidential Information.

E. Maintain and Renovate Facility

Franchisee shall at all times maintain the Facility and all exercise equipment, furnishing, fixtures and signage in a clean, orderly condition and in first class repair in accordance with all maintenance and operating standards set forth in

the Manual. Franchisee shall make, at Franchisee's expense, all additions, repairs, replacements, improvements and alterations that may be determined by Franchisor to be necessary so that the facilities which are viewed by the public will conform to the uniform corporate image, as may be prescribed by Franchisor from time to time. Franchisee shall undertake and complete such additions, repairs, replacements, improvements and alterations within the time and under the terms and conditions which may be reasonably specified by Franchisor.

If at any time, in our sole and absolute discretion, the general state of repair, appearance or cleanliness of the Facility or its fixtures, furnishings or signage does not meet our standards, Franchisee expressly agrees that we have the right to notify Franchisee, specifying the action Franchisee must take to correct the deficiency. If Franchisee does not initiate action to correct such deficiencies within ten (10) days after Franchisee receives our notice, and then does not continue in good faith to complete any required maintenance and refurbishing, we have the right, in addition to all other remedies, to enter the premises of the Facility and do any required maintenance or refurbishing on Franchisee's behalf, and Franchisee agrees to reimburse us on demand for any expenses we incur.

Without limiting the foregoing, during the sixth (6^{th}) year of the initial term, Franchisor may require Franchisee to upgrade, remodel and/or refurbish the Facility (both inside and outside) in order to meet our then-current standards. All signage, graphics, exercise equipment, furnishings, fixtures, computers, iPads, software and any other products that are necessary to operate the Business as determined by us, in our sole discretion, must be updated to meet our then-current requirements. All remodeling, modernization, redecoration, or replacements will be completed at Franchisee's expense in accordance with our specific standards and specifications.

F. Maintain Competent Staff

Franchisor will create, and make available to Franchisee, and its Owners if Franchisee is an Entity, education and training programs and other selected education and training materials, as Franchisor deems appropriate. Franchisee must staff a position to have day-to-day supervision for the operation and management of the Business. Franchisee must designate 1 trainer ("Lead Trainer") that is responsible for overseeing the training portion of the Business that has successfully completed those portions of the franchisee education program for trainers. Franchisee may act as the Lead Trainer only if Franchisee receives Franchisor's prior written consent. Additionally, Franchisee must have a person to personally oversee the operations of the Business ("Operations Manager"). Franchisee may act as the Operations Manager only if Franchisee receives Franchisor's prior written consent. The Operations Manager must have completed those portions of the franchisee education program for operations managers. You may choose to have your Lead Trainer supervise the operation and management of your Business, or you may choose a separate manager, which can include one of the Owners only if Franchisee receives Franchisor's prior written consent. The Operations Manager may, but need not, be Franchisee or one of the Owners, if Franchisor approves Franchisee or an Owner in writing prior to assuming the role of Operations Manager. Franchisee's Lead Trainer must be readily and continuously available to Franchisor. Franchisee will keep Franchisor advised, in writing, of all management personnel involved in the Business. Franchisee must replace and train a replacement Lead Trainer in accordance with Franchisor's franchisee education program. Replacement Lead Trainers or other staff may attend Franchisor's franchisee education program at Franchisor's then-current fee (currently, the fee for Additional Education Sessions is $1,500 per team member, plus Franchisor's expenses as described in Section XVII.A of this Agreement. The fee for advanced education is $900 and subject to space availability plus Franchisor's expenses as described in Section XVII.A of this Agreement. You must pay $125 per attendee at the regional continuing educational programs plus Franchisor's expenses as described in Section XVII.A of this Agreement. Franchisee or its Lead Trainer is responsible for all travel, room, board and food.

Franchisee must also hire adequate staff to provide childwatch services. We may, in our sole discretion, waive the requirement for Franchisee to provide childwatch services if we determine, in our sole discretion, that childwatch services are not likely to be expected by customers at the Accepted Location.

Franchisee will have sole authority and control over the day-to-day operations of the Business and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor or its affiliate. Franchisee shall properly hire employees (subject to applicable employee protection laws), which includes carefully screening employees by the use of background checks and drug testing, before employing them, to ascertain fitness for employment.

Franchisee will require its employees to wear uniform dress bearing our Names and Marks while working at the Business and while executing Services. Such uniform dress shall be of the design and color as we may prescribe from time to time, as set forth in the Operations Manual.

Franchisee will keep us advised, in writing, of all management and non-management personnel involved in the operation of the Business.

G. Operate Business in Strict Conformity to Requirements

1. Franchisee shall operate the Business in strict conformity with such standards, techniques, and operational procedures as Franchisor may from time to time prescribe in the Operations Manual, or otherwise in writing, and shall not deviate from such standards without Franchisor's prior written consent. Franchisee agrees to purchase all furniture, fixtures, equipment, computer systems, iPads and a sound system and agrees to operate, service, repair, maintain and clean such items according to Franchisor's standards as outlined in the Operations Manual. Franchisee must keep all furniture, fixtures, equipment, computers, iPads and sound systems in clean and good working order at all times and purchase only approved parts to repair such items from Franchisor's approved vendors and suppliers. All maintenance must be performed by Franchisor's approved vendors. Franchisee agrees to replace such furniture, fixtures, equipment, computer systems, iPads and a sound system at Franchisee's expense as such items: (i) become obsolete or inoperable; or (ii) if, in Franchisor's sole discretion, replacement is necessary because of new functionality, change in software, change in methods of service or because of health or safety considerations. Franchisee has ninety (90) days after receiving written notice from Franchisor to either remove or replace such items. Failure of Franchisee to remove, replace and/or maintain the items described above may result in termination as described in Section XX.C of this Agreement.

2. Franchisee is required to use, offer and sell only approved Services (which includes all fitness programs, workout routines and membership options) and Products in the manner and style we specify which may, from time to time, be amended or modified in writing, designated and approved by us. Franchisee is required to offer all membership options and abide by the policies for each type of membership option as developed by Franchisor. Membership options are pre-determined membership levels, such as: a specified number of camps per month for a flat rate and for a defined length of time. Franchisor will provide Franchisee with a written list of approved membership options; fitness programs and workout routines Franchisee is required to offer during the initial franchisee education program. Franchisee agrees that Franchisor has the right, in its sole discretion, to change, modify, add or discontinue any Service or Product at any time. Franchisor will provide Franchisee with ninety (90) days' notice to implement such Service or Product changes and Franchisee agrees to immediately comply with such changes at its own expense.

3. Franchisee cannot implement, offer or sell any other service unless approved by us in writing. We will respond to Franchisee's request to implement, offer or sell a new service by email or any other form of written communication within thirty (30) days from the date the request is received. Franchisor shall have the right to require, as a condition of its approval and review, that Franchisee submit to Franchisor all materials and supporting documentation describing the service Franchisee wishes to use and/or implement with Members. The cost of such investigation for approval shall be paid by the Franchisee (if applicable) and Franchisor shall not be liable for denying Franchisee's request. Failure of Franchisee to adhere to these guidelines will result in termination of this Agreement as specified in Section XX.C.

4. Franchisee must comply with our required procedures for offering and executing Services and purchasing and selling Products as we may periodically adopt, and must accurately post and label the prices for all Products. Additional products Franchisee desires to use or offer for sale in its Business must be authorized in writing by Franchisor (as described in Section IX.H). Except for off-site events within its Territory, Franchisee is not permitted to offer or sell Services and/or Products from any other location, over the Internet, in any other media or alternative channels of distribution, whether known or hereinafter invented. If Franchisee fails to refrain from selling Services and/or Products on the Internet or on websites without Franchisor's written approval; and/or if Franchisor grants permission to Franchisee to sell Services and/or Products on the Internet or Websites (which Franchisor is not obligated to do) and Franchisee does not adhere to our standards as outlined in the Operations Manual for such sales, it will be considered to be in breach of this Agreement and Franchisor, in its sole discretion, may terminate this Agreement as described in Section XX.C.

5. Franchisee agrees to comply with our membership option transfer policy that Franchisor has established as outlined in the Operations Manual and such policy may change from time to time. Franchisee is encouraged to accept the referral of any Member from another franchisee, licensee, company-owned business or us who desires to receive Services from Franchisee. If Franchisee chooses not to accept the referral, then Franchisor may provide Products and/or Services directly or through another franchisee or third party without compensation to Franchisee. We encourage all Burn Boot Camp® businesses, when owned by different individuals, to work out a referral arrangement. Franchisee can provide Services and Products to anyone who comes from anywhere, as described in Section III of this Agreement.

6. Franchisee must accept credit and debit cards and other payment systems or methods and may choose to use check verification services as specified by Franchisor, and which Franchisor may change from time to time. Franchisee shall also offer for sale, and will honor for Members, any incentive, coupon, or loyalty programs, which Franchisor may institute from time to time, and Franchisee shall do so in compliance with Franchisor's standards and procedures for such programs to the extent permitted by the laws of Franchisee's state. These programs may include, without limitation, membership programs, repetitive use for service and/or product programs, co-op programs and other local and national activities. Franchisee's full and complete participation in such programs are required. Except as otherwise provided herein, compliance and participation shall be at Franchisee's expense.

7. Franchisee must respond promptly to all inquiries and complaints in order to achieve Member satisfaction. If Franchisee does not provide Members with satisfactory service and or fails to resolve complaints at the time complaint is registered or if Franchisee violates our operating standards or this Agreement, we may, in addition to our other remedies, complete the services and bill the Franchisee or client for its services. Franchisee shall reimburse us for any expense incurred. In addition, there may be other System oriented programs designed to promote to the public the quality care and service provided by a Burn Boot Camp® business that we may wish to implement on a system-wide basis and advertise and market. Franchisee shall

be required to participate in the then-current specials or promotions as may be developed by and as may be modified periodically by us, in our sole discretion.

8. We may institute various programs designed to verify Member satisfaction and/or Franchisee's compliance with all operational and other aspects of the System, including (but not limited to) a toll-free number, online or email surveys, Member comment cards, secret shoppers or otherwise. Franchisor will share results of such programs as they pertain to Franchisee's Territory with Franchisee, and Franchisee will reimburse Franchisor for all costs associated with any and all such programs.

9. Franchisee must participate in any System-wide computer network, intranet system or extranet system that we implement and may be required by us to use such a network to, among other things: (i) submit reports to us; (ii) view and print updates to or portions of the Operations Manual; (iii) download approved local advertising materials; (iv) communicate with us and other System franchisees; and (v) complete franchisee education programs. Franchisee agrees to use the facilities of any such computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Operations Manual, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements.

10. Franchisor may require Franchisee to join and participate in industry specific, local or national associations. Such associations include, but are not limited to, the Better Business Bureau. Franchisee is responsible for all membership fees and any related costs. Franchisor reserves the right to require Franchisee to join and participate in other professional organizations as Franchisor deems appropriate in its sole discretion. Franchisee's full and complete participation in such programs and associations are required. Except as otherwise provided herein, compliance and participation shall be at Franchisee's expense.

11. Franchisee shall have the right to offer and sell Services and Products at any prices Franchisee may determine, except that we reserve the right to establish minimum and maximum prices for any given Service or Product nationwide to the extent allowed by federal and state laws. To clarify, Franchisee agrees we have the right, in our sole discretion, to establish minimum and maximum prices for any Service or Product (including exercise equipment if we authorize Franchisee to sell exercise equipment in the future) so long as such decisions are made with the honest belief that the measure we are adopting will help everyone in the System meet competition and succeed in the marketplace. Promotional pricing, including grand opening and founding member offers, will not be considered the minimum price. Franchisee is prohibited from heavily discounting Services and Products offered for sale and must adhere to our minimum and maximum pricing guidelines, except as otherwise provided by applicable federal or state laws. If Franchisee elects to offer or sell any Service and/or Product at any price recommended by Franchisor, Franchisee acknowledges that Franchisor has made no guarantee, statement, or warranty that offering such Services and/or Products at the recommended price will enhance Franchisee's sales, revenues, margins, or profits. Franchisee shall participate in and comply with all sales and promotional programs and/or product promotions promulgated by us periodically, except as otherwise provided by applicable federal or state laws.

12. You must participate in any gift certificate, gift card or loyalty program we establish. You may not create or issue your own gift certificates or gift cards or institute a loyalty program unless approved by us in writing.

H. Use of Approved Exercise Equipment, Products, Supplies, Vendors and Suppliers

Franchisee acknowledges that we have spent considerable time in developing Products, Services, processes, methods and technology used in the operation of a Burn Boot Camp® Business. Accordingly, Franchisee acknowledges

that Franchisee is to use only our approved exercise equipment, Products, supplies and services, including, but is not limited to: exercise equipment (such as: dumb bells, kettle bells, smash balls, agility equipment, etc.), safety equipment (such as an automated external defibrillator or "AED"), furniture and fixtures (such as tables, pull up systems, dehumidifiers, lockers, shelving units, racking systems, etc.), floating flooring systems, products (such as body fat analyzers, jump ropes, resistance cords and bands, supplements, etc.), proprietary products (which are products that carry the Burn Boot Camp® brand), supplies (such as: first aid kits, towels, cleaning products, miscellaneous forms, etc.), sound and microphone system, computers, iPads, software, apparel, signage, décor items, merchant services, promotional merchandise, printed advertising materials, shows and event marketing opportunities, and vendor, co-branding, affinity programs. We may derive income through license fees, promotional fees, advertising allowances, rebates or other monies paid by approved vendors and/or suppliers. Franchisee agrees that we may periodically and upon written notice, add to, modify or change such approved exercise equipment, Products, supplies, vendors and suppliers. Franchisee promises to promptly accept and implement, in the operation of the Business, all such additions, modifications and changes at Franchisees expense. In addition, Franchisee acknowledges that:

1. We have spent considerable time designing the decoration and outfitting of a Burn Boot Camp® Business with exercise equipment, furnishing, fixtures, décor items and signage. This is part of our trade dress. Franchisee must purchase such items from us and/or our affiliates or approved vendors as specified in the Operations Manual and this Section IX.H.

2. To ensure the consistent high quality and uniformity of Services and Products provided by Burn Boot Camp® Franchised Businesses, Franchisee must purchase all exercise equipment, Products, supplies and services (as described above) from us, our affiliates or approved vendors who demonstrate to Franchisor's continuing satisfaction an ability to meet our standards and specifications. Franchisee is prohibited from purchasing exercise equipment, Products, supplies and services from unapproved vendors and/or suppliers who are not on our approved list without our written approval. All vendors and suppliers that Franchisee purchases from must be approved in writing by us and may be disapproved by us anytime thereafter. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request. Such approval or disapproval shall be made by e-mail or any other form of written communication. If Franchisee purchases any exercise equipment, Products, supplies or services from any unapproved vendor or supplier without our permission, as described above, it may result in termination of this Agreement as specified in Section XX.C.

3. In approving any vendor or supplier, Franchisor may consider factors such as price, quality, composition, performance, accuracy of product claims, durability, safety, technical specifications, frequency of delivery, design, service maintenance programs, determination of quality control, value, customer service strength, prompt attention to complaints, litigation against the supplier, reputation of supplier, any product recalls instituted by the United States Consumer Product Safety Commission, and the supplier's financial strength and capacity to supply franchisee's needs promptly, reliably, and cost effectively. All vendors and suppliers must be approved in writing by us, and if approved, may be disapproved by us anytime thereafter. If Franchisee desires to sell and/or offer products or offer a service that has not been approved by us or that is unique to Franchisee's area; purchase unapproved exercise equipment, products or supplies from or use the services of unapproved vendors or suppliers then Franchisee must submit to us a written request for such approval. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request. Such approval or disapproval shall be made by e-mail or any other form of written communication. We shall have the right to require, as a condition of its approval and review, that its representatives are permitted to inspect the facilities of the proposed vendor and that the proposed item is delivered to us or our designee for testing. The cost of such inspection and testing

shall be paid by Franchisee and Franchisor shall not be liable for damage to or for the return of any sample. We may require Franchisee's vendors to sign Franchisor's pre-approved Confidentiality and Nondisclosure Agreement, guarantee our level of quality. We reserve the right, at any time, to re-inspect the facilities and to retest any piece of exercise equipment or product of any approved vendor and to revoke any approval if the vendor fails to continue to meet our high standards. Upon receipt of written notice of revocation, Franchisee must cease purchasing products from such suppliers. Franchisee must use products purchased from approved suppliers solely in connection with the operation of the Business and not for any competitive business purpose.

4. Franchisee will not make any claims against us or our affiliates with respect to any vendor and/or related supplier (including our affiliates) for exercise equipment, Products, supplies, or services (as described above) necessary for the operation of the Business (and/or our designation of, or our relationship with, any vendor/supplier/products). Any claim with respect to any vendor-related and/or similar matters shall be made only against the vendor in question. Franchisee will provide us with written notice prior to taking any action in connection with such a claim. We will use diligent efforts to assist franchisees in resolving any disputes with vendors approved and/or designated by us.

5. Franchisee will be required to use and/or offer for sale any and all branded merchandise or Proprietary Products developed by Franchisor, which will be listed in the Operations Manual. The term "Proprietary Products" is defined as all exercise equipment, products, supplies, marketing materials and Burn Boot Camp® branded exercise equipment and products all of which must be purchased by the Franchisee directly from us or our approved vendors, unless the Franchisee has submitted and received written approval from us to use an alternate supplier. Failure of Franchisee to use and/or offer for sale Proprietary Products will result in termination of this Agreement as specified in Section XX.C of this Agreement.

6. Franchisee acknowledges that Franchisor may require Franchisee to maintain in inventory a minimum representation of exercise equipment, or Products and Proprietary Products in its Facility. "Minimum Representation" shall be defined as the continuous maintenance of an amount of exercise equipment, Products and/or Proprietary Products meeting requirements as defined in the Operations Manual. Franchisee shall at all times comply with Franchisor's Minimum Representation requirements and the terms of any auto-ship requirements (currently Franchisor does not have any auto-ship requirements, however Franchisor does require that Franchisee purchase updates for all advertising, promotional and marketing materials and miscellaneous forms when designated as mandatory by us and as specified in the Operations Manual). If we require Franchisee to carry a Minimum Representation of exercise equipment, Products and/or Proprietary Products in the future, we will provide Franchisee with written notice and Franchisee will have ninety (90) days to comply with such requirement. If a particular Product or piece of exercise equipment (if we authorize Franchisee to sell exercise equipment in the future) does not sell well in the Franchisee's Business, Franchisee may request that that specific item be removed from the Business and the required Minimum Representation list (if applicable). We shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request. Such approval or disapproval shall be made by e-mail or any other form of written communication.

7. Franchisee shall not make any changes to the exercise equipment, any Product, Proprietary Product or any third-party product including modifying exercise equipment, changing containers, packaging, labeling, promotional materials, advertising, cartons or the like without Franchisor's or the manufacturer's prior written approval, which may be withheld in the sole discretion of the Franchisor or manufacturer. Failure to adhere

to these guidelines will result in termination of this Agreement as specified in Section XX.C of this Agreement.

8. Franchisee may not independently act as an exclusive distributor for any third-party vendor or secure any exclusive rights to distribute exercise equipment, Products and/or Proprietary Products inside or outside of Franchisee's Territory without our written consent. We shall approve or deny Franchisee's request, which approval is in its sole discretion, within thirty (30) days of receipt of Franchisee's written request. Failure to adhere to these guidelines will result in termination of this agreement as specified in Section XX.C of this Agreement.

9. Franchisee shall not manufacture or produce any exercise equipment or any product that is similar to, or competes with any of our exercise equipment, Products, Proprietary Products or third party exercise equipment or product offered or sold in any Burn Boot Camp® business, or offer for sale any exercise equipment, Product, Proprietary Products or third party product in any alternative channel of distribution (such as on the Internet or websites) without the advanced written consent of the Franchisor or manufacturer, which may be granted or denied in Franchisor's or the manufacturer's sole discretion. Violation of this shall be grounds for immediate termination as specified in Section XX.C of this Agreement.

10. Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges and agrees that, at our sole option, we may establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally-known suppliers who are willing to supply all or some Burn Boot Camp® businesses with some or all of the exercise equipment, Products, supplies or Services (as defined above) that we require for use and/or sale in the development and/or operation of the Business. We shall have unlimited discretion to approve or disapprove of the vendors or suppliers who may be permitted to sell such items to franchisees.

11. Franchisee agrees to purchase, use, maintain, update, upgrade, and patch at Franchisee's expense all computers, mobile devices, wireless routers, and other network hardware, along with software, and implement and maintain commercially reasonable and appropriate administrative, physical and technical security protocols and processes for all such hardware and software, that meet our specifications, as we may modify them. Franchisee will be required to purchase hardware and software from us, our affiliates or approved vendors. We reserve the right to have independent and direct access to all information that Franchisee stores in or on any hardware or software related to the Business. Franchisee agrees to comply with our then-current Terms of Use and Privacy Policies and any other upgrade requirements regarding all such hardware and software, including Internet usage and network security. Supplier and/or licensor charges for use, maintenance, support and/or updates of such hardware and software are the Franchisee's responsibility. Franchisee agrees to pay any software license or maintenance fee (if required). Franchisee agrees to maintain, upgrade, update, patch, and maintain network security for all such hardware and software and obtain any additional licenses for the software at its own expense (upgrades, maintenance and support for our proprietary Software (if developed) will be provided by Franchisor as described in Section IX.H.12 below). We have the right to charge a reasonable fee for any additional licenses, modification, maintenance and/or support of Software (as defined below in Section IX.H.12) that we may license to Franchisee and other products and services that we may furnish to Franchisee related to the hardware.

12. Franchisee may be required to use our proprietary software ("Software") for the operation of the Business, if and when such Software is developed. If Franchisor develops such Software and requires Franchisee to use

such Software, Franchisor will provide Franchisee with a ninety (90) day written notice to purchase (if applicable) and use such Software for the operation of the Business. If developed, Franchisor will provide all maintenance, patches, update and upgrade requirements for the Software as necessary. Any installation, maintenance, repairs, updates and upgrade costs for the proprietary software will be the responsibility of the Franchisee. Usage of Software, if developed and used by Franchisee, will be subject to the following terms:

a. Franchisee will use Software on a computer or other hardware device that: (i) meets our hardware specifications; (ii) is located at your Facility or on a backup system if the original hardware is inoperable; and (iii) meets Franchisor's data and network security protocols and process specifications. Franchisee will be licensed to use our Software only for Franchisee's internal, in-house data processing and data communications purposes (if and as the same are permitted by Franchisor's privacy policies and security specifications) and only in connection with the Business and not for re-marketing or redistribution under any circumstances;

b. Franchisee acknowledges and agrees that Franchisor (or any of our affiliates) will be the sole and exclusive owner of all right, title and interest in and to our Software, including all trade secrets and copyrights related to the Software, subject only to the rights we expressly license to Franchisee in this Agreement. This license will not provide Franchisee with title or ownership of the Software, but only a limited right of use. Franchisee agrees that Franchisee will not contest or otherwise seek to share, diminish or invalidate our ownership rights in our Software;

c. Franchisee will not modify the Software in any way. Franchisee will promptly disclose to us all ideas and suggestions for modifications or enhancements to the Software that Franchisee conceives or develops, and we will have the right to use such ideas and suggestions. The Franchisor shall own all copyrights and other intellectual property rights to all modifications and suggestions proposed by Franchisee. All modifications or enhancements made to the Software will be our property and belong exclusively to us, without regard to the source or creator of the modification or enhancement; however, we may provide incentive programs for such contributions;

d. We will have the right at all times to access Software and to retrieve, analyze and use all the data in Franchisee's files stored on Franchisee's hardware, software or other network component. Additionally, Franchisee will electronically transfer all files and reports to us on our request. All information that Franchisee stores in any hardware, software or other network component shall become the Franchisor's confidential and proprietary information, subject to all of the terms and conditions of this Agreement regarding the Franchisor's Confidential Information;

e. Franchisee and Franchisee's employees will not make available the Software, or portions thereof, to any person other than Franchisee's or our employees without prior written consent. Franchisee agrees that Franchisee will not: (i) copy the Software except as necessary for use in the Business; (ii) translate, reverse engineer, reverse compile, disassemble, create interactive works, or create derivative works based on the Software; or (iii) sublicense, rent, lease, sell or otherwise transfer the Software or any portion thereof, or any rights therein, to any person or entity. Failure to adhere to these guidelines or allowing unauthorized usage of the Software may result in termination of this Agreement as specified in Section XX.C of this Agreement;

f. Franchisee acknowledges and agrees that the Software, if developed, will be our valuable, proprietary product, the design and development of which took the investment of considerable time, money and the effort of skilled computer programmers. Franchisee will keep the Software and any data generated

by the use of the Software confidential during and after the term of this Agreement and will maintain security precautions to maintain the secrecy of the Software and to prevent unauthorized access or use of the Software. Franchisee agrees that it will treat the Software as confidential and that the Software will contain substantial trade secrets of ours that we have entrusted to Franchisee in confidence to use only as we authorize under this Agreement or in writing. We hereby claim and reserve all rights and benefits afforded under copyright law, patent law, intellectual property law and other laws relating to confidential and proprietary material. Franchisee agrees not to improperly use, disseminate, or disclose the Software, and to ensure that Franchisee's employees who gain access to the Software will protect them against improper use, dissemination or disclosure. With respect to any Software or information systems curated by Franchisor, Franchisee will provide documents to Franchisor verifying the names and current employment status of any employees requiring access to such systems;

g. Franchisee acknowledges and agrees that Franchisee's license to the Software will terminate immediately and automatically should Franchisee fail to adhere to any of Franchisee's obligations under this license or if this Agreement expires or is terminated for any reason;

h. Franchisee acknowledges and agrees that any violation by Franchisee of the provisions of the Software license would cause us irreparable harm for which we would have not adequate remedy at law and that, in addition to other remedies available to us, we will be entitled to seek injunctive relief against any such violation; and

i. Franchisee must update and upgrade all hardware and network infrastructure used to run or operate the Software upon our request to optimize performance of the Software.

13. Franchisee acknowledges that neither we nor our affiliates will have any liability and/or obligation (and neither you or any managing partners, managing members, members, shareholders or other Owners of Franchisee will make any claims) about any loss of data, loss of information, inability to use, failures, errors bugs, viruses, Trojan horses, worms, loss of data, or any other occurrences relating to any computer, mobile device, or other system hardware or software without an express written warranty from us, even if recommended or specified by us. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems, including without limitation the implementation of data and network security specifications to secure Franchisee's hardware, software, networks and systems, including, but not limited to, firewalls, access code protection, anti-virus systems and use of backup systems. Franchisee must also take reasonable steps to verify that information within Franchisee's possession, custody or control regarding Franchisee's suppliers, lenders, landlords, Members and governmental agencies on which Franchisee rely, are reasonably protected by the same data and network security specifications.

14. Franchisor may set standards or specifications for leases, real estate, the construction and build-out of the Facility, exercise equipment, furniture, fixtures, décor items, signage and Internet or network access services, at its discretion, including its subjective determinations relating to quality, value and appearance.

Nothing in this Agreement shall be construed to be a promise or guarantee by Franchisor as to the continued existence of any particular piece of exercise equipment, Product or supply, nor shall any provision herein imply or establish an obligation on the part of the Franchisor and its affiliates to sell exercise equipment, Products or supplies to Franchisee if Franchisee is in arrears on any payment to Franchisor, its affiliates, or any other designated vendor or approved supplier, or otherwise is in default under this Agreement. If Franchisee fails to pay for each shipment of items purchased, Franchisor or its affiliates shall not be obligated to sell such items to Franchisee.

I. Use Approved Design and Signage for Business

In operating a Burn Boot Camp® Business, Franchisee must adhere to our signage standards, and utilize signage designs in accordance with the standards and specifications recommended by us, or that will continue to be recommended by us. Franchisee may use an approved supplier for signage, or submit an alternate supplier to us for approval. Franchisee shall purchase or lease, subject to local building codes and regulations, such signs that provide maximum displays of our Names and Marks. Franchisee shall be responsible for obtaining and equipping the Facility with the signage that is approved for use by us from time to time. The color, size, design and location of said signage shall be as specified and/or approved by us. Franchisee shall not place additional signs, posters, newspaper racks, video games, juke boxes, gaming machines, gum machines, games, rides, vending machines or other similar devices and décor items in the Facility without our prior written consent.

J. Participation in the Operation of the Business

Franchisee may assign the supervision of the Business to an Owner or Lead Trainer or Operations Manager but must notify Franchisor of such assignment in advance. Franchisee agrees that the Lead Trainer or Operations Manager will supervise all employees. The Lead Trainer will also be responsible for providing continuing guidance, oversight, day-to-day management, instruction and properly process all reports or complaints.

K. Advertising the Business

1. Franchisee must spend the amount provided in Section VII.B.4 during the first ninety (90) of the Business's operations. Thereafter, during the Term, Franchisee shall spend a minimum of $2,500 a month on local advertisement and promotion. Part of this obligation may include a fee of up to $500 per month to a vendor that we designate to carry out local marketing. Franchisee must give us a quarterly report of your local advertising expenditures within fifteen (15) days following the end of each calendar quarter. Franchisee cannot include expenditures for any of the following to satisfy the local advertising expenditure requirement: (i) incentive programs for your employees or agents; (ii) non-media promotional costs; (iii) charitable, political, or other contributions or donations; (iv) fixtures or equipment in your Facility; (v) business directory listings (online, digital, or otherwise); or (vi) grand opening expenses. If we direct you in writing, you must pay the required local advertising expenditure to us, and we will administer it on local promotional campaigns and marketing for your Business. If Franchisee is audited and found not to have spent the required amount then Franchisee must contribute any deficiency to the System Brand Fund, with payment due immediately. Franchisee agrees to create a local advertising and marketing plan by which Franchisee shall place local advertising in any media it desires, provided that such advertising conforms to the standards and requirements of Franchisor as set forth in our Operations Manual or otherwise designated by us. Such advertising may include but is not limited to: any telephone, email, Internet, domain name, electronic network, directory and listings of the Business per our written approval. Franchisee agrees to execute any and all documents needed to perfect such reversions. Franchisee shall not advertise the Business in connection with any other business, except with our prior written approval. Franchisee shall obtain our prior approval of all unapproved advertising and promotional plans and materials that Franchisee desires to use thirty (30) days before the start of any such plans. Franchisee shall submit such unapproved plans and materials to us (by personal delivery or through the mail, return receipt requested if requested or any other method we prescribe). Franchisee shall not use such plans or materials until they have been approved by us and shall promptly discontinue use of any advertising or promotional plans and material upon the request of us. We shall approve or deny Franchisee's request by email or any other form of written communication, which approval is in Franchisor's sole

discretion within thirty (30) days of receipt of Franchisee's request. Any plans or materials submitted by Franchisee to us, which have not been approved or disapproved in writing, within such thirty (30) day period shall be deemed not approved.

2. Franchisee will not independently advertise or promote in any media (including on any website) without our prior written approval, except when using materials previously approved by us. Franchisee must submit a request to us for any type of Website promotion in addition to any edits, changes or updates to Franchisees website and all such edits, changes or updates must be performed by us, our affiliates or approved vendors. We shall approve or deny Franchisee's request, which approval is in its sole discretion, within thirty (30) days of receipt of Franchisee's written request. If we fail to respond to Franchisee's request within said thirty (30) day period, Franchisee's request shall be deemed denied. Franchisee will participate in, at its own expense, and cooperate with all advertising and promotional programs we or any advertising group of franchisees selects, including any franchise marketing council we may implement. Franchisee is not required to follow or maintain any sales price, except that we will set minimum and maximum prices and will suggest prices, to the extent allowed by federal or state law. All advertising and promotions by Franchisee in any medium shall be conducted in a dignified manner and shall conform to the standards and requirements of us as set forth in the Operations Manual.

3. Franchisee shall at all times use its best efforts to promote and increase recognition of the Services and Products offered by the Business pursuant to the System and Operations Manual, to effect the widest and best possible distribution of Services and Products from the Business and to devote its best efforts to growing the Business.

L. Maintain Regular Business Hours

You must operate the Business for at least those months, hours and days that we specify in the Operations Manual. The only exception to the above is if Franchisee is given written permission by us to operate at a lesser period, or if the hours of operation for the Business are required by the lease of the premises on which the Business is operated. It is required that Franchisee maintains a telephone answering system to take messages and monitor an e-mail address for the Business.

M. Maintain Uniform Operating Standards

Franchisee understands and acknowledges that every detail in the operation of the Business is important to the Franchisee, Franchisor and other franchisees in order to develop and maintain uniform operating standards, to increase the demand for the Services and Products offered by the Business under the System, and to protect our trademarks, service marks, reputation and goodwill.

Franchisee acknowledges and agrees that the System must continue to evolve in order to reflect changing market conditions and meet new and changing Member demands. As a consequence, changes, modifications and variations to the System's standards may be required from time to time to preserve and enhance the public image of the System and enhance the operational efficiency of all franchises.

Franchisee agrees that we may, periodically and upon written notice, add to, modify or change the System, including without limitation changes to approved exercise equipment, Products, Services (which includes all fitness programs and workout routines and membership options), Confidential Information, methods, strategies and techniques as used in the operation of the Business, the adoption and use of new or modified trademarks, uniform dress requirements, signage, software, sales, advertising, promotion and marketing materials. Franchisee promises to promptly accept,

implement, use and display in the operation of the Business, all such additions, modifications and changes at Franchisee's expense.

Franchisee agrees to maintain high standards of honesty, integrity, fair dealing and ethical conduct in all business activities. Franchisee will not engage in any services, trade practices, abusive excessive, or illegal collection techniques or other activity; or sell any product which Franchisor determines to be harmful to the goodwill or to reflect unfavorably on the reputation of Franchisee or Franchisor, the Franchised Business, our trademarks, or products and services sold thereof; or which constitutes deceptive or unfair competition, results in unfounded litigation against Franchisee's Members or otherwise is in violation of any applicable laws. The above limitations are closely related to the business image, purpose and marketing strategy of the System, and therefore any change therefrom would fundamentally change the nature of the business.

N. Telephone Number of Business and Website

Franchisee understands and agrees that the telephone number(s), the URL address, website, for the Business (in addition to any mobile phone numbers) constitute a part of the System and are subject to the restrictions of this Agreement. Accordingly, Franchisee shall not change the telephone number(s), URL address, website for the Business without prior notice and our written approval. Franchisee shall advertise and publicize the telephone number(s) and, permitted by us, the URL address, website for the Business in the manner prescribed by us. As stated above, all telephone numbers, URL addresses, website, Internet or similar connections, directory and listings used in the Franchised Business are the Franchisor's property and upon termination will revert to us.

