FRANCHISE DISCLOSURE DOCUMENT

GYMGUYZ Franchising LLC
A New York limited liability company
600 Broadhollow Road, Suite 200,
Melville, New York 11747
(855) GYM-GUYZ (496-4899)
www.gymguyz.com
franchising@gymguyz.com

You will operate a mobile personal fitness training businesses focusing on individualized one-on-one fitness, group sessions and corporate fitness.

The total investment necessary to begin operation of a GYMGUYZ franchised business is $112,100 to $194,000. This includes between $81,000 to $103,500 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive the 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 government 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 Josh York at 600 Broadhollow Rd., Suite 200, Melville, NY 11747 and (855) GYM-GUYZ (496-4899).

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 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.

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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 Exhibits C and D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E 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 franchise outlets.
Will my business be the only GYMGUYZ 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 GYMGUYZ franchisee?	Item 20 or Exhibits C and D list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in New York. Out-of- state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in New York than in your own state.

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

3. **Sales Performance Required**. You must maintain minimum sales performance requirements. If you fail to do so, you could lose the rights to your territory and it may result in termination of your franchise and loss of your investment.

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

5. **Turnover Rate**. During the last 3 years, a high percentage of franchised outlets (more than 30%) were terminated, reacquired by franchisor, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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

THE FOLLOWING PROVISIONS 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:

(a) 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.

(b) A prohibition on the right of a franchisee to join an association of franchises

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

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

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

(f) A provision requiring that 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.

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

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

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division Attn: Franchise
670 G. Mennen Williams Building 525 W. Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration section contained in our Franchise Agreement. We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration section. You acknowledge that we will seek to enforce that section as written.

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APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT AND MIGHT REQUIRE A RIDER TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES AND RIDERS, IF ANY, APPEAR IN EXHIBIT G.

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

The Franchisor

The Franchisor is GYMGUYZ Franchising LLC. For ease of reference GYMGUYZ Franchising LLC will be referred to as "we" or "us" in this Disclosure Document. We will refer to the person or entity who signs the Franchise Agreement as "you" throughout this Disclosure Document. If you are a corporation or other legal entity, certain provisions of the Franchise Agreement apply to your "owners" and will be noted.

We are a New York limited liability company formed on July 24, 2013. We do business under our corporate name. Our principal business address is 600 Broadhollow Rd., Suite 200, Melville, NY 11747. We do not own or operate a business of the type being franchised, but our affiliate does, as described below. We are engaged in the business of granting and supporting franchises to franchisees under the "GYMGUYZ" trade name and trademark. We have no other business activities however if we determine that the operation of your business is in jeopardy, or if a default occurs, then in order to prevent an interruption in operations, we (or our affiliate) may temporarily operate the business. We began offering franchises in December 2013. We have never offered franchises in any other line of business.

Our agents for service of process are listed in Exhibit A.

Our Parent, Predecessors and Affiliates

We have no parent or predecessor.

Our affiliate, GYMGUYZ, LLC, a New York limited liability company is headquartered at our address. It has owned and operated one business of the type being franchised since October, 2008. GYMGUYZ, LLC also owns the proprietary marks described in Item 13, which it has licensed to us so that we may sub-license them to our franchisees. It has never offered franchises in this or any other line of business and is not an approved supplier of any item that you must purchase or lease.

Our affiliate, GYMGUYZ World Wide, LLC, a New York limited liability company formed in March 2019, is headquartered at our address. It licenses the rights to qualified individuals or entities to operate GYMGUYZ businesses or to sub-license others to operate GYMGUYZ businesses outside the United States. Otherwise, it has never offered franchises in this or any other line of business and is not an approved supplier of any item that you must purchase or lease.

The Franchise Offered

The business offered by this Disclosure Document is for the right to own and operate a GYMGUYZ business ("Franchised Business") according to the terms of our Franchise Agreement, which is attached to this Disclosure Document as Exhibit B. GYMGUYZ businesses are mobile personal fitness training businesses focusing on individualized one-on-one fitness, group sessions and corporate fitness. Because of the mobile nature of the Franchised Businesses, we expect that you will operate the Franchised Business from your home (if you are permitted to do so by applicable law). Currently, we also allow virtual personal training sessions to residents located within the Franchised Business' Territory, though we reserve the right to change this.

The GYMGUYZ vehicles are stocked with state-of-the-art equipment that trainers bring to clients to provide excellent one-to-one or group workout sessions. Our services include weight loss, body sculpting, bodybuilding, weight training, therapeutic athletic/stretch, strength training, senior fitness,

obstacle course training, kickboxing, group training, corporate fitness, pre & post-natal exercise, pool workouts, pre-teen and teen fitness training, cardio fitness, professional sports conditioning and nutrition counseling.

Franchised Businesses are established and operated under a comprehensive and unique system (the "System"). Our System includes distinctive signage and color scheme; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; inventory, management and financial control procedures; training and assistance; and advertising and promotional programs; all of which we may change, improve, and further develop, in our discretion. Certain aspects of the System are more fully described in this Disclosure Document and in the Confidential Operations Manual, which you should expect to evolve over time. Franchised Businesses use certain trademarks, service marks, and commercial symbols and logos, including the mark "GYMGUYZ" (collectively the "Marks" or "Proprietary Marks"), as further described in Item 13.

Franchise Agreement

We offer you a franchise agreement (the "Franchise Agreement") which gives you the right to establish and operate one Franchised Business. The Franchise Agreement gives you the right to use the Proprietary Marks and the System solely with the operation of the Franchised Business in the territory we designate.

Market and Competition

Franchised Businesses offer their products and services to the general public, including health and fitness conscious individuals and corporate organizations seeking the value of a personal trainer with the convenience and efficiency of having the personal trainer go to the client. Franchised Businesses also offer their products and services to Adaptive Populations and Special Needs Populations. You will compete with health clubs, some of which may be franchise systems, other businesses that offer personal fitness training and individual fitness trainers.

Industry Specific Laws and Regulations

Some states may require that your trainers become certified. State law may also govern fitness contract refund and cancellation requirements. The provision of nutritional counseling and other services offered by a Franchised Business may require that you and certain of your employees be licensed by your state and take continuing education classes to maintain the required license. Otherwise, there are no regulations specific to operating a Franchised Business, but you must comply with all local, state and federal laws that apply generally to businesses, including privacy.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer and Founder – Josh York

Josh has been our Chief Executive Officer and our Founder since our inception in July 2013 and has held a similar position with our affiliate GYMGUYZ, LLC since October 2008, our affiliate GYMGUYZ World Wide, LLC since March 2019 and our affiliate York Enterprises, LLC since January 2022. Josh was also our President from inception until March 2023 and has held that title with our affiliate GYMGUYZ, LLC since October 2008, our affiliate GYMGUYZ World Wide, LLC since March 2019 and our affiliate York Enterprises, LLC since January 2022.

President – Phil Brojan

Phil has served as our President since March 2023. Phil served as our Chief Marketing Officer from August 2019 to March 2023.

Vice President of Franchise Development – Mark Farmer

Mark has served as our Vice President of Franchise Development since January 2025. Mark served as our Director of Operations from June 2022 to December 2024. Mark served as Senior Area Director of Operations for Whataburger located in San Antonio, Texas from December 2019 to June 2022. Prior to that Mark served as an Operations and Development Consultant for Burger King located in Waco, Texas from June 2018 to December 2019.

Senior Director, CRM & Analytics – Gregg Bushyeager

Gregg has served as our Director of CRM & Analytics since March 2021. From October 2019 to March 2021 Gregg served as Sr Manager, CRM & Analytics of Wyndham Worldwide in Parsippany, NJ. Gregg acted as an independent marketing consultant from July 2005 to October 2019.

Director of Corporate and Field Operations - Tony Palagano

Tony has served as our Director of Corporate and Field Operations since March 2024. Prior to that Tony served as a Franchise Business Consultant for Kidstrong out of Frisco, Tx from September 2023 to February 2024. Tony served as a Franchise Business Consultant for Dryer Vent Wizard located out of Waco, Tx from November 2020 to April 2023 and served as a National Account Specialist for Franklin Machine Products located in Lumberton, NJ from May 2018 to August 2020.

Senior Director – Learning & Development - Heidi Loiacono

Heidi has served as our Senior Director, Learning & Development since September 2023. Between April 2023 and August 2023, Heidi served as Regional Operations Director for Medi-Weightloss in Tampa, FL. Heidi previously held the same position of Senior Director, Learning & Development with us from May, 2020 to March, 2023. Heidi served as our Director of Fitness & Education from August 2017 through May, 2020. From November 2016 through August 2017 Heidi served as a Head Coach for our affiliate and from April 2016 through November 2016 Heidi served as a Fitness Coach for our affiliate.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Franchise Agreement

Initial Franchise Fee: You must pay us an initial franchise fee of $69,500, which is due in a lump sum when you sign the Franchise Agreement, for a protected territory of 30,000 households. In the event that we approve you to purchase a territory that contains in excess of 30,000 households, you must pay an additional $1.50 per household over the standard 30,000 households, up to a maximum additional 15,000 household limit. The initial franchise fee is not refundable.

If we approve you to purchase two franchises, we will discount the initial franchisee fee for the second unit by $29,500. If we approve you to purchase three or more franchises, we will discount the initial franchise fee by $29,500 for the second unit, and by $39,500 for the third unit. If you are an honorably discharged United States veteran, we will discount the initial franchise fee for a single franchise by $5,000 upon presentation of DD-214 documentation. Discounts cannot be combined and do not apply if you choose to purchase a larger territory.

Initial Marketing Funds. You must spend between $31,500 in initial marketing funds in your Territory, provided however, if you have previously executed a GYMGUYZ franchise agreement for an adjacent territory, your required Initial Marketing Fund expenditure is reduced to $11,500. We will collect these funds and spend them in your Territory on your behalf.

Launch Fund Fee: You must pay us a non-refundable Launch Fund Fee of $2,500. As part of the Launch Fund, we will provide you with:

(1) A one-day in-Territory visit to your Franchised Business. The in-Territory visit will occur 4-6 weeks after you complete the Initial Training program. However, we reserve the right to delay the in-Territory visit if we determine that in person training is not advisable due to health and safety reasons.

(2) One-on-one training and on-boarding of various operational and marketing software systems.

(3) Dedicated subject matter expertise and assistance in preparation of an initial marketing funds plan and initial one-year marketing budget.

The Launch Fund Fee must be paid in a lump sum when you sign your Franchise Agreement. If you have previously executed a GYMGUYZ franchise agreement, then you have the option to not pay the Launch Fund Fee. In such event, you will not receive the additional in-Territory training or other services offered.

These amounts are not refundable.