We may acquire or establish any Website utilizing a domain name incorporating one or more of the following words: burn, boot, camp, community, exercise, moms, women, fitness, facility, center or gym. The term "Website" includes: Internet and World Wide Web home pages, as well as other electronic sites (such as social networking sites like Facebook, Twitter, LinkedIn, Pinterest, Yelp, blogs and other applications). Franchisee shall not establish a Website on the Internet using any domain name containing the words listed above or any variation thereof. The Franchisee acknowledges that we have all right, title and interest in and to such domain names, as we shall designate in the Operations Manual. Franchisee must comply with our requirements regarding discussing, advertising or disseminating any information, or otherwise having a presence on a Website, regarding the Business. If we approve a separate Website (which we are not obligated to do), then each of the following provisions will apply: (i) Franchisee may neither establish nor use any Website without our prior written approval; (ii) before establishing any Website, Franchisee must submit to us, for our prior written approval, a sample of the proposed Website, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta-tags), in the form and manner we may require; and all such work must be performed by us, our affiliates or approved vendors; (iii) Franchisee must not use or modify a Website without our prior written approval; (iv) Franchisee must comply with the standards and specifications for Websites that we may periodically prescribe in the Operations Manual or otherwise in writing; (v) if Franchisor requires, Franchisee must establish hyperlinks to Franchisor's Website and other Websites; and (vi) neither Franchisee nor any of its employees shall post any information regarding Franchisor, its members, managers, officers, or employees, or the System, on any Website or any internet site, without our prior written approval, nor any disparaging statement either during or after termination or expiration of the Agreement. Further, Franchisee shall monitor its employees to avoid them making any such postings. Franchisor retains the right to pre-approve Franchisee's use of linking and framing between the Franchisee's website and all other Websites. Franchisee shall, within five (5) days, dismantle any blogs, frames and links between the Franchisee's websites and any other Websites, if and as requested by Franchisor.

You may not create, distribute or operate any smartphone, tablet, computer or other app using any of the Marks or related in any way to the System.

O. Disclose Discoveries and Ideas to Franchisor

If you, your employees, or principals develop any new concept, process or improvement in the operation or promotion of the Business, you will promptly notify us and provide us with all of the information necessary to implement the improvement, without any compensation. Any such concept, process or improvement will become our sole property and we will be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related thereto. You and your principals and agents hereby assign to us any rights they may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. You and your principals and agents agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentations for obtaining and enforcing such rights. You and your principals and agents hereby irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. In the event that the foregoing provisions of this Section are found to be invalid or otherwise unenforceable, you and your principals and agents hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe your rights therein.

P. Permit Franchisor to Enter Business

Franchisee shall permit Franchisor and its agents or representatives to enter the Business during normal business hours for the purpose of conducting inspections without notice to Franchisee and inspect the operations of the Business (which includes photographing and taking video or digital recordings of the operations of the Business) and to remove samples of exercise equipment or Products, without payment, for Franchisor's review to determine if such samples meet Franchisor's then-current standards and specifications. In addition, Franchisor may use mystery shoppers to inspect and ensure that unauthorized exercise equipment, Products, supplies and Services are not being used, offered or sold. Franchisor may contract a third party to conduct mystery shopper and other quality assurance inspections, and if Franchisor does so then Franchisee must pay the cost of these tests/inspections. This does not include any self-inspections Franchisee requests, which Franchisee must pay for, or additional inspections required by Franchisee's failure to comply with this Agreement. Franchisee shall cooperate fully with Franchisor's representatives in all inspections by rendering such assistance as they may reasonably request, and, upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be deemed necessary to immediately correct any deficiencies detected during such inspections. In the event Franchisee fails or refuses to promptly correct any deficiency detected during such inspection, Franchisor shall have the right to make or cause to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand. The foregoing shall be in addition to any other remedies Franchisor may have pursuant to this Agreement.

Q. Additional Requirements for Corporate Franchisee

If Franchisee is or becomes a corporation, limited liability company, limited partnership, general partnership or other organization or entity, the following requirements shall apply:

1. Franchisee shall confine its activities to the establishment and operation of the Business;

2. Franchisee's certificate, articles of incorporation or articles of organization, certificate of formation, shareholders agreement, operating agreement, partnership agreement, and/or Bylaws (or comparable governing documents) shall at all times provide that its activities are confined exclusively to the operation of

the Business and that the issuance, redemption, purchase for cancellation and transfer of voting stock, or other ownership interest therein, is restricted by the terms of this Agreement. Franchisee shall furnish us promptly upon request copies of Franchisee's Certificate of Formation, Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, Business Trust Agreement, Shareholders Agreement, and other governing documents, and any other documents we may reasonably request, and any amendments thereto, from time to time;

3. Franchisee shall maintain a current list of all owners of record and beneficial owners of any class of voting stock or other ownership interest in Franchisee and shall furnish such list to Franchisor upon request;

4. Franchisee shall maintain stop transfer instructions against the transfer on its record of any equity securities (voting or otherwise) or the certificate of any other entity evidencing ownership. All securities or other ownership interests issued by Franchisee shall bear the following legend, which shall be printed legibly and conspicuously on each stock certificate or other evidence of ownership interest:

> THE TRANSFER OF THESE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS OF THIS FRANCHISE AGREEMENT WITH KLINE FRANCHISING, LLC AS OF THE SIGNING DATE. REFERENCE IS MADE TO SAID AGREEMENT AND TO THE RESTRICTIVE PROVISIONS OF THE ARTICLES AND BYLAWS OF THIS CORPORATION (IF THE FRANCHISEE IS A LIMITED LIABILITY COMPANY, REFERENCE WILL BE MADE TO THE TRANSFER OF OWNERSHIP RESTRICTIONS SET FORTH IN THIS FRANCHISE AGREEMENT, IN THE LIMITED LIABILITY COMPANY'S OPERATING AGREEMENT. IF THE FRANCHISEE IS A PARTNERSHIP, REFERENCE WILL BE MADE TO THE TRANSFER OF OWNERSHIP RESTRICTIONS SET FORTH IN THIS FRANCHISE AGREEMENT, IN THE PARTNERSHIP AGREEMENT. IF THE FRANCHISEE IS A BUSINESS TRUST, REFERENCE WILL BE MADE TO THE TRANSFER OF OWNERSHIP RESTRICTIONS SET FORTH IN THIS FRANCHISE AGREEMENT, IN THE TRUST AGREEMENT);

5. All Owners of Franchisee shall jointly and severally guarantee Franchisee's performance hereunder and shall bind themselves to the terms of this Agreement;

6. If Franchisee is or becomes a partnership, corporation or limited liability company, Franchisee shall furnish Franchisor a copy of its partnership agreement or comparable agreement, and any other documents we may reasonably request, and any amendments thereto, from time to time. If Franchisee is or becomes a limited liability company, Franchisee shall furnish us with a copy of its operating agreement and any other documents we may reasonably request, and any amendments thereto, from time to time. If Franchisee is or becomes a corporation, Franchisee shall furnish us a copy of its shareholders agreement, bylaws, and any other documents we may reasonably request, and any amendments thereto, from time to time; if Franchisee is or becomes a business trust, Franchisee shall furnish us a copy of its trust agreement, and any other documents we may reasonably request, and any amendments thereto, from time to time;

7. Each individual or entity holding a 20% or greater ownership or beneficial ownership interest in the Business or the Franchisee entity, directly or indirectly (in addition to any individual holding a 50% or greater interest in any limited liability company, partnership or corporation that has a 20% or greater interest in the Franchisee entity), shall enter into a continuing guaranty agreement, in the form attached hereto as Schedule 5 as such

form may be amended or modified by us, from time to time (if such guaranty agreement is to be executed subsequent to the date hereof in accordance with the terms of this Agreement); and

8. From and after the date of this Agreement, Franchisee and its Owners shall not sell, transfer, assign, pledge, mortgage, hypothecate or encumber all or any direct or indirect ownership interest in Franchisee without first obtaining our written consent, which consent shall be approved or denied within thirty (30) days of Franchisee's request.

R. Site Selection and Lease

Franchisee is responsible for selecting a site for the Business and assumes all costs, liability, expense, and responsibility for locating, obtaining and developing a site for the Business and for the build out and equipping the Business at such premises. We evaluate each proposed site and accept or reject, each one on a case-by-case basis and will notify you by email or any other form of written communication of our acceptance or rejection of any proposed site within thirty (30) days after we receive your request. If we do not respond within thirty (30) days then the proposed site will be deemed rejected. Franchisee must use a real estate search consultant or broker that Franchisor has preapproved to assist Franchisee in its real estate search. Franchisee is also required to work with Franchisor's Real Estate team on the Site Acceptance Package to obtain acceptance of Franchisee's proposed site. A typical Burn Boot Camp® business has approximately 3,500-7,000 square feet of space. The space for a Burn Boot Camp® Business must be enclosed and separate from other businesses with its own locking door. You must ensure that the lease permits sounds and vibrations consistent with the activities described herein and in our Operations Manual that will take place in your Facility. You must submit the lease for your accepted site ("Lease") for review and acceptance prior to execution, and you also must submit any letter of intent or term sheet with respect to a potential lease to us for acceptance before you execute it. We may condition our acceptance of any proposed Lease on, among other things, the Lease containing a use clause that is satisfactory to us, and on you and your landlord's execution of a Collateral Assignment of Lease attached as Schedule 5 to this Agreement which grants us the unconditional right, but not the obligation, to assume and/or assign the Lease upon (a) your default under the lease, or (b) the termination, transfer or expiration of this Agreement. You may not sign a lease (or a contract to purchase the premises, if applicable) for the Business until you have obtained our written acceptance. The term of your Lease together with renewal options, if any, must be not less than the initial term of this Agreement plus two (2) five (5) year renewal terms. If the initial term of your Lease is shorter than the initial term of this Agreement, you will renew the term for the duration of the Lease so that it coincides with the term of this Agreement. On the execution of any lease for the Business, you will deliver to us a copy of the executed lease and an option to assume the lease executed by the lessor in favor of us in a form acceptable to us. All improvements to the Facility must be approved by us. Franchisee must deliver a copy of the signed Lease or sublease to us within five (5) business days after it is signed. Our acceptance of the Lease does not constitute our opinion that the Lease is sufficient to meet all of your obligations under this Agreement. We do not offer legal services to Franchisee and Franchisee is encouraged to consult with independent legal counsel for a legal review of the Lease, as well as a licensed commercial real estate broker for a review of the economic terms of the Lease. **FRANCHISEE ACKNOWLEDGES THAT OUR ACCEPTANCE OF A PROSPECTIVE SITE AND THE RENDERING OF ASSISTANCE IN THE SELECTION OF A SITE DOES NOT CONSTITUTE A REPRESENTATION, PROMISE, WARRANTY, OR GUARANTEE BY US THAT A BURN BOOT CAMP® FRANCHISE OPERATED AT THAT SITE WILL BE PROFITABLE OR OTHERWISE SUCCESSFUL.**

S. Development and Construction of the Facility

Franchisee must select and employ licensed contractors reasonably acceptable by us for the complete build out and/or any leasehold improvements. Franchisee is solely responsible for the selection and work of any contractor selected and/or employed by Franchisee, even if referred by us, and for the preparation of architectural and working drawings

necessary to complete construction and/or build out at the Accepted location. Franchisee will be provided with mandatory requirements and specifications (interior and exterior) for the build out of the Business which includes specifications for Facility layout, exercise equipment specifications, storage, furnishings, fixtures, sound system, décor and signage. Franchisee's construction plans must comply with our standards and specifications and Franchisee must submit them to us prior to construction commencement for approval. We will notify Franchisee of our approval or disapproval within thirty (30) days after we receive Franchisee's request for approval plus all additional information and samples that we require. We may, at our option, re-inspect Franchisee's facility for compliance with our specifications and revoke our approval if the construction fails to meet any of our then-current criteria. Such drawings, plans and specifications are subject to alteration as may be necessary in our sole discretion and Franchisee must be in full and strict compliance with plans and specifications approved by us, however, we will not modify the final set of drawings, architectural plans, floor plans, schematics and/or specifications for the Facility developed pursuant to this Agreement once those final set of drawings, architectural plans, floor plans, schematics and/or specifications have been approved by us and given to Franchisee. Franchisee is responsible for the cost and installation of all build out specifications. We reserve the right to receive rebates, commissions or other forms of consideration from designated or approved suppliers involved in the construction or fixturing of the Facility and to use such rebates, commissions or other consideration in any way we deem appropriate in our sole discretion, without obligation to share or remit any portion of such rebates, commissions or other consideration to Franchisee.

We expect that a Burn Boot Camp® Business location would need construction improvements. Costs may vary widely depending on such factors as property location, size of the property, and the condition of the property, the extent of alterations required for the property. Franchisee shall be responsible for obtaining all zoning classifications, health and sanitation clearances, permits and certifications which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to Franchisee's location. After having obtained such approvals and clearances, Franchisee shall submit to us, for our approval, final plans for construction based upon the preliminary plans and specifications. Once approved by us, such final plans shall not thereafter be changed or modified without our prior written permission. Any such change made without our prior written permission shall constitute a material default under this Agreement and we may withhold our authorization to open the Business until the unauthorized change is rectified (or reversed) to our reasonable satisfaction.

Franchisee shall comply with all federal, state and local laws, codes and regulations, including without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Business. If Franchisee receives any complaint, claim or other notice alleging a failure to comply with the ADA or other law or regulation related to health or safety, Franchisee agrees that it shall provide Franchisor with a copy of such notice within five (5) days after receipt thereof.

Franchisee shall construct, furnish and open the Business according to the requirements contained herein, and Franchisee shall open the Business for operation no later than four hundred twenty (420) days from the Effective Date (or earlier as provided in an Area Development Agreement, if applicable). Time is of the essence. Prior to opening for business, Franchisee shall provide us with evidence of lien-free completion of all work (including, without limitation, any and all mechanic liens) and to comply with all pre-opening requirements set forth in this Agreement (including, without limitation, those with respect to the grand opening advertising program), the Operations Manual, and/or elsewhere in writing by Franchisor.

Franchisee shall not open the Business until we have determined that all construction has been substantially completed, and that such construction conforms to our standards including, but not limited to materials, quality of work, exercise equipment, furnishings, fixtures, signage, décor and paint and we have given Franchisee written approval to open, which approval shall not be unreasonably withheld. Our approval to open the Business does not constitute a waiver of Franchisor's right to require Franchisee to conform the Facility to our standards.

T. Franchisee Education Programs

No later than the earlier to expire of sixty (60) days immediately prior to the date Franchisee starts accepting memberships or anticipates opening the Business for operation, Franchisee, its Owners if it is an entity, or the Operations Manager must complete, to our satisfaction, those portions of the initial franchisee education program for franchisees and Operations Managers and the Lead Trainer must complete, to our satisfaction, those portions of the initial franchisee education program for trainers. If you are a new franchisee to the System and are taking over an existing Business, the initial franchisee education program must be completed before the transfer is completed. In addition, you must complete general, non-proprietary initial education prior to the transfer to allow you to hit the ground running. This initial education may be conducted online. If you are an existing franchisee taking over an existing Business, the initial franchisee education program must be completed within ninety (90) days after the effective date of the consent to transfer document that you signed in connection with the transfer of the Business. Additionally, if you are taking over an existing business, we will provide the initial franchisee education program free of charge for one attendee. If Franchisee wishes to send more than three (3) people to the initial franchisee education program, subject to space, Franchisee may send more but must pay our then-current fee per additional attendee (which is currently $1,500 per attendee). Additionally, Franchisee will be responsible for travel, accommodation, food, and other costs for all its attendees. At our option, key personnel subsequently employed by Franchisee shall also complete the initial franchisee education program. We may, at our discretion, make available additional franchisee education programs, certifications and seminars, as well as refresher courses available to the Franchisee and/or Franchisee's designated individual(s) from time to time. We may, at any time, discontinue the provision of the management education and decline to certify Franchisee and/or Franchisee's Operations Manager who fail to demonstrate an understanding of the management education acceptable to us. If Franchisee or Franchisee's Operations Manager's management education is discontinued by us, Franchisee shall have thirty (30) days to present an alternative acceptable candidate to us for management education. If Franchisee's new candidate does not adequately complete the management education, then we shall have the option of terminating this Agreement. We shall provide instructors and training materials for all required education programs, and Franchisee, its Owners, Lead Trainer, Operations Manager and/or any of its employees who attend the initial franchisee education program shall be responsible for all other expenses incurred in connection with any franchisee educations programs, including, without limitation, the cost of transportation, lodging, meals, and wages.

U. Ongoing Education and Support

Franchisee will have access to our personnel for questions, ongoing education and support by phone and e-mail during regular business hours (Eastern Time Zone), subject to availability and response times. Franchisor will continue to consult with and advise Franchisee free of charge, to answer any questions from Franchisee (Section XVII.A of this Agreement); provide the Manual, specifications, supplier, exercise equipment, Product, marketing and operational updates as they become available; review advertising, exercise equipment, Product and/or supplier approval requests; and administer the Fund.

X. OBLIGATIONS OF FRANCHISEE RELATING TO INSURANCE

A. Before Franchisee opens its Business, Franchisee must purchase insurance coverage from a responsible carrier with a performance rating of A or higher as rated in the most recent edition of Best Insurance Reports (or comparable criteria as we may specify), and Franchisee must maintain such insurance throughout the duration of the initial term of the Franchise Agreement and any renewal terms. We may change our insurance requirements on reasonable notice to you. Under our current requirements, Franchisee must procure and maintain general comprehensive liability insurance with a minimum policy limit of $1,000,000 per occurrence and $2,000,000 aggregate (this policy should include general tort, premises damage, personal and advertising injury should be at least $1,000,000); $500,000 in Abuse and Molestation

Liability, in addition to professional liability insurance that covers you for damages that you create or damages incurred from your training that may include bodily injury or other damages and product liability insurance with a minimum policy limit of $1,000,000, and property and casualty insurance with a minimum policy limit of $1,000,000 or an amount specified by us. Each insurance policy that we require under this Agreement must contain a provision that the policy cannot be canceled without thirty (30) days' written notice to us. All policies of insurance maintained by Franchisee shall contain a separate endorsement naming us, and if required, our affiliates as additional insured. Franchisee must also procure and maintain property coverage for the full cost of replacement for the up-fit or betterment to the business premises and all other properly in which we may have an interest with no coinsurance clause; special risk with fire, windstorm and theft is required, as well as "All Risks" or "Special Form" insurance (coverage for the full cost of replacement of the Facility and other property) in addition to business interruption insurance in amounts specified by us, and automobile liability insurance to fully insure loss of earnings for a period of one-hundred and eighty (180) days or longer as may specify and statutory workers' compensation insurance with limits of greater than $100,000 or the minimum limits required by law. Franchisee shall also acquire tenant's liability insurance (if applicable), any other insurance required by the state or locality in which the Business is located and operated, in such amounts as required by statute, and other insurance coverage, as we or the landlord may reasonably require.

B. For any construction, renovation, refurbishment or remodeling of the site, Franchisee must require that the general contractor maintain, with an approved insurer, commercial general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builders risk, product liability and independent contractor's coverage) with limits of no less than $1,000,000 per claim, naming Franchisee and us as additional insureds, as their interests may appear, together with workers' compensation and employer's liability insurance as required by law and as required by the lease. It is Franchisee's responsibility to obtain certificates of insurance from the contractor prior to the initiation of any construction.

C. To the extent available, Franchisor may require Franchisee to acquire automobile liability insurance (with coverage of owned and hired vehicles with minimum coverage in amounts not less than $100,000 combined single limit (for bodily and property damage) or what is in accordance with Franchisee's state guidelines), employer's liability insurance, employment practices liability insurance, employee dishonesty insurance, crime insurance as well as other disability benefits type insurance as may be required by the statute or rule of each state, with policy limits of $1,000,000 or in the amount we specify.

D. All insurance policies will name Franchisee as certificate holder and us and our affiliates as an additional named insured with waiver of subrogation by Franchisee for the benefit of us. Franchisee shall furnish us with certified copies of each of the insurance policies described in this Section on either the earlier of the opening of the Business for operation or sixty (60) days following the date this Agreement is executed.

E. We may establish minimum standards for coverage to be met by underwriters for insurance and we have the right to audit Franchisee's insurance policies at any reasonable time without notice. Before opening for operation, Franchisee will obtain any other liability insurance required by law, provide us with certificates of insurance within ten (10) days of issuance, and maintain all required insurance during the term of this Agreement. Franchisee shall also furnish us with certificates and endorsements evidencing insurance coverage within ten (10) days after each of the following events: (i) at all policy renewal periods, no less often than annually; and (ii) at all instances of any change to, addition to or replacement of any insurance. Lapses, alterations, or cancellations require immediate notice to us and may be deemed a material breach of this Agreement as set forth in Section XX.B. If Franchisee fails to obtain the required insurance and to keep the same in full force and effect, we may, but shall not be obligated to, pay the premiums or acquire insurance, and bill Franchisee. Franchisee shall reimburse us for the full cost of such insurance, along with a reasonable service charge to compensate us for the time and effort expended to secure such insurance. We may change these insurance requirements on reasonable notice to Franchisee.

F. Franchisee's insurance will cover all claims for injury, damage and death or otherwise, arising directly or indirectly out of the Franchised Business. Franchisee shall notify us immediately in writing of the occurrence of any material event that does or could give rise to an insurable claim by Franchisee or the Franchised Business, and no later than the date on which Franchisee notifies its insurance carrier. We reserve the right to change or modify (including increasing) the required minimum coverage limits. We make no representation or warranty to Franchisee that the amount of insurance to be carried by Franchisee under the terms of this Agreement is adequate to fully protect Franchisee's interest. If Franchisee believes that the amount of any such insurance is insufficient, Franchisee is encouraged to obtain, at its sole cost and expense, such additional insurance as it may deem desirable or adequate. Franchisee agrees to seek the advice of its insurance advisor regarding the appropriate types of coverage and coverage limits Franchisee may need to sufficiently protect its Business. Franchisee acknowledges that we shall not, by the fact of approving, disapproving, waiving, accepting, or obtaining any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of such insurance, the solvency of any insurance companies or the payment or defense of any lawsuit in connection with such insurance coverage, and Franchisee hereby expressly assumes full responsibility therefore and all liability, if any, with respect thereto. Franchisee agrees to seek the advice of its insurance advisor regarding the appropriate types of coverage and coverage limits Franchisee may need to sufficiently protect its Business.

G. Franchisee's compliance with insurance requirements shall not relieve Franchisee of its liability under the indemnity provisions of this agreement, Section XV. Obligations to maintain insurance coverage will not be affected by reason of any separate insurance maintained by us, nor will the maintenance of such insurance relieve Franchisee of any obligations under this Agreement.

H. In the event the Facility shall be damaged or destroyed by fire or other casualty, or be required to be repaired, Franchisee shall commence the required repair of the Facility within thirty (30) days from the date of such casualty or notice of such governmental requirement (or such lesser period as shall be designated by such governmental requirement), and shall complete all required repairs as soon as possible thereafter, in continuity, but in no event later than ninety (90) days from the date of such casualty or requirement of such governmental notice. The minimum acceptable appearance for the restored Facility will be that which existed just prior to the casualty; however, every effort should be made to have the restored Facility include the then-current image, design and specifications of a Burn Boot Camp® business.

As between us and the Franchisee, the Franchisee shall bear the entire risk of any damage, loss, theft or destruction to the Facility from any cause whatsoever or requisition of the Facility by any governmental entity or the taking of title to the Facility by eminent domain or otherwise (collectively, "Loss"). The Franchisee shall advise us in writing within ten (10) days of any such Loss. No such Loss shall relieve the Franchisee of the obligation to pay Royalty Fees and all other amounts owed hereunder. In the event of any such Loss, we, at our option, may: (a) if the Loss has not materially impaired the Facility (in our reasonable Business Judgment), require that the Franchisee, upon our demand, place the Facility in good condition and repair reasonably satisfactory to us as mentioned above; or (b) if the Loss has materially impaired the Facility and it is substantially destroyed (in our sole judgment), we may require the Franchisee to repair the existing Facility or find an alternative location within the Territory within ninety (90) days. Franchisor may extend this period an additional thirty (30) days at its discretion and failure of Franchisee to comply may result in termination of this Agreement, in which event Franchisee may be relieved of all obligations under this Agreement, and in such case, Franchisee must return to us the System all materials and comply with the post termination obligations of this Agreement, and Franchisor has the first right of refusal to purchase all Assets (as described in Section XXI.B).

XI. OBLIGATIONS OF FRANCHISEE RELATING TO ACCOUNTING AND RECORDS

A. Record keeping, Accounting and Records

Franchisee acknowledges that the maintenance of accurate financial records and the preparation of financial statements on a timely basis is essential to the efficient operation of the Business. If Franchisee is not qualified to maintain accurate financial records, in our reasonable determination, the Franchisee agrees to hire a qualified bookkeeper who will maintain the financial records of the Franchisee and who will attend to the Business's needs not less than twice each month for that purpose. If applicable, Franchisee shall use the accounting software that Franchisor directs it to use.

Franchisee shall maintain during the term of this Agreement, and shall preserve for a minimum of five (5) years, full, complete accurate records of sales, payroll, accounts payable and accounts receivable in accordance with the standard accounting system described by Franchisor in the Operations Manual or otherwise specified in writing. Franchisee will keep its books and records related to the Business separate from any other business owned by Franchisee or its principals. Any such separate business will be conducted by a separate entity. Franchisee will provide Franchisor with all hard copy and electronic reports that Franchisor requires, in a format that Franchisor requires. Such required reports currently include monthly profit and loss statements. On or before the fifth (5th) day of each month or daily if Franchisor requires, Franchisee will deliver or provide electronic access to business records (we will have independent access to all information that Franchisee stores in any computer, iPad or software), including an itemized report of Franchisee's Gross Revenue for the prior period in a form Franchisor prescribes, which will include payment for the fees due for such period or month, and may include, to the extent that we require:

1. Franchisee's payroll records, certification or records of Gross Revenue, vendor summary reports, department summary reports and report of account receivables for the month, week, day or period reported;

2. Copies of any invoices and Member contracts with updated location information in any format we specify;

3. Copies of all invoices for purchases of exercise equipment, products and supplies;

4. Copies of all merchant account printouts received from the Franchisee's merchant account banking provider (i.e. records of credit and debit card transactions);

5. Copies of all bank deposits, and bank deposit records made by the Franchisee; and

6. A complete list of all Members, their email addresses, physical addresses and telephone numbers, who: (i) are prospective Members; (ii) have canceled or terminated membership: (iii) filed a complaint internally or with third parties (such as the Better Business Bureau); or (iv) sought refunds for Services and/or Products larger than $100 during the preceding month, by the fifth (5th) day of each month.

Franchisee acknowledges and agrees that we, at all times during the term of this Agreement and after termination, expiration or cancellation of this Agreement, have the right to access (electronically or otherwise) all Business Records of the Business. We may use, transfer, copy or analyze such Business Records as we determine in our sole discretion to be in the best interest of the System. For purposes of this Agreement, "Business Records" means all records, documents, insurance policies, databases and the like (whether in print, electronic or other form), including all names, addresses, phone numbers, email addresses, Member records, contracts, purchase agreements, vendor and/or supplier records and all other records contained in databases created and maintained by Franchisee pertaining to the operation of a Burn Boot Camp® business, including but not limited to Members, employees, vendors and other professionals related to the Business.

Franchisee will adopt a fiscal year as approved by us and prepare all financial reports in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), consistently applied. Franchisee must periodically deliver to us accounting, tax and other information or copies of documents, as we request.

B. Franchisor's Right to Audit

Franchisor or its agents may enter the Franchisee's location to examine or audit Franchisee's business at any reasonable time without notice. Franchisor may examine, inspect or audit Franchisee's database and Business Records, which records will include, but will not be limited to: payroll records, ledgers, purchase agreements, sales reports, timecards, check stubs, bank deposits, bank statements, merchant account printouts, receipts, sales tax records and returns, insurance policies and other documents. Franchisor will bear the cost of the audit, provided, however, if Franchisee fails to report as required or understates Gross Revenue by two percent (2%) or more for any reported time period, Franchisee will pay the audit costs plus interest at eighteen percent (18%) per annum (1.5% per month) for all understated Gross Revenues, or the maximum rate allowed by the laws of the state in which Franchisee's business is located as specified in the Operations Manual. Franchisee will pay Franchisor within ten (10) days after Franchisee's receipt of the audit report. The foregoing remedies shall be in addition to any other remedies we may have pursuant to this Agreement and as provided at law and in equity.

In addition to the cost of the audit described above, Franchisee shall reimburse us for any and all costs and expenses relating to the inspection (including, without limitation, travel, lodging and wage expenses and reasonable accounting and legal costs), and, at our discretion, submit audited financial statements prepared, at Franchisee's expense, by an independent certified public accountant satisfactory to us. If an inspection discloses an understatement in any payment to us of two percent (2%) or more, twice within any two (2) year period, such act or omission shall constitute grounds for immediate termination of this Agreement, as set forth in Section XX.B.30. The foregoing remedies shall be in addition to any other remedies we may have pursuant to this Agreement and as provided at law and in equity.

C. Method of Payment

All payments Franchisee makes to Franchisor will be by any method Franchisor specifies, including cash, check, certified check, money order, credit card, automatic pre-authorized payment plan, Internet, or electronic funds transfer (as described in Section VII.C of this Agreement). All payments to Franchisor and dollar amounts stated in this Agreement are in United States dollars unless otherwise expressed. Notwithstanding any other provision in this Agreement to the contrary, in the event the United States currency is redeemed, renominated or another currency is issued in its place, the new currency will be required. If a conversion of royalties or other payments from another currency is made, the conversion shall be made as of the date the payment is due, or the date the payment is actually made, whichever is more beneficial to Franchisor. Franchisee is responsible for any fees associated with payment methods other than cash, check or electronic transfer.

D. Submission of Financial Statements

Franchisee will provide us with a copy of Franchisee's (a) year-end annual financial statements including a profit and loss statement and a balance sheet and containing complete notes and disclosures; and (b) monthly financial statements including a profit and loss statement and a balance sheet. Such statements will be prepared in accordance with GAAP, by an independent accountant, and will be delivered to us within ninety (90) days after Franchisee's fiscal year end for annual financial statements and ten (10) days after the end of each calendar month.

E. Disclosure of Financial Statements

Franchisee hereby grants us permission to release to Franchisee's lenders or prospective lenders and to Franchisor's purchasers or prospective resell purchasers, any financial and operational information relating to Franchisee and/or the Business; however, we have no obligation to do so. Should we acquire Franchisee's business for resale, we may show such buyer Franchisee's financial statements and related information.

Franchisee also authorizes us to make reasonable inquiries of Franchisee's bank, suppliers, landlord, and creditors concerning the Business, and hereby directs such persons and companies to provide to us such information and copies of documents pertaining to the Business as we may request.

XII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO USES OF NAMES AND MARKS

A. Names and Marks are Owned by Franchisor

Franchisor warrants, with respect to the proprietary Names and Marks, that:

1. Pursuant to a License Agreement between Franchisor and Devan Kline Fitness, LLC, the Franchisor has been granted the exclusive right to use the Names and Marks to establish Burn Boot Camp® franchises in the United States.

2. We will take such steps as we deem reasonably necessary to preserve and protect the ownership and validity of such Names and Marks; and

3. Franchisee acknowledges that there may be third party pre-existing users or applicants/registrants of trademarks, trade names, or business names similar to the Marks. We shall investigate such use, applications, or registrations, if any, and we shall, in our sole discretion, decide on the appropriate action to be taken. Any unsuccessful challenge made by us shall not constitute a ground for the termination of this Agreement. In the event Franchisor determines in its sole judgment that challenging any such third party's use of the Marks will not likely be successful, or would not be economically feasible to achieve, or if Franchisee shall be required to cease using the Marks (or any of them) by court order, or as a result of any settlement of any such trademark claim by a prior registrant or any pre-existing user, or any other such trademark claim, or if we shall deem it necessary or appropriate to change the name of the System in order to mitigate any potential exposure or damages arising under any trademark claim, Franchisee shall, at Franchisee's sole cost and expense, promptly change the name of its Franchise, and thereafter utilize an alternative name established by us. We shall not otherwise be liable for any losses or any consequential damages, incidental damage, exemplary damages, special damages, including lost future profits, resulting from or arising out of any trademark service mark, and/or unfair competition claim(s). We shall have no obligation to reimburse the Franchisee for any costs, causes of action, damages, demands, expenses, fines, liabilities, or penalties, arising out of such a trademark, service mark, logo or trade name change.

4. Franchisor will use and permit Franchisee and other franchisees and licensees to use the Marks in compliance with the System and standards attendant thereto and contained in the Operations Manual, as well as the Franchisor's policy statements, which underlie the goodwill associated with and symbolized by the Names and Marks.

B. Franchisee is Licensed to Use Names and Marks

With respect to Franchisee's use of the Names and Marks pursuant to this Agreement, Franchisee agrees that:

1. Franchisee shall use only the Names and Marks as are approved in writing by us for Franchisee's use, and shall use them only in the manner authorized and permitted by us and that in any use whatsoever of the Names and Marks are identified as being registered to or owned by us;

2. Franchisee shall use the Names and Marks only in connection with the operation of the Business and in advertising for the Business conducted at or from the website for the Business and Accepted Location;

3. Franchisee shall use and display, as we may require in the operation of the Business, a notice in the form approved by us indicating that Franchisee is a "Franchise" of Kline Franchising, LLC and that the Names and Marks are used by Franchisee under such Franchise. Franchisee must indicate to third parties that it is "independently owned and operated" and that we own the Marks and Franchisee uses them under a license;

4. Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Business under the Name and Mark "Burn Boot Camp®";

5. Franchisee's right to use the Names and Marks is limited to such usages as are authorized under this Agreement, and any unauthorized use shall constitute an infringement of our rights and a material breach of this Agreement;

6. Franchisee must obtain our approval for any use of any item of printed material of any kind bearing any of the Names or Marks, unless we supplied the item. We shall approve or deny Franchisee's request, which approval is at our sole discretion, within thirty (30) days of receipt of Franchisee's written request. If we fail to respond to Franchisee's request within said thirty (30) day period, Franchisee's request shall be deemed denied. Franchisee shall use such notices of trademark registrations and copyrights as we specify;

7. Franchisee shall not use the Names and Marks to incur any obligations or indebtedness on behalf of Franchisor;

8. Franchisee shall not use the Names and Marks or any part of thereof as part of its corporate or other legal name;

9. Except as otherwise permitted in this Agreement, Franchisee shall not use the Names and Marks or any part thereof in any form on the Internet, including but not limited to, addresses, domain names, URLs, Websites, links, metatags, locators and search techniques;

10. Franchisee shall comply with our instructions in filing and maintaining the requisite trade name or fictitious name registration, and shall execute any documents deemed necessary by us or our counsel to obtain protection for the Names and Marks or to maintain their continued validity and enforceability;

11. In the event any litigation involving the Names and Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify us and shall cooperate fully with us in defending such litigation. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things

as may, in our sole opinion, reasonably are necessary or advisable to protect and maintain the interests of us or any other interested party in the Names and Marks. Other than what is stated in this Agreement, we are not obligated to protect Franchisee's right to use the Marks or protect Franchisee against claims of infringement or unfair competition with respect to them and may direct Franchisee not to use the Marks or to change the trademarks at Franchisee's expense. We will control any and all such litigation, and mediation involving our trademarks. Franchisee has no authority to institute any litigation, or institute any request for mediation regarding our trademarks, nor does the Franchisee have any authority to enter into any settlement negotiations; and

12. Franchisee further agrees to follow all of our quality standards that are inherent in the Names and Marks. Such quality standards are contained in the Operations Manual, as well as various memos or policy statements issued by us, and may be changed from time to time at the Franchisor's sole discretion.

C. Franchisee Will Not Challenge Franchisor's Rights in Its Use of Names and Marks

Franchisee expressly understands and acknowledges that:

1. As between the parties hereto, we are the owner of all right, title, and interest in and to the Names and Marks and the goodwill associated with and symbolized by them;

2. The Names and Marks are valid and serve to identify the System and those who are franchised under the System;

3. Franchisee shall not directly or indirectly contest the validity or the ownership of the Names and Marks;

4. Franchisee's use of the Names and Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Names and Marks, except the non-exclusive franchise granted herein;

5. Any goodwill arising from Franchisee's use of the Names and Marks in its Business under the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the franchise herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Names and Marks;

6. We reserve the right to substitute different Names and Marks for use in identifying the System, the Business and other franchised businesses operating there under;

7. Franchisee hereby agrees to comply, at Franchisee's expense, with any directions from us to discontinue, modify, substitute or add Names and Marks. We cannot and do not make any guaranty that a modification, discontinuance or otherwise will not be required for any reason. In such event, we have no liability to Franchisee. Franchisee agrees to make no claim in connection with any modification, discontinuance or other action, and/or with any dispute regarding the Names and Marks. There is always a possibility that there might be one or more businesses using a name and/or marks similar to us with superior rights;

8. Franchisee hereby agrees not to register or attempt to register Names and Marks in Franchisee's name or that of any other firm, person or corporation; and

9. The right and license of the Names and Marks granted to Franchisee is nonexclusive, and thus we have and retain the rights, among others:

    a. to use the Names and Marks in connection with offering and selling Services and Products (including exercise equipment if we choose to do so in the future);

    b. to use the Names and Marks to market on the Internet, including all use of Websites, domain names, URLs, linking, advertising and co-branding arrangements. Franchisee may not establish a presence on the Internet except as we may specify and only with our prior written consent. We retain the right to approve any linking to or other use of our website or any other Website specific to our Services and Products;

    c. to grant other franchises or licenses for the Names and Marks, in addition to those already granted to existing franchisees and licensees; and

    d. to develop and establish other systems using similar Names and Marks, or any other proprietary marks, and to grant licenses or franchises thereto at any location(s) whatsoever without providing any rights therein to Franchisee.

D. Ownership of Intellectual Property

Franchisee acknowledges that we are the exclusive owner of the the Names and Marks, all Confidential Information, all intellectual property associated with the Names and Marks and the System, all vendor and supplier relationships, all employees and Member lists, which include all Member phone listings/addresses/URLs held by Franchisee, and all other proprietary information related to the System (collectively, the "Intellectual Property"). Franchisee agrees that Franchisee will not use these lists for any purpose other than in relation to the Business. Franchisee will, on demand, promptly deliver to us a complete list of Franchisee's Members and employees, including information we may request related to such Members and employees. The use of any or all such intellectual property shall not create in Franchisee, or its Owners, if it is an entity, title or interest in or to any of it, except as expressly provided in this Agreement. Neither Franchisee, nor any of its Owners, shall directly or indirectly assert any right, title or interest in or to any of the Marks or any other part of the Intellectual Property, other than as provided for in this Agreement. Franchisee acknowledges that we shall own all intellectual property rights to any materials provided to the Franchisee by us, or developed by the Franchisee pursuant to this Agreement, and regarding all such materials this Agreement shall constitute a "work for hire." In the event that an arbitral panel or court of competent jurisdiction holds this Agreement not be a work for hire, the Franchisee agrees to assign all copyright rights to all such works to the Franchisor. Such ownership rights shall be in all media, whether now known or hereinafter invented, by all means, methods, and processes, including complete and entire interactive rights, and rights to derivative works.

XIII. SPECIFIC OBLIGATIONS OF THE FRANCHISEE RELATING TO CONFIDENTIALITY OF PROPRIETARY INFORMATION

A. Nondisclosure.

During the term of this Agreement, you will receive information which we consider our trade secrets and confidential information ("Confidential Information"). You will not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information including, without limitation: trade secrets, advertising strategies, fitness programs and workouts routines; strategies for increasing memberships, exercise equipment operation, safety procedures, usage of

software and applications for mobile devices, cost and pricing strategies, inventory management and tracking of products and supplies, contracts, forms and waivers; hiring, training and managing employees, record keeping, accounting systems and procedures, website information and maintenance, effective sales and marketing methods in addition to lists of vendors and suppliers, price marketing mixes related to products and services offered by Businesses, supplier networks and pricing arrangements with suppliers, sales promotion aids, accounting procedures, marketing reports, inventory systems, copyrighted materials, and other methods, techniques and know-how concerning the operation of the Business which may be communicated to you or of which you may be apprised by virtue of your operation of the Business. You also acknowledge and agree that certain information, including (i) current customer and prospective customer names and addresses, (ii) information about credit extensions to customers, (iii) customer purchasing histories, (iv) rates charged to customers; and (v) CRM reports (subsections (i)-(v) collectively "Customer Lists") also constitute our trade secrets and Confidential Information. You may divulge Confidential Information only to those of your employees as must have access to it in order to operate the Business. All information, knowledge, know-how, techniques, and other data which we designate as confidential will be deemed Confidential Information for purposes of this Agreement. You further agree to abide by any policies regarding to customer privacy that we may establish from time to time.

B. Franchisee's Employees Will Not Disclose Confidential Information

All managers and key personnel must execute covenants that they will maintain the confidentiality of the information they receive in connection with their employment by you at the Business. Such covenants will be in a form satisfactory to us and substantially similar to the Confidentiality Agreement attached as Schedule 8 to this Agreement. Employee Confidentiality Agreements must include, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with independent rights to enforce them.

C. Injunctive Relief is Available to Franchisor

Franchisee acknowledges that any failure to comply with the requirements of this Section XIII will cause us irreparable injury, and we shall be entitled to obtain specific performance of, or an injunction against any violation of, such requirements; Franchisee waives any requirements for the posting of any bond(s) relating thereto. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by us in obtaining specific performance of, or an injunction against, violation of requirements of this Section XIII. The foregoing remedies shall be in addition to any other legal or equitable remedies, which we may have. If injunctive relief is granted, Franchisee's only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Franchisee expressly waives all claims for damages Franchisee incurs as a result of the wrongful issuance.

D. Franchisor's Patent Rights and Copyrights

We do not own rights in or to any patents that are material to the System at this time. However, Franchisor claims copyright protection for several aspects of the System such as the Operations Manual, Membership options, all fitness programs and workout routines, Software (if developed) and all promotions, marketing, sales and operations literature. Such copyright ownership shall extend to all media, whether now known or hereinafter invented, by all means, methods, and processes, whether now known or hereinafter invented, including rights to interactive works, and derivative works. Furthermore, we claim rights to certain trade secrets and Confidential Information as discussed above.

E. Franchisee Shall Not Contest the Franchisor's Ownership Right to Any Confidential Information, Trade Secrets, Patents or Copyrights

Franchisee expressly understands and acknowledges that:

1. To the best of Franchisee's knowledge, we are the owner of all Confidential Information, trade secrets, copyrights, and patent rights;

2. Franchisee shall not directly or indirectly contest the validity or the ownership of our Confidential Information, trade secrets, copyrights, and patents;

3. Franchisee's use of our Confidential Information, trade secrets, copyrights, and patents does not give Franchisee any ownership interest or other interest in or to the Confidential Information, trade secrets, copyrights, and patents, except the non-exclusive Franchise granted herein;

4. Any goodwill arising from Franchisee's use of the Confidential Information, trade secrets, copyrights, and patents in its Business under the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the Franchise herein granted, no monetary amount shall be assigned as attributable to any licensed Confidential Information, trade secrets, copyrights, and patents;

5. We reserve the right to substitute different Confidential Information, trade secrets, copyrights, and patents for use in operating and maintaining the System;

6. Franchisee hereby agrees to comply, at Franchisee's expense, with any directions from us to discontinue, modify, substitute or add any new Confidential Information, trade secrets, copyrights and patents. We cannot and do not make any guarantee that a modification, discontinuance or otherwise will not be required for any reason. In such event, we have no liability to Franchisee. Franchisee agrees to make no claim in connection with any modification, discontinuance or other action, and/or with any dispute regarding any licensed Confidential Information, trade secrets, copyrights and patents; and

7. Franchisee hereby agrees not to register or attempt to register any Confidential Information, trade secrets, copyrights or patents in Franchisee's name or that of any other firm, person or corporation.

XIV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO TAXES, PERMITS AND LAWSUITS

A. Franchisee Must Notify Franchisor of Lawsuits

Franchisee shall notify us in writing within five (5) days of notice of the commencement of any action, suit, or proceeding against Franchisee, and of the issuance of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of the Business, including, without limitation, any criminal action or proceedings brought by Franchisee against its employees, clients, or other persons. The Franchisee shall give us advance written notice of Franchisee's intent to institute legal action against us, specifying the basis for such proposed action, and shall grant us thirty (30) days from receipt of said notice to cure the alleged act upon which such legal action is to be based.

B. Franchisee Must Pay Taxes Promptly

Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of any kind incurred by Franchisee in the conduct of the Business. Franchisee shall pay us an amount equal to any sales tax, gross receipts tax or similar tax imposed on us with respect to any payments to us required under this Agreement, unless tax is credited against income tax otherwise payable by us. Franchisee shall not permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor to occur against the site of the Business, or any improvements thereon.

XV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO INDEMNIFICATION

Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name or the name of any of our officers, owners, members, agents, directors, shareholders or employees. Franchisee further understands and agrees that Franchisor, and its officers, owners, members, agents, directors, shareholders and employees, shall in no event have or assume liability for, or be deemed liable as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Business or any claim or judgment arising there from against Franchisee.

For the purposes of this indemnification, the terms "claim, loss or obligation" will include: compensatory, special, exemplary or punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts, judgments, compensation for damages to Franchisor's reputation and goodwill; and all other costs associated with any of the foregoing claims, losses or obligations.

Franchisee shall defend, indemnify and hold us and our officers, owners, members, agents, directors, shareholders and employees harmless against all fines, suits, proceedings, claims (including but not limited to, any safety and security claims, claims of injury, claims of theft, claims of neglect, abuse, death, vicarious or other liability), demands, actions, losses, damages, costs, expenses, fees (including legal fees, disbursements and related expenses), penalties and/or any other liability of any kind or nature, however arising, growing out of or otherwise connected with and/or related to any act, error and/or omission of Franchisee (including Franchisee's ownership, operation and/or management of the Business) and/or any referral, service provider, supplier or other agent/independent contractor or employee of Franchisee including acts, errors or omissions committed or incurred, negligent or intentional acts in connection with Franchisee's operation of the Business and infringement, violation or alleged infringement or violation of any Name, Mark, patent or copyright or any misuse of the Confidential Information. This provision shall include all claims as indicated above, of Franchisor, directly against Franchisee (without a third-party involvement) due to acts or omissions of Franchisee or Franchisor in which Franchisor suffers damages, including, but not limited to, harm to its goodwill and reputation.

We will have the right to control all litigation, including selection and management of counsel and defend and/or settle any claim, against and/or including us and/or our-related persons/entities, or affecting our and/or their interests with no obligation to Franchisee and without affecting our rights under this indemnity or otherwise. Franchisee may appoint separate independent counsel to represent Franchisee's interest in such suits, proceedings, claims, etc., all at Franchisee's expense. Franchisee's indemnification obligations survive termination of this Agreement.

XVI. MISCELLANEOUS COVENANTS OF FRANCHISEE

A. Covenants are Independent

The parties agree that each covenant herein shall be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Agreement is held to be unenforceable or unreasonable by

a court or agency having competent jurisdiction in any final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and made a part of this Agreement.

B. Franchisee's Principals

The term "Principals" shall include, collectively and individually, Franchisee's spouse, if Franchisee is an entity, all managing partners, general partners, members, managers, shareholders, officers, directors and other operational personnel whom we designate as a Principal, and the spouse of each such person, and all holders of an ownership interest in any entity directly or indirectly controlling Franchisee, and the spouse of such person, and any other person or entity controlling, controlled by or under common control with Franchisee and the owners of said entity (if applicable) and spouses of each said person. The initial Franchisee's Principals shall be listed on Schedule 6 of this Agreement.

C. Franchisee Will Not Compete Against Franchisor

You acknowledge that as a participant in Franchisor's System, you and your employees and Principals will receive proprietary and confidential information and materials, trade secrets, and access to the unique methods, procedures and techniques for operating a Business that Franchisor has developed. Therefore, to protect Franchisor, the System, and other System franchisees, you agree to the following covenants:

1. During the term of this Agreement, neither you nor your Owners, Principals, Lead Trainer nor any member of your immediate family or the immediate family of your Owners, Principals and Lead Trainer who work at the Business may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

    (i) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any other business or entity which operates or licenses others to operate a business that offers fitness, wellness, health, weight loss, body conditioning, or any other business offering products and services offered or authorized for sale by System franchisees (a "Competing Business"); provided, however, that this Section does not apply to your operation of any other Business under Franchisor's System; or

    (ii) Solicit the Business's Members or customers or contact any of our suppliers or vendors for any competitive business purpose.

2. For a period of two (2) years after the expiration, nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither you nor your Owners, Principals, Lead Trainer, nor any member of your immediate family or the immediate family of your Owners, Principals and Lead Trainer who work at the Business may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

    (i) Enter into any business competing in whole or in part with us by granting franchises or licenses for businesses which offer fitness, wellness, health, weight loss, body conditioning, or any other business offering products and services offered or authorized for sale by System franchisees at the time this Agreement is terminated or otherwise expires and is not renewed;

(ii) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any Competing Business: (i) at the Accepted Location premises; (ii) within the Territory; or (iii) within a ten (10) mile radius of (a) the Territory being granted hereunder or (b) any other Territory licensed by us as of the date of expiration or termination of this Agreement; or

(iii) Solicit the Business's Members or customers or contact any of our suppliers or vendors for any competitive business purpose.

The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement. This covenant not to compete is given in part in specific consideration for access to trade secrets provided as a part of our franchisee education programs or ongoing support programs. In any jurisdiction in which the covenant contained in this Section XVI or any part of it is deemed not enforceable in whole or in part, Franchisee hereby grants us an option to purchase Franchisee's Business on expiration or termination of this Agreement. We may exercise this option by giving thirty (30) days' written notice to Franchisee (Sections XXI.B). Upon termination or expiration, Franchisee will deliver to us a list of these Assets (as described in Section XXI.B) and their cost as well as receipts evidencing their cost. Franchisee must relinquish possession on receipt of payment, but no later than ninety (90) days after expiration or termination. Franchisee's other post termination obligations under this Agreement and by law remain in effect on termination or expiration of this Agreement. This Section XVI.C hereof shall not apply to ownership by Franchisee or any of its Owners of less than a five percent (5%) beneficial interest in the outstanding equity securities of any Publicly-Held Corporation. As used in this Agreement the term "Publicly-Held Corporation" shall be deemed to refer to a corporation which has securities that has been registered under the Federal Securities Exchange Act of 1934.

D. Intent and Enforcement

It is the parties' intent that the provisions of this Section XVI be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein will not render any other part unenforceable. In the event of the actual or threatened breach of this Section XVI by you, any of your Principals, or any member of the immediate family of you or your Principals, we will be entitled to an injunction restraining such person(s) from any such actual or threatened breach. You acknowledge that the covenants contained herein are necessary to protect the goodwill of the Business, other Burn Boot Camp franchisees, and the System. You further acknowledge that covenants contained in Section XVI.C are necessary to protect our procedures and know-how transmitted during the term of this Agreement. You agree that in the event of the actual or threatened breach of Section XVI.C, our harm will be irreparable and that we have no adequate remedy at law to prevent such harm. You acknowledge and agree on your behalf and on behalf of the persons who are liable under Section XVI.C that each has previously worked or been gainfully employed in other careers and that the provisions of Section XVI.C in no way prevent any such person from earning a living. You further acknowledge and agree that the time limitation of Section XVI.C will be tolled during any default under the Section.

E. Covenants Are Enforceable Independent of Claims

Franchisee expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants of this Section XVI. Franchisee further agrees that we shall be entitled to set off any amounts owed by us to Franchisee against any loss or damage to us resulting from Franchisee's breach of this Section XVI.

F. No Right of Set-Off

Franchisee expressly agrees that the existence of any claims it may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Section XVI and there shall be no set off for Franchisee's claim. Franchisee agrees to pay all damages, costs and expenses (including reasonable attorneys' fees) incurred by us in connection with the enforcement of this Section XVI.

XVII. OBLIGATIONS OF THE FRANCHISOR: SUPERVISION, ASSISTANCE OR SERVICES

We shall provide the Franchisee with the following assistance and services:

A. The Initial Franchisee Education Program

1. Shortly after signing the Agreement, but prior to attending the initial franchisee education program described in Paragraph XVII.A.2, below, you must attend orientation at our headquarters. At orientation, we will introduce you to our HQ team and walk you through what to expect during the opening process. Orientation is one day and there is no fee, but you are responsible for travel, accommodation, food, and other costs for all of your attendees.

2. We will provide the initial franchisee education program at our headquarters or another location of our choice. We will provide this initial franchisee education (five (5) day program at corporate headquarters) without charge for Franchisee and up to two (2) additional individuals (for a total of three (3) people), being the Owners, Lead Trainer, and Operations Manager, as designated by Franchisee no earlier than the date that Franchisee signs the lease for the premises. However, if Franchisee wishes to send more than three (3) people to the initial franchisee education program, subject to space, Franchisee may send more but must pay our then-current fee per additional attendee. Additionally, Franchisee will be responsible for travel, accommodation, food, and other costs for all its attendees, and Franchisee must attend and satisfactorily complete such initial franchisee education program within the timeframe mentioned above. If, during the initial franchisee education program we determine, in our sole discretion, that you (or your managing partner, member or shareholders) are not qualified to manage a Burn Boot Camp® Business, you can appoint someone else to be trained at your expense. If Franchisee, its Owners, its Operations Manager or Lead Trainer fails to timely complete the initial franchisee education program to our satisfaction, Franchisee has the right to appoint another Lead Trainer or Operations Manager, as applicable, to attend initial franchisee education program at Franchisee's expense, and if the other Lead Trainer or Operations Manager, as applicable, does not satisfactorily complete the franchisee education to our satisfaction, then we may terminate this Agreement as described in Section XX.C. Any Owner, Operations Manager, and/or Lead Trainer designated by Franchisee replacing a previously trained Owner, Operations Manager, and/or Lead Trainer must be trained by us within thirty (30) to ninety (90) days of first employment, at Franchisee's cost as provided below. If you or your affiliate has owned and operated a Burn Boot Camp® Business previously and you purchase another existing Burn Boot Camp® location, then we will not be obligated to provide all of the aforementioned franchisee education to you at no cost.

3. Franchisor may reasonably require Franchisee, its Owners, its Operations Manager or Lead Trainers to receive or attend and complete to Franchisor's satisfaction additional or advanced education programs from time to time. Franchisee may be required to pay a fee for such education as we reasonably determine. Franchisee must also pay for travel, food, and accommodations and all other related expenses. We may, in our sole discretion, hold refresher and ongoing franchisee education courses. We may require you and your management personnel to attend franchisee education courses at the location we designate. All expenses,

including you and your personnel's transportation, meal, and lodging expenses to attend such franchisee education courses, will be your sole responsibility. We may also provide franchisee education courses for employees and managers to complete over our intranet system at your expense.

4. As part of the initial franchisee education program, we will provide Franchisee with: a written list of approved Services (including fitness programs, workout routines and membership options) and Products Franchisee is required to offer and sell; a written list of approved exercise equipment, Products, supplies and services Franchisee is authorized to purchase and use; a written list of approved vendors and suppliers from whom Franchisee must purchase exercise equipment, products, supplies and services; specifications, maintenance and operation guidelines for all exercise equipment and computer systems; recommended (but not mandatory) procedures and standards for hiring and training employees; techniques in efficiencies, operational standards, customer service, safety procedures, suggested rates and pricing for Services and Products; and sales training, advertising, marketing and promotional programs that have been developed by us (or our affiliates) and are necessary in the operation of the Business. We reserve the right, in our sole discretion, to add, modify, change or discontinue any Service or Product from time to time as outlined herein. Franchisee will be responsible for all costs associated with the administration of such changes.

5. We will provide regularly scheduled conference calls and additional guidance in the operation of the Business in an effort to provide assistance to resolve operational challenges Franchisee may encounter outside the scope of the Operations Manual (subject to availability). This guidance can be furnished in whatever manner we consider appropriate in our business judgment, including electronically via an intranet system, free of charge, to answer questions from Franchisee and its staff (during regular business hours in the Eastern Time Zone). Guidance may also be furnished in writing, telephonically, through franchisee education programs and/or on-site consultations, and web-based computer franchisee education, among other methods. Onsite consultations are subject to additional franchisee education fees as mentioned above.

6. We may, from time to time, provide to Franchisee, at Franchisee's expense, such advertising and promotional plans and materials for local advertising and may direct the discontinuance of such plans and materials, from time to time. All other advertising and promotional materials that Franchisee proposes to use must be reviewed and approved by us, pursuant to Section IX.K of this Agreement.

7. We may provide Franchisee with announcements, memos, bulletins, brochures, manuals and reports, if any, as may from time to time be published by or on our behalf regarding our plans, policies, developments and activities. In addition, we may provide such communication concerning Services, Products, industry developments and improvements to the management of the Business that we determine are relevant to the operation of the Business and communication with other franchisees by means of an intranet system. We may also establish a franchisee-elected peer group whose main purpose will be to mentor, support and regularly communicate with franchisees. We have the power to dissolve, merge, or change such peer advisory groups.

8. We shall provide guidance for establishing a standardized accounting, bookkeeping and cost management control system. We will provide Franchisee with all update and upgrade requirements for computers and related software programs in response to changes in the Operations Manual or changes in its policies that are communicated to Franchisee in writing. The cost for such updates and/or upgrades is Franchisee's sole responsibility.

9. We will provide a telephone helpline, free of charge, to answer any questions from Franchisee or its staff (during regular business hours, Eastern Time Zone). Franchisee will also be able to send us questions and

suggestions using Internet email or intranet system as described above. We will consult with Franchisee at no additional charge regarding policies, sales, marketing and operational issues.

10. We may establish and conduct an annual conference for all Business owners and operators, and may require Franchisee to attend this conference for no more than five (5) days each year. We reserve the right to charge Franchisee our then-current registration fee in connection with any conference conducted pursuant to this Section, and Franchisee will be solely responsible for all expenses incurred in attending such conferences.

11. We may offer optional virtual education opportunities on various topics, including Fitness Product and Sales, at our then-current rate for these education opportunities. We may increase these fees by up to 10% per year. We may add additional topics from time to time, and fees for these additional topics will be published in the Operations Manual or otherwise in writing. While these education opportunities are generally optional, we may require Franchisee to complete them if Franchisee has defaulted under this Agreement.

B. Website and Social Media Policy

We will provide to Franchisee a Burn Boot Camp® website which is a URL housed within the corporate website that may include interactive functionality and portals online for additional franchisee education, advertising, operational and support materials. Franchisee may customize parts of the website with our approval; however, the look must remain consistent as specified in the Operations Manual or otherwise in writing. Franchisee agrees and acknowledges that maintenance and any changes, edits or updates to the website and/or any promotions over the Internet must be performed by us, our affiliates and/or approved vendors. Upon approval of Franchisee request, which must be submitted in writing, Franchisee is responsible for the cost of such changes. Franchisee may neither establish nor use any Website without our prior written approval and if such approval is granted Franchisee must comply with our requirements regarding discussing, advertising or disseminating any information on a Website. Such approval may be revoked at any time by us in our sole and absolute discretion. We shall own all copyright and other intellectual property rights to the website, as well as the contents of the corporate website or any other Website upon expiration or termination of this Agreement as described in Section XXI.A, and this agreement constitutes a "work for hire." In the event that an arbitral panel or a court of competent jurisdiction holds that the customizations or contents are not works for hire, then the Franchisee agrees to assign all copyright and other intellectual property rights to the customizations to the Franchisor. The term "all copyright and other intellectual property rights" shall include ownership rights in all media, whether now known or hereinafter invented, by all means, methods, and processes, whether now known or hereinafter invented, including interactive rights and rights to derivate works.

You may conduct advertising without our written permission in Social Media as long as you comply with our social media policy. You must adhere to the social media policies that we establish from time to time, and must require your employees to do so as well. Use of social media, including any pictures that may be posted on, using or through one or more social media sites, must be in compliance with our Operations Manual and System standards, including our take-down policies.

C. Site Selection

We will review and grant or withhold our approval of locations selected by you for your Business, in the manner required by Section IX.R of this Agreement. You must use a real estate search consultant or broker that we have approved in advance to assist you in your real estate search.

D. Facility Layout and Design

Franchisor will provide Franchisee with guidelines of the layout and design of its Facility; however, Franchisee is required to hire its own architect to create a complete set of drawings based on the facility size and local permitting requirements. Franchisee's construction plans must comply with our standards and specifications and Franchisee must submit them to us prior to construction commencement for approval. We will notify Franchisee of our approval or disapproval within thirty (30) days after we receive Franchisee's request for approval plus all additional information and samples that we require. We may, at our option, re-inspect Franchisee's facility for compliance with our specifications and revoke our approval if the construction fails to meet any of our then-current criteria. Such drawings, plans and specifications are subject to alteration as may be necessary in our sole discretion and Franchisee must be in full and strict compliance with plans and specifications approved by us. Our approval of Franchisee's final set of drawings is not a representation or warranty that such drawings or plans will meet local permitting requirements or that such drawings or plans will not have to be revised or done over again in order to get final approval by local authorities. Approval is intended only to indicate that the Facility layout meets our minimum criteria. Franchisee agrees that our approval or disapproval of Franchisee's final set of drawings do not impose any liability on us. The costs of leasehold improvements, furniture, fixtures, exercise equipment, signage and décor for finishing out the Facility are the sole responsibility of the Franchisee. The Franchisee is also responsible for all lease negotiations.

We will make available, at no charge to Franchisee, and will advise Franchisee with regards to floor plans and mandatory specifications for the construction of a Burn Boot Camp® business, which includes the exterior and interior design. Franchisee acknowledges that Franchisee is responsible for all costs associated with architectural floor plans and all setup required for the Facility. Franchisee acknowledges that such specifications shall not contain the requirements of any federal, state or local law, code or regulation (including, without limitation, those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities). Franchisee must adhere to all local zoning ordinances, regulations, fire, health and building codes, compliance with all of which shall be Franchisee's responsibility and at Franchisee's expense. Franchisee shall adapt, at Franchisee's expense, the standard specifications to the Facility location, subject to Franchisor's approval, as provided in Section IX.S of this Agreement, which will not be unreasonably withheld, provided that such plans and specifications conform to our general criteria.

Franchisee understands and acknowledges that we have the right to modify the final set of drawings, architectural plans, floor plans, schematics and/or specifications as we deem appropriate, periodically; however, we will not modify the final set of drawings, architectural plans, floor plans, schematics and/or specifications for the Facility developed pursuant to this Agreement once those final set of drawings, architectural plans, floor plans, schematics and/or specifications have been approved by us and given to Franchisee.

E. Hiring Employees

You will have sole authority and control over the day-to-day operations of your Business and your employees and/or independent contractors. You agree to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will you or your employees be deemed to be our or our affiliates' employees. Failure of Franchisee to adhere to the requirement of criminal background checks for all prospective employees may be considered a breach of this Agreement and Franchisor may terminate, in its sole discretion, the Agreement, except where the Franchisee has reasonable cause to deviate from Franchisor's standards, as described in Section XX.C of this Agreement.

F. No Warranties Other Than in Writing

With respect to exercise equipment, Products, supplies and/or services (as described in Section IX.H) provided by us or our affiliates and/or any person/company referred/approved by us or our affiliates, other than specific written warranties expressly provided in connection with such items, such items are provided without any warranties, express or implied, the warranties of merchantability and suitability for a particular purpose being expressly disclaimed. In addition, we make no warranties regarding any open source code contained in any software that we may provide to the Franchisee. We do not warrant that any such software shall be free of bugs, viruses, worms, or Trojan horses.

We are not liable for any guarantee or warranty that Franchisee or any Owners, Lead Trainers or employees make to a Member or third party. Franchisee will fully comply with any customer service or Member loyalty programs. Franchisee will not misrepresent or omit or fail to state any warranty or guarantee to Members.

G. Operations Manual

We will make available to you in electronic form our proprietary and confidential Operations Manual and any other manual we may now or hereafter designate for use in operating a Business (collectively, the "Operations Manual"). We reserve the right to provide the Operations Manual to you solely electronically and not via hard copy. You must operate the Business in strict compliance with the Operations Manual, as it may be reasonably changed from time to time. The Operations Manual must remain confidential and our exclusive property. You agree that you will not disclose, duplicate or make any unauthorized use of any portion of the Operations Manual. The provisions of the Operations Manual constitute provisions of this Agreement as if fully set forth herein. You must ensure that your copy of the Operations Manual is current and up to date, and keep a copy of the Operations Manual on the Business's premises at all times. If there is a dispute relating to the contents of the Operations Manual, the master copy, which we maintain at our corporate headquarters, will control. We reserve the right to disclose updates to the Operations Manual via electronic means, including over our website or any intranet or extranet system established in connection with the System.

H. Selecting Vendors

We shall provide Franchisee with a written list of approved vendors and suppliers that may include or be limited to us or our affiliates for exercise equipment, Products, supplies and services (as described in Section IX.H) necessary for the operation of the Business. We will provide Franchisee with a list of all approved exercise equipment, Products, supplies and Services that Franchisee is authorized to use, offer or sell in the operation of its Business, and a written list of all approved vendors and suppliers to purchase such items from during the initial franchisee education program. Franchisee understands that such lists will be updated and may change periodically at our discretion and Franchisee agrees to implement such updates at Franchisee's expense as described in Section IX.H of this Agreement. Franchisee will be required to submit in writing alternate exercise equipment, Products, supplies, services, vendors or suppliers to us for approval as described in Section IX.H of this Agreement. Franchisee acknowledges that we may receive royalties and/or other payments from some or all of the approved vendors.

I. Availability of Exercise Equipment, Products and Supplies

We require that the Franchisee purchase exercise equipment, Products, supplies and Services from us, our affiliates or approved vendors and/or suppliers. We will provide Franchisee with a list of written specifications for such items along with a list of our approved vendors, and Franchisee is responsible for acquiring all such items as they are necessary for the operation of the Business. All items that are provided by us will be competitively priced, taking into account equivalent quality and other reasonable considerations.

We reserve the right to establish lower suggested retail prices on certain Services and Products from time to time based on competition prevalent within the fitness industry (as further described in Section Xvii.K). We shall publish inventory and Minimum Representation requirements in the Operations Manual and such requirements may be amended from time to time by us in our sole discretion.

We reserve the right to implement a centralized purchasing system for franchisees, to negotiate prices and terms with vendors and suppliers; and to receive rebates or other financial incentives from such purchases by franchisees. We may utilize such rebated funds in any manner it chooses in our sole discretion. We reserve the right to require franchisees to purchase all exercise equipment, Products, supplies and services through our proprietary business to business intranet portal.

J. Advertising and Promotion

We shall develop and provide creative materials that could be used for local and regional advertising and make such advertising and promotional materials available for publication or distribution in the Franchisee's market area at Franchisee's own expense. We will provide specific guidelines for advertising, marketing and promotions initiated by individual franchisees and shall reserve the right to disapprove any advertising, marketing and promotions, which, in our opinion, is not in accordance with these guidelines. However, no such approval shall be unreasonably withheld or denied. Immediately upon notification to do so, Franchisee shall discontinue any advertising that would, in our opinion, be detrimental to any franchisee or any part of the System, our trademarks, or the Franchise.

K. Suggested Rates & Pricing for Services and Products

We will provide Franchisee with guidance and suggested pricing for Services (including a written list of membership options) and Products offered by its franchisees. Franchisee shall have the right to offer Services and Products at any rate and price Franchisee may determine and we reserve the right to establish minimum and maximum pricing for any given Service or Product nationwide to the extent allowed by federal and state laws as explained in Sections IX.G of this Agreement. Suggested pricing for Services and Products may vary from region to region to the extent necessary to reflect differences in costs and other factors applicable to such regions. If Franchisee elects to offer any Service or Product at any price recommended by us, Franchisee acknowledges that we have made no guarantee or warranty that offering such Services or Products at the recommended prices will enhance Franchisee's sales or profits.

We will provide Franchisee with recommended procedures when accepting returns from Members for Products, in addition to sample set forms including policies, contracts, waivers, agreements, advertising, promotional and marketing materials, as well as various operational forms for use in the Business during the initial franchisee education program. We do not warrant the completeness, legality or enforceability of any agreements or forms. Franchisee must retain its own counsel to review and revise such agreements and forms to comply with applicable federal and state laws. At our discretion, any and all forms used by Franchisee shall be subject to our review and approval and our decision of such approval will be provided within thirty (30) days after such forms are received by us.

We will continue to research and develop new Services (including fitness programs, workout routines and membership options) and Products as we deem appropriate in our sole discretion. We may conduct market research and testing to determine consumer trends and salability of new Services and Products. If Franchisor chooses Franchisee, Franchisee will participate in a market research program to test marketing new Services and Products in the Business and provide us with timely reports and other relevant information regarding that market research. If Franchisee participates in any test marketing, Franchisee agrees to purchase, at Franchisee's expense, a reasonable quantity of products or services being tested and to effectively promote and make a good faith effort to offer and/or sell them.

Franchisee shall participate in and comply with all membership options, sales and promotional programs and/or product promotions established by us.

L. Assistance

After Franchisee signs this Agreement, we may review and comment on any business plan and pro-forma financial projections Franchisee prepares. We do not represent that we have any special expertise in reviewing or developing business plans, or that any business plan developed by us will result in any profits, revenues, incomes, margins, or sales. Our review and commentary of business plan or financial pro-forma is not a representation or warranty that the Franchisee's business will be profitable, that the Franchisee will earn any revenues, or that Franchisee's sales will attain any pre-determined sales levels. Our review and commentary is intended only to provide information sharing to Franchisee, and Franchisee agrees that such review and commentary does not impose any liability on us. Franchisee specifically acknowledges that we have not reviewed or commented on any business plan or pro-forma prior to the Effective Date of this Agreement.