ITEM 6
OTHER FEES

Fees [1]	Amount	Due Date	Remarks
Royalty Fee [2]	7% of Gross Sales or $300 per two weeks ($400 per two weeks for Territories in excess of 31,000 qualified households), whichever amount is greater. Minimums are subject to an initial 90-day grace period (starting the Monday after you complete GYMGUYZ University training).	Payable on every other Wednesday for the previous two-week period ending the prior Sunday. If Wednesday is a holiday, the Royalty Fee shall be payable the first business day prior.	Amounts due will be withdrawn by EFT from your designated bank account.
Brand Development Fee [2][3]	2% of Gross Sales or $40.00 per two- week period, whichever is greater, subject to an initial 90-day grace period (starting the Monday	Payable at the same time and in the same manner as the Royalty Fee	The Brand Development Fund is described in Item 11. With 30 days' prior notice to you, we may increase the Brand Development Fee not

	after you complete GYMGUYZ University training).		to exceed 2.5%.
Local Advertising [4]	$3,000 per month on local promotions in your Territory between your 6-month anniversary of opening your Franchised Business and the end of the first year $1,750 each month or 4% of your monthly Gross Sales after your Franchised Business has been open for more than one year.	Payable at the same time and in the same manner as the Royalty Fee	You must spend $3,000 per month on promotions between your 6-month anniversary and the end of the first year, and $1,750 or 4% of your monthly Gross Sales after being open for more than one year. See Footnote 4.
Technology Fee [2] [5]	Our then-current fee - currently, $50 per two-week period if you operate a single unit, $70 per two-week period if you operate a total of two units (aggregated for all units), $90 per two- week period if you operate a total of three units (aggregated for all units), subject to an initial 90-day grace period (starting the Monday after you complete GYMGUYZ University training). The Technology Fee will increase by $20 per two-week period if you operate 4 or more units.	Payable at the same time and in the same manner as the Royalty Fee	We collect a Technology Fee in connection with any costs we incur in establishing and maintaining an intranet, extranet, online portal, website, online advertising and/or training tools, mobile application and/or any other technology for use in connection with the Franchised Business.
GYMGUYZ University Initial Training (For New or Replacement Manager or additional owners)	$1,000 per person training fee, plus expenses	Before Training	If you request that we provide, or if we require, our initial training program for anyone beyond the initial two people, during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages.
Additional In-Territory Training	Our then-current fees, per diem rate of $1,000 plus our costs. Not exceed $1,500, plus our costs.	When billed	If you request that we provide additional training at your Franchised Business or if we determine that you need remedial training or assistance, you must pay our

			daily fee for each trainer we send to your Franchised Business, and you must reimburse each trainer's expenses, including travel, lodging and meals.
Interest	1.5% per month or the highest rate allowed by applicable law, whichever is less	On demand	Interest may be charged on all overdue amounts. Interest accrues from the original due date until the amount is paid in full.
Audit Fee	Cost of audit (estimated to be between $1,000 and $5,000)	When billed	Payable only if we find, after an audit, that you have understated any amount you owe to us or Gross Sales by 2% or more. You must also pay the understated amount plus interest.
Insufficient Funds Fee	$75 per occurrence	On demand, if incurred	Payable if we are unable to process any payment due to us or our Affiliate due to insufficient funds in your bank account. If you incur three insufficient funds fees in any 12-month period, we have the right to terminate your Franchise Agreement.
Transfer Fee	$10,000	Submitted with transfer application	Payable if you wish to transfer rights in the Franchise Agreement, Franchised Business or the ownership interests in a Franchisee that is an entity.
Renewal	$10,000	On renewal of the Franchise Agreement	
Costs and Attorneys' Fees	Will vary under circumstances	On demand	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating your agreement.
Insurance Premiums	Our cost plus our administrative fee of 10%	Within 15 days after demand for payment	If you fail to maintain the required insurance coverage, we may (but are not required to) obtain insurance on your behalf.
Management Fee	Our then-current fees (currently 20% of Gross Sales, never exceeding 25% of Gross Sales, plus	If incurred	We have the right to step in and manage your Franchised Business in certain situations, including your prolonged

	expenses)		absence, death or disability or if we feel, in our discretion, that it is necessary to protect the business due to operational issues.
Product or Supplier Evaluation	$500 plus our costs.	With request for approval of product or supplier	If you request that we evaluate a proposed new product or supplier for the System. If we approve the product or supplier for the entire System the evaluation fee will be reimbursed to you. If we do not approve the product or supplier, you will pay the costs related to our evaluation, in addition to the evaluation fee.
Equipment	Will vary under circumstances	As incurred	You must purchase initial fitness equipment from us. All equipment purchased beyond the initial Single Vehicle Basic Equipment Package will be at our then current rates.
Annual Franchisee Conference	$699 for the franchisee and one additional attendee. Attendees beyond the initial two are charged at a rate of $199 per person.	As incurred	You must pay a fee for attendance at our Annual Franchisee Conference. The fee is payable to us. We reserve the right to adjust this fee on an annual basis not to exceed a maximum increase of more than 15% per year. Attendance is mandatory.
POS System Fee	Our then current fee (currently $375 per month)	Payable monthly beginning on your POS creation site date	The POS System Fee is paid to us for your monthly fee to use our designated POS System (currently Mindbody). We currently collect the monthly service fee on behalf of Mindbody and pay those amounts over to Mindbody.
Search Engine Optimization Fee	Our then current fee (currently $318 per month)	Payable the 1st day of each month.	Payable for SEO services. We currently collect the monthly fee and pay those amounts over to our designated vendor.
VOIP Fee	Our then current fee (currently $69 per month, per line)	Payable the first week of each month.	The VOIP Fee is currently paid to us for your monthly fee to use our designated phone system. We currently collect the monthly fee and

			pay those amounts over to our designated vendor.
Microsite Fee	Our then current fee (currently $125.00 per month not to exceed $200 per month, per microsite)	Payable the first week of each month.	The Microsite Fee is currently payable to us for each microsite we provide you within the GYMGUYZ website.
Hiring Platform Fee	Our then current fee (currently $35.00 + tax per month)	Payable the first week of each month.	The Hiring Platform is currently paid to us for your monthly fee to use our designated hiring platform. We currently collect the monthly fee and pay those amounts over to our designated vendor.
GYMGUYZ Training Application	Our then current fee (currently $90.00 per month)	Payable monthly on your GYMGUYZ Training Application creation date	The GYMGUYZ Training Application is currently paid to us for your monthly fee to use our designated GYMGUYZ Training Application. We currently collect the monthly service fee and pay those amounts over to our designated vendor. You may choose not to use the Training Application.
Social Media Posting Platform	Our then-current fee, which will not exceed $100 (currently $35- 50)	Payable the first week of each month.	Rate varies. As user count rises, our monthly fees may decrease. Currently, paid to us.
Telemarketing Fee	Our then-current fee (currently $299	As incurred	The Telemarketing Fee is currently paid to us for your monthly fee for telemarketing services. We currently collect the monthly fee and pay those amounts over to our designated vendor.
Advertising Cooperative	As determined by the cooperative, up to 2% of monthly Gross Sales	If payable to us, payable monthly at the same time and in the same manner as the first bi-weekly Royalty Fee	If we establish an advertising cooperative within a geographically defined local or regional marketing area in which your Franchised Business is located, you must participate and abide by any rules and procedures the cooperative adopts and we approve. Our affiliates may, but are not required to, participate in cooperatives.

Liquidated Damages – Default and Termination of Franchise	**the greater of $50,000 or up** to 24 months of **rolling 12-month average of** Royalty Fees and Brand Fund Contributions	Upon termination of the Franchise Agreement due to your default, in a lump sum	If your Franchise Agreement is terminated due to your default, you must pay us the average monthly Royalty Fee and Brand Fund Contribution payable by you for the 12 months prior to your default multiplied by the lesser of 24 months or the number of months remaining in the term of your Franchise Agreement.

1. All fees described in this Item 6 are non-refundable. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us. Except as specifically stated above, the amounts given may change due to changes in market conditions, our cost of providing services and future policy changes. Fees may not be uniform for all franchisees.

2. For the purposes of determining the fees to be paid under the Franchise Agreement, "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit. Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments. We may authorize certain other items to be excluded from Gross Sales. Any exclusion may be revoked or withdrawn at any time by us.

Royalty payments will begin once you have established the Mindbody website for the Franchised Business and sales for the Franchised Business have commenced. The Royalty Fee will be imposed as follows for each territory:

- 1st Territory: 90 days after Graduation from the GYMGUYZ University training.
- 2nd Territory:12 months following execution of the Franchise Agreement.
- 3rd Territory: 18 months from following execution of the Franchise Agreement.
- Any additional Territory(ies): 6 months following imposition of the Royalty Fee minimums for each previously established Territory.

In the event that you agree to establish one or more ***contiguous*** Territory(ies) for your Franchised Business in addition to the three Territories noted above, following execution of the first Franchise Agreement, the schedule for imposition of the Royalty Fee minimums for such additional ***contiguous*** territory(ies):

- 4th Territory: 90 days following execution of the Franchise Agreement for the additional territory(ies)
- 5th Territory: 90 days following execution of the Franchise Agreement for the additional territory(ies)
- 6th Territory: 90 days following execution of the Franchise Agreement for the additional territory(ies)

The Royalty Fee and Brand Development Fee will be withdrawn from your designated bank account by electronic funds transfer ("EFT") every other Wednesday based on Gross Sales for the preceding two weeks ending Sunday. If you are developing a single territory, you will not be required to pay Technology Fees, Brand Development Fees or minimum Royalty Fees for the 90-day period beginning the Monday after you complete GYMGUYZ University training. If you are developing multiple territories, you will not be required to pay any minimum Royalty Fee or Brand Development Fee for the second unit during the initial 12-month period beginning

the Monday after you complete GYMGUYZ University training. If you are developing multiple territories, you will not be required to pay any minimum Royalty Fee or Brand Development Fee for the third unit during the initial 18-month period beginning the Monday after you complete GYMGUYZ University training. If you do not report Gross Sales, we may debit your account for 120% of the last Royalty Fee and Brand Development Fee that we debited. If the Royalty Fee and Brand Development Fee we debit are less than the Royalty Fee and Brand Development Fee, you actually owe us, once we have been able to determine the true and correct Gross Sales for your Franchised Business, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand Development Fee we debit are greater than the Royalty Fee and Brand Development Fee, you actually owe us, we will credit the excess against the amount we otherwise would debit from your account for the next payment due.

If any state imposes a sales or other tax on the royalty fees, then we have the right to collect this tax from you.

3. We may maintain and administer a Brand Development Fund on behalf of the System (see Item 11) to provide national or regional creative materials for the benefit of the System. The Brand Development Fee is currently equal to 2% of Gross Sales or $40.00 per two-week period, whichever is greater. We reserve the right to increase this amount upon 30 days' prior written notice not to exceed 2.5%.