XVIII. VARYING STANDARDS

Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, at our sole and absolute discretion and as we may deem in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular business or circumstance, business potential, demographics, density of population or trade area, existing business practices or any other condition which we deem to be of importance to the successful operation of such Business. Franchisee shall not have any right to object to a variation from standard specifications and practices granted to any other franchisee and shall not be entitled to require us to grant to Franchisee a like or similar variation, unless the laws of the Franchisee's state expressly require us to grant such a similar variation. Franchisee acknowledges that some present franchisees of Franchisor may operate under different forms of franchise agreements and, consequently, that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

XIX. RELOCATION, ASSIGNMENT, TRANSFER, SALE OR REPURCHASE OF FRANCHISED BUSINESS

A. Relocation

Any relocation (i) shall be to a location within the Territory, (ii) requires our prior written consent, which we may grant, condition or withhold in our business judgment (and may be withheld, in any case, if you are not in good standing), (iii) will be at your sole expense, (iv) will require that you (and each Owner, if an entity) sign a general release, (v) will require that you pay to us a relocation fee of $15,000. You may not relocate outside your Territory. If you desire to develop a gym at a location outside of your Territory, you must purchase a separate franchise and pay our then-current initial franchise fee.

B. General Requirements for Assignment by Franchisee

You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have entered into this Agreement in reliance on your personal attributes and financial capacity. You will not, without our prior written consent, by operation of law or otherwise, sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in you (if you are an entity) or this Agreement, nor offer, permit or suffer the same, without our prior, written consent. You agree that any attempted or completed sale, assignment, transfer, or other act referred to in this Section without our prior written consent will be null and void and will constitute a material

breach, which is good cause for immediate termination of this Agreement, without prior notice or opportunity to cure that material breach.

For purposes of this Agreement, each of the following will be deemed a transfer of this Agreement:

1. Any sale, assignment, transfer or other conveyance by you, with or without consideration, of any right or interest granted to you by this Agreement;

2. Any pledge, encumbrance or the granting of any security interest in any right or interest granted to you by this Agreement without our prior written consent;

3. Any sale of the assets of the Business outside of the ordinary course of business;

4. Any sale at judicial sale or under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance or security interest in this Agreement which results in disposition of all or any portion of your interest herein; or

5. If you are a corporation, partnership, limited liability company, unincorporated association or similar entity, the terms of this Section XIX will apply to any sale, resale, pledge, assignment, transfer or encumbrance of the voting stock of, membership interest, partnership interest, or other ownership interest in you.

If you wish to engage in any transfer described in this Section XIX, you must give written notice of the proposed transfer to us, setting forth in detail the nature of the items to be transferred, the name, address and background of the proposed transferee, the consideration for the transfer and any other information that we may reasonably require. Franchisee must submit for our review copies of the Asset Purchase Agreement or Ownership Purchase Agreement, all draft Promissory Notes, and Security Agreements, with the transferee, regardless of whether they are Franchisee financed or lender financed. After reviewing the notice, we will decide whether to grant our consent to such transfer, which consent will not be unreasonably withheld. We will condition our approval of the transfer upon the fulfillment of the following conditions:

1. Franchisee shall have substantially complied with all of the terms and provisions of this Agreement, any amendment hereof or successor hereto, or any other agreements between the Franchisee and our subsidiaries or affiliates and, at the time of transfer, shall not be in default and shall have paid in full all fees due and have settled all outstanding accounts with us, our affiliates and all suppliers;

2. The proposed transferee (if an entity then including its owners) must: meet our subjective and objective standards, including all quality standards, experience, talent, skills, educational, managerial, business and financial capacity; have the aptitude and ability to operate a Burn Boot Camp® business; have adequate financial resources and capital to operate the Business; and the transferee's Lead Trainer and Operations Manager must complete the initial franchisee education program to our satisfaction;

3. We have not exercised the right of first refusal pursuant to Section XIX.C) hereof;

4. The proposed transferee (or, if an entity, its owners, managers, directors or officers) must not operate a franchise, license another or operate businesses offering products and services similar to those offered by a Burn Boot Camp® Business;

5. Franchisee must pay us a transfer fee as follows:

a. $2,500, for partial transfers of ownership interests in the entity that is currently the franchisee under the Franchise Agreement so long as such transfer do not constitute a change in control of franchisee;
b. $12,500, if there is a change in controlling owner or a new franchisee or owner is entering the System for the first time; or
$10,000, for a transfer to an existing and fully trained Burn Boot Camp® franchisee or owner. In addition, if the transferee was already in our lead database at the time of first contact between Franchisee and the transferee, we may require Franchisee to pay a broker or referral fee.

6. Transferee must pay for and successfully complete our franchisee education programs then required of new franchisees and pay our then current franchisee education fees and any other expenses we incur prior to the effective date of the transfer;

7. If transferee is an existing franchisee acquiring an existing Burn Boot Camp® Business, transferee must complete our initial franchisee education programs then required of new franchisees within ninety (90) days from the effective date of the written assumption agreement;

8. Franchisee shall have executed a general release, in a form satisfactory to us, of any and all claims against us and our officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances;

9. The transferee (and, if an entity, its owners of a beneficial interest in the transferee as we may request) shall enter into a written assumption agreement, in a form satisfactory to us, assuming and agreeing to discharge all of Franchisee's obligations, known by transferee after reasonable inquiry, under this Agreement and/or any new franchise agreement;

10. The transferee must execute our then current form of Franchise Agreement for the remaining unexpired term of this Agreement, the terms of which may materially differ from the terms of this Agreement;

11. The transferee, at its expense, shall upgrade the Business to conform to the then-current standards and specifications of the System and shall complete the upgrading and other requirements within the time specified by us;

12. Franchisee must obtain and submit satisfactory evidence of transfer or consent of lenders, lessors and governmental authorities for all material permits, approvals and licenses;

13. The transferee shall agree to a sublease or to a transfer and assignment, and assumption of the lease of the Business from the original Franchisee and shall obtain the landlord's approval if required prior to any transfer or sublease, if applicable;

14. Franchisee must request that we provide the prospective transferee with our current form of disclosure document and we will not be liable for any representations not included in the disclosure document;

15. We will have the right to disclose to any prospective transferee such revenue reports and other financial information concerning the Business as you have supplied to us hereunder; and

16. In addition to all other grounds for rejection, we have the right to reject any proposed purchase of the assets of the Franchised Business or any type of ownership interest in the Franchisee or Franchised Business on the grounds that the proposed transferee has, in the sole opinion of the Franchisor taken on too much debt, or the

purchase price and the terms of the proposed transfer would be so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Business and performance under its franchise agreement.

C. Transfer, Sale or Assignment by Franchisor and Franchisor's Right of First Refusal

We have an unrestricted right to sell, transfer or assign our rights or obligations under this Agreement to any transferee or legal successor of ours.

If you have received and desire to accept a signed, bona fide offer from any third party to purchase any interest in any legal entity you create to operate the franchise (including any partnership, limited liability company or corporation), the Business or your interest in this Agreement, you must notify us in writing of each such offer. The notice must include a signed copy of the offer. We will have the right and option, exercisable within thirty (30) days after our receipt of the written notice, to give notice to you, in writing, that we intend to purchase the interest in the Business or your interest in this Agreement on the same terms and conditions offered by the third party. If the third party offers property, we will be entitled to offer cash or cash equivalents equal to the fair market value of the property. If we exercise our option the closing of the transaction will be within sixty (60) days from our dispatch of the notice of the exercise of its option. If we do not exercise our option but have not consented to the proposed transfer as required by Section XIX.B, and the terms of the offer from the third party go unaccepted, or if the offer from the third party is materially altered, or if the transaction is not consummated and closed within six (6) months with the same third party, this right of first refusal will again pertain and we must, in each instance, be notified in writing of terms of the offer and will again have thirty (30) days from the date of our receipt of the notice, to notify you that we intend to purchase on such modified terms. If we fail to exercise this option, the terms of this Section will govern any subsequent transfer.

If we elect to exercise our option, we must receive, and Franchisee agrees to provide, all customary representations and warranties given a seller of assets of a similar business or the ownership interests in a similar legal entity, as applicable, including, but not limited to, representations and warranties regarding:

(i) Ownership and condition of and title to ownership interests and/or;

(ii) Liens and encumbrances relating to ownership interests and/or assets;

(iii) All exercise equipment, products, supplies, computers, software, sound system, security system and other such equipment necessary to operate the Business is in good working condition and suitable for use;

(iv) No litigation or administrative proceedings pending against the Franchisee, or any of its officers, directors, or Owners arising out of the Franchisee's Business;

(v) No notices from any federal, state, or local governmental authority to make any changes to the Business or that negatively affect it; and

(vi) No tax or employee claims or issues.

D. Transfer upon Death or Mental Incapacity

Upon the death or mental incapacity of any person with an interest in the Business, the executor, administrator, or personal representative of that person must transfer his interest to a third party approved by us within six (6) months

after death or mental incapacity. These transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same restrictions and conditions as any inter vivos transfer. However, in the case of a transfer by devise or inheritance, if the heirs or beneficiaries of any deceased person are unable to meet the conditions of this Agreement, the personal representative of the deceased Franchisee shall have six (6) months to dispose of the deceased's interest in the Business, which disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within six (6) months, we may terminate this Agreement.

Upon the death of the Franchisee, or if an entity an Owner who owns more than twenty percent (20%) or more of the Business or in the event of any temporary or permanent mental or physical disability of the Principal, an Operations Manager or a Lead Trainer shall be employed for the operation of the Business who has successfully completed our initial franchisee education program to operate the Business for the account of Franchisee. If after the death or disability of the named Owner, the Business is not being managed by such trained Operations Manager or Lead Trainer, we are authorized to appoint a manager or a Lead Trainer to maintain the operation of the Business until an approved transferee will be able to assume the management and operation of the Business, but in no event for a period exceeding ninety (90) days without the approval of the personal representative of the named Owner; such manager or Lead Trainer shall be deemed an employee of the Franchisee. All funds from the operation of the Business during the period of management by such appointed or approved manager or Lead Trainer shall be kept in a separate fund and all expenses of the Business, including compensation of such Operations Manager or Lead Trainer, other costs and travel and living expenses of such appointed or approved manager or Lead Trainer, shall be charged to such fund. As compensation for the management services provided, in addition to the fees due, Franchisor shall charge Franchisee a fee of no more than three percent (3%) of the Gross Revenue derived during Franchisor's period of management, provided that Franchisor shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee, the named Owner or personal representative, or any person or entity having an interest therein for any debts, losses or obligations incurred by the Business, or to any creditor of Franchisee or the named Owner during any period in which it is managed by a Franchisor-appointed or approved manager.

Within thirty (30) days after the effective date of legal transfer of the franchise to Franchisee's heirs or successors or the heirs or successors of Franchisee's Owners, the heirs or successors must notify us in writing and make application for approval of such transfer. The application for such transfer is subject to the same conditions, procedures and costs as any other transfer, including, without limitation, payment of the transfer fee.

XX. **TERMINATION OF FRANCHISE**

A. Automatic Termination. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

1. Voluntary Bankruptcy. If you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Business.

2. Involuntary Bankruptcy. If proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for you or the Business without your consent, and the appointment is not vacated within sixty (60) days.

3. Unauthorized Transfer. You purport to sell, transfer or otherwise dispose of any entity you create to operate the Business or any interest in the Business in violation of Section XIX hereof.

B. Termination of Franchise Without Right to Cure.

Notwithstanding the foregoing, Franchisee shall be deemed to be in breach and we, at our option, may terminate this Agreement and all rights granted under it without affording Franchisee any opportunity to cure the breach, effective immediately upon Franchisor notifying Franchisee in writing of such breach, if Franchisee or any of its Owners does any of the following:

1. Fails to secure a lease and/or fails to open the Business within the time limits as provided in Section VI above (or otherwise required by the applicable area development agreement, if any);

2. Fails to attend and satisfactorily complete the initial franchisee education program before Franchisee starts accepting memberships or anticipates opening of the Business for operation (whichever comes first and as described in Section IX.T);

3. Attends the initial franchisee education program and we determine, in our sole discretion, that the Franchisee, its Owners, its Operations Manager or Lead Trainer has failed the initial franchisee education program and does not appoint another Lead Trainer to attend, or another Lead Trainer appointed by Franchisee fails the initial franchisee education program and/or is deemed not qualified to manage a Burn Boot Camp® business (as described in Section XVII.A);

4. Voluntarily or otherwise abandons the Business. The term "abandon" includes any conduct which indicates a desire or intent to discontinue operating the Business in accordance with the terms of this Agreement and will apply in any event if you fail to operate the Business as a Burn Boot Camp business for a period of two (2) or more consecutive days without our prior written approval;

5. Fails or refuses, on more than three (3) occasions during the term of this Agreement, to submit when due any financial statement, tax return or schedule or to pay when due Royalty Fees, or any other payments due to us or our affiliate;

6. Operates the Business in a manner that presents a safety, health or environmental hazard to Members, violates any federal, state, or local law, rule, regulation or ordinance (which includes failure to use its best efforts when hiring employees, including taking every action required by applicable laws related to criminal background checks for all prospective employees.);

7. Fails, for a period of fifteen (15) days (or such lesser period as required by applicable law) after notification of violation or non-compliance by us or any appropriate authority, to comply with any federal, state or local law, ordinance or regulation applicable to the operation of a Burn Boot Camp® Business;

8. Violates any environmental, health, safety or sanitation law, ordinance or regulation, or operates the Business in an unsafe manner, and does not begin to cure the violation immediately and to correct the violation within seventy-two (72) hours after Franchisee receives notice from us or another party;

9. Makes a material misrepresentation or omission on the application for the Franchise (or Area Development Agreement as applicable);

10. Discloses or divulges, to any unauthorized person, the contents of the Operations Manual, training or education materials or any other Confidential Information provided to Franchisee by us;

11. Fails to comply with modifications to System standards as required by us within a ninety (90) day period from the time of written notice by us;

12. Engages in any other activity, which has a material adverse effect on us or the Names and Marks;

13. Makes or allows any unauthorized use or copy of our Confidential Information, Marks, Proprietary Products and/or Software (if developed) or seeks to challenge our ownership rights in the System, including our Confidential Information, Marks, Proprietary Products and/or Software;

14. Engages in any activity to translate, reverse engineer, reverse compile, disassemble or create derivative works based on our Confidential Information, Proprietary Products and/or Software (if developed);

15. Manufactures or produces any exercise equipment or product that is similar to, or competes with any of Franchisor's Products, Proprietary Products, third party exercise equipment or products used or offered in the Business without the advanced written consent of the Franchisor;

16. Engages in activity to distribute, act as an exclusive distributor of or secure exclusive rights to distribute any exercise equipment, Products, Proprietary Products, third party exercise equipment or other products without our written consent;

17. Engages in activity to sublicense, rent, lease, sell, distribute or otherwise transfer our Confidential Information and/or Software or any portion thereof, or any rights therein, to any person or entity;

18. Exhibits a reckless disregard for the physical or mental well-being of employees, Members, us or our representatives, or the public at large, including battery, assault, sexual harassment or discrimination, racial harassment or discrimination, alcohol or drug abuse or other forms of threatening, outrageous or unacceptable behavior as determined in our sole and absolute discretion;

19. Fails or refuses to: (i) offer, modify, change or discontinue any Service, Product or Proprietary Product as Franchisor specifies; (ii) cease using and/or remove or replace any exercise equipment, Product, Proprietary Product or other items necessary for the operation of the Business deemed to constitute a violation of this Agreement by us; (iii) maintain all computers, tablets and sound systems as specified by Franchisor; (iv) execute and perform Services (including all fitness programs and workout routines) according to our standards; and/or (v) purchase or use the exercise equipment, Products, supplies, and services as specified by us or purchase such items from us, our affiliates or approved vendors and suppliers (as specified in Sections IX.H of this Agreement);

20. Sells Products and/or exercise equipment (if we authorize Franchisee to sell exercise equipment in the future) on the Internet or Websites (or any other alternative channel of distribution) without our written permission;

21. Engages in Target Marketing to solicit and obtain Members by any type of advertising or marketing outside Franchisee's assigned Territory, or fails or refuses to refer off-site events or Members to other franchisees or company-owned businesses (as described in Section III) more than twice during the Term;

22. Uses the Names and Marks or any part thereof in any form on the Internet, including but not limited to, addresses, domain names, URLs, Websites, links, metatags, locators, search techniques and co-branding arrangements, without Franchisor's prior written consent;

23. Is convicted of a felony or has pleaded nolo contendere to a felony, is arrested or convicted on charges relating in any way to the possession or use of illegal drugs, controlled substances or steroids or is charged and convicted of a crime of moral turpitude;

24. Engages in unfair business practices or unethical conduct, whether arising out of this Agreement or any Area Development Agreement, if applicable;

25. Fails to discharge, within a reasonable time, any valid lien placed against the property of the Business;

26. If execution is levied against Franchisee's Business or property or against any ownership interest in Franchisee;

27. If any real or personal property of Franchisee's Business shall be sold after levy by any sheriff, marshal, or constable;

28. If in material violation of the terms of Sections IX, XII, XIII, XVI, and/or XXII;

29. If Franchisee maintains false books or records, or submits any false reports to us;

30. If any inspection of Franchisee's records discloses an under-statement of payments due to us of two percent (2%) or more, two or more times in any two (2) year period;

31. If Franchisee's Business has six (6) or more material complaints reported to a governmental entity or other public forum (material complaints are determined in Franchisor's sole and absolute discretion) with respect to the Business in any twelve (12) month period;

32. Breaches any term or provision of this Agreement or any related agreement: (i) three (3) or more times during any twelve (12) month period (regardless of whether or not cured and regardless of whether the each default relates to the same or different provisions of the Agreement or related agreement); or (ii) five (5) or more times during the term (regardless of whether or not cured and regardless of whether the each default relates to the same or different provisions of the Agreement or related agreement);

33. Fails to achieve $40,000 in monthly Gross Revenues for a rolling 12-month period after being in operation for at least two (2) years;

34. Fails to actively and continuously use best efforts to operate the Business during the term; or

35. Fails to cooperate in a respectful, courteous and commercially reasonable manner with Franchisor, Franchisor's employees, independent contractors, agents or representatives, or any Burn Boot Camp® franchisee.

C. Termination upon 30 Days' Notice to Cure. We have the right to terminate this Agreement if Franchisee fails to perform or comply with any one or more of the terms or conditions of this Agreement, the Operations Manual, or any other agreements between Franchisee and us or our affiliates, and Franchisee fails to cure such default within thirty (30) days after receiving written notice from us.

D. General Effect of Termination. On termination or expiration, all of Franchisee's post-termination obligations, including covenant not to compete, non-disclosure, return of the Operations Manual and other proprietary materials, and indemnity, will remain in force and effect. If this Agreement terminates for any reason prior to its expiration date, Franchisor will be entitled to its average royalties and other fees for either the remaining of the term of this Agreement or two (2) years (whichever comes first) and to all other applicable remedies. Average royalties will be calculated using the total Gross Revenue of the Business for the final twelve (12) months of operations.

E. Territory Alteration as an Alternative to Termination. If you are in default of the Franchise Agreement, as an alternative to termination, we may modify or completely eliminate any rights that you may have with respect to exclusivity in the Territory, effective ten (10) days after delivery of written notice to you. In addition, we may modify or completely eliminate your Territory.

F. Step in Rights. In addition to our right to terminate this Agreement, and not in lieu of such right, or any other rights, we may have against Franchisee, upon a failure to cure any default within the applicable time period (if any), we have the right, but not the obligation, to enter the Business's premises and exercise complete authority with respect to the operation of the Business until such time as we determine, in our sole discretion that the default has been cured, and Franchisee is otherwise in compliance with this Agreement. All funds from the operation of the Business during the period of management by Franchisor or such appointed or approved manager or Lead Trainer shall be kept in a separate fund and all expenses of the Business, including compensation of such Operations Manager or Lead Trainer, other costs and travel and living expenses of such appointed or approved manager or Lead Trainer, shall be charged to such fund. As compensation for the management services provided, in addition to the recurring fees due, Franchisor shall charge Franchisee a fee of no more than fifteen percent (15%) of the Gross Revenue derived during Franchisor's period of management. If we undertake to operate the Business pursuant to this Section, Franchisee agrees to indemnify and hold us (and our representative(s) and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of our operation of the Business.

XXI. FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. Effect of Termination. Upon termination of this Agreement, regardless of the cause, or upon expiration and nonrenewal or transfer of this Agreement, you must, at your expense, comply with all of the following:

1. Immediately cease operations under this Agreement;

2. Immediately pay us and our affiliates, and approved and designated suppliers all monies owed;

3. Immediately discontinue use of the Proprietary Marks;

4. Prior to termination, comply with Franchisor's policies and procedures for contacting Members, and repayment of Members, upon closure, as outlined in the Operations Manual and use its best, commercially reasonable efforts to cooperate with Franchisor in connection with same;

5. Upon our request, within five (5) days of our request, assign to another franchisee, company-owned business or to Franchisor any of the membership agreements Franchisee has with its Members for re-assignment;

6. Immediately return the Operations Manual and all other Proprietary Materials and Confidential Information loaned to you, and immediately and permanently cease the use of such information and materials;

7. Immediately cease using all telephone numbers, web sites (if any), and listings used in connection with the operation of the Business, and direct all telephone agencies and listing companies to transfer all numbers and listings to us or our designee pursuant to the conditional Assignment of Telephone Numbers attached hereto as Schedule 3 or, if we direct, to disconnect the numbers within fifteen (15) calendar days of termination or expiration of this Agreement;

8. If we exercise our rights pursuant to the Collateral Assignment of Lease attached as Schedule 6 to this Agreement, arrange for the transfer of the Lease to us within fifteen (15) calendar days of the termination or expiration of this Agreement and vacate the premises;

9. Immediately surrender all stationery, printed matter, signs, advertising materials and other items containing the Proprietary Marks and all items which are a part of the trade dress of the System immediately, as we direct, no later than five (5) calendar days after the termination or expiration of this Agreement;

10. Immediately cease to hold yourself out as a System franchisee;

11. Take such action as will be necessary to amend or cancel any assumed name, business name or equivalent registration which contains any trade name or other Proprietary Mark we licensed to you and furnish us with satisfactory evidence of your compliance with this obligation within fifteen (15) calendar days after the termination, expiration or transfer of this Agreement;

12. Permit us to make a final inspection of your financial records, books, and other accounting records within one (1) month of the effective date of termination, expiration, or transfer;

13. Comply with all of the provisions of this Agreement that survive, expressly or impliedly, the Term, including your covenants to maintain the confidentiality of the Confidential Information, covenant against competition, and your indemnity obligations, all of which will survive the transfer, termination or expiration of this Agreement;

14. Cease to use in advertising or in any other manner, any methods, procedures or techniques associated with us or the System; and

15. Execute from time to time any necessary papers, documents, and assurances to effectuate the intent of this Section.

B. Franchisor May Purchase Assets

Upon the termination or expiration of this Agreement, we or any party we designate will also have the option, but not the obligation, to purchase any personal property used in connection with operation of your Business by providing you with written notice of our election within ten (10) calendar days after such termination or expiration and paying you the book value for such personal property within sixty (60) calendar days of such notice. For purposes of this paragraph, "book value" means the amount you actually paid for the personal property less depreciation (calculated by using the straight-line depreciation method on a five (5) year depreciation schedule, irrespective of the depreciation method or schedule you use for accounting purposes). Notwithstanding the foregoing, to the extent that we exercise our right to purchase any personal property that is subject to a lease or finance agreement, the purchase price will be net of the the remaining amounts due under the lease agreement or financing arragement, including prepayment penalties. We will be entitled to offset the purchase price by amounts you owe to us and any payments necessary to acquire clear title to property or for any other debt. If we exercise our option to purchase, pending the closing of such purchase, we have the right to

appoint a manager to maintain the operation of the Business, or we may require you to close the Business during such period without removing any assets. You are required to maintain in force all insurance policies required under this Agreement until the date of such closing. We have the unrestricted right to assign this option to purchase the Business. We will be entitled to all customary warranties and representations in connection with our purchase of your property, including, without limitation, representations and warranties as to ownership and condition of and title to the property; liens and encumbrances on the property; validity of contracts and agreements; and liabilities affecting the property, contingent or otherwise. We may exclude from the personal property purchased under this Section cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Business's operation or that we have not approved as meeting standards for the Business.

C. Damages, Costs, and Expenses.

In the event of termination for any default by you, you will promptly pay us for all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of the default, which obligation will give rise to and remain, until paid in full, a lien in favor of us against any and all of your personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Business.

D. Savings Clause.

To the extent that it is determined by any court or any other tribunal having jurisdiction over the subject matter of this Agreement that any provision of this Agreement provides for notice less than that required by applicable law, or provides for termination, cancellation or non-renewal other than in accordance with applicable law, such provision, to the extent that it is determined by such court or other tribunal to be not in accordance with applicable law, will be deemed to be modified to the extent that such court or other tribunal determines to be necessary to bring such provision into accordance with applicable law.

E. Liquidated Damages.

If we terminate this Agreement as a result of your default or this Agreement is otherwise terminated prior to the expiration date besides by mutual agreement, you shall pay to us an amount equal to the lesser of 24 or the number of months remaining in the term multiplied by the average monthly Royalty Fees and System Brand Fees accrued during the 12-month period before the month of termination (or, if your Business has been open less than 12 months, during the period during which the Business has been open) (the "Liquidated Damages") on or before thirty (30) days following the termination thereof. The parties intend that the Liquidated Damages constitute compensation, and not a penalty. The parties acknowledge and agree that the harm caused by early termination of this Agreement would be impossible or very difficult to accurately estimate as of the Effective Date, and that the Liquidated Damages are a reasonable estimate of the anticipated or actual harm that might arise from early termination of this Agreement. Your payment of the Liquidated Damages is not your sole liability with respect to early termination of this Agreement.

F. Holdover Fee.

If you continue to operate the Business after the termination or expiration of this Agreement, we may charge you a holdover fee in the amount of $1,000 per month, in addition to any other rights or remedies we may have under this Agreement, or otherwise at law or equity, related to your unauthorized operation of the Business.

XXII. **PROVISIONS RELATING TO ENFORCEMENT**

A. Franchisee May Not Withhold Payments Due Franchisor

Franchisee agrees that Franchisee will not withhold payments of any Royalty Fees, System Brand Fees or any other amounts of money owed to Franchisor for any reason, on grounds of alleged nonperformance by Franchisor of any obligation. The Franchisee has no right of offset, or set off to any amounts due and owing to the Franchisor.

B. Severability

Each section, part, term or provision of this Agreement is severable, and if, for any reason, any section, part, term or provision of this Agreement is deemed to be invalid and contrary to, or in conflict with, any existing or future law, decision, ruling or regulation of a court or agency having valid jurisdiction, that will not impair the operation or affect the remaining portions, sections, parts, terms or provisions of this Agreement, and the latter will continue to be given full force and effect and bind you and us, and the invalid sections, parts, terms or provisions will not be a part of this Agreement.

C. Internal Dispute Resolution.

You must first bring any claim or dispute between you and us to our President and Chief Executive Officer, after providing notice as set forth in Section XXII.K below. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

D. Mediation

At our option, all claims and disputes between you and us arising out of this Agreement, or any other agreement by and between you and us or our affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth in Section XXII.C. above, must be submitted first to mediation, in Mecklenburg County, North Carolina, under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. We will have a period of thirty (30) days following receipt of such notice within which to notify you whether we or our affiliates elects to exercise our option to submit such claim or dispute to mediation. You may not commence any action against us or our affiliates with respect to any such claim or dispute in any court unless we fail to exercise our option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of our written declaration. Our rights to mediation, as set forth herein, may be specifically enforced by us. Each party will bear its own cost of mediation and you and us will share mediation costs equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties agree that there will be no class action mediation. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section XXII.D if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

(1) Any federally protected intellectual property rights in the Proprietary Marks, the System, Proprietary Materials, Proprietary Software, or in any Confidential Information;

(2) Any claims pertaining to or arising out of any warranty issue;

(3) Any of the restrictive covenants contained in this Agreement; or

(4) Any claims to collect past due amounts owed to us or our affiliates.

E. Selection of Venue.

Nothing contained in this Agreement will prevent us from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect our interests. The parties expressly agree to the jurisdiction and venue of any court of general jurisdiction in or near Mecklenburg County, North Carolina and the exclusive jurisdiction and venue of the United States District Court for the Western District of North Carolina. You acknowledge that this Agreement has been entered into in the State of North Carolina, and that you are to receive valuable and continuing services emanating from our headquarters in North Carolina, including but not limited to franchisee education, assistance, support and the development of the System. In recognition of such services and their origin, you hereby irrevocably consent to the personal jurisdiction of the state and federal courts of North Carolina set forth above. The parties agree that all proceedings will be conducted on an individual, not a class-wide basis, and that any proceeding between you, your Owners or your Principals, on the one hand, and we or our affiliates or employees, on the other hand, may not be consolidated with any other proceeding between us and any other person or entity.

F. Rights of Parties are Cumulative

The rights of Franchisor and Franchisee are cumulative, and the exercise or enforcement by Franchisor or Franchisee of any right or remedy shall not preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled by law to enforce by the provisions of this Agreement or of the Operations Manual. Nothing in this Agreement bars Franchisor's right to obtain injunctive relief against threatened conduct that may cause it loss or damage, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

G. Injunctive Relief

Nothing in this Agreement will prevent us from seeking to obtain injunctive relief, without posting a bond, against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions. If injunctive relief is granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incurred as a result of the wrongful issuance.

H. Choice of Law

This Agreement will be governed by and construed in accordance with the laws of the State of North Carolina (without reference to its conflict of laws principles).

I. Attorneys' Fees

If you are in breach or default of any monetary or non-monetary material obligation under this Agreement or any related agreement between you and us or our affiliates, and we engage an attorney to enforce our rights (whether or not formal judicial proceedings are initiated), you must pay all reasonable attorneys' fees, court costs and litigation expenses we incur. If you institute any legal action to interpret or enforce the terms of this Agreement, and your claims in such an action are denied or the action is dismissed, we are entitled to recover our reasonable attorneys' fees, and all other

reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

J. Third Party Beneficiaries

Our officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of the provisions of this Agreement, including the mediation provision set forth in this Section, each having authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by you.

K. Prior Notice of Claims

As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, you must notify us within thirty (30) days after you are aware or reasonably should be aware of the violation or breach, and failure to timely give such notice will preclude any claim for damages.

L. Limitation of Action

You further agree that no cause of action arising out of or under this Agreement may be maintained by you against us unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us hereunder, whichever occurs sooner, and that any action not brought within this period will be barred as a claim, counterclaim, defense, or set-off. You hereby waive the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by us, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

M. Waiver of Punitive Damages

You hereby waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that, in the event of a dispute, your recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

N. Jury Trial Waiver

THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

O. Binding Effect

This Agreement is binding upon the parties hereto and their respective permitted assigns and successors in interest. Nothing in this Agreement is intended to confer any rights or benefits on anybody other than the parties to this Agreement and their permitted successors and assigns.

P. Entire Agreement/Integration/No other Agreements/Manual(s) May Change

This Agreement and the exhibits to this Agreement constitute the final, complete and exclusive agreement of the parties with respect to the subject matter hereof and supersedes and merges all prior discussions between the parties. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you. No amendment to this Agreement shall be binding on either party unless mutually agreed to by the parties in writing. The Operations Manual may be amended at any time by Franchisor, and Franchisee shall adapt its methods or procedures to comply with the requirements thereof.

Q. Force Majeure

Except for monetary obligations or as otherwise specifically provided in this Franchise Agreement, if either party to this Agreement shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other causes beyond the reasonable control of the party required to perform such work or act under the terms of this Agreement through no fault of such party, then performance of such act shall be excused for the period of the delay, but in no event to exceed ninety (90) days from the stated time periods as set forth in this Franchise Agreement.

R. No Personal Liability.

You agree that fulfillment of any and all of our obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be our sole responsibility and none of our agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason. This is an important part of this Agreement.

XXIII. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, email or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

XXIV. COUNTERPARTS

This Agreement and any amendments or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which counterparts together shall constitute but one and the same instrument. This Agreement shall become effective upon the execution of a counterpart hereof by both of the parties hereto.

XXV. TIME IS OF THE ESSENCE

Time is of the essence. The parties to this Agreement hereby agree that time is of the essence with respect to each of their respective duties and obligations under this Agreement.

XXVI. APPROVALS AND WAIVERS

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefore, and such approval or consent shall be obtained in writing.

Franchisor makes no warranties or guarantees, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee or in connection with any consent, or by reason of any neglect, delay, or denial of any request thereof.

No failure of Franchisor to exercise any power reserved to it by this Agreement or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. Waiver by Franchisor of any particular default or breach by Franchisee shall not affect or impair Franchisor's rights with respect to any later default or breach of the same, similar or different nature, nor shall any delay, forbearance, or omission, breach or default by Franchisor to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

XXVII. AUTHORITY

Franchisee or, if Franchisee is a corporation, limited liability company or partnership, the individuals executing this Agreement on behalf of such corporation, limited liability company or partnership, warrant to Franchisor, both individually and in their capacities as Owners, partners, members, shareholders, directors and officers, that all of them as the case may be, have read and approved this Agreement, including the restrictions which this Agreement places upon their right to transfer their respective interests in such entity as set forth in Section XIX.

Signatures appear on the following page.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Kline Franchising, LLC Franchise Agreement in duplicate on this date_____/_____20____.

FRANCHISOR:

Address for Notices:
Kline Franchising, LLC
17036 Kenton Dr., Suite 100, Cornelius, North Carolina 28031
Telephone: 1-833-289-2876
Email:Franchisedevelopment@burnbootcamp.com
Attn: Amber Burke

KLINE FRANCHISING, LLC

Signed: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE:

[_____]

Address for Notices:

_____

_____

Telephone:

_____

Email:

_____

Attn:

_____

Signed: _____

Name: _____

Date: _____

Signed: _____

Name: _____

Date: _____

Signed: _____

Name: _____

Dated: _____

SCHEDULE 1
KLINE FRANCHISING, LLC
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEPOSIT)

BY AND BETWEEN KLINE FRANCHISING, LLC AND_____ ("FRANCHISEE") DATED _____20___.

The undersigned depositor ("DEPOSITOR") hereby authorizes Kline Franchising, LLC ("COMPANY") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("DEPOSITORY") to debit such account pursuant to COMPANY's instructions.

_____	_____
DEPOSITORY	Branch
_____	_____
Address	City, State and Zip Code
_____	_____
Bank Transit/ABA Number	Account Number

This authority is to remain in full force and effect until DEPOSITORY has received joint written notification from COMPANY and DEPOSITOR of the DEPOSITOR's termination of such authority in such time and in such manner as to afford DEPOSITORY a reasonable opportunity on which to act. If an erroneous debit entry is initiated to DEPOSITOR's account, DEPOSITOR shall have the right to have the amount of such entry credited to such account by DEPOSITORY, if (a) within 15 calendar days following the date on which DEPOSITORY sent to DEPOSITOR a statement of account or a written notice pertaining to such entry or (b) 45 days after posting, whichever occurs first, DEPOSITOR shall have sent to DEPOSITORY a written notice identifying such entry, stating that such entry was in error and requesting DEPOSITORY to credit the amount thereof to such account. These rights are in addition to any rights DEPOSITOR may have under federal and state banking laws.

_____
DEPOSITOR

By: _____

Title: _____

Date: _____

SCHEDULE 2
KLINE FRANCHISING, LLC
PRE-EXISTING BUSINESSES

As a condition precedent to the effectiveness of the Franchise Agreement and in consideration of the terms and conditions of the Franchise Agreement, Franchisee represents and warrants to Franchisor as follows:

1. Individually and as an entity owned by [Franchisee and or affiliates of Franchisee], Franchisee currently operates a business known as _____ ("Pre-Existing Business").

2. Any and all existing franchise agreements, stockholder agreements, partnership agreements, option agreements or any other third-party rights relating to the Pre-Existing Business, do not contain any covenants, terms and conditions which do now, or may in the future, prohibit the execution of the Franchise Agreement and the participation of any of the Owners, managers or employees of the Franchisee in the Franchised Business; and

3. Other than the consents of Franchisee and Franchisor there is no other third-party consent required for the acquisition of the franchise to be legally binding and effective; and

4. There are no existing restrictive covenants, other than those which the Pre-Existing Business has waived, binding on Franchisee or any of its partners, owners, agents, representatives or employees that would be breached by the acquisition and operation of the Franchised Business obligations of Franchisee to Franchisor; and

5. The Pre-Existing Business provides the following goods and services to its Members at the following locations:

5.1 Goods and services of Pre-Existing Business(es)
_____
_____
_____.

5.2 Location(s) of Pre-Existing Goods Business(es)
_____
_____
_____.

and from the date hereof will continue to operate as [an independent organization] and shall not carry out any other businesses directly or indirectly competing with the Franchised Business, and

6. Franchisee shall convert the entire Pre-Existing Business into the Franchised Business and shall hence forth operate that business as Franchised Business under the trade name "Burn Boot Camp®"; and

7. Franchisee agrees that any business currently operated or to be operated by any affiliate of Franchisee outside of the Franchised Business which later becomes a part of the Franchised Business shall be folded into the Franchised Business after notice and approval by Franchisor, and

8. Franchisee shall indemnify, defend and hold harmless Franchisor and its affiliates, against all losses, costs, proceedings, judgments, liabilities, expenses, court costs, and reasonable fees of attorneys and other professionals, arising out of or resulting from any breach of the representations and warranties set out in this Exhibit or in connection with any willful or negligent act or omission of Franchisee or Franchisee's employees or agents,

including but not limited to such act or omission that contributes to any economic damage, bodily injury, sickness, disease or death. This indemnity shall survive termination of the Franchise Agreement.

FRANCHISEE

Signed:_____

Printed Name :_____

Title:_____

Date:_____

SCHEDULE 3

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

The undersigned _____, doing business at _____ ("Assignor"), in exchange for valuable consideration provided by Kline Franchising, LLC ("Assignee"), the receipt of which is hereby acknowledged hereby:

1. Conditionally assigns to Assignee all current and future telephone numbers, cell phone numbers, fax numbers, and all listings including, but not limited to telephone book, Google, Yahoo, Craigslist and other online listings utilized by Assignor in the operation of its Business at Assignor's above-referenced address.

2. This conditional agreement will become effective automatically upon termination, transfer, expiration, or nonrenewal of Assignor's franchise agreement for any reason.

3. Assignor agrees to pay the telephone company on or before the effective date of assignment all amounts owed for the use of the telephone number(s) and listings. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company and/or listings providers to effectuate this agreement, and agrees to fully cooperate with the telephone company or listing provider and Assignee in effectuating this assignment.

4. Assignor hereby appoints Assignee as its attorney-in-fact to execute and file any such documentation and to do all other lawful acts as are necessary to effectuate the forgoing.

ASSIGNOR:

By: _____ Date: _____

Print Name: _____

Title: _____

ASSIGNEE:

KLINE FRANCHISING, LLC

By: _____ Date: _____

Print Name: _____

Title: _____

SCHEDULE 4
KLINE FRANCHISING, LLC
FRANCHISE AGREEMENT: INDIVIDUAL GUARANTY
(USE FOR CORPORATE, PARTNERSHIP OR OTHER ENTITY FRANCHISEE)

The undersigned persons (individually and collectively, "Guarantor") hereby represent to Kline Franchising, LLC ("Franchisor") that you are all of the Principals (as that term is defined in the Franchise Agreement) of _____ ("Franchisee").

1. Guarantor, individually and on behalf of his or her martial community, agrees to personally and unconditionally guarantee the performance of Franchisee under the Franchise Agreement and to perform all obligations under this Agreement on default by Franchisee. The undersigned further agree to pay any judgment or award against Franchisee obtained by Franchisor. Guarantors are also bound by covenants of the Agreement that by their nature or terms survive the expiration or termination of the Agreement, including but not limited to non-competition, indemnity and non-disclosure provisions.

2. During the term of this Agreement, Guarantor will receive information which Franchisor considers a trade secret and confidential information ("Confidential Information"). Guarantor will not disclose or use at any time, whether during the terms of this Agreement or thereafter, any Confidential Information, without limitation, confidential matters, trade secrets, information regarding specific methods and techniques when executing Franchisor's workout routines; fitness programs, membership options, membership lists, nutrition programs, exercise equipment, products and operational procedures; relationships with vendors and suppliers, purchasing strategies, sales techniques and methods; Franchisor's build out and design specifications with unique décor, color scheme and signage; advertising, sales and promotional programs; promotional advertising and marketing materials; cost and pricing strategies, procedures for safety and quality control, our website, software, applications for mobile devices, forms, contracts, record keeping and reporting procedures, proprietary information conceived, originated, discovered, or developed by Franchisee or by any employee or independent contractor of Franchisee which is not generally known in the trade or industry about Franchisor's Services or Products, including information relating to discoveries, ideas, production, purchasing, accounting, engineering, website development and design, marketing, merchandising or selling of Services and Products.

3. During the term of the Franchise Agreement, neither Guarantor nor your nor any member of Guarantor's immediate family may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

    (a) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any other business or entity which operates or licenses others to operate a business that offers fitness, wellness, health, weight loss, body conditioning, or any other business offering products and services offered or authorized for sale by System franchisees (a "Competing Business"); provided, however, that this Section does not apply to your operation of any other Business under Franchisor's System; or

    (b) Solicit the Business's Members or customers or contact any of our suppliers or vendors for any competitive business purpose.

4. For a period of two (2) years after the expiration, nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Guarantor nor any member of Guarantor's immediate family or may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

    (a) Enter into any business competing in whole or in part with us by granting franchises or licenses for businesses which offers fitness, wellness, health, weight loss, body conditioning, or any other business offering products and services offered or authorized for sale by System franchisees at the time this Agreement is terminated or otherwise expires and is not renewed;

    (b) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any Competing Business: (i) at the Accepted Location premises; (ii) within the Territory; or (iii) within a ten (10) mile radius of (a) the Territory being granted hereunder or (b) any other Territory licensed by us as of the date of expiration or termination of this Agreement;

    (c) Solicit the Business's Members or customers or contact any of our suppliers or vendors for any competitive business purpose.

5. It is the parties' intent that the non-competition provisions of Sections 3 and 4 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein will not render any other part unenforceable. In the event of the actual or threatened breach of this Sections 3 or 4 by Guarantor or any members of Guarantor's immediate family, Franchisor will be entitled to an injunction restraining such person from any such actual or threatened breach. Guarantors agree that in the event of the actual or threatened breach of Sections 3 and 4, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Each Guarantor acknowledges and agrees that each has previously worked or been gainfully employed in other careers and that the provisions of Sections 3 and 4 in no way prevent Guarantor from earning a living. Guarantor further acknowledges and agrees that the time limitation of Sections 3 and 4 will be tolled during any default under this Guaranty.

6. Each Guarantor has consulted legal counsel of his/her own choosing as to his/her responsibilities and liabilities under this Guaranty.

7. Each Guarantor waives:

    (a) Notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed;

    (b) Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed;

    (c) Any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability;

8. Each Guarantor consents and agrees that:

(a) Liability under this Guaranty is joint and several with any other guarantor and the Franchisee;

(b) Each will render any payment or performance required under this Guaranty on demand, if Franchisee fails or refuses punctually to do so;

(c) Each will individually comply with the provisions and all subsections of the Agreements and associated documents;

(d) Liability is not contingent or conditioned on Franchisor's pursuit of any remedies against Franchisee or any other persons; and

(e) Liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person;

(f) Liability is not affected by any extension of time, acceptance or part performance, release of claims, or other compromise that Franchisor may grant Franchisee or other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

(g) Each waives acceptance and notice of acceptance by Franchisor; waives notice of demand, and waives protest and notice of default, except as may be required by the Franchise Agreement.

9. Each Guarantor further hereby consents and agrees that:

(a) Guarantor's liability under this undertaking shall be direct, immediate, and independent of the liability of Franchisee, other guarantors, and the other owners of the Franchisee;

(b) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by an abandonment of the Agreement by a trustee of Franchisee. Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by impairment, modification, change, release or limitation of the liability of the Franchisee or its estate in bankruptcy or any remedy for enforcement resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency

(c) Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and;

(d) Guarantor agrees to pay all reasonable attorneys' fees and costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in the enforcing this undertaking against Guarantor.

Guarantor acknowledges and agrees to be personally bound by all of the dispute resolution provisions obligations under Section XXV of the Agreement.

IN WITNESS THEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

Dated on the _____date of _____20____.

(Set forth the name, address and percentage ownership of each Principal of Franchisee, their spouse and their percentage ownership, if applicable):

NAME	ADDRESS	PERCENTAGE
_____	_____	_____
Signed	_____	
_____	_____	
Printed		
_____	_____	_____
Signed	_____	
_____	_____	
Printed		
_____	_____	_____
Signed	_____	
_____	_____	
Printed		

SCHEDULE 5
KLINE FRANCHISING, LLC
CONDITIONAL COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") hereby assigns and transfers to Kline Franchising, LLC ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under the lease, attached hereto as Exhibit 1 (the "Lease") respecting premises commonly known as _____ _____ ("Business Site") by and between Assignor and _____ ("Lessor"). This Assignment is for collateral purposes only and except as specified herein, Assignee has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the Business Site demised thereby. Upon a default by Assignor under the Lease or under the franchise agreement for a Business between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, or upon expiration or termination of the Franchise Agreement or this Agreement, Assignee has the right and is hereby empowered to take possession of the Business Site, expel Assignor therefrom, and, in such event, Assignor will have no further right, title or interest in the Lease. Assignor hereby authorizes the Lessor to disclose to Assignee, upon its request, sales and other information furnished to the Lessor by Assignor.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it must elect and exercise all options to extend the term of or renew the Lease not less than 30 days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing.

If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

ASSIGNOR:

Dated:_____ _____

_____

SIGNED AND SEALED this ___
day of _____, 20_

Notary Public: _____

CONSENT AND AGREEMENT OF LESSOR

1. **Amendment to Lease**. Notwithstanding anything contained in the Lease to the contrary, the following terms are hereby incorporated and shall control:

a. Lessor shall notify Assignee in writing of, and upon the failure of Assignor to cure, any default by Assignor under the Lease at the following address: 17036 Kenton Dr., Suite 100, Cornelius, North Carolina 28031;

b. Assignee has the right, but is not obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Lessor of notice thereof in accordance with paragraph (a) above;

c. Lessor consents to the foregoing Collateral Assignment and agrees that if Assignee takes possession of the Business Site and confirms to Lessor the assumption of the Lease by Assignee as tenant thereunder, Lessor must recognize Assignee as tenant under the Lease;

d. If Franchisor or its designee assumes the Lease, Franchisor (or its designee) shall not be responsible for any of Franchisee's debts or obligations to Lessor that Assignee incurred before the date of the assumption;

e. If Franchisor or its designee assumes the Lease, the term of the Lease will be automatically modified to be a month-to-month Lease terminable at any time by Franchisor with or without cause.

e. If Franchisor assumes the Lease, Lessor waives any administrative, assignment, or transfer fee that the Lease may otherwise require following an assignment or assumption;

f. Franchisor or its appointed representatives have the right to enter the Business Site to make any modification necessary to protect Franchisor's trademarks or to cure any default under the Franchise Agreement or the Lease; and

g. Assignee may further assign the Lease to a person, firm or corporation who must agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Lessor and upon such assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise.

2. **Exercise of Remedies**: Furthermore, in any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, the Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

a. to take possession of the Business Site, or any part thereof, personally, or by its agents or attorneys;

b. to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Business Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;

c. to exclude the Franchisee, its agents or employees from the Business Site;

d. as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Business and conduct the Business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and

authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

e. to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;

f. to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Business Site or the Business Site that may seem judicious, in the sole discretion of the Franchisor; and

g. to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or

h. notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of the Franchisee's default under the Lease.

The Lessor hereby consents, agrees with, approves of and joins in with this CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE.

"LESSOR":

_____

By: _____
Name: _____
Title: _____
Date: _____

SCHEDULE 6
KLINE FRANCHISING, LLC
STATEMENT OF OWNERSHIP INTERESTS AND PRINCIPALS

A. The following is a list of all managing partners, partners, members, managers, shareholders, other Owners, investors in Franchisee (including all investors who own or hold direct or indirect interest in Franchisee) as well as all Franchisee's Principals described in and designated pursuant to Section XIX.B of the Franchise Agreement. A description of the nature of their interest is also provided below.

Name	**Percentage of Ownership/Nature of Interest**

B. In addition to the persons listed in paragraph A., the following is a list of all Franchisee's Principals described in and designated pursuant to Section XIX.B of the Franchise Agreement. Unless otherwise required to sign the Personal Guaranty, each of Franchisee's Principals shall execute the Confidentiality and Non-Compete Agreement in the form set forth in Schedule 7.

SCHEDULE 7
KLINE FRANCHISING, LLC

CONFIDENTIALITY AND NON-COMPETE AGREEMENT
(for execution by limited principals)

In consideration of my involvement or association with _____ (the "Franchisee"), and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that Franchisee has acquired the right and franchise from Kline Franchising, LLC (the "Company") to establish and operate a Burn Boot Camp franchised Business (the "Business") and the right to use in the operation of the Business the Company's trade names, trademarks and service marks (the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of the Business (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and accepted location: _____ (the "Business Premises").

1. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes trade secrets, advertising strategies, fitness programs and workouts routines; strategies for increasing memberships, exercise equipment operation, safety procedures, usage of software and applications for mobile devices, cost and pricing strategies, inventory management and tracking of products and supplies (the "Confidential Information").

2. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential will be deemed to be Confidential Information for purposes of this Agreement.

3. In consideration of my involvement or association with Franchisee, the Company and/or Franchisee will disclose the Confidential Information to me in furnishing to me the franchisee education program and subsequent ongoing franchisee education, the Company's Operations Manual for system franchisees (the "Manual") and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I will hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will not disclose and/or use the Confidential Information except in connection with the operation of the Business, and will not to disclose any such information even after I cease to be in that position.

6. During the term of the Franchise Agreement, I will not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company:

(a) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any other business or entity which operates or licenses others to operate a business that offers fitness, wellness, health, weight loss, body conditioning, or any other business offering products and services offered or authorized for sale by System franchisees (a "Competing Business"); provided, however, that this Section does not apply to your operation of any other Business under Company's System; or

(b) Solicit the Business's Members or customers or contact any of our suppliers or vendors for any competitive business purpose.

7. Except as otherwise approved in writing by the Company, I will not, for a period of two (2) years after my position with the Franchisee terminates, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company:

(a) Enter into any business competing in whole or in part with us by granting franchises or licenses for businesses which offers fitness, wellness, health, weight loss, body conditioning, or any other business offering products and services offered or authorized for sale by System franchisees at the time this Agreement is terminated or otherwise expires and is not renewed;

(b) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any Competing Business: (i) at the Business Premises; (ii) within the Franchisee's Territory; or (iii) within a ten (10) mile radius of (a) the Franchisee's Territory or (b) any other Territory licensed by Company as of the date my position with the Franchisee terminates; or

(c) Solicit the Business's Members or customers or contact any of our suppliers or vendors for any competitive business purpose.

8. I agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company will have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This Agreement will be construed under the laws of the State of North Carolina (without reference to its conflict of laws principals). The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

SIGNATORY:

Signature: _____

Print Name: _____

Address: _____

Title: _____

ACKNOWLEDGED BY FRANCHISEE

By: _____

Print Name: _____

Title: _____

ACKNOWLEDGED BY FRANCHISOR

By: _____

Print Name: _____

Title: _____

SCHEDULE 8
KLINE FRANCHISING, LLC
CONFIDENTIALITY AGREEMENT

(THIS IS A TEMPLATE ONLY. WE STRONGLY RECOMMEND YOU SEEK LOCAL COUNSEL REGARDING THE EXECUTION AND ENFORCEMENT OF THIS DOCUMENT.)
(for Operations Managers and Lead Trainer of Franchisee)

In consideration of my being a [***insert here position of employee - Operations Manager or Lead Trainer***] of [***insert here name of franchisee entity***] (the "Franchisee"), and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that Franchisee has acquired the right and franchise from Kline Franchising, LLC (the "Company") to establish and operate a Burn Boot Camp franchised Business (the "Business") and the right to use in the operation of the Business the Company's trade names, trademarks and service marks (the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of the Business (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and accepted location: [***Insert location of business***] (the "Business Premises").

1. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes trade secrets, advertising strategies, fitness programs and workouts routines; strategies for increasing memberships, exercise equipment operation, safety procedures, usage of software and applications for mobile devices, cost and pricing strategies, inventory management and tracking of products and supplies (the "Confidential Information").

2. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential will be deemed to be Confidential Information for purposes of this Agreement.

3. As [***insert here position of employee - Operations Manager or Lead Trainer***] of the Franchisee, the Company and/or Franchisee will disclose the Confidential Information to me in furnishing to me the franchisee education program and subsequent ongoing franchisee education, the Company's Operations Manual for system franchisees (the "Manual") and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I will hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as [***insert here position of employee - Operations Manager or Lead Trainer***] of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position.

6. During the term of the Franchise Agreement, I will not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company:

(a) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any other business or entity which operates or licenses others to operate a business that offers fitness, wellness, health, weight loss, body conditioning, or any other business offering products and services offered or authorized for sale by System franchisees (a "Competing Business"); provided, however, that this Section does not apply to your operation of any other Business under Company's System; or

(b) Solicit the Business's Members or customers or contact any of our suppliers or vendors for any competitive business purpose.

7. Except as otherwise approved in writing by the Company, I will not, for a period of two (2) years after my position with the Franchisee terminates, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company solicit the Business's Members or customers or contact any of our suppliers or vendors for any competitive business purpose.

8. I agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company will have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This Agreement will be construed under the laws of the State of [***Insert state***] (without reference to its conflict of laws principals). The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

EMPLOYEE:

Signature: _____

Print Name: _____

Address: _____

Title: _____

ACKNOWLEDGED BY FRANCHISEE

By: _____

Print Name: _____

Title: _____

EXHIBIT B
AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement ("Agreement") entered into on _____ (the "Effective Date"), between: (i) Kline Franchising, LLC, a North Carolina limited liability company with an address at 17036 Kenton Dr., Suite 100, Cornelius, North Carolina 28031 ("Franchisor", "we", "us" or "our"); and (ii) _____, a _____, with a principal business address at _____("Developer", "you" or "your").

BACKGROUND

A. Franchisor has developed a uniform system for the establishment and operation of a fitness facility that offers its members ("Members") group fitness sessions using fitness programs and high intensity workout routines, membership options, nutrition coaching and meal planning programs (collectively referred to as "Services") in addition to limited supplements and fitness-related apparel, products and merchandise for sale (collectively referred to as the "Products") at any Burn Boot Camp® franchised location (hereinafter referred to as the "Franchised Business").

B. Franchisor identifies its system by means of certain trade names, service marks, trademarks, logos, emblems, trade dress and other indicia of origin, including but not limited to the marks "Burn Boot Camp®" and such other trade names, service marks, trademarks and trade dress as are now designated (or may be designated hereafter by Franchisor in writing) for use in connection with our System (referred to as the "Marks").

C. Franchisor has entered into an exclusive license ("License Agreement") with Devan Kline Fitness, LLC for the right to use and sublicense to its franchisees the Names, Marks and other property in connection with the operation of a Burn Boot Camp® business and has developed expertise (including confidential information) and a unique, distinctive and comprehensive system ("System") for the establishment and operation of Businesses.

D. Developer desires to enter into an agreement with Franchisor to obtain the rights to operate two (2) or more Franchised Businesses using the System.

E. Franchisor grants qualified third parties the right to develop multiple Franchised Businesses within a defined geographical area (the "Development Area") in accordance with a mandatory development schedule that must be strictly adhered to, with each Franchised Business within the Development Area being opened and operated utilizing the Marks and System pursuant to the terms and conditions set forth in Franchisor's then-current form of franchise agreement (each, a "Franchise Agreement").

F. Developer recognizes the benefits from receiving the right to operate a Franchised Business and desires to: (i) become a multi-unit Franchised Business operator subject to the terms of this Agreement; and (ii) receive the benefits provided by Franchisor under this Agreement.

G. Developer has applied for the right to open and operate a certain number of Franchised Businesses within the Development Area as set forth in this Agreement, and Franchisor has approved such application in reliance on Developer's representations made therein.

H. Developer hereby acknowledges that adherence to the terms of this Agreement, including Franchisor's operations manual and other System standards and specifications, are essential to the operation of all Franchised Businesses and Franchisor's System as a whole.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **Development Area.** Subject to the terms and conditions set forth herein, Franchisor grants Developer the right, and Developer undertakes the obligation, to develop and establish the number of Franchised Businesses as set forth in the data sheet attached hereto as Exhibit "A" (the "Data Sheet"), within the geographic area described in the Data Sheet (the "Development Area"). Each Franchised Business must be located within the Development Area at a specific site approved by Franchisor in accordance with the applicable Franchise Agreement. Franchisor and its affiliates have the right to continue to own and operate, and allow others to own and operate, Burn Boot Camp® businesses existing inside your Development Area as of the date you sign this Agreement. However, during the term of this Agreement and except as provided herein, Franchisor will not open or operate, or license any third party the right to open or operate, any new Franchised Business within the Development Area.

2. **Development Fee.** Upon the execution of this Agreement, Developer shall pay Franchisor the development fee (the "Development Fee") as set forth on the Data Sheet. Notwithstanding the terms of Developer's individual Franchise Agreements, Developer shall not be required to pay any additional "initial franchise fee" for Franchised Businesses opened pursuant to this Agreement. The Development Fee is deemed fully earned and nonrefundable upon payment to cover administrative and other expenses incurred by Franchisor and for the development opportunity lost or deferred as a result of the rights granted to Developer under this Agreement.

3. **Initial Franchise Agreement**. Contemporaneous with the execution of this Agreement, Developer must enter into Franchisor's current form of Franchise Agreement for the first Franchised Business that Developer is required to open within the Development Area. In the event Developer is a business entity of any kind, then Developer's principals/owners must each execute the form of personal guaranty attached to the foregoing Franchise Agreement, as well as any additional Franchise Agreements described in Section 4 of this Agreement.

4. **Additional Franchise Agreements.** Developer agrees and acknowledges that it must: (i) enter into Franchisor's then-current form of Franchise Agreement for each additional Franchised Business that Developer is required to open under this Agreement; and (ii) enter into such Franchise Agreements at such times as are required for Developer to timely meet, and strictly adhere to, its development obligations under the Development Schedule. The Franchise Agreement for each additional Franchised Business must be signed at least eight (8) months before the scheduled opening date for the applicable Franchised Business.

5. **Development Obligations.** Developer shall open each Franchised Business no later than the prescribed opening deadline set forth in the development schedule that is included on the Data Sheet (the "Development Schedule") and must continuously operate each such Franchised Business for the duration of the term of the applicable Franchise Agreement. For the avoidance of doubt, Developer must sign the applicable lease, and open each Franchised Business, no later than the deadline designated in the applicable Franchise Agreement, even if the deadline in such Franchise Agreement is earlier than the corresponding deadline designated for such Franchised Business in the Development Schedule. The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that Developer's failure to comply with the Development Schedule, or Developer's closure of any Franchised Business prior to the expiration of the term of the applicable Franchise Agreement, is grounds for immediate termination of this Agreement (and any future development rights granted hereunder).

6. **Term and Termination.**

6.1 This Agreement will commence as of the date it is fully-executed and, unless earlier terminated by Franchisor, will end on the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule. Upon expiration or termination of this Agreement for any reason, Developer will not have any rights within the Development Area other than the territorial rights granted in connection with any Franchised Businesses that Developer has opened and commenced operating as of the date this Agreement is terminated or expires (pursuant to the respective Franchise Agreement(s) that Developer entered into for such Franchised Business(es)).

6.2 Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events: (i) if Developer ceases to actively engage in development activities in the Development Area or otherwise abandons its development business for three (3) consecutive months, or any shorter period that indicates an intent by Developer to discontinue development of the Franchised Businesses within the Development Area; (ii) if Developer becomes insolvent or is adjudicated bankrupt, or if any action is taken by Developer, or by others against the Developer, under any insolvency, bankruptcy or reorganization act, or if Developer makes an assignment for the benefit or creditors or a receiver is appointed by the Developer; (iii) if Developer fails to meet its development obligations under the Development Schedule with respect to any Franchised Business and fails to cure such default within 30 days of receiving notice thereof; and (iv) if any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that Franchise Agreement.

7. **Reservation of Rights.** Except as provided in Section 1 of this Agreement, the parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that Franchisor and its affiliates reserve all other rights not expressly granted to Developer herein.

8. **Sale or Assignment.** Developer's rights under this Agreement are personal and Developer may not sell, transfer, or assign any right granted herein, including but not limited to a transfer, sale or assignment of any shares, stock, membership or other ownership interest in Developer, without Franchisor's prior written consent, which may be withheld in its sole discretion. Notwithstanding the foregoing, if Developer is an individual or a partnership, Developer has the right to assign its rights under this Agreement to a corporation or limited liability company that is wholly owned by Developer pursuant to the same terms and conditions as provided in Developer's initial Franchise Agreement. Franchisor has the right to assign this Agreement in whole or in part in its sole discretion.

9. **Acknowledgment**. Developer acknowledges that this Agreement is not a Franchise Agreement and does not confer upon Developer any rights to use the Franchisor's Proprietary Marks or System.

10. **Notices**. All notices, requests and reports to be given under this Agreement are to be in writing, and delivered by either hand, overnight mail via recognized courier such as UPS or FedEx, or certified mail, return receipt requested, prepaid, to the addresses set forth above (which may be changed by written notice).

11. **Choice of Law.** This Agreement will be governed by the laws of the State of North Carolina (without reference to its conflict of laws principles).

12. **Internal Dispute Resolution.** Developer must first bring any claim or dispute between Developer and Franchisor to Franchisor's CEO or such other individual who Franchisor may designate, by providing Franchisor with notice of and a reasonable opportunity to cure and alleged breach hereunder. Developer must exhaust this internal dispute

resolution procedure before bringing a dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

13. **Mediation**. At Franchisor's option, all claims or disputes between Franchisor and Developer or its affiliates arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisor and Developer or its affiliates, or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 12 above, must be submitted first to non-binding mediation, in Mecklenburg County, North Carolina, under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Developer must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Developer as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Developer may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. This agreement to mediate will survive any termination or expiration of this Agreement. The parties agree that there will be no class action mediation.

14. **Injunctive Relief.** Nothing contained in this Agreement herein will prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interests prior to the commencement of any mediation proceeding or pending the trial or handing down of a decision or award pursuant to any proceeding conducted hereunder.

15. **Jurisdiction and Venue.** With respect to any proceeding not subject to mediation, the parties expressly agree to the exclusive jurisdiction and venue of any state court of general jurisdiction in or near Mecklenburg County, North Carolina and the exclusive jurisdiction and venue of the United States District Court for the Western District of North Carolina. Developer acknowledges that this Agreement has been entered into in the State of North Carolina, and that Developer is to receive valuable and continuing services emanating from Franchisor's headquarters in Cornelius, North Carolina. In recognition of such services and their origin, Developer hereby irrevocably consents to the personal jurisdiction of the state and federal courts of North Carolina set forth above.

16. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Agreement and the dispute resolution procedures contained herein, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Developer.

17. **JURY TRIAL AND CLASS ACTION WAIVER.** WITH RESPECT TO ANY PROCEEDING NOT SUBJECT TO MEDIATION, THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR DEVELOPER'S PURCHASE FROM FRANCHISOR OF THE DEVELOPMENT RIGHTS DESCRIBED HEREIN. THE PARTIES FURTHER AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN DEVELOPER, DEVELOPER'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

18. **Waiver of Punitive Damages.** Developer waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which Developer may have against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, Developer's recovery will be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

19. **Attorneys' Fees.** If Developer is in breach of any monetary or non-monetary material obligation under this Agreement or any related agreement between Developer and Franchisor and/or its affiliates, and Franchisor engages an attorney to enforce its rights (whether or not formal judicial proceedings are initiated), Developer must pay all of Franchisor's reasonable attorneys' fees, court costs and litigation expenses that Franchisor incurs. If Developer institutes any legal action to interpret or enforce the terms of this Agreement, and Developer's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover its reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

20. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

21. **Severability.** The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning that renders it valid and enforceable. The 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 that they are valid and enforceable. If any material provision of this Agreement will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Agreement.

22. **Construction of Language.** The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Developer, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

23. **Successors**. References to "Franchisor" or "Developer" include the respective parties' successors, assigns or transferees, subject to the limitations of Section 8 of this Agreement.

24. **Additional Documentation.** Developer must from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreements and take such other action as Franchisor may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that Developer fails to comply with the provisions of this Section, Developer hereby appoints Franchisor as Developer's attorney-in-fact to execute any and all documents on Developer's behalf, as reasonably necessary to effectuate the transactions contemplated herein.

25. **No Right to Offset.** Developer may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any

amount Franchisor or any of its affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.

26. **State Law Applies.** If any provision of this Agreement, including but not limited to its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which Developer's initial Franchised Business is located, then the valid law or regulation of such state will supersede any provision of this Agreement that is less favorable to Developer.

27. **Entire Agreement**. This Agreement contains the entire agreement between the parties concerning Developer's development rights within the Development Area; no promises, inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor will any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Franchisor reserves the right to change Franchisor's policies, procedures, standards, specifications or manuals at Franchisor's discretion. In the event of a conflict between this Agreement and any Franchise Agreement(s), the terms, conditions and intent of this Agreement will control. Nothing in this Agreement or in any related agreement, however, is intended to disclaim any of the representations Franchisor made in the Franchise Disclosure Document that Franchisor furnished to Developer.

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

DEVELOPER

_____
(Individual or Entity Name)

By: _____

Title: _____

By: _____

Title: _____

KLINE FRANCHISING, LLC

By: _____

Title: _____

EXHIBIT A to DEVELOPMENT AGREEMENT

DATA SHEET

1. **Development Area.** The Development Area, as referred to in Section 1 of the Development Agreement, is described below (or an attached map) by geographic boundaries and will consist of the following area or areas:

_____

_____

2. **Number of Franchised Businesses.** Developer will be required to open the following total number of Franchised Businesses: _____

3. **Development Schedule.** Developer must open each Franchised Business according to the following development schedule:

Units Developed	Development Schedule*	
	Lease Signing Deadline	Opening Deadline
Franchised Business #1		
Franchised Business #2		
Franchised Business #3		
Franchised Business #4		
Franchised Business #5		
Franchised Business #6		
Franchised Business #7		
Franchised Business #8		
Franchised Business #9		
Franchised Business #10		

* Developer must sign each lease no later than the lease signing date, and must open each Franchised Business no later than the opening deadline, in each case designated in the applicable Franchise Agreement, even if such deadline in the Franchise Agreement is earlier than the corresponding deadline designated for that Franchised Business in the Development Schedule listed above. Developer must sign the Franchise Agreement for each Franchised Business a minimum of 240 days prior to the opening deadline prescribed for such Franchised Business in the Development Schedule listed above.

4. **Development Fee.** The Development Fee is: $_____.

APPROVED AND AGREED TO BY:

FRANCHISOR	**DEVELOPER**
KLINE FRANCHISING, LLC	**[INSERT NAME]**
By: _____ [Authorized Officer], [Title]	By: _____ [Authorized Officer], [Title]

EXHIBIT C
LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

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

STATE	AGENCY	PROCESS, IF DIFFERENT
California	Department of Financial Protection & Innovation *Los Angeles* 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500 *Sacramento* 1515 K Street Suite 200 Sacramento, CA 95814-4052 (916) 445-7205 *San Diego* 1350 Front Street, Room 2034 San Diego, CA 92101-3697 (619) 525-4233 *San Francisco* One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565 Toll Free (866) 275-2677	Commissioner of Financial Protection & Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344
Connecticut	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Agent: Banking Commissioner
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division P.O. Box 40 Honolulu, HI 96810 (808) 586-2727 (808) 586-2740 (808) 586-2744	Commissioner of Securities of Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813

STATE	AGENCY	PROCESS, IF DIFFERENT
Illinois	Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62701 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section G. Mennen Williams Building, 1st Floor 525 W. Ottawa St. Lansing, MI 48909 (517) 335-7567	
Minnesota	Minnesota Department of Commerce Securities Unit 85 7th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1500	Minnesota Department of Commerce Securities Unit Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101

STATE	AGENCY	PROCESS, IF DIFFERENT
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Floor New York, NY 10001 (212) 416-8222	Secretary of State of New York 99 Washington Avenue Albany, NY 12231 (518) 473-2492
North Dakota	North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, ND 58505- (701) 328-2910	Insurance Commissioner 600 East Boulevard Avenue, Dept. 401 Bismarck, ND 58505 (701) 328-2910
Rhode Island	Securities Division Department of Business Regulation 1511 Pontiac Avenue John O. Pastore Complex – Bldg 69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, Ninth Floor Richmond, VA 23219-3630 (804) 371-9051	Clerk State Corporation Commission 1300 East Main Street, First Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760 -or 150 Israel Road SW Tumwater, WA 98501	Director of Dept. of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760

STATE	AGENCY	PROCESS, IF DIFFERENT
Wisconsin	Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701 -or 345 West Washington Avenue Fourth Floor Madison, WI 53703 (608) 266-2801 (608) 266-2139	Administrator, Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703

EXHIBIT D

STATE ADDENDA

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

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

1. Item 3 is amended to reflect that:

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

2. Item 6 is amended to reflect that the maximum interest rate allowed in California is 10%.

3. Item 17 is amended by the addition of the following statements:

   California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

   The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

   The California Corporations Code, Section 31125, requires that we give you a disclosure document, approved by the Department of Corporations, before we solicit a proposed material modification of an existing franchise.