4. Between your 6-month anniversary of opening your Franchised Business and the end of the first year you agree to expend not less than $3,000 per month on promotions in your Territory. After your Franchised Business has been open for more than one year, you agree to expend not less than the greater of (i) One Thousand Seven Hundred Fifty Dollars ($1,750) each month or (ii) 4% of your monthly Gross Sales on local promotions in your Territory

5. We reserve the right, on an annual basis, to adjust the Technology Fee based upon vendor pricing and/or the technology we determine to cover as part of the fee upon written notice to you.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (1)	$69,500	Lump Sum	On signing Franchise Agreement	Us
Computer System and Software (2)	$500 to $1,000	As arranged	As arranged	Approved Suppliers
Insurance (3)	$2,500 to $4,000	As arranged	As arranged	Insurance Companies
Permits and Licenses (4)	$0 to $500	As arranged	As arranged	Government Agencies
Equipment (5)	$0 to $8,000	As arranged	As arranged	Approved Suppliers and Us

Marketing Materials (6)	$0 to $4,500	As arranged	As arranged	Approved Suppliers
Initial Marketing Funds (7)	$11,500 to $31,500	As arranged	As arranged	Us
Travel Expenses for Training (8)	$100 to $2,500	As arranged	As incurred	Airlines, Hotels, Restaurants, Employees
Vehicle (9)	$2,500 to $7,500	As arranged	As arranged	Approved Suppliers
Professional Fees (10)	$500 to $2,000	As arranged	As arranged	Attorney, Accountant
Apparel (11)	0 to $500	As arranged	As arranged	Approved Suppliers
Launch Fund Fee(12)	$0 to $2,500	Lump Sum	On signing franchise agreement	Us
Additional Funds – 3 Months (13)	$25,000 to $60,000	As arranged	As incurred	Various
Total (14)	**$112,100 - $194,000**			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable.

Notes:

1. ***Initial Franchise Fee.*** The initial franchise fee is discussed in Item 5. This figure does not include any discounts to which you may be entitled as listed in Item 5 or amounts owed for purchasing a larger, non-standard territory.

2. ***Computer System***. You must have the computer system and software we designate. Additional information about the required computer system is included in Item 11.

3. ***Insurance***. You must have the insurance that we specify for your Franchised Business at all times during the term of your Franchise Agreement. Our current insurance requirements are included in Item 8. These estimates reflect premiums and deposits that you would be required to pay upfront.

4. ***Permits and Licenses***. Our estimate includes the cost of obtaining local business licenses which typically remain in effect for one year. The cost of these permits and licenses will vary substantially depending on the location of your business. You should consult the appropriate governmental authority concerning the availability of required licenses before you sign a Franchise Agreement.

5. ***Equipment***. The low end of the range assumes that you have previously executed a franchise agreement for a GYMGUYZ business and do not need to purchase additional equipment at this time. Otherwise, you must purchase exercise and fitness equipment. Our estimate includes the initial Single Vehicle Basic Equipment Package you must purchase from us. It also includes the telephone equipment and GPS/navigation system you must

purchase from third party suppliers. You will also need basic office furnishings for your home office.

6. ***Marketing Materials***. The low end of the range assumes that you have previously executed a franchise agreement for a GYMGUYZ business and do not need to purchase additional marketing materials at this time.

7. ***Initial Marketing Funds***. You must spend $31,500 in initial marketing funds in your Territory prior to opening and during the initial six months of operation on marketing tactics such as direct mailers, billboards, radio/tv advertising, digital marketing/social media ads, public relations launch and other general advertising and provide receipts to us. If you have previously executed a GYMGUYZ franchise agreement for an adjacent territory, your required Initial Marketing Fund expenditure is reduced to $11,500. We will collect these funds and spend them on your behalf.

8. ***Travel and Living Expenses While Training***. These estimates include only your out-of-pocket costs associated with attending our initial GYMGUYZ University training program, including travel, lodging, meals and applicable wages for the first two trainees. These amounts do not include any fees or expenses for training any other personnel.

9. ***Vehicle.*** You must have an approved vehicle wrapped with our trade dress and equipped with shelving and partitions. Your costs will be higher if you purchase a brand-new vehicle. A sales vehicle is also recommended after 3 consecutive months of monthly Gross Sales of at least $10,000. The sales vehicle must be an approved vehicle wrapped with our trade dress. This cost for the sales vehicle has not been included in this estimate. Although the sales vehicle is currently optional, we reserve the right to mandate a sales vehicle in the future.

10. ***Professional Fees***. We recommend that you retain an attorney and an accountant to assist you with evaluating this franchise offering.

11. ***Apparel.*** The low end of the range assumes that you have previously executed a franchise agreement for a GYMGUYZ business and do not need to purchase additional apparel at this time. You must purchase GYMGUYZ apparel for yourself and your staff from vendors approved by us.

12. ***Launch Fund.*** The Launch Fund Fee provides you with (i) one day of in-Territory support; (ii) assistance with your initial marketing funds plan and first year marketing budget, and (iii) one-on-one training and on-boarding of various operational and marketing software systems. If you have previously executed a GYMGUYZ franchise agreement, then the Launch Fund Fee is optional. (See Item 5 for additional information).

13. ***Additional Funds***. This estimates your initial start-up expenses for an initial three-month period, including software and service fees and payroll costs, but not including an owner's draw, Royalty Fees, Brand Development Fees, and Technology Fees, and does not include any revenue that your Franchised Business may earn in the first three months of operation.

14. ***Totals***. We relied on our Affiliate's experience in operating a GYMGUYZ business since October 2008 when compiling these estimates, as well as the experience of our franchisees. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not provide financing arrangements for you. If you obtain financing from others to pay for some of the expenditures necessary to establish and operate the franchise, the cost of financing will depend on your creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

All equipment, fixtures, computer hardware and software, website services, marketing materials, financial management tools, apparel, supplies and materials required for the operation of your Franchised Business must be purchased by you only from suppliers designated or approved in writing by us (which may include us or our affiliates), or from suppliers selected by you and whom we approve. Currently we are the sole approved supplier for templates containing the Proprietary Marks, certain software access (MINDBODY, VOIP, hiring platform, GYMGUYZ training application, SEO services, social medial posting platform, microsite) and initial fitness equipment, and we reserve the right to earn a profit on the sale of these items to our franchisees. You may not be a supplier to other franchisees without our written approval. None of our affiliates are currently approved suppliers, although we reserve the right to designate them as such. The following officers listed in Item 2 have an ownership interest in us: Josh York. None of our officers has an ownership interest in any other approved supplier.

The estimated proportion of required purchases and leases to all purchases and leases by you of goods and services in establishing the Franchised Business is approximately 90% and in operating your Franchised Business ranges approximately from 80% to 90%.

We will give you specifications for the minimum standards of any products, equipment (including your vehicle) and supplies. We reserve the right to require you to purchase certain products, equipment and supplies for the operation of the Franchised Business, and we reserve the right to specify the make and model for your vehicle. Our specifications, minimum standards and approved suppliers lists will be included in our Confidential Operations Manual ("Manual"), which is loaned to you for the term of your Franchise Agreement. We may also establish an intranet website for our franchisees to access this and other information. Any changes to our specifications, minimum standards, approved suppliers or the Manual will be provided to you in writing.

You must have at least one approved vehicle for servicing clients of your Franchised Business purchased or leased from a vendor approved by us. If you choose to purchase or lease a pre-owned vehicle it must be approved by us before you may purchase or lease it, unless you are purchasing or leasing a certified pre-owned vehicle. We recommend that if you do not purchase or lease a new vehicle, you purchase or lease a low mileage "demo" or off lease vehicle. Your vehicle must be lettered or painted according to our specifications and must be in excellent condition, including no accident damage or visible rust. We prefer that your vehicle be not more than four years old. You must regularly maintain and clean the vehicle according to our specifications, which are included in the Manual.

You must also purchase and use hardware and software we designate, including, but not limited to, an office computer, an all-in-one printer, a notebook or tablet computer, smart phone, and QuickBooks. The computer system will provide you with the following functions: client data maintenance, billing and accounting functions, client service scheduling and call scheduling. You must purchase the phone system we designate and the GPS/navigation tracking system approved by us. You must also use our designated call center to route calls, and our designated telemarketing service and you will be required to comply with all policies regarding same. You must purchase all marketing materials from us or a third-party vendor approved by us. You must accept all major credit cards for customer purchases.

If you wish to use a supplier or product that has not previously been approved by us, you must make a request to us in writing for our approval of the supplier or product, including any pertinent information we require and payment of $500 plus our costs. We will notify you in writing within 30 days if and when a supplier or product is approved. If we do not notify you within this 30-day period, the product or supplier is deemed not approved and you must reimburse the costs we incurred in evaluating the product or supplier, in addition to payment of the evaluation fee. We reserve the right to re- inspect any supplier or product to ensure that the supplier continues to conform to our reasonable specifications and standards. If a supplier or product fails to conform to our reasonable specifications and standards, we may revoke our approval of the supplier or product, and you must discontinue using the unapproved supplier or product after notice from us. We do not generally make available the criteria for

evaluating suppliers and/or products that we deem confidential. If we notify you that a particular product or supplier's approval has been revoked by us, you must immediately stop using that product and/or stop purchasing from that supplier. If you propose a product or supplier that we then approve for the entire System, we will reimburse to you the evaluation fee you paid.

We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "Allowances") offered by manufacturers, suppliers, and distributors to you, to us, or to our affiliates, based upon your purchases of products and services from manufacturers, suppliers, and distributors. We or our affiliates will have all of your right, title, and interest in and to any and all of these Allowances. We or our affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor). We did receive $37,691.19 in Allowances in our 2025 fiscal year, which was approximately 0.8% of our total revenues. Our total revenues, based on our audited financial statements as of December 31, 2025, were $3,291,542. None of our affiliates received any revenue or Allowances from sales to our franchisees for the 2025 fiscal year.

At the present time there are no purchasing or distribution cooperatives established by us. We reserve the right to establish purchasing or distribution cooperatives in the future, in our discretion. We may negotiate purchase arrangements, such as price terms, for the benefit of all businesses in the System. We do not give you any benefits, like renewal or the granting of additional franchises, based on your buying any items from our approved suppliers.

All advertising, including social media posts, that you wish to use to promote your Franchised Business, if we have not provided it to you or approved it in the immediately preceding 12 months, must be forwarded to us for our approval before you may use it. You may not use any advertising that we have not approved. You must include certain language on your advertising and marketing materials as we require, such as "Franchises Available" and our website address and telephone number.

In addition to the purchases described above, you must obtain and maintain, at your own expense, insurance coverage. Our System may regulate the types, amounts, terms and conditions of insurance coverage required for your franchise and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims. Our standards and requirements for insurance coverages will be included in our Manual and will periodically be updated.

The following are the current insurance requirements: (1) Commercial General Liability/Professional Liability with coverage of not less than $1,000,000 per occurrence, $3,000,000 general aggregate and $3,000,000 products aggregate, with $2,500 medical expense for any one person; (2) automobile insurance, including hired and non-hired vehicle coverage and uninsured/underinsured motorist coverage, in amounts not less than $1,000,000 combined single limit; (3) employment practices liability insurance with a minimum coverage of $1,000,000; (4) workers' compensation, employer liability and any other insurance required by law or statute for the state in which the Franchised Business is located; and (5) any insurance required by the terms of your lease, if you choose to lease space for your Franchised Business, or that may be required by us in the future. Defense costs cannot erode policy limits.

You must purchase your insurance policies from insurers that are qualified to sell insurance in the state in which your Franchised Business is located and that are rated at least A by A.M. Best Company. Each insurance policy must name us, our officers, directors, parent, subsidiaries and affiliates as additional insureds, via a separate endorsement using ISO form CG2029 or an equivalent endorsement (no blanket additional insured language is acceptable). No insurance policy may be subject to cancellation, termination, non-renewal or material modification, except upon at least thirty (30) days' prior written notice from the insurance carrier to us.

Before you complete our initial training program, and then upon renewal of each policy, you must provide us with a Certificate of Insurance showing that you have obtained the required insurance coverages. If you do not obtain and maintain the insurance coverages that we require, we may (but are not obligated to) obtain insurance on your behalf. If we do this, you must reimburse the premium costs we incur plus an administrative fee of 10%.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Article in Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Article 9	Items 7, 8 and 11
(b) Pre-opening purchases/leases	Article 9	Items 5, 6, 7, 8 and 11
(c) Site development and other pre-opening requirements	Article 9	Items 1, 7, 8 and 11
(d) Initial and ongoing training	Article 5	Items 5, 6, 7 and 11
(e) Opening	Article 9	Item 5, 6 and 11
(f) Fees	Articles 4, 8, 10 and 15	Items 5, 6, 7 and 11
(g) Compliance with standards and policies/Operations Manual	Articles 6 and 9	Item 8 and 11, 14
(h) Trademarks and proprietary information	Article 7	Items 11, 13 and 14
(i) Restrictions on products/services offered	Article 9	Items 8 11, and 16
(j) Warranty and customer service requirements	Not applicable	Not applicable
(k) Territorial development and sales quotas	Article 1	Item 12
(l) On-going product/service purchases	Article 9	Items 6 and 8
(m) Maintenance, appearance and remodeling requirements	Not applicable	Not applicable
(n) Insurance	Article 9	Items 6,7 and 8
(o) Advertising	Article 10	Items 6, 8 and 11
(p) Indemnification	Article 12	Item 6
(q) Owner's participation/ management/ staffing	Article 9	Items 1, 11 and 15
(r) Records/reports	Article 11	Item 6, 11
(s) Inspections/audits	Articles 5 and 11	Items 6, 8 and 11
(t) Transfer	FA: Article 15	Items 6 and 17

	MUDA: Article 6	
(u) Renewal	Article 4	Items 6 and 17
(v) Post-termination obligations	Article 17	Items 6 and 17
(w) Non-competition covenants	Article 14	Item 17
(x) Dispute resolution	Article 20	Items 6 and 17
(y) Liquidated damages	Article 17	Item 6
(z) Guaranty	Attachment 6	Item 1

ITEM 10
FINANCING

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

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

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

Pre-Opening Obligations

Before you open your Franchised Business, we will: Supply you a digital copy of our Manual (Franchise Agreement – Section 5.1).

1. Provide our initial training program (which is described below) to up to two people at no additional charge (Franchise Agreement – Section 5.3).

2. Approve or designate the computer hardware, software and other equipment and products which you must use for your Franchised Business (Franchise Agreement – Section 5.6).

3. Approve or designate the vehicle you will use for your Franchised Business (Franchise Agreement – Section 5.10).

Opening

We estimate that between 90 to 180 days will elapse from the date you sign the Franchise Agreement to the opening of your Franchised Business for business. Factors that may affect this timeframe include your ability to obtain financing or required licenses and permits, when you successfully complete our initial training program delivery of and/or installation for the vehicle, equipment and signs. Your Franchised Business must be opened for business within 180 days after you sign the Franchise Agreement and you must have your grand opening within six (6) weeks after you start marketing your Franchised Business. You may not open your Franchised Business for business until: (1) the initial training program we provide has been completed to our satisfaction by all required persons; (2) the initial franchise fee and all other amounts due to us have been paid; (3) you have furnished us with all certificates of insurance required by the Franchise Agreement; (4) you have obtained all required governmental permits, licenses and authorizations necessary for the operation of your Franchised Business; (5) you are in full compliance with all the terms of the Franchise Agreement; and (6) we provide written confirmation that you are clear to open.

Continuing Obligations

Franchise Agreement: During the operation of your Franchised Business, we will do the following:

1. In addition to the training program, we may occasionally furnish you with instructions, forms or other information developed by us in connection with the operation of the System (Franchise Agreement – Section 5.2). We do not currently mandate maximum or minimum pricing but we reserve the right to do so in the future.

2. Provide information pertaining to sources of supply for products and services used in our System (Franchise Agreement – Section 5.5).

3. Maintain a Brand Development Fund for the benefit of all GYMGUYZ businesses in the System, subject to our right to discontinue the Fund, in our discretion (Franchise Agreement – Section 10.2).

4. Provide consultation, as we deem appropriate, to you regarding problems in the operation of the Business (Franchise Agreement – Section 5.3).

5. Conduct an annual meeting of franchisees which shall be mandatory for all franchisees unless the absence is excused by us. The annual meeting will be to discuss sales techniques, instructional methods, training of personnel, performance standards, and advertising (Franchise Agreement – Section 5.9). We will not hold a franchisee meeting unless we believe it is beneficial to do so.

6. Provide additional training as requested and approved by us, or as we may require. (Franchise Agreement – Section 5.4).

7. Indemnify you for all damages for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), if you and your owners have not used the Marks in an unauthorized manner and have fully complied with the terms of the Franchise Agreement (Franchise Agreement - Article 7).

Initial Marketing Funds

You must spend $31,500 to conduct an initial marketing funds campaign to promote the opening of your Franchised Business. (Franchise Agreement – Section 10.3). This amount is collected by us and spent directly in your Territory prior to opening and during the first 6 months that you are open. If you currently operate another GYMGUYZ business with an adjacent territory, then your required expenditure is reduced to $11,500.

Local Advertising

You must conduct local advertising and promotional programs in your territory to promote your Franchised Business. Between your 6-month anniversary of opening and the end of the first year, you must spend $3,000 per month. After you are open for 12 months, you are required to spend $1,750 each calendar month or 4% of your monthly Gross Sales (whichever amount is greater) on local advertising. Of these funds, $1,250 must be spent on digital advertising. Separately, you must participate in our SEO program at a monthly cost currently set at $318. You also must subscribe to our social media publishing tool, (currently Soci), at a monthly cost currently set at $35-50 per month (depending on number of franchisee subscribers at any given time).

Within 30 days after our request, you must provide us with a report detailing your local advertising activities. The information we may request includes verification copies of your advertising and copies of bills for expenses.

The amounts you spend for local advertising and promotion do not include any reimbursed expenses or

direct expenses made by a supplier of your Franchised Business. (Franchise Agreement – Section 10.4).

Any advertising or marketing materials you propose to use that have been prepared by or for you, or that we have not approved in the immediately preceding 12-month period, must be submitted to us for our review. We will have 15 days after receipt of these materials to approve or disapprove of them. If we do not provide our specific approval of your materials, they are deemed not approved. Any advertising or promotional materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

At our request, you must include certain language in your local advertising, including "Franchises Available" and our website address and telephone number.

Advertising Generally

You must use the call center the telemarketing service designated by us. The cost is currently $499.00 per month in connection with use of the call center and $299.00 per month for telemarketing services. These amounts are in addition to your local marketing and Brand Development Fund fees.

Advisory Council

We currently have an advisory council in place to work with us to improve the System, the products and services offered by GYMGUYZ businesses, advertising and marketing, and any other matters that we deem appropriate. The advisory council acts solely in an advisory capacity and does not have decision making authority. We have the right to form, change, merge or dissolve any advisory council. The advisory council includes our representatives and franchisee representatives. Franchisee representatives may be chosen by us or may be elected by other franchisees in the System. If you participate in an advisory council, we will reimburse you certain expenses you incur related to your participation, which may include travel, lodging and meals expenses if you must travel to attend meetings.

Advertising Cooperatives

If we establish an advertising cooperative within a geographically defined local or regional marketing area in which your Franchised Business is located, you must participate and abide by any rules and procedures the cooperative adopts and we approve. You will contribute to your respective cooperative an amount determined by the cooperative, but not to exceed 2% of your monthly Gross Sales. Amounts contributed to a cooperative will not be credited against monies you are otherwise required to spend on local advertising or required to contribute to the Fund. We have the right to draft your bank account for the advertising cooperative contribution and to pass those funds on to your respective cooperative. Our affiliates will have no obligation to participate in any such advertising cooperatives.

The cooperative members are responsible for the administration of their respective advertising cooperative, as stated in the by-laws that we approve. The by-laws and governing agreements will be made available for review by the cooperative's franchisee members. We may require a cooperative to prepare annual or periodic financial statements for our review. Each cooperative will maintain its own funds; however, we have the right to review the cooperative's finances, if we so choose.

We reserve the right to approve all of a cooperative's marketing programs and advertising materials. On 30 days written notice to affected franchisees, we may terminate or suspend a cooperative's program or operations. We may form, change, dissolve or merge any advertising cooperative.

Your Franchised Business may not benefit directly or proportionately to its contribution to the Cooperative.

Brand Development Fund

We have established a brand development fund (referred to as the "Fund") for brand development, advertising, marketing and public relations programs that we believe are necessary or appropriate to promote GYMGUYZ businesses. You must pay a Brand Development Fee equal to 2% of your Gross Sales to the Fund every other week or $40.00, whichever is greater (subject to an initial 90-day grace period beginning the Monday after you complete GYMGUYZ University training). With 30 days' prior written notice to you, we may increase the Brand Development Fee not to exceed 2.5%. Businesses owned and operated by us or our affiliate are not required to contribute to the Fund.