   The Franchise Agreement contains a liquidated damages clause, under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

   The Franchise Agreement requires the application of the laws and forum of North Carolina. This provision may be unenforceable under California Law.

   The Franchise Agreement requires you to sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). California Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

4. 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.

5. OUR WEB SITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEB SITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dpfi.ca.gov.

6. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business 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. 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.

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

The Franchise Agreement between KLINE FRANCHISING, LLC, a North Carolina limited liability company ("Franchisor") and _____ ("Franchisee") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "State Addendum"):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et. seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et. seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

b. The Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

c. The Agreement requires application of the laws of North Carolina. This provision may not be enforceable under California law.

d. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

e. The Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

f. Under California law, the maximum interest rate that may be charged is 10%.

2. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of the California Business and Professions Code, with respect to each such provision, are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

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.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

KLINE FRANCHISING, LLC, a North Carolina limited liability company	**FRANCHISEE:** _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF HAWAII

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 OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR 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.

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

Illinois law governs the Franchise Agreements.

The following information applies to franchisors and franchisees subject to the Illinois Disclosure Act of 1987. Item numbers correspond to those in the main body:

a. Item 17 - Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for litigation outside of Illinois.

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

c. Item 17 - 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.

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.

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

The Franchise Agreement between KLINE FRANCHISING, LLC ("Franchisor") and _____ ("Franchisee") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "State Addendum"):

ILLINOIS LAW MODIFICATIONS

1. Illinois law governs the Franchise Agreements.

2. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, 515 ILCS 705/1 et. seq. To the extent that this Agreement contains provisions that are inconsistent with the following, such provision are hereby amended:

a. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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

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

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

KLINE FRANCHISING, LLC, a North Carolina limited liability company	**FRANCHISEE:**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO
KLINE FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF ILLINOIS

The Area Development Agreement between KLINE FRANCHISING, LLC ("Franchisor") and _____ ("Developeer") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "State Addendum"):

ILLINOIS LAW MODIFICATIONS

Illinois law governs the Franchise Agreements.

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

Your rights upon termination and non-renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

KLINE FRANCHISING, LLC, a North Carolina limited liability company	**DEVELOPER:** _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

This Addendum to the Franchise Disclosure Document modifies and supersedes the Disclosure Document with respect to franchises offered or sold to either a resident of the State of Maryland or a non-resident who will be operating a franchise in the State of Maryland as follows:

1. Items 5 of this disclosure document is amended by adding the following:

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17, under the Summary column of parts (c) and (m), is amended to include the following paragraph:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Item 17, under the Summary column of part (h), is amended to include the following sentence:

A provision in the Franchise Agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

4. Item 17, under the Summary column of part (v), is modified to include the words "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

5. Item 17 is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

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.

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND

The Franchise Agreement between KLINE FRANCHISING, LLC, a North Carolina limited liability company ("Franchisor") and _____ ("Franchisee") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "State Addendum"):

MARYLAND LAW MODIFICATION

The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. § 14-201 et seq. (2015 Repl. Vol.). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law.

2. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. The general release required as a conditions of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

5. All representation 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.

Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

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.

The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

IN WITNESS WHEREOF, the parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

KLINE FRANCHISING, LLC, a North Carolina limited liability company	**FRANCHISEE:** _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

The following is added to Item 17 of the Franchise Disclosure Document:

Under Minnesota law and except in certain specified cases, KLINE FRANCHISING, LLC must give you 90 days' notice of termination with 60 days to cure. KLINE FRANCHISING, LLC also must give you at least 180 days' notice of its intention not to renew a franchise, and sufficient opportunity to recover the fair market value of the franchise as a going concern. To the extent that the Franchise Agreement is inconsistent with the Minnesota law, the Minnesota law will control.

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

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

Minn. Rule 2860.4400J. prohibits us from requiring you to consent to liquidated damages and prohibits waiver of a jury trial. If the Franchise Agreement contains a provision that is inconsistent with the Minn. Rule, the provisions of the Franchise Agreement will be superseded by the Minn. Rule's requirements and will have no force or effect.

Minn. Rule 2860.4400J. prohibits us from requiring you to assent to a general release. To the extent that the Franchise Agreement requires you to sign a general release as a condition of renewal or transfer, the Franchise Agreement will be considered amended to the extent necessary to comply with Minnesota law.

Minn. Rule 2860.4400J. prohibits us from requiring you to pay a termination fee. To the extent that the Franchise Agreement requires you to pay a termination fee, the provisions of the Franchise Agreement will be superseded by the Minn. Rule's requirements and will have no force or effect.

NSF checks and related interest and attorneys' fees are governed by Minnesota Statute § 604.113, which puts a cap of $30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys' fees.

Minnesota Rules 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

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

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA

The Franchise Agreement between KLINE FRANCHISING, LLC, a North Carolina limited liability company ("Franchisor") and _____ ("Franchisee") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "State Addendum"):

MINNESOTA LAW MODIFICATION

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be mended to be consistent with Minnesota Franchise Act. Minn. Stat. Section 80C.01 et. seq., and the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Agreement and/or Franchise Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Minnesota Department of Commerce requires that franchisors indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's proprietary marks infringes trademark rights of the third party.

b. Minn. Stat. Sec. 80C.14. Subds. 3, 4, and 5 requires, 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 franchise agreement. If the Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Agreement shall be superseded by the Act's requirements and shall have no force or effect.

c. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Franchise Act.

d. If the Agreement requires that it be governed by the law of a State other than the State of Minnesota or arbitration or mediation, those provisions shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

e. Any provision that requires the Franchisee to consent to a claims period that differs from the applicable statute of limitations period under Minn. Stat. 80C.1, Subd. 5, may not be enforceable under Minnesota law.

2. Minn. Stat. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes Ch. 80C, including your rights to any procedure, forum, or remedies provided for in that law.

3. NSF checks and related interest and attorneys' fees are governed by Minnesota Statute § 604.113, which puts a cap of $30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys' fees.

4. The Agreement and/or Franchise Disclosure Document is hereby amended to delete all references to Liquidated Damages (as defined) in violation of Minnesota law; provided, that no such deletion shall excuse Franchisee from liability for actual or other damages and the formula for Liquidated Damages in the Agreement and/or Franchise Disclosure Document shall be admissible as evidence of actual damages.

5. To the extent required by Minnesota Law, the Agreement and/or Franchise Disclosure Document is amended to delete all references to a waiver of jury trial.

6. All sections of the Agreement and/or Franchise Disclosure Document referencing Franchisor's right to obtain injunctive relief are hereby amended to refer to Franchisor's right to seek to obtain such relief.

7. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of Minnesota Law applicable to the provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

8. Minnesota Rules 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

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

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

KLINE FRANCHISING, LLC, a North Carolina limited liability company	**FRANCHISEE:**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or

proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

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

The Initial Franchise Fee constitutes part of our general operating funds and will be used as such in our discretion.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

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

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

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

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

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

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

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK

The Franchise Agreement between **KLINE FRANCHISING, LLC**, a North Carolina limited liability company ("Franchisor") and _____, a _____ ("Franchisee") dated _____ (the "Franchise Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "State Addendum"):

NEW YORK LAW MODIFICATION

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 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.

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

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

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

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

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

7. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of New York General Business Law, with respect to each such provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above..

KLINE FRANCHISING, LLC, a North Carolina limited liability company	**FRANCHISEE:** _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA

The North Dakota Securities & Insurance Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

A. Restrictive Covenants: Franchise Disclosure Documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

B. Situs of Arbitration Proceedings: Arbitration or mediation involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree at a location that is not remote from the franchisee's place of business.

C. Restriction on Forum: Requiring franchisees to consent to the jurisdiction of courts outside of North Dakota has been held by the Commissioner to be unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference to the "jurisdiction of courts of Texas" is hereby deleted and replaced with "jurisdiction of courts in North Dakota."

E. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

F. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota. All references to "Texas" as the governing law are hereby deleted and replaced with "North Dakota."

G. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

H. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

I. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise. All references to the requirement of a general release under such circumstances are hereby deleted.

J. Termination or Liquidated Damages: The Commissioner has determined termination or liquidated damages to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. All references to the requirement that termination or liquidated damages are hereby deleted.

K. Enforcement Costs: Any stipulation that the franchisee pay all costs and expenses incurred by the franchisor in enforcing the franchise agreement. Any such provisions is hereby changed to

read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.

L. 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.

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA

The Franchise Agreement between KLINE FRANCHISING, LLC, a North Carolina limited liability company ("Franchisor") and _____ ("Franchisee") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "State Addendum"):

NORTH DAKOTA LAW MODIFICATION

1. The North Dakota Securities & Insurance Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 to 51-19-17 (1995). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.

b. Requiring a general release as a condition of renewal or transfer of a franchise is unenforceable according to North Dakota Law. All references in the Franchise Agreement requiring a general release under such circumstances are hereby deleted.

c. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. Covenants not to compete such as those mentioned above are generally considered unenforceable in the state of North Dakota.

d. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.

e. Requiring franchisees to consent to the jurisdiction of courts outside of North Dakota has been held by the Commissioner to be unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference to the "jurisdiction of courts of Texas" is hereby deleted and replaced with "jurisdiction of courts in North Dakota."

f. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration or mediation involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree at a location that is not remote from the franchisee's place of business.

g. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.

h. Any provision that provides that the parties waive their right to a jury trial may not be enforceable under North Dakota law.

i. Any provision that provides that Franchisee consent to a waiver of punitive and exemplary damages may not be enforceable under North Dakota law.

j. Any provision that requires Franchisee to consent to a claims period that differs from the applicable statute of limitations period under North Dakota law may not be enforceable under North Dakota law.

k. Any provisions that specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota are unenforceable. All references to "Texas" as the governing law ar hereby deleted and replaced with "North Dakota."

l. Any provisions requiring that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement are hereby deleted and replaced with a provision granting the prevailing party in any enforcement action to be entitled to recover all costs and expenses, including attorneys' fees.

2. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of North Dakota Franchise Investment Law, with respect to each such provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

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.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

KLINE FRANCHISING, LLC, a North Carolina limited liability company	**FRANCHISEE:** _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND

The Franchise Agreement between KLINE FRANCHISING, LLC, a North Carolina limited liability company ("Franchisor") and _____ ("Franchisee") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "State Addendum"):

RHODE ISLAND LAW MODIFICATIONS

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law Tit. 19 Ch. 28.1 Sections 19-28.1-1 to 19-28.1-34. To the extent that this Agreement contains provisions that re inconsistent with the following, such provisions are hereby amended:

a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement is void with respect to any claims brought under Rhode Island Franchise Investment Act Sec. 19-21.1-14.

b. If this Agreement requires that it be governed by a state's law, other than the State of Rhode Island, to the extent that such law conflicts with Rhode Island Franchise Investment Act it is void under Section 19-28.1-14.

c. If Franchisee is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Rhode Island Franchise Investment Act, and such acknowledgments shall be void with respect to claims under the Act.

2. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of Rhode Island Franchise Investment Act, with respect to each such provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

[SIGNATURES PAGE FOLLOWS]

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

KLINE FRANCHISING, LLC, a North Carolina limited liability company	**FRANCHISEE:**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA

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

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

"Any securities offered or sold by the Investor Franchisee as part of the KLINE FRANCHISING, LLC Franchise must either be registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act."

"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."

ADDENDUM TO
KLINE FRANCHISING, LLC
THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS
FOR THE STATE OF WASHINGTON

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.

A surety bond in the amount of $100,000 has been obtained by the Franchisor. The Washington Securities Division has made the issuance of the franchisor's permit contingent upon the Franchisor maintaining surety bond coverage acceptable to the Administrator until (a) all Washington Franchisees have (i) received all initial training that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

KLINE FRANCHISING, LLC, a North Carolina limited liability company	**FRANCHISEE:**
By: _____	By: _____
Name:_____	Name: _____
Title:_____	Title: _____
Date: _____	Date: _____

ADDENDUM TO
KLINE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN

The Franchise Agreement between KLINE FRANCHISING, LLC, a North Carolina limited liability company ("Franchisor") and _____ ("Franchisee") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "State Addendum"):

WISCONSIN LAW MODIFICATIONS

1. In lieu of anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is hereby amended to add the following provision:

> For all franchises sold in the State of Wisconsin, the Company will provide Franchisee at least 90 days' prior written notice of termination, cancellation, nonrenewal or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, nonrenewal or substantial change in competitive circumstances and will provide that Franchisee have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. These notice requirements shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the franchise, Franchisee will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice.

2. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between the Company and Franchisee inconsistent with the Law.

3. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of Wisconsin law, with respect to each such provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

KLINE FRANCHISING, LLC, a North Carolina limited liability company	**FRANCHISEE:** _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT E

OPERATION MANUAL
TABLE OF CONTENTS

Manual Preface (2 pages)
Section A: Burn Philosophy (6 pages)
Section B: Being Part of a Burn Boot Camp Franchise System (28 pages)
Section C: Pre-Opening (16 pages)
Section D: Human Resources (23 pages)
Section E: Managing a Burn Boot Camp (70 pages)
Section F: The Burn Boot Camp Fitness Product (3 pages)
Section G: Daily Operating Procedures (19 pages)
Section H: Sales Procedures (29 pages)
Section I: Marketing and Promotions (16 pages)

Appendix:

A. Policies
B. Opening Manual
C. Construction & Design Manual
D. Blue Carpet Experience Playbook
E. Trainer Manual
F. Marketing Playbook
G. Sales Playbook

Total Pages in Operations Manual: 272

EXHIBIT F
LIST OF FRANCHISEES

Open Locations as of December 31, 2025

State / Province	Street Address	City	Owner First Name	Owner Last Name	Phone
Alabama	5510 Promenade Point Parkway	Madison	Jamie	Lambert*	(615) 476-2481
			Clark	Lambert*	(615) 476-3882
Alabama	92 Shorter Street	Madison	Jamie	Lambert*	(615) 476-2481
			Clark	Lambert*	(615) 476-3882
Alabama	1801 Doug Baker Blvd	Hoover	Nicole	Rosado	(704) 799-5584
			Jim	Safron	(706) 289-9762
Alabama	5401 Stadium Trace Parkway	Hoover	Nicole	Rosado	(704) 799-5584
			Jim	Safron*	(706) 289-9762
Alabama	1035 Broadway Park	Homewood	Jim	Safron*	(706) 289-9762
Alabama	2030 Cecil Ashburn Drive SE	Huntsville	Clark	Lambert*	(615) 476-3882
			Jamie	Lambert*	(615) 476-2481
Alabama	1801 Doug Baker Blvd	Hoover	Jim	Safron*	(706) 289-9762
Alabama	1425 Montgomery Highway	Vestavia Hills (Liberty Park)	Nicole	Rosado	(704) 799-5584
			Jim	Safron	(706) 289-9762
Arizona	13835 N. Tatum Boulevard, Suite 5	Phoenix	Jeff	Johnstone	(602) 326-4664
			Dana	Johnstone	(480) 254-8915
Arizona	690 S. Cooper Road	Gilbert	Danielle	Miller*	(714) 594-8495
			Alicia	Pretzer*	(720) 939-2245
Arizona	7400 S. Power Rd Bldg 3	Gilbert	Carie	Perham*	(602) 750-0010
			Chad	Perham*	(480) 329-7240
Arizona	4625 E. Ray Rd. #D3	Phoenix	Tamara	Opfer	(480) 560-4142
Arizona	1118 N. Recker Road	Mesa	Danielle	Miller*	(714) 594-8495
			Alicia	Pretzer*	(720) 939-2245
Arizona	2815 East Ocotillo Rd.	Chandler	Chad	Perham*	(480) 329-7240
			Carie	Perham*	(602) 750-0010
Arizona	731 E Union Hills Dr	Phoenix	Samantha	Pullen	(406) 249-5620
			Joseph	Pullen	(623) 330-2997
Arizona	20329 N 59th Ave	Glendale	Cassandra	McCaw	(541) 556-0055
			Robert	McCaw	(541) 556-9660

Arizona	7607 E. McDowell Rd	Scottsdale	Ashley	Girtman	(949) 357-9841
			Brandon	Woodward	(480) 205-1982
			Tyler	Girtman	(949) 357-9841
			Amy	Woodward	(480) 205-1982
Arkansas	2668 E. Citizens Drive	Fayetteville	Roni	Dickerscheid*	(479) 270-0210
			Jay	Dickerscheid*	(636) 544-8824
Arkansas	103 SW Winsted Ln, Suite 21	Bentonville	Renae	Elkins	(704) 712-6262
Arkansas	7321 West Sunset, Suite i	Springdale	Roni	Dickerscheid*	(479) 270-0210
Arkansas	201 Skyline Drive	Conway	Laura	Bloomfield	(501) 283-2776
			Josh	Jerles	(931) 206-2388
Arkansas	4207 Pleasant Crossing Blvd	Rogers	Roni	Dickerscheid*	(479) 270-0210
			Jay	Dickerscheid*	(636) 544-8824
California	125 Old Grove Road Suite 1	Oceanside	Seth	Bradley*	(302) 430-2728
			Allison	Bradley*	(619) 992-2897
			Erica	Ames*	(407) 924-3339
			Dustin	Russell*	(541) 261-7673

California	14767 Pomerado Road	Poway	Erica	Ames*	(407) 924-3339
			Allison	Bradley*	(619) 992-2897
			Dustin	Russell*	(541) 261-7673
			Seth	Bradley*	(302) 430-2728
California	3186 Pullman St	Costa Mesa	Cristina	Hochuli*	(714) 496-6476
			Madison	Bettis*	(949) 397-0030
California	30570 Rancho California Road	Temecula	Kelly	Hall*	(630) 649-1283
			Robbie	Boyer	(214) 422-1887
			Jared	Hall	(714) 642-4101
			Shannon	Boyer*	(408) 930-2104
California	6823 Lonetree Blvd	Rocklin	Megan	Jones	(916)502-3791
			David	Jones	(916) 952-7084
California	456 E Mission Rd	San Marcos	Donald	Perrier	(619) 719-6807
			Sheryl	Perrier	(858) 663-0857
California	23811 Alison Creek Road	Laguna Niguel	Cristina	Hochuli	(714) 496-6476
			Madison	Bettis	(949) 397-0030
Colorado	3333 S. Wadsworth Blvd	Lakewood	Erica	Gutierrez	(303) 264-9645
			David	Gutierrez	(720) 871-7730
Colorado	13375 Voyager Parkway, Suite 130	Colorado Springs	Jess	Green	(808) 214-3521
			Laura	Aranda	(573) 680-9159
Colorado	12840 Stroh Ranch Ct. Ste 103	Parker	Rita	Schecht	(303) 827-8622
			Allen	Schecht	(303) 514-6116

Connecticut	1939 Black Rock Turnpike	Fairfield	Alyssa	Lamparski	(203) 858-1476
Connecticut	37 Danbury Road	Wilton	Emma	Halliwell	(203) 451-4682
Connecticut	40 Mill Plain Road	Danbury	Philomena	Florio	(203) 295-9963
			Emma	Halliwell	(203) 451-4682
Delaware	1877 Pulaski Highway	Bear	Michelle	Massey	(610) 637-0479
Florida	3655 Longleaf Pine Pkwy	Fruit Cove	Chaz	Leonard	(904) 233-2590
			Amanda	Leonard*	(904) 563-6316
Florida	6709 Colonnade Ave, Suite #103	Melbourne	Erin	Burgner	(704) 258-1332
			Alena	Tyler	(980) 721-5418
Florida	525 SR 16	St. Augustine, FL	Kailey	Robinson	(704) 699-0684
			Kelsey	Vawter	(704) 699-3328
			Jarrett	Robinson	(843) 540-4165
			Wesly	Vawter	(252) 876-3129
Florida	3210 Little Rd. Suite 5	Trinity	Amy	Passarella*	(727) 481-8183
			Scott	Passarella*	(727) 687-1556
Florida	12059 Anderson Road	Tampa	Daniel	Ballard	(704) 995-5375
			Billy	Haynes*	(704) 662-2474
Florida	7280 Plantation Rd Suite A-1 32504	Pensacola	Jefferson	House	(704) 999-2435
			Ginger	House	(704) 956-7690
Florida	1600 Missouri Ave N	Largo	Sandra	Calkins*	(813) 748-0316
			Eugene	Calkins*	(860) 235-4956
Florida	3904 Central Sarasota Parkway	Sarasota	Hayleigh	Graham	(941) 730-7919
Florida	150 Pine Lake Drive	Ponte Vedra	Jessica	Melquist	(312) 576-6063
Florida	4132 Mariner Blvd.	Spring Hill	Scott	Passarella*	(727) 687-1556
			Amy	Passarella*	(727) 481-8183
Florida	6810 Plantation Shoppes Drive	Fort Myers	Sydney	Toggweiler	(770) 713-4134
			Craig	Toggweiler*	(239) 357-4668
Florida	101 N. Country Club Rd., Suite 220	Lake Mary	Zachary	Tyree*	(425) 274-5227
			Irina	Tyree*	(425) 445-8867
Florida	13020 Livingston Road Suite 4	Naples	Justin	Strickland	(239) 290-0811
			Holly	Strickland	(239) 216-3555
Florida	252 Harbor Village Lane, Space #106-118	Apollo Beach	Kyle	Swyear	(813) 220-1465
			Roger	Swyear	(813) 334-5153
			Sara	Swyear	(407) 569-6469

Florida	5045 Fruitville Rd. Suite 141 & 145	Sarasota	Travis	Scheuer	(941) 266-2376
			Lindsay	Scheuer	(941) 730-7919
Florida	15512 West Colonial Drive	Winter Garden	Brooke	Eager	(661) 607-2233
			James	Eager	(310) 936-6051
Florida	1361 Alafaya Trail	Oviedo	Zachary	Tyree*	(425) 445-8867
			Irina	Tyree*	(425) 274-5227
Florida	2455 North McMullen Booth Road	Clearwater	Morgan	Weber	(727) 492-1998
			Tara	Koop	(727) 259-8060
			Zack	Weber	(727) 692-6210
			Nico	Koop	(727) 421-5484
Florida	1260 NE 8th Street	Cape Coral	Craig	Toggweiler*	(239) 357-4668
Florida	17512 Dona Michelle Drive	Tampa	Tammy	Henrici	(813) 948-4657
Florida	3207 SE Gran Park Way	Stuart	Gilda	Green*	(718) 930-5264
			Christopher	Green*	(917) 488-5605
Florida	10020 Coconut Road Suite 100	Estero	Mackenzie	Herrick	(802) 558-2063
			Brian	Herrick	(540) 718-4384
Florida	31075 US Hwy 19 N, Palm Harbor	Palm Harbor	Eugene	Calkins*	(860) 235-4956
			Sandra	Calkins*	(813) 748-0316
Florida	6800 Thomasville Rd. Unit 113	Tallahassee	Rebecca	Patterson	(850) 728-8484

Florida	1150 Celebration Blvd	Celebration	Stephanie	Meads	(407) 625-0204
			Diego	Palacio	(407) 973-8040
			Thabet	Alsheikh	(850) 516-9901
			Omaima	Mousa	(850) 572-0237
Florida	406 Old Hard Road	Fleming Island	Amanda	Leonard*	(904) 563-6316
Florida	528 S Hunt Club Blvd.	Apopka	Katerina	Sullivan	(651) 283-4925
			Jory	Sullivan	(816) 349-2878
Florida	10950 San Jose Blvd	Jacksonville	Amanda	Leonard*	(904) 563-6316
Florida	401 Maplewood Drive Ste 12	Jupiter	Christopher	Green*	(917) 488-5605
			Gilda	Green*	(718) 930-5264
Florida	12080 Race Track Road Unit P10	Tampa	Judith	Soliman	(862) 220-8336
			Jean	Rempart	(973) 698-5602
Florida	2761 Citrus Tower Blvd.	Clermont	Kandy	Cartier	(407) 383-1235
			Brian	Cartier	(321) 231-0583

Florida	107 West Bloomingdale Ave	Brandon	Dillon	Chalupsky	(860) 377-1021
			Karissa	Hurley	(813) 230-9322
			Eric	Hurley	(813) 786-8598
			Kathryn	Chalupsky	(860) 942-6735
Florida	2505 Drane Field Rd.	Lakeland	Terrence	Saccaro	(813) 758-3852
			Brent	Arey	(813) 240-4596
			Stephanie	Saccaro	(772) 349-1102
			Patricia	Arey	(813) 335-0213
Florida	9900 FL A1AAlt South	Palm Beach Gardens	Gilda	Green*	(718) 930-5264
			Christopher	Green*	(917) 488-5605
			Emily	Edwards	(561) 719-0877
Florida	1890 SW Gatlin Blvd	Port St. Lucie	David	Marshall	(301) 704-0099
			Monica	Marshall	(301) 908-4343
Florida	1509 Lake Street	Melbourne	Zach	Tyree*	(425) 274-5227
Florida	5022 Gate Parkway	Jacksonville	Emily	Tipton*	(239) 784-3213
			Andrew	Tipton*	(904) 463-1597
Florida	11411 A West Palmetto Park Rd	Boca Raton	Mackenzie	Herrick	(802) 558-2063
			Brian	Herrick	(540) 718-4384
Florida	1327 S. Monroe St	Tallahassee	Rebecca	Patterson	(850) 728-8484
Florida	4013 W. Gandy Blvd	Tampa	Caren	Katz	(813) 494-7774
			Robert	Katz	(813) 422- 2900
Georgia	6014A Sandy Springs Circle	Atlanta	Missy	Stroud	(704) 506-5186
Georgia	5157 Jimmy Lee Smith Pkwy Suite 225	Hiram	Jade	Parks	(318) 791-6200
			Dustin	Parks	(318) 267-2540
Georgia	10955 Jones Bridge Road	Johns Creek	Raymond	Lawson	(678) 772-4628
			Keith	Lawson	(404) 610-9085
Georgia	5087 Dallas Hwy	Powder Springs	Whitney	Stripling	(404) 285-8655
			Samantha	Saunders	(678) 628-3836
Georgia	1105 Parkside Ln #1100	Woodstock	Terry	Siddall*	(404) 788-6545
Georgia	2100 Roswell Rd. NE Suite 1120	Marietta	Terry	Siddall*	(404) 788-6545
Georgia	9701 Ford Avenue, Suite 300	Richmond Hill	Jared	Worley*	(603) 391-4330
			Stephanie	Worley*	(603) 391-4330

Georgia	1240 Highway 54 W Building 700, Suite 702	Fayetteville	Jodie	McGuff*	(850) 459-9222
Georgia	21 Market Square Way	Newnan	Jodie	McGuff*	(850) 459-9222
Georgia	5967 Bethelview Rd.	Cumming	Patrick	Hartmann*	(239) 919-9178
			McKenna	Hartmann*	(303) 648-1379
Georgia	2834 HWY 54	Peachtree City	Jodie	McGuff*	(850) 459-9222
Georgia	12060 Crabapple Rd	Roswell	Terry	Siddall*	(404) 788-6545
Georgia	7310 Spout Springs Rd.	Flowery Branch	Lee	Smoak*	(917) 531-1947
			Heather	Smoak*	(706) 255-4908
Georgia	2851 Cobb Parkway NW Suite 108 & 109	Kennesaw	Caroline	Jones*	(404) 310-0311
			Daniel	Jones*	(404) 375-1609
Georgia	2659 East College Ave	Decatur	Daniel	Schwaibold*	(678) 938-2731
			Kristin	Schwaibold*	(843) 860-8744
Georgia	798 Lawrenceville Suwanee Rd. Suite 1000	Lawrenceville	Jennifer	Lawrence	(571) 277-0972
			Scott	Lawrence	(703) 568-2439
Georgia	5950 North Point Parkway	Alpharetta	Patrick	Hartmann*	(239) 919-9178
Georgia	2700 NE Expressway	Atlanta	Daniel	Schwaibold*	(678) 938-2731
			Kristin	Schwaibold*	(843) 860-8744
Georgia	3616 South Bogan Road, Suite 204	Buford	Lauren	Perkins	(502) 439-4453
			Brian	Perkins	(502) 439-3799
Georgia	3150 Highlands Parkway	Smyrna	Sara	Nasre*	(770) 314-6546
			Kelly	England*	(770) 605-9742
Georgia	1997 Jonesboro Road	McDonough	Christy	Lawson*	(404) 291-3763
			Anthony	Lawson*	(404) 290-8144
Georgia	856 Seven Hills Connector	Acworth	Daniel	Jones*	(404) 375-1609
			Caroline	Jones*	(404) 310-0311
Georgia	4490 Washington Road	Evans	Matthias	Ingle	(706) 508-8177
			Lisa	Ingle	(910) 774-0107
Georgia	1000 Whitlock Ave Suite 150 & 160	Marietta	Nacim	Khavarian-Roby*	(770) 324-7359

Georgia	5450 Peachtree Pkwy	Norcross	Angie	Votta	(404) 386-5766
			David	Votta	(678) 427-3400
Georgia	4993 Russell Parkway Suite 180	Warner Robins	Bradley	Griffin	(478) 456-9044
			Samantha	Tickle	(201) 452-6125
Georgia	662 Dawsonville Hwy	Gainesville	Daniel	Schwaibold*	(678) 938-2731
			Kristen	Schwaibold*	(843) 860-8744
Georgia	1355 SW East-West Connector	Austell	Deangelo	Yancey	(470) 553-2323
			Montayla	Yancey	(470) 553-2323
Georgia	2061 Hog Mountain Rd	Watkinsville	Lee	Smoak*	(917) 531-1947
			Heather	Smoak*	(706) 255-4908
Georgia	3255 Lawrenceville Suwanee Rd Suite 10-S	Suwanee	Cristina	Lowery	(678) 860-1174
			Laura	Stein	(678) 779-0865
Georgia	118 Pipemakers Circle	Pooler	Stephanie	Worley*	(603) 391-4330
			Jared	Worley*	(603) 391-4330
Georgia	2135 East Main Street	Snellville	Allison	Watson	(678) 332-4397
			Trevor	Watson	(678) 332-4397
Georgia	6301 Whitesville Road	Columbus	Katherine	Landino	(978) 942-1517
			Derek	Landino	(309) 453-3301
Georgia	2800 Canton Rd	Marietta	Nacim	Khavarian-Roby*	(770) 324-7359
Georgia	608 E. Main Street	Cartersville	Caroline	Jones*	(404) 310-0311
			Daniel	Jones*	(404) 310-0311
Georgia	6760 Hickory Rd	Woodstock	Kelly	England*	(770) 605-9742
			Sara	Nasre*	(770) 314-6546
Georgia	132 Gateway Lane	Bethlehem	Dana Lee II	Smoak*	(917) 531-1947
			Heather	Smoak*	(706) 255-4908
Georgia	205 Blue Ridge Parkway	Dawsonville	Patrick	Hartmann*	(239) 919-9178
Georgia	250 East Atlanta Road	Stockbridge	Christy	Lawson*	(404) 291-3763
Idaho	10557 W. Carlton Bay Drive Suite 103	Garden City	Jarod	Maynes	(509) 944-5987
			Jordon	Sorenson	(435) 406-9026
			Chasen	Tolbert	(435) 979-1157
Illinois	818 East Ogden Ave	Westmont	Laurin	Toriello	(707) 259-3139
			James	Toriello	(707) 259-3179
Illinois	9412 Skokie Blvd	Skokie	Christina	Allocco*	(773) 519-8352
			David	Allocco*	(630) 215-3869

Illinois	698 S. Rand Road	Lake Zurich	Christina	Allocco*	(773) 519-8352
			David	Allocco*	(630) 215-3869
Illinois	5615 Wansford Way	Rockford	Ross	Allen	(920) 205-0151
			Stacey	Allen	(608) 921-1047
Indiana	12955 Old Meridian Street, Suite 107	Carmel	Margaret	Browning*	(317) 446-3231
			Ben	Browning*	(317) 446-8189
Indiana	15615 State Road 23	Granger	Andrew	Kinnucan*	(574) 274-0155
			Amanda	Kinnucan*	(574) 274-2957
Indiana	6210 Technology Center Drive Suite 325	Indianapolis	Margaret	Browning*	(317) 446-3231

Indiana	11100 USA Parkway, Suite 3200	Fishers	Ben	Browning*	(317) 446-8189
			Margaret	Browning*	(317) 446-3231
Indiana	3241 Northview Drive	Elkhart	Amanda	Kinnucan*	(574) 274-2957
			Andrew	Kinnucan*	(574) 274-0155
Iowa	3415 Stoneman Road	Dubuque	Tiffany	Raisbeck	(608) 412-1376
			Kyle	Hoppman	(608) 574-5759
Iowa	650 Ashworth Drive	Waukee	Darci	Evans	(608) 574-1523
			Terry	Evans	(608) 345-3087
Iowa	502 N. Ankeny Blvd. Suite 8	Ankeny	Elizabeth	Broadus	(515) 556-1912
Kansas	6600 College Boulevard, Suite 100	Overland Park	Kyle	Goodwin	
			Daniella	Goodwin	
Kentucky	6408 W. Highway 146	Crestwood	Julie	Henderson*	(502) 419-7949
Kentucky	13206 US Highway 42	Prospect	Julie	Henderson*	(502) 419-7949
Kentucky	230 N Hurstbourne Parkway	Louisville	Julie	Henderson*	(502) 419-7949
Kentucky	363 Thompson Rd	Lexington	Tom	Wylie*	(859) 509-5089
			Teryl	Greist*	(704) 904-1442
Kentucky	2505 Dixie Highway	Ft. Mitchell	Teryl	Greist*	(704) 904-1442
			Tom	Wylie*	(859) 509-5089
Kentucky	2300 Gary Farm Blvd	Bowling Green	Tammy	Reed	(407) 575-3171
			Justin	Reed	(270) 779-0646