We will direct all advertising and public relations programs financed by the Fund with sole discretion over the creative concepts, materials, and endorsements it uses, and the geographic, market, and media placement and allocation of it. The Fund may be used to pay the costs relating to design, directing, writing, preparing, producing and placing all electronic (television and radio) and online (internet, email, social media, virtual worlds) and offline print marketing and advertising materials of any nature, including to promote and/or enhance the identity and image of the GYMGUYZ System, its franchisees, services, products; new product research and development; quality control (including mystery shopper programs which may or may not include call recording); market research; talent fees; working with public relations firms; administrative, travel, debt service and operating costs and overhead; or for any other purpose related to GYMGUYZ or its locations. Monies in the Fund may be used to cover administrative costs and overhead we may incur, including salary costs of employees working on the Fund and collecting and accounting for contributions to the Fund (including attorneys' fees).

In our 2025 fiscal year, we spent the Fund Contributions as follows:

National Digital Media	50%
Video and Photo Shoots	10%
Email CRM	40%

You must participate in all advertising and public relations programs conducted by the Fund. We will not spend any money from the Fund for advertising that is primarily a solicitation of new franchisees, but we reserve the right to include language on all advertising indicating that franchises are available along with our contact information. Although we may benefit indirectly from brand awareness generated by fund activity, we do not anticipate any direct benefit.

Sums paid by you to the Fund may be commingled with our general funds but will be accounted for separately by us. We may spend in any fiscal year an amount greater or less than the aggregate contribution of all GYMGUYZ businesses to the Fund in that year and the Fund may borrow from us or other lenders at standard commercial interest rates to cover deficits of the Fund or cause the Fund to invest any surplus for future use by the Fund. Any money remaining in the Fund at the end of any year will carry over to the next year. We will prepare, and furnish to you upon written request, an annual, unaudited statement of the Fund.

You authorize us to collect any advertising or promotional monies or credits offered by any supplier based upon your purchases from that supplier. Advertising or promotional monies or credits we collect from any supplier based upon your purchases from that supplier, whether or not the monies or credits are contributed to the Fund, will not count toward your required payment of the Brand Development Fee.

We may have the Fund incorporated or operated through an entity separate from us at any time we deem appropriate, and the successor entity will have all our rights and duties as described in this section and in the Franchise Agreement.

The Fund is intended to maximize recognition of the Marks and patronage of GYMGUYZ businesses generally. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising, to benefit all GYMGUYZ businesses, we have no obligation to make sure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by the GYMGUYZ businesses operating in that geographic area, or that any GYMGUYZ business will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising. Your failure to derive this benefit will not serve as a basis for a reduction or elimination of your obligation to contribute to the Fund. We have no fiduciary obligation to you or any other GYMGUYZ business in connection with the establishment of the Fund or the collection, control or administration of monies paid into the Fund. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Fund. (Franchise Agreement – Section 10.2)

We have the right to terminate the Fund at any time. We will not terminate the Fund until all money in the Fund has been spent for advertising and promotional purposes or are distributed to the contributors on a pro rata basis. If we choose to terminate the Fund, we also have the right to reinstate it at any time, and any reinstated Fund will be maintained as described above.

Website / Intranet

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Franchised Business a "click through" (microsite) subpage at our website for the promotion of your Franchised Business. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Franchised Business, you must routinely provide us with updated copy, photographs and news stories about your Franchised Business suitable for posting on your "click through" subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Franchised Business; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence, social media presence, presence in virtual worlds or any URL which in whole or in part incorporates the "GYMGUYZ" name or any name confusingly similar to the Marks, without our prior written consent.

You must use the Search Engine Optimization Service (S.E.O.) that we designate. You will pay a monthly fee, currently set at $318 each month for this service. Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at GYMGUYZ businesses – also be devoted in part to offering GYMGUYZ franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and system- wide communications (among other activities) can be done.

You are not permitted to promote your Franchised Business or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, Instagram, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our then-current social media policy. "Social Media" includes personal blogs, common social networks like Facebook, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools. We will provide access to branded social media pages/handles/assets, and you

must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage.

Computer System

You must use certain computer hardware and software that meet our specifications and you must use certain web-based software programs that we designate. The hardware you must have includes an office computer, an all-in-one printer, a notebook or tablet computer, smart phone, VOIP telephone equipment and GPS tracking system. The computer system will provide you with the following functions: client data maintenance, billing and accounting functions, client service scheduling and call scheduling. All information in these on-line databases is our property, and you may not keep a copy of any of this data after your Franchise Agreement expires or is terminated. We may provide you with an e-mail address, and we expect you to check your e-mail regularly and conduct all GYMGUYZ business using your GYMGUYZ

e-mail. We own all GYMGUYZ e-mail addresses that you are permitted to use and have full access to all communications sent and received using those addresses. We will have unlimited access to all of the information contained in your web-based accounts and computer system and there is no contractual limitation on our access to or use of the information we obtain. Your data may be shared by us with the System franchisees.

Our specific requirements for the computer system will be included in our Manual. We expect that you will have an existing computer system that meets our minimum standards, but if you must obtain a computer system, we estimate it will cost approximately $500. We do not require you to have a maintenance contract for your computer system, but if you choose to have one it could cost up to $1,200 per year or more. You must also pay to us a Technology Fee currently set at $50 to $90 per two-week period, depending on the number of units you operate. Additionally, you will pay a monthly fee currently set at approximately $69, per line, per month in connection with your phone system, and software fees currently set at approximately $575 to $675 per month. These fees are currently payable to us or our approved vendors.

You must have a high-speed internet connection at all times. You must obtain and maintain Internet access or other means of electronic communication, as specified by us, and we must have independent access to your systems at all times and in the manner that we specify. We have also developed a mobile application which you may choose to utilize. If you utilize the application, you will pay a monthly fee currently set at $90 per month. This fee is payable to us. We reserve our right to require use of the application in the future.

You must obtain any upgrades and/or updates to the software used with the computer system, at your expense. All software used with the computer system must be kept up to date. We currently require you to use Quickbooks. In addition, we may require you to update and/or upgrade all or a portion of your computer system during the term of your Franchise Agreement, at your expense. The Franchise Agreement does not limit our ability to require you to update and/or upgrade your computer system or the cost of any update and/or upgrade. Neither we nor any affiliate of ours will provide you with any updates, upgrades or maintenance for your computer system. We reserve the right to adopt new technology at any time, which may result in additional fees to you that are not currently know.

Operations Manual

The table of contents to the Operations Manual is attached hereto as Exhibit F. The Operations Manual includes approximately 208 pages.

Training

Our GYMGUYZ University training program is a hybrid model consisting of two weeks of virtual training and 4 ½ days of in-person training located at our headquarters in Melville, New York or another location designated by us. Our training program is mandatory for all franchisees. We will provide our training program to up to two people (you and one team member) at no additional charge. If you wish to bring additional trainees to our training program, and we approve of same, or if we require that additional personnel be trained, such as a subsequent or replacement manager, you must pay our training fee for each additional trainee. You must also pay for all of your trainees' expenses while attending our training program, including travel, lodging, meals and applicable wages. Our GYMGUYZ University training program must be completed, to our satisfaction.

Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the System, replacement managers and other personnel needing training, the number of new GYMGUYZ businesses being opened and the timing of the scheduled openings of GYMGUYZ businesses. It is anticipated that the initial training program will be offered four times a year.

If you do not satisfactorily complete the GYMGUYZ University initial training program, we will give you the opportunity to re-take the training program at your expense, including payment of our then- current training fee. If you are unable to satisfactorily complete the initial training program a second time, we have the right to terminate your Franchise Agreement.

If, during the term of your Franchise Agreement, you request that we provide additional training at your Franchised Business or if we determine that you need additional remedial training, you must pay our then-current per diem fee for each trainer we provide, and you must reimburse us for any expenses our trainers incur, such as costs of travel, lodging, and meals.

Our training program is conducted under the supervision of Josh York. Each of our instructors has at least one year of experience relevant to the subjects they are teaching. The instructional materials used in the initial training consist of our Operations Manual, online training content, marketing and promotion materials, and any other materials that we believe will be beneficial to our franchisees in the training process.

As of the date of this Disclosure Document, we provide the following initial training program:

TRAINING PROGRAM

Subject	*Hours of Classroom Training	**Hours of On-The- Job Training	Location for Each Subject
Welcome - The Brand, Customer Service and Life of an Owner	2	1	Melville, New York or virtual training
Marketing, Advertising and Services Offered	3	8	Melville, New York or virtual training
Lead and Client Management	1	2	Melville, New York or virtual training
Human Resources and Managing Employees	4	2	Melville, New York or virtual training

Sales Overview & Strategies	8	8	Melville, New York or virtual training
Operations: Compliance, Scheduling, Daily Procedures, Safety, and Field Support	3	3	Melville, New York or virtual training
Business Planning; Franchise Reporting and Financial Management of your GYMGUYZ Business	2	2	Melville, New York or virtual training
Opening for Business & Question and Answer	1	3	Melville, New York or virtual training

*This includes pre-requisites and post-training via the online GYMGUYZ Learning Center

**"On-the-job" training may be converted to virtual training if we determine that in person training is not advisable due to health and safety reasons.

Approximately 4-6 weeks after you complete the GYMGUYZ University Training Program, if you are required to pay the Launch Fund Fee or otherwise elect to pay the Launch Fund Fee, we will provide a one-day in-Territory visit to your Franchised Business. However, we reserve the right to delay the in- Territory visit if we determine that in person training is not advisable due to health and safety reasons). We will also provide you with one-on-one training and on-boarding of various operational and marketing software systems.

The entire training program is subject to change due to updates in materials, methods, manuals and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the experience or individual needs of those persons being trained.

We reserve the right to hold a meeting of our franchisees, which will not be held more frequently than annually. Attendance at the franchisee meeting is mandatory unless the absence is excused by us. We may use the franchisee meeting to discuss improvements to the System, new products and services to be offered, franchisee concerns, and other matters. The fee for the franchisee meeting is currently $699 for the franchisee and one additional attendee. Attendees beyond the initial two are currently charged at a rate of $199 per person. You must pay for the expenses of your attendees, including travel, lodging, meals and applicable wages. We will designate the venue for the franchisee meeting, but we will not designate an unreasonably expensive location.

ITEM 12
TERRITORY

Franchise Agreement

You have the right to operate your Franchised Business at the single location designated in the Franchise Agreement, which we anticipate will be a home-based office. You will have the right to operate your Franchised Business within a designated protected Territory.

A standard Territory will have 30,000 households. We will determine the boundaries of your Territory and your Territory will be described in terms of street names, contiguous zip codes, town boundaries or county boundaries, or we may depict your Territory on a map attached as an attachment to your Franchise Agreement. We will use mapping software and other similar resources to obtain the population data we will use to determine your

Territory. During the term of your Franchise Agreement, we will not operate or grant a franchise for the operation of another Franchised Business within your Territory, subject to our reserved rights. There are no circumstances under which we may modify your Territory during the term of your Franchise Agreement.

We reserve the right (i) to grant additional franchises under the Proprietary Marks, at any location outside of your Territory; (ii) to establish and operate, and allow others to establish and operate, businesses that may offer products and services which are identical or similar to products and services offered by the Franchised Business, under other trade names, trademarks, service marks and commercial symbols different from the Proprietary Marks, at any location; (iii) to acquire the assets or ownership interest in (or merge or become affiliated with) one or more businesses operating under names other than the Proprietary Marks, including competing businesses, and the right to convert those outlets to GYMGUYZ outlets, regardless of location, subject to any limited right of first refusal indicated below; (iv) to be acquired by (or merge or become affiliated with) any other business operating under names other than the Proprietary Marks, including a competing business, with locations anywhere, which may result in the required conversion of the Franchised Business; (v) to engage fully and freely and without limitation in each and every aspect of the business of selling related services, products and equipment regardless of location; (vi) to offer to the public-at-large, separately, jointly or with others, all related services and/or products of every type and kind; and (vii) to take any other action not prohibited by the Franchise Agreement.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned businesses which sell our products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent. We have not yet established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark.

If we purchase a business that offers the same or substantially similar products and services as a GYMGUYZ business and there is an existing unit that operates within your Territory we may, if you are in compliance with your Franchise Agreement (including that you are current in all payments owed to us and/or our affiliate) and we believe you have the financial capacity, offer you a right of first refusal to purchase the unit that is operating within your Territory and convert the unit to a GYMGUYZ business, assuming the location is not owned by a franchisee with existing rights. You will have 30 days after written notice from us to exercise this right of first refusal. If you do not notify us within this 30-day period or if you decline the right of first refusal, then we may continue to operate the unit at its location. If you choose to purchase the unit, the purchase price will be our fully allocated purchase cost. You are not granted any other rights of first refusal.

You may not relocate your Franchised Business without our prior approval. We will not unreasonably withhold our approval of your relocation request, except that the new location must be within your Territory and must not have any adverse impact on the sales of franchisees in any adjoining Territory. If you operate the Franchised Business from a home office and you choose to sell your home and move to a new area, we reserve the right to require you to lease premises within your Territory for the Franchised Business.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we control or from other channels of distribution or competitive brands that we control. You may sell our products and services to customers within your Territory. You may not engage in any promotional activities or sell our products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media"); through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere, provided however we are currently permitting you to conduct virtual personal fitness session to residents located within your Territory. While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Territory, and you will not be deemed to be in violation of the Franchise Agreement

if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Territory, you may not make any sales or deliver any products to customers located outside of your Territory unless the customer is located in an area where there is not another GYMGUYZ business in operation, and in such case, only pursuant to our then-current policies related to same. You may not directly solicit customers outside of your Territory. You may not sell any products or services at wholesale.

We and our affiliates may sell products under the Proprietary Marks within and outside your Territory through any method of distribution other than a dedicated GYMGUYZ business, including sales through channels of distribution such as our toll-free number, the Internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales outside or inside your Territory except as described in the following paragraph and you will not receive any compensation for our sales through alternative distribution channels except as described in the following paragraph.

If we engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any other alternative distribution channel, including our toll-free number, and we receive requests for any products or services offered by a GYMGUYZ business calling for delivery or performance in your Territory, then we will forward the request to you. If you choose not to fulfill the request or are unable to do so, then we, one of our affiliates or a third party we designate (including another franchisee) may fulfill the request, and you will not be entitled to any compensation in connection with this.

As part of the process of renewing your Franchise Agreement, we reserve the right to re-evaluate your then-existing Territory according to certain demographics and our then-current standards. A re- evaluation of your Territory may result in your renewal Territory being smaller or larger than your original Territory.

You will be subject to minimum performance requirements. You must achieve and maintain minimum quarterly Gross Sales of $30,000 by the nine-month anniversary of opening the Franchised Business, in each of your territories that has been open for nine months or longer, in order to retain the rights to your Territory. If you fail to achieve these minimum performance requirements, we may terminate this Agreement.

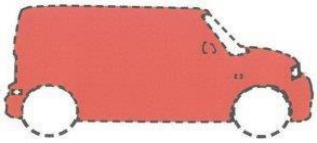
Regional and National Accounts

We reserve the right to maintain a Regional or National Account program. A Regional or National Account is a customer that has offices and employees in multiple areas. You may not negotiate any contract terms with a prospective Regional or National Account. We will have sole discretion to negotiate terms with the Regional or National Account. We anticipate that you will participate in the Regional and National Accounts program, which will require you to provide products and services to the employees of the Regional or National Account according to the agreement we have negotiated.

If you choose not to participate in the Regional and National Account program, or if you are unable or unwilling to provide products and services to the Regional and National Account employees as requested, we, our affiliate or a third party (which may be another franchisee) may service the Regional or National Account, and you are not entitled to any portion of the revenue in these circumstances. We also reserve the right to terminate your participation in the Regional and National Account program if you are not providing products and services according to the terms we have negotiated or your participation is not otherwise in compliance with our policies.

ITEM 13
TRADEMARKS

Under the Franchise Agreement, we grant to you the non-exclusive right to use the Marks. Our principal trademark is "GYMGUYZ" and associated design. Our affiliate, GYMGUYZ, LLC has registered or applied for registration of the following Marks on the Principal Register of the United States Patent and Trademark Office ("USPTO"). You may not sublicense these Marks without our written permission. This list may not be an exhaustive list of all marks owned by us or our affiliate.

Mark	Registration/ Serial Number	Registration Date
GYMGUYZ®	Reg. No. 3,874,896	11/9/2010
GYMGUYZ (word mark)	Reg. No. 3,874,895	11/9/2010
 The color red applied to vehicles used in performing personal training services.	Reg. No. 5,683,296	2/26/19
WE BRING THE WORKOUT TO YOU	Reg. No. 6,079,830	6/16/20
WE BRING THE EQUIPMENT TO YOU	Reg. No. 6,173,047	10/13/20
#1 in Home Personal Training	Reg. No. 7,327,101	03/12/2024

We intend to file all affidavits and other required documents to maintain our interests in and to the Proprietary Marks.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving the Marks. There are no agreements currently in effect which significantly limit our right to use or license the use of the Marks in any manner material to you, except for the trademark license agreement between us and our Affiliate dated August 26, 2013.

Your right to use the Marks is derived solely from the Franchise Agreement and is limited to your operation of a GYMGUYZ business in compliance with the Franchise Agreement and all applicable standards, specifications and operating procedures we prescribe during the term of the Franchise Agreement. Any unauthorized use of the Marks by you constitutes a breach of the Franchise Agreement and an infringement of our rights in and to the Marks. Your use of the Marks and any goodwill established by your use will be for our exclusive benefit. You may not use any other marks, names, commercial symbols or logo type other than those listed above in offering services to the public in connection with your Franchised Business. All provisions of the Franchise Agreement applicable to the Marks will apply to any other trademarks, service marks, commercial symbols and trade dress we authorize in writing for use by and license to you after you sign the Franchise Agreement.

You must use the Marks as the sole trade identification of the GYMGUYZ business and must identify yourself in the form we prescribe as the independent owner of the GYMGUYZ business. You may not use any Mark or variation thereof as part of any corporate name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form. You may not use any Mark or any variation of it in connection with the performance or sale of any unauthorized services or products, as part of the domain name or address of a website, email address or in any other manner we have not expressly authorized in writing. You must display the Marks

prominently in the manner we prescribe. You must give notices of trademark and service mark registrations that we specify and obtain business name registrations as required under applicable law.

You must immediately notify us of any apparent infringement of or challenge to your use of any Mark or claim by any person of any rights in any Mark. You may not communicate with anyone except us and our counsel regarding any infringement, challenge or claim. We will have sole discretion to take any action we deem appropriate in connection with any infringement, challenge or claim, and we have the sole right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark. You must sign any and all instruments and documents, give assistance, and do any acts and things as may in the opinion of our counsel be necessary or advisable to protect and maintain our interests in any litigation or proceeding or otherwise to protect and maintain our interests in the Marks.

The Franchise Agreement does not require us to take affirmative action when notified of any infringements of or challenges to the Marks, but we intend to vigorously defend the Marks. We have the right to control any litigation or administrative proceedings involving the Marks. We will indemnify you against and reimburse you for all damages for which you are held liable in any proceeding arising out of your use of any Mark pursuant to and in compliance with the Franchise Agreement, and for all costs you reasonably incur in the defense of any claim in which you are named as a party, if you have promptly notified us of the claim, have given us sole control of the defense and settlement of the claim and have otherwise complied with your Franchise Agreement. If any action taken by us relating to a claim or proceeding results in any monetary recovery for you which exceeds your costs, then you must pay your own costs and share pro-rata in our costs up to the amount of the monetary recovery.

If it becomes advisable at any time in our sole judgment for you to modify or discontinue the use of any Mark and/or for the Franchised Business to use one or more additional or substitute trade or service marks, you must immediately comply with our directions to modify or otherwise discontinue the use of the Marks and/or to use one or more additional or substitute trademarks, service marks, logos or commercial symbols or substitute trade dress after our notice to you. We are not obligated to reimburse you for any expenses you incur in connection with any addition, discontinuance or modification.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not have an ownership interest in any patents or registered copyrights that are material to the Franchised Business. We deem all work appearing in a tangible medium of expression, whether published or unpublished, to fall within the class of our copyrights, including our Manual, all advertisements, video tapes, audio tapes, applications, social media and internet pages and all other written material we develop to assist you in development or operation. Registration with the United States Copyright Office, although a condition precedent to litigation, is not a requirement for protection. We have not filed any copyrights. Our right to use or license these copyrights are not materially limited by any agreement or known infringing use, nor is there any current determination of Copyright Office (Library of Congress) or court regarding these copyrights.

The Manual is described in Item 11 and below. Although we have not filed an application for a copyright registration for the Manual, we claim a copyright and the information in it is proprietary and confidential. You must promptly tell us when you learn about unauthorized use of our proprietary and confidential information. We are not obligated to take any action, but will respond to this information as we think appropriate.

There are no currently effective determinations of the USPTO, the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of our copyrighted materials.

Confidential Operations Manual

You must operate your Franchised Business according to the standards, methods, policies and procedures specified in the Manual. You will receive a digital copy of the Manual after you complete our initial training program to our satisfaction.

You must treat the Manual, any other of our manuals which are used in the operation of your Franchised Business, and the information in them as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part or otherwise give them to any unauthorized person. The Manual will remain our sole property and must be kept secure.