Kentucky	10350 U.S. 42	Union	Teryl	Greist*	(704) 904-1442
			Tom	Wylie*	(859) 509-5089
Maryland	1170 Rockville Pike Suite LL1	Rockville	James	Bitonti	(301) 820-5890
			Katelyn	Bitonti	(301) 351-5041
			Jim	Bitonti	(703) 608-1720
Maryland	1800 Monocacy Blvd Suite 107	Frederick	Teresa	Waas	(301) 922-7488
			Krystal	Tarleton	(704) 975-5302
Maryland	7180 Cradlerock Way	Columbia	Katelyn	Bitonti	(301) 351-5041
			James	Bitonti	(301) 820-5890
			Jim	Bitonti	(703) 608-1720
Massachusetts	51 Mariano Bishop Blvd.	Fall River	Christina	Shemenski	(401) 662-2021
			Aaron	Shemenski	(401) 633-2916
Massachusetts	800 South Main Street	Sharon	Imran	Qazi	(602) 281-0436
			Niloufer	Rakhangi	(602) 281-0436
Massachusetts	60 Needham Street	Newton	Christine	Sandonato*	(508) 340-5312
			Alexis	Gates*	(617) 224-3552
Massachusetts	686 Washington St	Norwood	Dawn	Foster	(612) 865-5744
Massachusetts	969 Concord St.	Framingham	Christine	Sandonato*	(508) 340-5312
			Alexis	Gates*	(617) 224-3552
Massachusetts	154 Cambridge Street	Burlington	Bernie	Driscoll	(617) 750-0432
			Jenny	Driscoll	(781) 974-8837

Michigan	7399 N. Lilley Rd.	Canton	Chelsie	Spencer*	(734) 377-5019
Michigan	30809 Milford Rd.	New Hudson	Chelsie	Spencer*	(734) 377-5019
Michigan	633 Romence Road	Portage	Jason	Miller	(269) 788-7143
			Aubrey	Miller	(269) 788-7142
Michigan	5700 Beckley Rd.	Battle Creek	Megan	Johnson	(269) 578-3870
			Brodie	Johnson	(810) 869-2509
Michigan	6272 28th Street SE	Grand Rapids	Aubrey	Miller	(269) 788-7142
			Jason	Miller	(269) 788-7143
Michigan	3279 Rochester Rd	Troy	Jessica	Chauvin	(586) 840-6375
			Dustin	Wilds	(734) 323-2375
Michigan	16855 Ridge Rd,	Northville	Monica	Dressler	(248) 444-5839
			Daniel	Dressler	(248) 686-9950
Minnesota	8700 E Point Douglas Rd S	Cottage Grove	Hannah	Reis	(480) 773-8748
			Lucas	Reis	(507) 779-5802
Minnesota	1300 Salem Rd SW	Rochester	Sonya	Pennel*	(608) 633-0224
			Dean	Pennel*	(608) 633-0229
Minnesota	11650 Round Lake Blvd NW	Coon Rapids	Stephen	Brauer	(763) 232-7982
			Amanda	Brauer	(763) 443-4966

Minnesota	10950 Club West Parkway	Blaine	Chelsy	Jantsch	(651) 558-7921
			Garrett	Jantsch	(715) 432-1702
Minnesota	6545 Flying Cloud Drive	Eden Prairie	Amy	Kirscht	(612) 968-0564
Minnesota	14050 Pilot Knob Road	Apple Valley	Maria	Norberg	(715) 418-1199
			McKenna	Anderson	(651) 726-4344
Minnesota	6301 Bandel Rd NW	Rochester	Sonya	Pennel*	(608) 633-0224
			Dean	Pennel*	(608) 633-0229
Minnesota	14500 Weaver Road	Maple Grove	Christina	Hegna	(218) 368-4723
			Harlan	Hegna	(218) 209-1114
Minnesota	6737 LaBeaux Ave NE	Albertville	Anthony	Arendt	(612) 805-9899
			Becky	Bjorkland	(763) 548-4806
			Jacob	Bjorkland	(612) 290-6187
			Christy	Arendt	(651) 587-1308
Minnesota	10150 Hudson Road	Woodbury	Hannah	Reis	(480) 773-8748
			Lucas	Reis	(507) 779-5802
Mississippi	1200 Merchants Drive	Oxford	Charles	Dyer*	(704) 654-9855
Mississippi	2160 Main St.	Madison	Charles	Dyer*	(704) 654-9855
Mississippi	4349 Lakeland Dr	Flowood	Charles	Dyer*	(704) 654-9855
Missouri	14206 Manchester Rd	Ballwin	Ted	Theodoropoulos*	(704) 957-5134
			Chelsea	Theodoropoulos*	(704) 650-5751
Missouri	6706 State Hwy N	O'Fallon	Chelsea	Theodoropoulos*	(704) 650-5751
			Ted	Theodoropoulos*	(704) 957-5134
Missouri	10461 Manchester Road	Kirkwood	Chelsea	Theodoropoulos*	(704) 650-5751
			Ted	Theodoropoulos*	(704) 957-5134
Missouri	5246 S. Lindbergh Blvd	Sappington	Chelsea	Theodoropoulos*	(704) 650-5751
			Ted	Theodoropoulos*	(704) 957-5134
Missouri	3680 NE Akin Dr.	Lee's Summit	Angela	Mendenhall	(615) 473-8213
Missouri	1592 Country Club Plaza Drive	St Charles	Chelsea	Theodoropoulos*	(704) 650-5751
			Ted	Theodoropoulos*	(704) 957-5134
Missouri	820 W El Camino Alto Suite 100	Springfield	Cami	White	(530) 228-3777
			Karlee	Yount	(530) 520-8855
Nevada	2520 West Horizon Ridge Parkway	Henderson	LaTanya	Wynn*	(571) 233-1667
			Renaldo	Wynn*	(571) 233-1671

Nevada	8785 W. Warm Springs Road	Las Vegas	Renaldo	Wynn*	(571) 233-1671
			LaTanya	Wynn*	(571) 233-1667
Nevada	6605 Grand Montecito Pkwy	Las Vegas	Zulema	Humphrey	(702) 408-0903
			Michael	Humphrey	(702) 769-8960
Nevada	4235 S. Fort Apache Rd., Suite 170	Las Vegas	Jenna	Stevens	(619) 348-8196
			Michael	Stevens	(619) 348-8196
Nevada	13925 S. Virginia Street	Reno	Rebekah	West	(775) 313-8162
New Jersey	1390 SR Route 38	Hainesport	Sandra	Sweeney	(609) 217-9525
			Michael	Sweeney	(609) 267-4588
New Jersey	20 Millburn Ave	Springfield	Sandra	Pando	(973) 698-6622
New Jersey	141 Berkley Road	East Greenwich	Siobhan	Gonzalez	(856) 278-8077
			Lindsay	Gonzalez	(845) 642-4281
New Jersey	1140 White Horse	Voorhees	Joseph	Hirsh*	(215) 518-6256
			Heather	Hirsh*	(215) 429-2117
New Jersey	652 W. Cuthbert Blvd	Haddon Township	Joseph	Hirsh*	(215) 518-6256
			Heather	Hirsh*	(215) 429-2117
New Jersey	485 Nassau Park Blvd.	Princeton	Danielle	Butchko	(609) 694-7298
			Sara	Baran	(609) 234-8856
New Jersey	872 Union Mill Road	Mt Laurel	Joseph	Hirsh*	(215) 518-6256
			Heather	Hirsh*	(215) 429-2117
New Jersey	198 Fries Mill Road	Washington Township	Nicole	Smith	(609) 820-0346
			Mark	Smith	(609) 556-4805
New Jersey	99 Ridgedale Ave	Cedar Knolls	Sandra	Pando*	(973) 698-6622
			Jill	Weber	(201) 638-5435
New Mexico	10127-10131 Coors Road NW Suite H-07	Albuquerque	Yong	Park	(505) 440-1735
			Carolotta	Park	(219) 314-8352
New York	1758 Route 9	Clifton Park	Jessie	Reamer	(518) 728-5705
			Erinn	St. Croix	(518) 727-0595
New York	1851 Empire Blvd	Penfield	Shannon	Lamendola*	(704) 604-7238
			Tom	Lamendola*	(704) 907-3002
New York	3300 Monroe Ave. Suite 109	Pittsford	Shannon	Lamendola*	(704) 604-7238
			Tom	Lamendola*	(704) 907-3002
New York	5221 Main Street Suite 6	Williamsville	Travis	Matheny	(716) 563-5506
			Heather	Morris	(585) 233-7074
New York	7217 NY-96	Victor	Crystal	Klumpp	(585) 409-8331
			James	Mulholland	(585) 369-6434
New York	4056 North Buffalo Road	Orchard Park	Shannon	Lamendola*	(704) 604-7238
			Tom	Lamendola*	(704) 907-3002
North Carolina		Garner	William	Downer*	(703) 434-9494

	2620 Timber Dr		Katy	Downer*	(703) 774-4738
North Carolina	1306 The Plaza	Charlotte	David	Bushnell*	(704) 343-1992
			Lindsay	Bushnell*	(214) 755-2518
North Carolina	491 Williamson Road	Mooresville	Tami	Coffey*	(704) 619-8512
			Craig	Coffey*	(704) 253-0572
North Carolina	14460 Falls of Neuse	Raleigh	Sherry	Jones	(919) 418-2832
			Justin	Jones	(919) 795-1800
North Carolina	8505 Davis Lake Parkway	Charlotte	Wendy	Wilkerson	(704) 877-4379
			Patrick	Wilkerson	(704) 891-9822
			Sharon	Bernard	(910) 364-5340
North Carolina	1951 High House Road	Cary	Bethany	Williams*	(704) 458-7149
			Brian	Williams*	(919) 218-7747
North Carolina	350 George W Liles Pkwy	Concord	Mike	Hartshorne*	(518) 281-7107
			Andrea	Hartshorne*	(248) 505-5688
North Carolina	864 Prestige Blvd	Fayetteville	Courtney	Foy	(828) 734-7856
			Raymond	Thomas	(828) 734-6537
			Justin	Foy	(910) 574-2250
			Laura	Thomas	(828) 734-8478
North Carolina	5924 Weddington-Monroe Road	Wesley Chapel	Melissa	Price*	(704) 968-9656
			David	Bushnell*	(704) 343-1992
			Lindsay	Bushnell*	(214) 755-2518
North Carolina	1071 Piper Ln.	Burlington	Wendy	Venturini*	(704) 953-1033
North Carolina	6300 Creedmoor Rd.	Raleigh	Scott	Tobin*	(631) 767-6066
North Carolina	810 N Main St	Kernersville	Wendy	Venturini*	(704) 953-1033
North Carolina	489 Compass Drive	Mebane	Wendy	Venturini*	(704) 953-1033
North Carolina	4200 Main Street	Harrisburg	Mike	Hartshorne*	(518) 281-7107
			Andrea	Hartshorne*	(248) 505-5688
North Carolina	8700 Pineville-Matthews Rd.	Charlotte	Billy	Haynes*	(704) 662-2474
North Carolina	4701 Atlantic Avenue #145	Raleigh	Kyle	Horner	(317) 508-3950
			April	Horner	(954) 464-1395
			Vern	Horner	(919) 985-1591
			Wanda	Horner	(919) 608-2746
North Carolina	354 Merrimon Ave	Asheville	Rebecca	Fisher	(828) 490-5617
			Brent	Fisher	(502) 322-6292
North Carolina	3610 N Elm Street	Greensboro	Dana	Staz	(814) 464-7054
North Carolina	970 2nd St. NE	Hickory	Carrie	Robitzer*	(704) 641-7812

North Carolina	7558 Hwy 73 #107	Denver	Billy	Haynes*	(704) 662-2474
North Carolina	3601-1 Matthews-Mint Hill Road	Matthews	Chantha	Lam	(704) 909-8007
			Thy	Heng	(704) 909-8007
North Carolina	150 Hays Lane #130	Wilmington	Stephanie	Behrends	(928) 420-5511
			Andrew	Behrends	(956) 206-9459
North Carolina	158 W. Holly Springs Road	Holly Springs	Laura	Aguilar	(951) 403-0582
			Aaron	Aguilar	(951) 201-0951
North Carolina	124 Beacon Drive Suite E	Winterville	Paul	Hackney	(704) 361-2898
			Susan	Hackney	(704) 798-0273
North Carolina	5410 NC Highway 55	Durham	Anneli	Morrison	(901) 857-1499
			Megan	Pippitt	(919) 943-2609
North Carolina	7910 Skyland Ridge Parkway	Raleigh	Scott	Tobin*	(631) 767-6066
North Carolina	2101 Cambridge Beltway Dr.	Charlotte	Bridgett	Earnhardt*	(704) 904-1516
			Allyson	Earnhardt*	(704) 609-3056
North Carolina	223 S. Elliot Rd	Chapel Hill	Brian	Williams*	(919) 218-7747
			Bethany	Williams*	(704) 458-7149
North Carolina	100 Julian Shoals Road Suite 20	Arden	Jenny	Cooke	(919) 760-9033
			Carrie	Robitzer*	(704) 641-7812
North Carolina	5077 Country Club Rd	Winston-Salem	Jenny	Beaudin	(919) 215-8280
			Scott	Tobin*	(631) 767-6066
North Carolina	2442 Wycliff Road	Raleigh	Katy	Downer*	(703) 774-4738
			William	Downer*	(703) 434-9494
North Carolina	4400 Park Rd. Suite 100	Charlotte	Lindsay	Bushnell*	(214) 755-2518
			David	Bushnell*	(704) 343-1992
North Carolina	343 W John Street	Matthews	Josh	Rudolph	(207) 650-9212
			Lindsey	Rudolph	(434) 609-7320
North Carolina	3910 Tinsley Drive	High Point	Scott	Tobin*	(631) 767-6066
			Eddie	Arvelo	(307) 421-9864
North Carolina	6404 Wilkinson Blvd	Belmont	Melissa	Price*	(704) 968-9656
			Lindsay	Bushnell*	(214) 755-2518
North Carolina	11129 Harris Rd	Huntersville	Melissa	Price*	(704) 968-9656
North Carolina	3702 Hillsborough Rd	North Durham	Stephanie	Drew	(704) 785-0197
North Carolina	706 Money Court	Knightdale	William	Downer*	(703) 434-9494
			Katy	Downer*	(703) 774-4738
North Carolina	290 Turner St.	Aberdeen	Brittany	Mayes	(704) 746-2149
			Jonathan	Mayes	(704) 746-2149

North Carolina	178 Briarcliff Road	Clayton	William	Downer*	(703) 434-9494
Ohio	33-A Shiawassee Ave.	Fairlawn	Renee	Starr*	(330) 419-8388
			Jeffrey	Starr*	(330) 780-7501
Ohio	1604 Norton Rd.	Stow	Renee	Starr*	(330) 419-8388
			Jeffrey	Starr*	(330) 780-7501
Ohio	406 E Wilson Bridge Rd	Worthington	Danielle	Segelhorst	(614) 795-3025
Ohio	24085 Chagrin Blvd.	Beachwood	Christina	Peebles	(704) 607-8073
Ohio	1547 Lyons Rd	Centerville	Matt	Walters	(937) 974-7090
			Brittany	Walters	(937) 974-7090
Ohio	32814 Walker Road	Avon Lake	Jared	Ridenour	(908) 907-2080
			Jill	Ridenour	(336) 906-8646
Ohio	5334 N Hamilton Rd	Columbus	Kimberly	Jamison	(803) 873-1804
			Elizabeth	Walker	(614) 595-4884
Ohio	454 Ohio Pike	Cincinnati	Anthony	Bommarito	(847) 756-0741
			Krista	Bommarito	(847) 756-0741
Ohio	4325A Red Bank Road	Cincinnati	Katie	Blomer	(859) 462-2800
			Scott	Blomer	(513) 304-8902
Ohio	10000 Montgomery Road	Montgomery	Jennifer	Ruggiero	(518)859-2716
			Eric	Ruggiero	(518) 779-9086
Ohio	7484 Broadview Road	Parma	Jennifer	Smith	(216) 225-8925
			Patrick	Pitrone	(440) 742-0100
			Scott	Smith	(440) 589-8405
Ohio	1021 Columbus Ave	Maryville	Troy	Hermon	(419) 234-8092
			Nicole	Hermon	(440) 752-6394
Ohio	8898 Beckett Rd	West Chester Township	Zachary	Treadway	(704) 281-2761
			Brion	Treadway	(513) 253-3471
			Julie	Treadway	(513) 225-0184
			Lindsey	Treadway	(704) 649-8842
Oklahoma	1344 N Interstate Dr	Norman	Nick	Jones	(405) 990-8515
			Casey	Christian*	(405) 476-9056
			Alisha	Jones*	(405) 990-6693
			Scott	Christian	(405) 570-5009
Oklahoma	813 East B Street	Jenks	Michael	Koziol*	(940) 300-9025
			Kathryn	Koziol*	(469) 765-2737
Oklahoma	849 SW 119th St.	Oklahoma City	Alisha	Jones*	(405) 990-6693
			Casey	Christian*	(405) 476-9056

Oklahoma	2121 West Edmond Rd.	Edmond	Michael	Koziol*	(940) 300-9025
			Kathryn	Koziol*	(469) 765-2737
Oklahoma	11422 N 134th E Ave Building A Suite # 1	Owasso	Kathryn	Koziol*	(469) 765-2737
			Michael	Koziol*	(940) 300-9025
Oregon	2479 NW Kings Blvd	Corvallis	Alan	Jones*	(541) 905-7628
			Megan	Jones*	(541) 619-6062
Oregon	2758 Shadow View Dr.	Eugene	Patrick	Coven	(541) 990-5794
			Tiffany	Coven	(541) 760-0505
Oregon	14801 SW Millikan Way	Beaverton	Alan	Jones*	(541) 905-7628
			Megan	Jones*	(541) 619-6062
Oregon	150 NE Bend River Mall Ave	Bend	Patrick	Coven*	(541) 990-5794
			Tiffany	Coven*	(541) 760-0505
Pennsylvania	271 New Castle Road	Butler	Jarrad	Pencek	(412) 716-0575
			Cassandra	Pencek	(814) 573-3183
Pennsylvania	2610 Chemical Road	Plymouth Township	Kathie	Smith*	(856) 889-3237
			John	Nicolucci*	(215) 760-0101
Pennsylvania	984 DeKalb Pike	Blue Bell	John	Nicolucci*	(215) 760-0101
			Kathie	Smith*	(856) 889-3237
Pennsylvania	210 Valleybrook Rd.	McMurray	Jen	Barbati*	(724) 544-0368
			Matt	Weaver*	(412) 588-5102
			Anthony	Barbati*	(412) 680-7035
			Kristin	Weaver*	(412) 953-7044
Pennsylvania	3001 Cool Springs Drive	Bethel Park	Jessica	Reed	(412) 760-8251
			Jessi	Drayer	(740) 516-0164
Pennsylvania	1776 Golden Mile Highway	Monroeville	Carlee	Hallo	(412) 780-2073
Pennsylvania	458 Home Dr.	Pittsburgh	Kristin	Weaver*	(412) 953-7044
			Matt	Weaver*	(412) 588-5102
			Jen	Barbati*	(724) 544-0368
			Anthony	Barbati*	(412) 680-7035
Pennsylvania	1353 Dilworthtown Crossing	West Chester	Imran	Qazi*	(602) 281-0436
			Niloufer	Rakhangi*	(602) 281-0436
Pennsylvania	155 Lake Drive, Suite 101&102	Wexford	Lisa	Kostelnik*	(412) 580-0080
Pennsylvania	197 West Lincoln Hwy	Exton	Imran	Qazi*	(602) 281-0436
			Niloufer	Rakhangi*	(602) 281-0436
Pennsylvania	22095 Perry Highway Suite 201	Zelienople	Lisa	Kostelnik*	(412) 580-0080
Pennsylvania	1515 Street Road	Warminster	Craig	Herrmann	(267) 337-0572
			Jerry	Campagna	(609) 321-1490
			Carrie	Campagna	(609) 724-5018
			Kyle	Herrmann	(267) 337-0571

Pennsylvania	3000 Park Place Drive	Washington	Matthew	Dolfi	(412) 721-5724
			Erin	Dolfi	(412) 742-6754
Pennsylvania	480 School Lane	Harleysville	Colleen	Tracey	(215) 817-1773
			Tom	Tracey	(610) 662-6464
Pennsylvania	3405 Harts Run Rd	Glenshaw	Cassandra	Pencek*	(814) 573-3193
			Jarrad	Pencek*	(412) 716-0575
Rhode Island	1276 Bald Hill Road	Warwick	Julie	Mckenna	(401) 864-4350
			Victoria	Holmes	(310) 990-0040
South Carolina	2100 Oakheart Road	Myrtle Beach	Richard	Leonard	(712) 229-0069
South Carolina	1200 North Main Street	Summerville	Alan	Huggins*	(704) 472-5306
South Carolina	9030 Northfield Dr. Unit G	Fort Mill	Tami	Coffey*	(704) 619-8512
			Craig	Coffey*	(704) 253-0572
South Carolina	810 South East Main Street	Simpsonville	Allison	Schleuger*	(704) 819-2214
			Lindsay	Phillips*	(864) 609-7401
South Carolina	217 Saluda Springs Rd. Suite 102	Lexington	Brandy	Clements	(803) 331-3381
			Chelsey	Brown	(334) 303-1830
South Carolina	1369 Ashley River Road	Charleston	Alan	Huggins*	(704) 472-5306
South Carolina	270 Red Cedar Lane #103	Bluffton	Emily	Rogers*	(803) 431-6899
South Carolina	1618 Woodruff Rd	Greenville	Adam	Phillips	(864) 609-7401
			Lindsay	Phillips*	(864) 609-7401
South Carolina	215 Pelham Road Suite B 101	Greenville	Jennifer	McGaha	(864) 414-8405
			Sara	Moore	(704) 806-7873
South Carolina	1802 Drayton Rd, Suite 110	Spartanburg	David	Farmer	(704) 706-9205
			Elissa	Farmer	(704) 224-6594
South Carolina	4507 Forest Drive	Columbia	Sara	Moore*	(704) 806-7873
			Jennifer	McGaha*	(864) 414-8405
South Carolina	7595 St. Andrews Road	Irmo	Angel	Irizarry	(803) 569-7280
			Hailey	Irizarry	(803) 445-4922
South Carolina	1440 Ben Sawyer Blvd, Suite 900	Mt. Pleasant	Kari	Bailey	(864) 316-6147
			Matt	Bailey	(864) 590-5734
			Alan	Huggins*	(704) 472- 5306
South Carolina	1075 Bayshore Dr	Rock Hill	Emily	Rogers*	(803) 431-6899
South Carolina	1738 Gold Hill Rd	Tega Cay	Allyson	Earnhardt*	(704) 609-3056
			Bridgett	Earnhardt*	(704) 904-1516
South Carolina	715 Fashion Drive	Columbia	Bobby	Pressley	(704) 860-1449
			Laura	Pressley	(704) 728-5669
			Shaun	Pressley	(704) 860-8801

South Carolina	1850 Hwy 17 N	Surfside	Jody	Binkley	(704) 239-8015
			Michael	Binkley	(704) 770-8009
South Dakota	7640 S. Louise Ave.	Sioux Falls	Danielle	Schneider	(918) 859-0678
			Josh	Schneider*	(605) 305-0568
South Dakota	5101 East Rosa Parks Place	Sioux Falls	Josh	Schneider*	(605) 305-0568
Tennessee	11530 - 11560 Kingston Pike	Knoxville	Kristy	Smith	(919) 600-4263
Tennessee	956 E Winchester Blvd	Collierville	Jason	Walker	(901) 568-2674
			Brett	Krepps	(765) 960-5688
Tennessee	11207 Lebanon Road	Mt. Juliet	Russell	Dunbar*	(505) 306-5935
			Lori	Dunbar*	(505) 205-7164
Tennessee	1805 N Roan St	Johnson City	Matthew	Stein	(336) 207-2190
			Rebecca	Stein	(336) 312-8134
Tennessee	7648 Highway 70 S Suite 8	Nashville	David	Ragan*	(980) 521-8443
			Benjamin	Hayes*	(704) 201-2401
Tennessee	840 Medical Park	Smyrna	Benjamin	Hayes*	(704) 201-2401
			David	Ragan*	(980) 521-8443
Tennessee	8000 US Highway 64 Suite 104	Bartlett	Amanda	Schwilch	(904) 327-2806
			Pablo	Schwilch	(904) 613-0760
Tennessee	2625 Lakevilla Drive	Nashville	Leigh Ann	Saucier*	(704) 860-9795
			Scottie	Graham*	(704) 860-1224
			Andrew	Saucier*	(931) 698-4271
			Randy	Graham*	(704) 860-2218
Tennessee	1113 Murfreesboro Road	Franklin	Abigail	Groeneweg	(615) 689-9417
			Arend	Groeneweg	(615)496-8574
Tennessee	921 Cherokee	Nashville	Lori	Dunbar*	(505) 205-7164
			Russell	Dunbar*	(505) 306-5935
Tennessee	2201 C Lowes Drive	Clarksville	Thomas	Crawford*	(615) 202-8896
			Joanna	Crawford*	(205) 427-5656
Tennessee	2600 Clifton Ave Suite B	Nashville	Justin	Reed	(270) 779-0646
			Tammy	Reed	(270) 779-0646
Tennessee	7116 Nolensville Road	Nolensville	Abigail	Groeneweg	(615) 689-9417
			Arend	Groeneweg	(615) 496-8574

Tennessee	204 Ward Circle	Brentwood	Andrew	Saucier*	(931) 698-4271
			Randy	Graham*	(704) 860-2218
			Leigh Ann	Saucier*	(704) 860-9795
			Scottie	Graham*	(704) 860-1224
Tennessee	1020 Avondale Road. Suite 107	Hendersonville	Lori	Dunbar*	(505) 205-7164
			Russell	Dunbar*	(505) 306-5935
Tennessee	1736 W. Northfield Blvd	Murfreesboro	David	Ragan*	(980) 521-8443
			Benjamin	Hayes*	(704) 201-2401
Tennessee	2001 Campbell Station Pkwy. Suite C	Spring Hill	Tony	Steiner	(615) 881-0719
			Maryanne	Goldsmith	(615) 521-8089
			Paul	Goldsmith	(312) 772-6781
			Jamie	Steiner	(615) 668-0889
Tennessee	2560 C Madison Street	Clarksville	Thomas	Crawford*	(615) 202-8896
			Joanna	Crawford*	(205) 427-5656
Texas	450 Industry Way Suite 30	Prosper	Moe	Patel	(816) 582-6760
			Deepal	Patel	(919) 649-2137
Texas	12827 Telge Rd Suite 180	Cypress	Amanda	Rachidi	(571) 439-5078
Texas	12540 Bandera Road	Helotes	Corey	Frost	(936) 718-1654
			John	Frost	(210) 827-3233
Texas	1800 N. Stonebridge Dr, Suite 110	McKinney	John Paul	Turner	(214) 577-6168
			Christen	Turner	(214) 577-6168
Texas	4100 S. Ridge Rd.	McKinney	RaDonna	Cash	(214) 906-3613
Texas	7154 Atascocita Road	Humble	Wendy	DeGood	(713) 703-9595
Texas	1603 Ranch Road 620 North Suite 100	Lakeway	Dawn	Wilkins	(512) 470-8165
			Adam	Wilkins	(512)751-4221
Texas	233 FM 3009	Schertz	Alex	Hartman	(210) 913-1304
			Tiesha	Hartman	(210) 913-1304
Texas	20818 Gathering Oak	San Antonio	Brandon	Thompson	(210) 723-8995
			Kimberly	Beaullieu	(210) 317-8133
Texas	2063 Central Plz Suite 103	New Braunfels	Matthew	Dulock	(254) 749-5641
			Lauren	Dulock	(830) 221-6894
Texas	3288 Main Street Suite 105	Frisco	Mark	Wanish	(704) 264-6755
			Tricia	Wanish	(704) 763-7477
Texas	2711 La Frontera Blvd	Round Rock	Denise	Ramirez-Riedel	(734) 620-8296
			Samuel	Ramirez	(734) 725-8626

Texas	23930 Westheimer Parkway	Katy	Trisha	Marino	(713) 653-3662
Texas	110 W. Cityline Dr	Richardson	David	Hayes	(214) 533-7609
			Carrie	Hayes	(214) 395-2998
Texas	2122 Rufe Snow Blvd #126	Keller	Jenni	Silverman	(972) 400-1696
Texas	306 Grapevine Hwy	Hurst	Katie	McQuitty	919-868-4717
			Thomas	McQuitty	919-868-4717
Texas	11103 West Ave Suite 101	San Antonio	Faiz	Kerai	(210) 409-3844
Texas	205 Cedar Park Dr	Cedar Park	Chris	Karcher	(512) 462-7903
			Denicia	Karcher	(512) 462-7903
Texas	23610 IH-10 West Frontage Rd	San Antonio	Wes	Malek	(803) 708-4416
			Caney	Malek	(361) 813-9088
Texas	1050 Suite 230 Flower Mound Rd	Flower Mound	Shravan	Kumar	(214) 315-9765
Texas	2140 Oak Grove Parkway	Little Elm	Lynn	Scourten	(215) 760-2272
			Wesley	Scourten	(214) 677-5260
Texas	6510 FM 359 South	Fulshear	Erin	Raley	(832) 260-1122
			Jacob	Raley	(281) 844-8194
Texas	2006 Rivery Blvd	Georgetown	Jennifer	Benner	(713) 409-8760
			Melvin	Benner	(832) 309-8805
Utah	933 N Main St	Layton	Bethany	McVay*	(229) 520-1431
Utah	3392 South 3000 East	St. George	Michael	Constantine	(703) 347-3430
			Jolene	Sakamoto	(720) 989-6445
Utah	1145 Wall Ave	Ogden	Bethany	McVay*	(229) 520-1431
Utah	2400 S 1707 W	Mapleton	Rhett	Gordon	(801) 368-9679
			Lexie	Gordon	(435) 668-9030
Utah	1000 South Main Street	Salt Lake City	Mckell	Smith	(385) 321-7414
			Malorie	Allred	(801)589-0636
Utah	333 East Crossroads Blvd	Saratoga Springs	Alex	Moss	(801) 860-0513
			Preston	Mitra	(801) 448-4060

Virginia	5001 Libbie Mill East Boulevard	Richmond	Sopheak	Heng	(804) 338-5046
Virginia	13946 Estate Manor Drive	Gainesville	Rebecca	Metzger*	(704) 928-7330
			Jonathan	Metzger*	(704) 928-7301
Virginia	10013 Jefferson Davis Highway	Fredericksburg	Todd	Edwards*	(804) 513-6177
			Missy	Edwards*	(804) 513-7358
Virginia	4210 Franklin Road	Roanoke	Alan	Huggins*	(704) 472-5306
Virginia	44190 Waxpool Road Suites 132-137	Ashburn	Aaron	Skinner	(843) 437-6769
			Melanie	Skinner	(214) 422-1852
Virginia	1208 Carmia Way	Richmond	Brianna	Spotts	(804) 241-1061
Virginia	435 W 24th Street	Norfolk	Scott	Tobin*	(631) 767-6066
Virginia	4131 Plank Road	Fredericksburg	Missy	Edwards*	(804) 513-7358
			Todd	Edwards*	(804) 513-6177
Virginia	9231 Sudley Rd	Manassas	Brett	Hysinger*	(571) 585-9255
			Erin	Hayes*	(443) 905-2210
Virginia	9456 Charter Gate Drive	Ashland	Rebecca	Craft	(804) 263-5312
			Anna	Miller	(703) 472-6244
Virginia	13817 Foulger Square	Woodbridge	Jeremy	Duarte*	(571) 261-0413
			Erin	Duarte*	(571) 261-0413
Virginia	5251 John Tyler Highway	Williamsburg	Scott	Tobin*	(631) 767-6066
Virginia	7000 Woodlake Commons Loop	Midlothian	Libby	Lynes	(804) 310-2839
			Brett	Lynes	(804) 310-2839
Virginia	2181 Upton Drive	Virginia Beach	Scott	Tobin*	(631) 767-6066
Virginia	12120 Branders Creek Drive	Chester	Scott	Tobin*	(631) 767-6066
Virginia	4971 Westcroft Blvd.	Chantilly	Jonathan	Metzger*	(704) 928-7301
			Rebecca	Metzger*	(704) 928-7330
Virginia	1725 Laskin Road	Virginia Beach	Scott	Tobin*	(631) 767-6066
Virginia	5208 Fairfield Shopping Center	Virginia Beach	Scott	Tobin*	(631) 767-6066
Virginia	402 W Broad Street	Falls Church	Jonathan	Metzger*	(704) 928-7301
			Rebecca	Metzger*	(704) 928-7330

Virginia	4063 Quarles Court	Harrisonburg	Alan	Huggins*	(704) 472-5306
Virginia	7443 Lee Davis Road	Mechanicsville	Michael	Wolfe*	(757) 390-0588
			Jessika	Wolfe*	(757) 604-4000
Virginia	3063A Centreville Rd.	Herndon	Lindsey	Treadway	(704) 649-8842
			Ivye	Tighe	(703) 402-1134
Virginia	24820 Community Corner Plaze	Chantilly	Jonathan	Metzger*	(704) 928-7301
			Rebecca	Metzger*	(704) 928-7330
Virginia	315 N. Glebe Road	Arlington	Erin	Hayes*	(443) 905-2210
			Brett	Hysinger*	(571) 585-9255
Virginia	3091 Lauderdale Drive	Henrico	John	Reynolds	(804) 306-9774
			Michael	Wolfe*	(757) 390-0588
			Jessika	Wolfe*	(757) 604-4000
			Elyse	Reynolds	(757) 810-2697
Virginia	120 Ottis Street	Newport News	Scott	Tobin*	(631) 767-6066
Virginia	435 Gander Drive	Charlottesville	Alan	Huggins*	(704) 472-5306
Virginia	12193 Fair Lakes Promenade Drive	Fair Lakes	Rebecca	Metzger*	(704) 928-7330
			Jonathan	Metzger*	(704) 928-7301
Virginia	452 Peppers Ferry Rd.	Christiansburg	Heather	Kelly	(540) 750-3523
Virginia	648 S Pickett Street	Alexandria	Erin	Hayes*	(443) 905-2210
			Brett	Hysinger*	(571) 585-9255
Virginia	3575 Bridge Road Suites 6A	Suffolk	Michelle	Woodell	(919) 610-1107
			Brian	Woodell	(919) 610-1106
Virginia	17860 Forest Road	Forest	Alan	Huggins*	(704) 472-5306
Virginia	960 Sycolin Road Suite 160-165	Leesburg	Erin	Duarte*	(571) 261-0413
			Jeremy	Duarte*	(571) 261-0413
Virginia	31 E Jubal Early Dr	Winchester	Tori	Furphy	(202) 821-8502
			Tim	Furphy	(412) 977-9069
Virginia	6230 Rollins Road	Springfield	Erin	Hayes	(443) 905-2210
			Brett	Hysinger	(571) 585-9255
Virginia	2323 George Washington Memorial Hwy	Hayes	Scott	Tobin	(631) 767-6066
West Virginia	900 Business Park Drive	Morgantown	Brittany	Brandt	(319) 899-1175
			Eric	Hayhurst	(304) 932-9308
Wisconsin	7650 75th Street	Kenosha	Shawn	Foszcz*	(262) 758-1732
			Cody	Burns*	(262) 818-3325
Wisconsin	1061 Summit Avenue	Oconomowoc	Bryon	Altreuther	(414) 801-0707
			Erika	Altreuther	(608) 443-6875

Wisconsin	137 S. Bristol Street	Sun Prairie	Abigail	Barr	(715) 577-7842
Wisconsin	N91 W17271 Appleton Ave.	Menomonee Falls	Nicholas	Schneider	(262) 391-0977
			Bryan	Spakowicz	(262) 271-7800
			Amy	Schneider	(262) 613-9130
			Olivia	Spakowicz	(262) 391-2375
Wisconsin	4108 Monona Drive	Monona	Gavin	Binger*	(608) 669-8232
			Bri	Binger*	(608) 214-0017
Wisconsin	3333 Express Ct	Appleton	Dean	Pennel*	(608) 633-0229
			Sonya	Pennel*	(608) 633-0224
Wisconsin	1808 Highway 16	La Crosse	Sonya	Pennel*	(608) 633-0224
			Dean	Pennel*	(608) 633-0229
Wisconsin	500 North Holmen Drive	Holmen	Sonya	Pennel*	(608) 633-0224
			Dean	Pennel*	(608) 633-0229
Wisconsin	16900 W Bluemound Rd Suite 300 A	Brookfield	Ann	Shah	(507) 258-0207
Wisconsin	2107 Robin Lane	Wausau	Sonya	Pennel*	(608) 633-0224
			Dean	Pennel*	(608) 633-0229
Wisconsin	2088 Milwaukee Ave	Burlington	Shawn	Foszcz*	(262) 758-1732
			Cody	Burns*	(262) 818-3325
Wisconsin	8233 Forsythia St. #109	Middleton	Colton	Woyak	(715) 498-1375
			Samantha Jo	Woyak	(715) 347-0063
Wisconsin	721 Meadowbrook Road	Waukesha	Carey	Tump	(414) 303-3277
			Karen	Pederson	(414) 254-7038
Wisconsin	W248 N5250 Executive Drive, Suite 200	Sussex	Lori	Dornfeld	(262) 894-8982
Wisconsin	4320 Mormon Coulee Rd	La Crosse	Sonya	Pennel*	(608) 633-0224
			Dean	Pennel*	(608) 633-0229
Wisconsin	6500 Washington Ave	Racine	Cody	Burns*	(262) 818-3325
			Shawn	Foszcz*	(262) 758-1732
Wisconsin	411 Prairie Heights Drive Ste 110	Verona	Gavin	Binger*	(608) 669-8232
			Bri	Binger*	(608) 214-0017
Wisconsin	415 East Silver Spring Dr	Whitefish Bay	Elizabeth	Sommer-Gibson	(262) 227-1184
			Anthony	Gibson	(612) 749-3224
Wisconsin	2600 Holmgren Way	Green Bay	Deanna	Arnold	(978) 270-3912
			Brett	Arnold	(920) 209-9591
Wisconsin	550 N Westhill Blvd	Appleton	Sonya	Pennel*	(608) 633-0224
			Dean	Pennel*	(608) 633-0229

Franchisees with signed Franchise Agreements, but locations not open for business, as of December 31, 2025

Location Name	First Name	Last Name	Phone Number
Alabaster, AL	Gabriel	Safron*	(706) 289-9762
Mountain Brook, AL	Gabriel	Safron*	(706) 289-9762
Cave Creek, AZ	Laura	Bernal	(470) 699-7753
West Little Rock, AZ	John	Rees	(501) 223-9298
Ventura, CA	Ashley	Walls	(702) 499-5531
Sorrento Valley, CA	Yolon	Vellon	(619) 402-4429
Roseville, CA	Megan	Jones	(916) 502-3791
Carlsbad, CA	Sheryl	Perrier	(858) 663-0857
Sunnyvale, CA	Kyle	Hammerquist	(510) 326-1319
Cardiff Encinitas, CA	Allison	Bradley	(619) 992-2897
Auburn, CA	Tamara	Davis	(916) 316-6046
Reunion, CO	Jenna	Grengs	(701) 388-4729
Highlands Ranch, CO	Emilie	Hamlin	(503) 901-3486
The Parks, DC	Mahsa	Ghassemi	(704) 564-4327
Lake Nona, FL	Zach	Tyree	(425) 274-5227
Land O' Lakes, FL	Lavenda	Bastian	(408) 203-4151
Four Corners, FL	Amy	Earnest	(901) 930-7574
West Bradenton, FL	Tiffany	Waiters	(941) 238-8152
Ellenton, FL	Kyle	Swyear	(813) 220-1465
Metrowest, FL	Kelly	Braun	(702) 591-6992
Lakewood Ranch, FL	Brigette	Perry	(704) 293-2741
Wesley Chapel, FL	Katie	Garcia	(607) 857-1568
Athens, GA	Lee	Smoak	(706) 255-4908
Dunwoody, GA	Angie	Votta	(404) 386-5766
Rincon, GA	Stephanie	Worley	(603) 391-4330
Savannah, GA	Jared	Worley	(603) 391-4330
Sugar Hill, GA	Jade	Parks	(318) 791-6200
Hinesville, GA	Becca	Kolwicz	(912) 507-9819
West Jeffersonville, IN	Julie	Henderson	(502) 419-7949
Noblesville, IN	Andy	Broyles	(317) 446-3231
Greenwood, IN	Maggie	Browning	(317) 446-321731

East Davenport, IA	Kelly	Voges	(563) 340-7849
Mandeville, LA	Crystal	Brister	(769) 289-5626
Bowie, MD	Richard	Gibbs	(410) 977-8127
Urbana, MD	Teresa	Waas	(301) 922-7488
Bethesda, MD	Gerald	Agyin	(601) 334-5019
Edgewater, MD	Brett	Hysinger	(571) 585-9255
Wildwood, MO	Bridget	Fischer	(314) 724-2543
Kalispell, MT	Sandra	Godley	(704) 649-3566
Cinnaminson, NJ	Nicole	Smith	(609) 556-4805
Wall, NJ	Myra	Doyle	(732) 984-1216
Greece, NY	James	Mulholland	(585) 369-6434
West Apex, NC	Katy	Downer	(703) 434-9494
Hope Mills, NC	Courtney	Foy	(828) 734-7856
Beavercreek, OH	Matt	Walters	(937) 974-7090
Belden, OH	Kristin	Moore	(706) 941-1046
Greer, SC	Rhonda	Nelson	(864) 680-8452
Beaufort, SC	Emily	Rogers	(803) 431-6899
Boiling Springs, SC	Elissa	Farmer	(704) 224-6594
North Augusta, SC	Lisa	Ingle	(706) 508-8177
East Brainerd, TN	Martha	Jones	(901) 626-6061
North Shore Chattanooga, TN	Brett	Hysinger	(571) 585-9255
Lebanon, TN	Lori	Dunbar	(505) 205-7164
Pecan Grove, TX	Erin	Raley	(832) 260-1122
Celina, TX	Deepal	Patel	(919) 649-2137
Kyle, TX	Kellie	Heller	(512) 656-6022
Logan, UT	Kimball	Bastian	(801) 874-4977
Richmond Southside, VA	Anna	Miller	(703) 472-6244
New Kent, VA	Jessika	Wolfe	(757) 390-0588
Stafford, VA	Jeremy	Duarte	(703) 618-5783
Charles Town, WV	Tori	Furphy	(412) 977-9069
Cedarburg, WI	Elizabeth	Gibson	(262) 227-1184

"*" Denotes Multi Unit Owner
^ denotes sold/terminated a unit, remained in system

LIST OF FORMER FRANCHISEES AND AREA DEVELOPERS

Burn Boot Camp® Franchisees and/or Area Developers who had Outlet Terminated, Cancelled, Not Renewed, Transferred or Otherwise Voluntarily or Involuntarily Ceased to do Business under a Franchise Agreement During the Year Ended December 31, 2025 or Who has not Communicated with the Franchisor Within 10 Weeks of the Application Date:

TERMINATIONS DUE TO TRANSFERS

Location Name	Exiting Franchisee	Phone number
California		
Costa Mesa, CA	Kelly Hall	(630)-649-1283
Florida		
Lake Mary, FL	Adam Perez	(919)-506-5773
Oviedo, FL	Adam Perez	(919)-506-5773
Westchase, FL	Kayla Zeiner	(813)-340-8340
South Shore, FL	Heather Hand	(512)-751-7405
Georgia		
Hiram, GA	Montayla Yancey	(470)-553-2323
Decatur, GA	Katie Landino	(978)-942-1517
Druid Hills, GA	Katie Landino	(978)-942-1517
Gainesville, GA	Katie Landino	(978)-942-1517
Snellville, GA	Kristin Moore	(706)-496-4645
Idaho		
Eagle, ID	Elisabeth Johnson	(602)-284-7323
Illinois		
Westmont, IL	Robyn Deren	(847)-337-7972
Minnesota		
Blaine, MN	Christina Hegna	(218)-368-5723
Eden Prairie, MN	Christina Hegna	(218)-368-5723
North Carolina		
North Raleigh, NC	Lindsay Gilbert	(828)-320-9623
Pennsylvania		
West Chester, PA	Michelle Massey	(610)-637-0479
Exton, PA	Michelle Massey	(610)-637-0479
Murrysville, PA	Matt Dolfi	(412)-742-6754
South Carolina		
Mt. Pleasant, SC	Alan Huggins	(704)-472-5306
Rock Hill, SC	Bouakhay Ngov	(203)-676-3713

Tennessee Franklin, TN	Mike Rapier	(704)-360-7431
Texas Atascocita, TX Castle Hills, TX	Julie White Heather Lee	(859)-351-4347 (512)-773-1367

NON-RENEWALS

Location Name	Exiting Franchisee	Phone number
New Mexico Albuquerque, NM	Eric McDermott	(505)-217-4524

EARLY TERMINATIONS

Location Name	Exiting Franchisee	Phone number
Tennessee West Nashville, TN	Tammy Reed	(407)-575-3171
Texas Plano West, TX Kingwood, TX	Autumn Lawson Tina Melendez	(214)-794-4180 (267)-456-7201

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

EXHIBIT G
FINANCIAL STATEMENTS

Kline Franchising, Inc.

Financial Statements and
Supplementary Information

December 31, 2025, 2024, and 2023

Together with
Independent Auditor's Report

BGW CPA

Balance. Growth. Wisdom.

KLINE FRANCHISING, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

December 31, 2025, 2024, and 2023

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BGW CPA Co, LLP
advisory | tax | attest

500 S. Turner Avenue, Suite 100, Charlotte, NC 28208
220 North King Street, Hendersonville NC 28792
1304 Professional Drive, Suite B, Myrtle Beach SC 29577

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INDEPENDENT AUDITOR'S REPORT

To the Stockholders of
Kline Franchising, Inc.:

Opinion

We have audited the accompanying financial statements of Kline Franchising, Inc., which comprise the balance sheets as of December 31, 2025, 2024 and 2023, and the related statements of operations, stockholders' 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 Kline Franchising, Inc. as of December 31, 2025, 2024 and 2023 and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate the conditions or events, considered in the aggregate, that raise substantial doubt about Kline Franchising, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Kline Franchising, Inc's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kline Franchising, Inc's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of General and Administrative Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Charlotte, North Carolina,
April 15, 2026

BGW CPA Co, LLP

KLINE FRANCHISING, INC.

BALANCE SHEETS

December 31, 2025, 2024, and 2023

ASSETS

	2025	2024	2023
CURRENT ASSETS:			
Cash	$3,049,610	$2,004,534	$1,709,283
Accounts receivable	2,455,629	2,072,068	1,428,791
Allowance for credit losses	(88,473)	-	-
Prepaid expenses and other current assets	2,177,064	2,895,167	537,334
Prepaid commissions, current portion	162,212	177,362	179,736
Total current assets	7,756,042	7,149,131	3,855,144
PROPERTY AND EQUIPMENT, net	224,772	305,476	346,482
INTANGIBLE ASSETS, net	828,643	873,454	1,363,553
OTHER ASSETS:			
Due from affiliates	-	464,754	747,493
Prepaid commissions, net of current portion	318,821	393,767	457,826
Total other assets	318,821	858,521	1,205,319
Total assets	$9,128,278	$9,186,582	$6,770,498

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

KLINE FRANCHISING, INC.

BALANCE SHEETS

December 31, 2025, 2024, and 2023

LIABILITIES AND STOCKHOLDERS' EQUITY

	2025	2024	2023
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	$629,388	$580,189	$681,637
Accrued payroll and payroll taxes	646,375	1,015,999	816,022
Deferred franchise fees revenue, current portion	740,191	709,751	506,180
Note payable	729,137	1,500,000	-
Total current liabilities	2,745,091	3,805,939	2,003,839
LONG-TERM LIABILITIES:			
Line of credit	10,085,000	-	-
Due to affiliates	1,776,675	-	-
Deferred franchise fees revenue, net of current portion	3,913,821	4,207,434	3,379,136
Total long-term liabilities	15,775,496	4,207,434	3,379,136
Total liabilities	18,520,587	8,013,373	5,382,975
STOCKHOLDERS' EQUITY:			
Common stock, par value $.01 per share; 1,000,000 shares authorized, issued, and outstanding	10,000	10,000	10,000
Additional paid-in capital	269,360	269,360	269,360
Retained earnings	(9,671,669)	893,849	1,108,163
Total stockholders' equity	(9,392,309)	1,173,209	1,387,523
Total liabilities and stockholders' equity	$9,128,278	$9,186,582	$6,770,498

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

KLINE FRANCHISING, INC.

STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
REVENUES:			
Franchise fees	$2,202,395	$1,774,258	$2,121,485
Royalties	16,061,511	14,057,931	11,726,097
System advertising fees	5,354,900	4,676,975	3,914,438
Technology fees	4,144,820	3,759,393	2,513,413
Commissions	180,060	212,883	221,768
Other fees and income	1,022,104	988,049	916,350
Total revenues	28,965,790	25,469,489	21,413,551
GENERAL AND ADMINISTRATIVE EXPENSES	27,106,806	22,987,228	16,967,857
INCOME FROM OPERATIONS	1,858,984	2,482,261	4,445,694
OTHER INCOME (EXPENSE):			
Interest income	98,292	41,171	115,795
Interest expense	(128,711)	-	-
Reimbursement for payroll taxes	1,100,917	-	-
Total other income	1,070,498	41,171	115,795
NET INCOME	$2,929,482	$2,523,432	$4,561,489

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

KLINE FRANCHISING, INC.

STATEMENTS OF STOCKHOLDERS' EQUITY

For the Years Ended December 31, 2025, 2024, and 2023

	Common	Additional	Retained	Total
BALANCE AT JANUARY 1, 2023	$10,000	$15,100	$1,435,017	$1,460,117
Net income	-	-	4,561,489	4,561,489
Contributions	-	254,260	-	254,260
Distributions	-	-	(4,888,343)	(4,888,343)
BALANCE AT DECEMBER 31, 2023	10,000	269,360	1,108,163	1,387,523
Net income	-	-	2,523,432	2,523,432
Distributions	-	-	(2,737,746)	(2,737,746)
BALANCE AT DECEMBER 31, 2024	10,000	269,360	893,849	1,173,209
Net income	-	-	2,929,482	2,929,482
Distributions	-	-	(13,495,000)	(13,495,000)
BALANCE AT DECEMBER 31, 2025	$10,000	$269,360	($9,671,669)	($9,392,309)

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

KLINE FRANCHISING, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$2,929,482	$2,523,432	$4,561,489
Adjustments to reconcile net income			
to net cash provided by operating activities:			
Depreciation and amortization	608,225	609,997	267,652
Increase in allowance for credit losses	88,473	-	-
Amortization of prepaid insurance premiums	1,500,000	-	-
Changes in:			
Accounts receivable	(383,561)	(643,277)	(295,201)
Prepaid expenses and other current assets	(52,760)	(857,833)	(274,570)
Prepaid commissions	90,096	66,433	(61,249)
Due from affiliates	2,241,429	282,739	414,326
Accounts payable and accrued expenses	49,199	(101,448)	239,533
Accrued payroll and payroll taxes	(369,624)	199,977	307,516
Deposits	-	-	-
Deferred franchise fees revenue	(263,173)	1,031,869	513,275
State income taxes payable	-	-	(147,000)
Net cash provided by operating activities	6,437,786	3,111,889	5,525,771
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of equipment	(37,422)	(78,892)	(109,998)
Purchase of intangible assets	(445,288)	-	(1,198,075)
Principal repayments from notes receivable - affiliates	-	-	616,430
Net cash used in investing activities	(482,710)	(78,892)	(691,643)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments on notes payable	(1,500,000)	-	-
Proceeds from line of credit	10,085,000	-	-
Stockholder contributions	-	-	254,260
Stockholder distributions	(13,495,000)	(2,737,746)	(4,888,343)
Net cash used in financing activities	(4,910,000)	(2,737,746)	(4,634,083)
INCREASE IN CASH	1,045,076	295,251	200,045
CASH, beginning of year	2,004,534	1,709,283	1,509,238
CASH, end of year	3,049,610	$2,004,534	$1,709,283
SUPPLEMENTAL CASH FLOW DISCLOSURES:			
Insurance acquired via issuance of note payable	$729,137	$1,500,000	-
Cash paid for interest	$66,636	-	-

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

KLINE FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025, 2024, and 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Business Activities – Kline Franchising, Inc., "The Company", was formed for the purpose of selling and operating franchises under the brand name Burn Boot Camp. The Company authorizes franchisees and third-party licensees to use business formats, systems, methods, procedures, designs, layouts, specifications, trade names, and trademarks in the United States.

The Company doesn't operate any Burn Boot Camp locations.

As of December 31, 2025, there were 395 open and operating franchise locations and seven (7) locations owned by stockholders of the Company, along with 83 additional franchise locations in various stages of development.

As of December 31, 2024, there were 365 open and operating franchise locations and nine (9) locations owned by stockholders of the Company, along with 65 additional franchise locations in various stages of development.

As of December 31, 2023, there were 335 open and operating franchise locations and nine (9) locations owned by stockholders of the Company, along with 64 additional franchise locations in various stages of development.

The economic climate throughout the United States will have an impact on the nature, timing, and amount of future revenues and cash flows.

Revenue Recognition:

The Company recognizes revenue from the sale of franchise agreements. This initial franchise fee is due at signing and is earned based on the recognition of specific performance obligations. The Company also generates revenue from royalties, system advertising fees, technology fees, and commissions. From time to time, the Company can charge various other fees as outlined in the Franchise Disclosure Document.

Franchise fees – The Company recognizes franchise fees as two (2) performance obligations - pre-opening services and a franchise license. The Company has elected to account for pre-opening services as distinct from the franchise license. The pre-opening service performance obligation is recognized at a point in time, when the location commences operations, as that is the time those services are completed. The Company has made an accounting policy election to account for pre-opening services as a single performance obligation. The franchise license is earned over time, using the straight-line method, as performance obligations are satisfied due to the continuous transfer of control to the franchisee.

The term of each franchise agreement is five (5) years commencing on the date of the execution and acceptance of the franchise agreement. The franchisee shall have the option to renew its franchise agreement for up to two (2) additional terms of five (5) years each, provided the Company is still offering franchises at that time and the franchisee meets the conditions defined in the franchise agreement.

Technology fees – The franchise agreements contain technology fees. These fees are based on the agreed upon fee in the franchise agreement and are recorded as revenue and recognized as these services are delivered because the monthly payment relates specifically to the access of the technology services provided by the franchisor.

Commissions – The Company has an agreement with a related party, along with agreements with third-party vendors, who provide products to franchisees. The Company earns a commission based upon the amount of purchases by its franchisees. These fees are recognized as those sales occur.

Other fees and income – Other fees and income include various fees the Company can charge per its Franchise Disclosure Document.

System advertising fee – The Company administers advertising funds ("System Advertising Fund Fees") collected from franchisees and manages the franchise advertising and marketing program on behalf of the franchisees. These fees are calculated based upon franchisee gross revenue and collected at the same time as the royalty fee. The Company recognizes revenue as the franchise delivers its services to the customers.

Royalties – The franchise agreements contain variable considerations in the form of royalties. These fees are based on franchise monthly sales. The Company recognizes revenue as the franchisee delivers the services to its customers because the variable payment relates specifically to the performance obligation of using the license.

Prepaid commissions – The Company incurs commissions when selling franchises. These costs are recognized on the balance sheets upon paying them and are recognized as general and administrative expenses over the life of the franchise agreement. The deferred contract costs as of December 31, 2025, 2024, and 2023 were $481,033, $571,129, and $637,562, respectively.

Deferred contract costs: franchise revenue – This deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreement, as well as the remaining pre-opening service fees that will be recognized at a point in time once the locations are open and operating. Liabilities are a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed and locations that are opened. Deferred franchise revenue as of December 31, 2025, 2024, and 2023 was $4,654,012, $4,917,185, and $3,885,316, respectively.

Accounts Receivable and Credit Policies – Accounts receivable are unsecured customer obligations due under normal trade terms requiring payment within 30 to 90 days from the invoice date and amounts are considered delinquent based on contractual terms. The Company performs ongoing credit evaluations of its customers and generally does not require collateral on accounts receivable. Receivables unpaid after the agreed upon terms are considered delinquent.

Allowance for Credit Losses – At each balance sheet date, the Company recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded.

The allowance estimate is derived from a review of the Company's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Company.

The Company writes off receivables when there is information that indicates the customer is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or as an offset to credit loss expense in the year of recovery, in accordance with the Company's accounting policy election. For the year ended December 31, 2025, the Company recorded allowance for credit losses of $88,473. For the years ended December 31, 2024, and 2023, an allowance for credit losses was not considered necessary.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment – Property and equipment is recorded on the basis of cost and is depreciated using the straight-line method over estimated useful lives of the assets. Expenditures for repairs and maintenance costs are charged to expense as incurred. Upon asset disposition, the costs and related accumulated depreciation amounts are relieved, and any resulting gain or loss is reflected in operations during the period of disposition.

The estimated useful lives are as follows:

	Years
Furniture and fixtures	3-5
Leasehold improvements	Shorter of useful life or lease term
Studio equipment	3-7

Intangible Assets – The Company's internally developed software capitalization policy provides for the capitalization of external direct costs of materials and services associated with developing or obtaining applications ("App") to be sold via a subscription to third parties. These pre-publishing costs are capitalized as an asset when they are directly attributable to the production of a specific title and are expected to generate probable future economic benefits, and are subsequently amortized over the estimated useful life of the related publication. In addition, the Company also capitalizes certain payroll and payroll related costs for contract employees who are directly associated with the App. Costs associated with preliminary project activities, training, maintenance, and all other post-implementation activities are expensed as incurred. The Company also expenses internal costs related to minor upgrades and enhancements, as it is impractical to separate these costs from normal maintenance activities. As of December 31, 2025, 2024, and 2023, the Company had capitalized $1,470,298 of total costs.

Additional software costs are included as part of intangible assets and represent the cost to develop the Company's website. Only those costs incurred during the development stage were capitalized in accordance with the Financial Accounting Standards Board ("FASB") Accounts Standards Codification ("ASC") 350-50, Website Development Costs.

Debt issuance costs are also included as part of intangible assets, representing the cost incurred to obtain financing for the Company's line of credit. These costs are capitalized over the term of the line of credit.

The estimated useful lives are as follows:

	Years
Books - prepublication costs	3-5
Capitalized website costs	3-5
Capitalized software	3-7
Mobile app	3-5
Debt issuance costs	Over debt term

Income Taxes – The Company, with the consent of the stockholders, have elected under the Internal Revenue Code to be an S corporation. In lieu of corporate income taxes, the stockholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements.

The Company does not believe that there are any material uncertain tax positions and accordingly, it will not recognize any liability for unrecognized tax benefits. For the years ended December 31, 2025, 2024, or 2023, there were no interest or penalties recorded or included in the Company's financial statements. The Company, which files income tax returns in the U. S. federal jurisdiction and various states, is no longer subject to U.S. federal and state income tax examination by tax authorities for years before 2022.

Advertising Expenses – Costs associated with advertising are charged to expense as incurred. Advertising expenses for the years ended December 31, 2025, 2024, and 2023 were $2,959,307, $3,367,267, and $2,793,033, respectively.

Leasing Activities – The Company leases certain office spaces. The Company assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. The Company is accounting for operating leases through the recognition of an operating right-of-use (ROU) asset and an operating lease liability on the balance sheet, provided the leases meet the definition of an operating lease. As of December 31, 2025, 2024, and 2023, the Company's office space leases did not meet the definition of an operating lease. The Company has elected to separate non lease components from lease components when determining the ROU asset and operating lease liability. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Reimbursement for Payroll Taxes – The Company recognizes amounts received for payroll taxes in accordance with the Employee Retention Credit (ERC) established under the Coronavirus Aid, Relief, and Economic Security Act (Cares Act), as on income upon notification of amounts receivable.

Financial Instruments – The notes payable and line of credit are deemed to be at fair value because similar rates and terms would be expected to be available in a normal market. The fair value of all other financial instruments is estimated to be equal to the book value reflected in the accompanying financial statements because of the current nature of these instruments.

2. ACCOUNTS RECEIVABLE:

Accounts receivable consist of the following at December 31:

	2025	2024	2023
Franchise royalties, brand fees, and technology fees	$1,831,361	$1,556,750	$1,294,273
Termination fees	88,473	59,142	11,631
Other	535,795	456,176	122,887
	$2,455,629	$2,072,068	$1,428,791

3. PROPERTY AND EQUIPMENT:

Property and equipment included the following at December 31:

	2025	2024	2023
Furniture and fixtures	$583,425	$566,206	$558,424
Leasehold improvements	78,143	78,143	78,143
Studio equipment	656,163	644,848	573,738
	1,317,731	1,289,197	1,210,305
Less: accumulated depreciation and amortization	(1,092,959)	(983,721)	(863,823)
	$224,772	$305,476	$346,482

Depreciation expense for the years ended December 31, 2025, 2024, and 2023 was $109,238, $119,898, and $145,127, respectively.

4. INTANGIBLE ASSETS:

Intangible assets included the following at December 31:

	2025	2024	2023
Books - prepublication costs	$25,000	$25,000	$25,000
Capitalized website costs	121,081	11,171	11,171
Capitalized software	180,047	15,780	15,780
Mobile app	1,470,298	1,470,298	1,470,298
Debt issuance costs	180,000	-	-
	1,976,426	1,522,249	1,522,249
Less: accumulated amortization	(1,147,783)	(648,795)	(158,696)
	$828,643	$873,454	$1,363,553

Amortization expense for the years ended December 31, 2025, 2024, and 2023 was $498,987, $490,099, and $122,525, respectively.

Future amortization expense for the remaining useful life of the intangible assets are as follows:

Year	Amount
2026	$466,637
2027	144,726
2028	135,837
2029	81,443
	$828,643

5. RELATED PARTY TRANSACTIONS:

Due from affiliates – This represents receivables from entities under common ownership with the Company. There were no set terms for repayment or interest. The amounts were classified as non-current assets. There was no balance due from affiliates as of December 31, 2025. The balance due from affiliates as of December 31, 2024 and 2023 was $464,764 and $747,493, respectively.

Due to affiliates – This represents payables to entities under common ownership with the Company. There are no set terms for repayment or interest. The amounts are classified as long-term liabilities. The balance due from affiliates as of December 31, 2025 is $1,776,675. There was no balance due to affiliates as of December 31, 2024 and 2023.

Royalties, system advertising fee, and technology fees – The Company has affiliates under common ownership with the Company that are licensed through agreements to operate Burn Boot Camp locations. For the years ended December 31, 2025, 2024, and 2023, the affiliates paid $383,970, $405,442, and $332,133 in royalties fees, $127,990, $134,596, and $113,345 in system advertising fund fees, and $84,280, $96,428, and $62,505 in technology fees, respectively.

Office rent – The Company rents two office spaces from entities owned by the stockholders that have legally enforceable terms of 12 months or less and both the lessee and lessor have the right to terminate the lease with no significant penalties. Monthly rental payments range from approximately $10,500 to $25,000. Rent expense for the years ended December 31, 2025, 2024, and 2023 was $425,274, $441,671, and $425,274, respectively.

Insurance – The Company purchased insurance from a party related through common ownership. The premiums were funded through a note payable from a third party. Insurance expense for the year ended December 31, 2025 was $1,876,314. There was no insurance expense in the years ended December 31, 2024, and 2023. The balance of prepaid insurance from the related party as of December 31, 2025 and 2024 was $911,421 and $1,876,314, respectively. There was no prepaid insurance balance with the related party as of December 31, 2023.

6. LINE OF CREDIT:

During the year ended December 31, 2025, the Company entered into a line of credit agreement with a financial institution that matures in November 2028. The Company is a co-borrower under the agreement along with a related party under common ownership and the Company's insurance broker. The line of credit provides for maximum borrowings of $20,000,000. Substantially all assets of the borrowing entities serve as collateral under the agreement, and the co-borrowers guarantee the debt.

The line requires monthly payments of interest at a variable rate equal to the applicable index rate plus a margin of 2.75% when the debt-to-EBITDA ratio is less than or equal to 2:1, or 3.00% when the ratio exceeds 2:1. In addition, the Company is subject to a commitment fee of 0.25% on the undrawn portion of the line of credit. As of December 31, 2025, the Company had outstanding borrowings under the line of credit totaling $10,085,000. The credit agreement contains certain restrictive financial covenants. The Company was in compliance with all such covenants as of December 31, 2025.

7. NOTES PAYABLE:

The Company funded its insurance premiums through a note payable with a financial institution. The required monthly payments are $75,298, including interest at a rate of $6.98%. The note is secured by the Company's money market account with the financial institution and its insurance policies. The balance at December 31, 2025 was approximately $729,000, and the note matures in December 2026.

The Company previously funded its 2025 insurance premiums through a note payable with a financial institution. The required monthly payments were $155,303, including interest at a rate of $7.64%. The note was secured by the Company's money market account with the financial institution and its insurance policies. The balance at December 31, 2024 was approximately $1,500,000, and the note was fully paid during the year ended December 31, 2025.

8. 401K PROFIT SHARING PLAN:

The Company is a co-sponsor of a defined contribution plan (the "Plan") which covers all eligible employees who have one year of service, are after 21 or older, and are not considered excluded employees as defined by the Plan. The Company's discretionary contributions to the Plan totaled $337,531, $218,337, and $91,937, for the years ended December 31, 2025, 2024, and 2023.

9. CAPITAL STRUCTURE AND OPERATING AGREEMENT:

The Company's operating agreement authorizes the Company to engage in any lawful activity, and specifies the profit/loss allocation, among other items, as agreed to in the agreement.

10. CASH CONCENTRATIONS:

The Company places its cash on deposit with various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. From time to time during the year, the Company's cash balances may exceed this insured limit. At December 31, 2025, 2024, and 2023, the Company's cash balances did exceed this limit.

11. RECLASSIFICATION

Certain prior-year amounts have been reclassified to conform to the current-year presentation. Capitalized software costs previously included within property, plant, and equipment are now presented separately as intangible assets due to materiality. This reclassification had no impact on previously reported total assets, net income, or stockholders' equity.

12. SUBSEQUENT EVENTS

Events and transactions occurring after December 31, 2025 have been evaluated to determine proper recognition and disclosure in the financial statements. Subsequent events and transactions were evaluated through April 15, 2026, which represents the date the financial statements were available to be issued.

KLINE FRANCHISING, INC.

SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES

For the Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Payroll	$8,346,785	$7,491,860	$5,644,791
Technology	6,117,652	4,964,422	2,934,637
Advertising	2,959,307	3,367,267	2,793,033
Conferences	1,365,659	1,146,719	1,557,479
Professional fees	1,533,558	1,497,853	590,878
Outside services	412,121	524,552	562,090
Travel cost	615,133	548,969	434,237
Rent	425,274	441,671	425,274
Payroll taxes	560,851	534,006	424,986
Depreciation and amortization	608,225	609,997	267,652
Office expense	167,001	260,452	231,752
Employee benefits	367,486	274,245	191,786
Pass through entity taxes	-	170,587	134,465
Repairs and maintenance	146,505	101,065	105,595
Meals and entertainment	118,157	101,858	104,454
Retirement	337,531	218,587	97,759
Insurance	2,025,463	129,246	79,767
Dues and subscriptions	102,098	102,811	71,259
Contributions	698	20,550	35,780
Referral reward fee	225,429	111,978	101,277
Recruiting	85,996	296	43,942
Utilities	28,220	68,008	41,482
Credit loss expense	92,021	3,831	38,826
Telephone	36,157	30,687	24,694
Licenses and fees	408,700	252,575	22,052
Postage and shipping	9,930	8,333	5,019
Bank fees	10,849	4,803	2,891
Total general and administrative expenses	$27,106,806	$22,987,228	$16,967,857

See independent auditor's report on supplementary information.

EXHIBIT H
STATE EFFECTIVE DATES

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	April 20, 2026
Maryland	Pending
Michigan	April 20, 2026
Minnesota	Pemding
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	April 20, 2026

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I
RECEIPTS

RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Kline Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you: (a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or (b) under New York and Rhode Island law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale, or (c) under Michigan law, 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 Kline Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of Federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency as identified on Exhibit C of this disclosure document.

Kline Franchising, LLC authorizes the respective state agencies identified on Exhibit C to receive service of process for it in the particular state.

Kline Franchising, LLC's franchise sellers are Matt Foxx, Bryce Morrow, Jason Losco, Dan Tavares, , , Cara Ledbetter, Erin Parker, and Liz Ezzell, all located at 17036 Kenton Dr., Suite 100, Cornelius, North Carolina 28031, 1-833-289-2876.

Issuance Date: April 20, 2026

I received a Burn Boot Camp® Disclosure Document dated: April 20, 2026, that included the following Exhibits

A	Franchise Agreement with attached Schedules
B	Area Development Agreement with Schedules
C	List of State Agencies and Regulators
D	Franchise Disclosure Questionnaire
E	State Addenda
F	Operations Manual Table of Contents
G	List of Franchisees
H	Financial Statements
I	State Effective Dates
J	Receipts

Signed: _____	Signed: _____
Print Name: _____	Print Name: _____
Address: _____	Address: _____
City: _____ State: _____	City: _____ State: _____
Zip:_____ Telephone: _____	Zip: _____ Telephone: _____
Dated: _____	Dated: _____

TO BE RETURNED TO US

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City: _____ State: _____	City: _____ State: _____
Zip:_____ Telephone: _____	Zip: _____ Telephone: _____
Dated: _____	Dated: _____

TO BE RETAINED BY YOU