We may revise the contents of the Manual, and you must comply with each new or changed standard. You must make sure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copy maintained by us at our home office will be controlling.

Confidential Information

You must not, during the term of your Franchise Agreement or after the term of your Franchise Agreement, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to you or which you may learn because of your operation under the terms of the Franchise Agreement. You may divulge this confidential information only to those of your employees who need access to it to operate your Franchised Business. Any and all information, knowledge, know-how, techniques and other data which we designate as confidential will be deemed confidential for purposes of your Franchise Agreement. Examples of confidential information include, without limitation: (1), formats, specifications, standards, systems, procedures, sales and marketing techniques; (2) knowledge of specifications for and suppliers of, and methods of ordering, certain products, materials, equipment and supplies; (3) knowledge of the operating results and financial performance of other GYMGUYZ outlets; (4) the Manual; (5) training materials and programs; (6) customer data; (7) all password-protected portions of our website, intranets and extranets and the information they contain (including the email addresses of our franchisees); and (8) specifics regarding the inner workings of computer software, applications or other technology used by our System.

You must have your manager and any personnel having access to any of our confidential information sign agreements that say that they will maintain the confidentiality of information they receive in connection with their employment by you at your Franchised Business. The agreements must be in a form satisfactory to us, including specific identification of us as a third-party beneficiary of the covenants with the independent right to enforce them. Spouses of all franchisees (or of the owners of franchisees) must also sign a Confidentiality, Non-Disclosure and Non-compete Agreement. You must provide us copies of all signed agreements. Our form of Confidentiality Agreement and our form of Confidentiality, Non-Disclosure and Non-Compete Agreement are attached to the Franchise Agreement as Attachment 4.

If you or your employees or agents develop any improvements, inventions or discoveries relating to the Franchised Business, they are deemed assigned to and owned by us for the purpose of improving the entire System and the provision of goods and services. All documents and other information relating to the improvements must be disclosed to us promptly after creation or invention, and we will determine whether the improvements shall be included in the System. You must sign all documents reasonably necessary to perfect our ownership in and to the improvements.

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

You must at all times faithfully, honestly, and diligently perform your contractual obligations. Our System standards may regulate the training, dress, and appearance of the Franchised Business, among other things. You must participate full-time in the day-to-day operation of the Franchised Business provided however you may participate semi-absentee upon our written approval and appoint a manager. If you operate multiple Franchised Businesses or if we have given our prior consent, you may hire a manager to oversee the Franchised Business' daily operation. You (or your owners if you are an entity), along with any manager you hire must satisfactorily complete our initial training. The manager need not have an equity interest in the Franchised Business but must agree in writing to preserve confidential information to which he or she has access. We may regulate the form of agreement that you use and be a third-party beneficiary of that agreement with independent enforcement rights.

If you are a corporation, limited liability company, or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and must be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. If we do not require one of your owners to sign the full Guaranty, that owner still must comply with all non-monetary obligations, including the covenant not to compete, as if he or she were the franchise owner. Spouses, who are not parties to the Franchise Agreement, will not be required to sign our Guaranty. However, spouses and any owner who does not sign a Guaranty must execute a Confidentiality, Non-Disclosure and Non-compete Agreement, and our current approved form is attached to our Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Each component of the System is vital to us, to other franchisees of the System and to the operation of the Franchised Business. Therefore, you must operate your Franchised Business in compliance with the System.

You must operate the Franchised Business in an efficient and professional manner following the highest ethical and moral standards. You must comply with all standards of quality and service prescribed by us.

Due to changes in competitive circumstances, we may periodically change the System to better serve our interests, our franchisees and the System. We may change the components of the System, including revising the services, policies and procedures of the System, and modifying products, materials, and services which you are authorized to offer. There are no limits on our right to change the types of goods and services you must offer, and you must comply with these modifications. On a case-by-case basis, we may allow you or other franchisees to offer additional services, products or programs that are not otherwise part of the franchise System. We will decide which franchisees can offer additional services and products based on test marketing, the franchisees' qualifications and operational history, differences in regional or local markets and other factors.

If you are an entity, you must be a single purpose entity, and you cannot operate any other business using your entity name. You may not conduct any other business or activity using your wrapped GYMGUYZ vehicle without our written permission. You may not create unapproved rewards or loyalty programs.

You must offer only the goods or services that are approved by us and must offer all goods and services we mandate. You may only sell goods and services to customers within your territory unless we approve otherwise. You must discontinue selling and offering any products, services or items that we, in our sole discretion, disapprove in writing at any time.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Article in Franchise Agreement	Summary
(a) Length of the franchise term	Article 4	10 years.
(b) Renewal or extension of the term	Article 4	Two renewal terms of five years each
(c) Requirements for franchisee to obtain a renewal franchise	Article 4	You must provide us with notice that you wish to renew the Franchise Agreement, be in compliance with the Franchise Agreement, have been in substantial compliance during the previous term, be current in all monetary obligations to us and/or our affiliate, sign general release, sign renewal Franchise Agreement, perform necessary upgrades, pay renewal fee You may be asked to sign a contract with materially different terms and conditions than your original contract.
(d) Termination by franchisee	16.7	Subject to state law, you may terminate the Franchise Agreement if you are in compliance, and we materially breach the Franchise Agreement and fail to cure the breach within 90 days of receiving your written notice, except if the breach is not susceptible to cure within 90 days, but we take action within 90 days to begin curing the breach and act diligently to complete the corrective action within a reasonable time, we will be deemed to have timely cured the breach.
(e) Termination by franchisor without cause	Not applicable	We have no right to terminate without cause.
(f) Termination by franchisor with cause	Article 16	We can terminate if you or any of your owners fail to comply with the Franchise Agreement or any mandatory specification, standard or operating procedure we prescribe.
(g) "Cause" defined – curable defaults	Article 16	10 days for monetary and reporting defaulting and 30 days for all other curable defaults.

(h) "Cause" defined – non-curable defaults	Article 16	Abandonment of the Franchised Business; conviction of a felony; material misrepresentation in obtaining the franchise; failure to comply with any applicable law or ordinance applicable to the Franchised Business and do not cure the default; repeated defaults; the default is not curable by its nature; failure to complete Training Program; unauthorized use or duplication of our System; unauthorized use or disclosure of confidential information; unauthorized transfer or failure to timely respond to request for updated ownership documents; violation of a non- competition covenant; knowingly maintain false books and records; violation of an anti-terrorism law; failure to cure a curable default; failure to meet minimum performance requirements.
(i) Franchisee's obligations on termination/non- renewal	Article 17	Pay all amounts owed; stop all use of Marks; remove all signs; return to us or destroy all materials containing any Marks; cancel assumed or fictitious name registrations; transfer all domain names, internet listings, telephone numbers and telephone listings to us; furnish us evidence of compliance with the above; stop use of Confidential Information; return the complete Manual; comply with post-term covenant not to compete.
(j) Assignment of contract by franchisor	Article 15	No restriction on our right to assign.
(k) "Transfer" by franchisee – defined	Article 15	Includes transfer of any interest in the Agreement, the Franchised Business or any interests in or of the Franchisee or its owners.
(l) Franchisor approval of transfer by franchisee	Article 15	We have the right to approve all transfers.
(m) Conditions for franchisor approval of transfer	Article 15	You and your owners must be in full compliance with the Franchise Agreement; transferee meets our criteria; transferor signs required documents, including a release. Transferee qualifies and is not engaged in a competitive business; all amounts due from you and the transferee are paid in full; personnel of transferee sign confidentiality agreement; transferee satisfactorily completes training; transferee and its owners agree to be bound by all obligations under the Franchise Agreement or sign our then- current form of franchise agreement; pay transfer fee; we approve the terms and conditions of the transfer; all obligations of the transferee to you are subordinate to us; transferee signs guarantee of obligations under Franchise Agreement; transferee assumes vehicle lease or obtains a satisfactory vehicle; transfer is made in compliance with all laws.

(n) Franchisor's right of first refusal to acquire franchisee's business	Article 15	We have the right to match offers from third parties to buy an interest in the Franchise Agreement, the Franchised Business, assets of the business or ownership interests in the Franchisee or its owners.
(o) Franchisor's option to purchase franchisee's business	Article 17	On termination or non-renewal of the Franchise Agreement, we have the right to purchase all or a portion of the assets of your Franchised Business
(p) Death or disability of franchisee	Article 15	If you or a majority owner is a natural person, on death or permanent disability, distributee must be approved by us, or franchise must be transferred to someone approved by us within six months after death or permanent disability
(q) Non-competition covenants during the term of the franchise	Article 14	No involvement by you or your owners and spouse in a business specializing in the activities conducted by you under the franchise agreement, or any other type of service which you have rendered under the franchise agreement or sell any other products and services which you have sold under the franchise agreement anywhere. If you are a corporate entity, you may not engage in any business other than the development and operation of GYMGUYZ businesses.
(r) Non-competition covenants after the franchise are terminated or expires	Article 14	No involvement by you or your owners and spouse in a business offering in home, on-site or virtual personal training services, for two years within your former Territory or within 15 miles of your former Territory or any GYMGUYZ business in the System.
(s) Modification of the agreement	Article 19	No modifications unless in writing and signed, but Operations Manual subject to change.
(t) Integration/merger clause	Article 19	Notwithstanding the foregoing, nothing in the franchise agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document. (subject to state law).
(u) Dispute resolution by arbitration or mediation	Article 20	Arbitration in the then-current County and State where our corporate headquarters is located (currently Suffolk County, New York) (subject to state law)
(v) Choice of forum	Article 20	The then-current County and State where our corporate headquarters is located (currently Suffolk County, New York) (subject to state law)
(w) Choice of law	Article 19	New York law applies (subject to state law)

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Background

Our Affiliate Owned and our Franchised locations provide mobile fitness services. The below results show Gross Sales performance on an average basis and on an average per trainer basis, to account for differences in the demographics and makeup of different service areas. Many of our trainers and our franchisee's trainers are employed on a part time basis. Our Gross Sales per trainer performance measurements are based on a full time equivalent (FTE) trainer calculation. All hours paid to a trainer including direct client training sessions, travel time, equipment maintenance and administrative duties are recorded by each trainer. A full-time employee at forty hours per week would work 2,080 hours in a year. Our FTE calculation is the mathematical result of dividing the total hours recorded by all trainers in a location by 2,080 hours to convert the total hours into a number of FTE trainers for each location. Average Gross Sales per FTE Trainer is the mathematical result of dividing total Gross Sales by the resultant number of FTE Trainers.

Affiliate Locations:

As of December 31, 2025, we had 131 franchised locations. Of our 131 total franchised locations, 35 were open for less than 12 months. In addition, 17 locations were operated on a part-time basis, or did not consistently report sales. The remaining 79 locations were open for twelve months or longer and actively operated on a full-time basis as of December 31, 2025.

Table 1 demonstrates our corporate location's 2025 Gross Sales and table 2 demonstrates the average 2025 gross sales generated per our 79 locations which were open for twelve months or longer as of December 31, 2025.

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TABLE 1

		2025		2024	
GROSS SALES:		**$1,240,715**	**100.00%**	**$1,229,195.00**	**100.00%**
DISCLOSED EXPENSES:					
	Payroll Wages	$369,869.00	29.81%	$379,034.00	30.84%
	Payroll Taxes	$74,308.00	5.99%	$53,336.00	4.34%
	Advertising and Marketing	$64,975.00	5.24%	$64,609.00	5.26%
	Managerial Salaries	$43,750.00	3.53%	$85,000.00	6.92%
	Payroll Processing Fees	$35,231.00	2.84%	$14,390.00	1.17%
	Auto Expenses	$25,647.00	2.07%	$21,646.00	1.76%
	Merchant Processing Fees	$21,511.00	1.73%	$21,058.00	1.71%
	Insurance Expense	$7,858.00	0.63%	$5,911.00	0.48%
	Legal and Professional Fees	$1,200.00	0.10%	$0.00	0.00%
	Occupancy Expense	$0.00	0.00%	$0.00	0.00%
	All Other Expenses	$0.00	0.00%	$2,537.00	0.21%
GROSS PROFIT LESS DISCLOSED EXPENSES:		**$596,366.00**	**48.06%**	**$581,674.00**	**47.31%**
FRANCHISEE RELATED EXPENSES:					
	Royalty	$74,443.00	6.00%	$73,752.00	6.00%
	Brand Fund	$24,814.00	2.00%	$24,584.00	2.00%
	Local Advertising	$0.00	0.00%	$0.00	0.00%
	Technology Fee	$1,200.00	0.10%	$1,200.00	0.10%
GROSS PROFIT LESS DISCLOSED EXPENSES / FRANCHISEE RELATED EXPENSES:		**$495,909.00**	**39.96%**	**$482,138.00**	**39.21%**

TABLE 2

Number of Locations		79
GROSS SALES		**$11,239,587**
Total FTE Trainers		**87.85**
AVERAGE GROSS SALES PER FTE TRAINER		**$137,274**
	Highest Location	$1,692,924
	Lowest Location	$11,460
	Median Location	$89,610
Number of Locations meeting or exceeding average		19
Percent of Franchisees meeting or exceeding average		24.05%

Gross Sales are defined as the total selling price of all services and products and all income of every other kind and nature related to the GYMGUYZ business, whether for cash or credit and regardless of collection in the case of credit. Gross Sales expressly excludes taxes collected from customers and paid to the appropriate taxing authority and customer refunds or adjustments.

General Notes:

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

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Other than the preceding financial performance representation, GYMGUYZ Franchising, LLC does 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 Josh York at 600 Broadhollow Rd., Suite 200, Melville, NY 11747 and (855) GYM-GUYZ (496-4899), the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2023, 2024, 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	97	119	+22
	2024	119	116	-3
	2025	116	131	+15
Company-Owned*	2023	3	3	0
	2024	2	16	+14
	2025	16	23	+7
Total Outlets	**2023**	**100**	**122**	**+22**
	2024	**121**	**130**	**+9**
	2025	**130**	**154**	**+24**

*The Company-Owned Outlets in the above chart are owned and operated by our Affiliate.

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For years 2023, 2024, 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Arizona	2023	0
	2024	0
	2025	0
Connecticut	2023	0
	2024	1
	2025	0
Florida	2023	3
	2024	0
	2025	0
New Jersey	2023	0
	2024	0
	2025	3

North Carolina	2023	0
	2024	0
	2025	0
Texas	2023	3
	2024	2
	2025	0
Total	**2023**	**6**
	2024	**3**
	2025	**3**

Table No. 3
Status of Franchised Outlets
For years 2023, 2024, 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termina -tions	Non-Renewals	Reacquired by Franchisor	Ceased Operati ons – Other Reasons	Outlets at End of the Year
Arizona	2023	1	3	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	3	0	0	0	1
California	2023	6	2	0	0	0	0	8
	2024	8	2	0	0	0	0	10
	2025	10	6	0	0	0	0	16
Colorado	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Connecticut	2023	1	1	0	0	0	0	2
	2024	2	2	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Florida	2023	11	3	0	0	0	2	12
	2024	12	2	2	0	0	5	7
	2025	7	7	0	0	3	0	11
Georgia	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Hawaii	2023	1	0	0	0	0	0	1

	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Idaho	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Illinois	2023	5	1	0	0	0	1	5
	2024	5	1	0	0	1	0	6
	2025	6	0	0	0	3	0	3
Indiana	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	3	0	0
	2025	0	0	0	0	0	0	0
Iowa	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	2	0	0
Kentucky	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Louisiana	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Maryland	2023	8	0	0	0	0	0	8
	2024	8	2	8	0	0	0	2
	2025	2	0	0	0	0	0	2
Minnesota	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	4	0	0	0	0	4
Missouri	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
New Jersey	2023	19	6	0	0	0	1	24
	2024	24	0	0	0	0	0	24
	2025	24	1	0	0	0	0	25
New York	2023	4	3	0	0	0	0	7
	2024	7	5	0	0	0	0	12
	2025	12	4	0	1	0	0	15
North Carolina	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6

Ohio	2023	1	4	0	0	0	0	5
	2024	5	1	1	0	0	0	5
	2025	5	0	0	0	0	0	5
Oklahoma	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Oregon	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Pennsylvania	2023	8	1	0	0	0	0	9
	2024	9	3	2	0	3	0	7
	2025	7	1	3	0	0	0	5
Tennessee	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	2	0	0	0	0	4
Texas	2023	9	0	0	0	0	0	9
	2024	9	7	0	0	7	1	8
	2025	8	7	0	0	2	0	13
Virginia	2023	4	1	0	0	0	0	5
	2024	5	2	0	0	1	0	6
	2025	6	0	3	0	0	0	3
Total	**2023**	**97**	**26**	**0**	**0**	**0**	**4**	**119**
	2024	**119**	**30**	**13**	**0**	**14**	**6**	**116**
	2025	**116**	**35**	**9**	**1**	**10**	**0**	**131**

Table No. 4
Status of Company-Owned Outlets
For years 2023, 2024, 2025

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Outlets Reacquired from Franchisee	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisee	Col 8 Outlets at End of the Year
Florida	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	3	0	0	3
Illinois	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

	2025	0	0	3	0	0	3
Indiana	2023	0	0	0	0	0	0
	2024	0	0	3	0	0	3
	2025	3	0	0	0	1	2
Iowa	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	2	0	0	2
New York	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
Pennsylvania	2023	0	0	0	0	0	0
	2024	0	0	3	0	0	3
	2025	3	0	0	0	0	3
Texas	2023	0	0	0	0	0	0
	2024	0	0	7	0	0	7
	2025	7	0	2	0	2	7
Virginia	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
	2025	1	0	0	0	0	1
Total	**2023**	**2**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**0**	**14**	**0**	**0**	**16**
	2025	**16**	**0**	**10**	**0**	**3**	**23**

*Outlet owned and operated by our Affiliate.

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

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	3	0
California	4	4	0
Colorado	0	2	0
Florida	0	5	0
Georgia	0	3	0
Idaho	0	0	0
Illinois	1	2	0

Kansas	0	1	0
Maryland	0	1	0
Missouri	0	2	0
New Hampshire	0	0	0
New Jersey	0	0	0
Nevada	0	3	0
North Carolina	0	2	0
Oklahoma	0	0	0
Pennsylvania	0	2	0
Rhode Island	0	2	0
South Carolina	0	3	0
Texas	0	5	0
Utah	0	3	0
Vermont	0	0	0
Virginia	0	1	0
Washington	0	2	0
Total	**5**	**48**	**0**

A list of the names of all franchisees and the addresses and telephone numbers of their businesses will be provided in Exhibit C to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit D to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

Some Franchisees have signed confidentiality clause in the last three fiscal years. In some instances, current and former franchisees sign 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 such franchisees will be able to communicate with you.

We have an Advisory Council to serve strictly in an advisory role and to provide input to us regarding the image, marketing and development of the GYMGUYZ System.

There are no trademark-specific organizations formed by our franchisees that are associated with the GYMGUYZ System.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit E are our audited financial statements as of December 31, 2023, December 31, 2024, and December 31, 2025.

Our fiscal year end is December 31st.

ITEM 22
CONTRACTS

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

Franchise Agreement – Exhibit B

Attachment 1	Territory
Attachment 2	Statement of Ownership Interest
Attachment 3	Franchisee Disclosure Acknowledgment Statement
Attachment 4	Confidentiality Agreements
Attachment 5	Telephone, Internet Websites and Listings Agreement
Attachment 6	Guaranty
Attachment 7	Electronic Funds Transfer Authorization
Attachment 8	Form of General Release
Attachment 9	Consent to Transfer
Attachment 10	Assignment and Assumption Agreement
Attachment 11	Provisions Applicable to SBA Financing

Multi-State Addendum – Exhibit G

ITEM 23
RECIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

Exhibit A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS/ DESIGNATION OF AGENT FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. Where we are registered to sell franchises, we have appointed the state agency, or as noted below, a state officer, as our agent for service of process in the state. We may not yet be registered to sell franchises in any or all of the states listed. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

CALIFORNIA Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (866) 275-2677 Agent: California Commissioner of Financial Protection and Innovation	NORTH DAKOTA North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712 Agent: North Dakota Securities Commissioner
HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 Agent: Commissioner of Securities of the State of Hawaii	OREGON Department of Finance and Corporate Securities Labor and Industries Building 350 Winter Street NE, Room 410 Salem, Oregon 97301-3881 (503) 378-4387 Director of Oregon Department of Insurance and Finance
ILLINOIS Franchise Division Office of Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465 Agent: Illinois Attorney General	RHODE ISLAND Department of Business Regulation Division of Securities 1511 Pontiac Ave. John O. Pastore Complex Building 69-1 Cranston, RI 02920 (401) 462-9500 Agent: Director of Business Regulation
INDIANA Franchise Section Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681 Indiana Secretary of State Indiana Securities Division 201 State House Indianapolis, IN 46204	SOUTH DAKOTA Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563 Agent: Director, Division of Insurance-Securities Regulation
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360 Agent: Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020	VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 Agent: Clerk of the State Corporation Commission 1300 E Main St., 1st. Fl. Richmond, VA 23219 Tel: (804) 371-9733

MICHIGAN Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, Michigan 48913 (517) 373-7177 Agent: Michigan Department of Commerce Corporations and Securities Bureau 6546 Mercantile Way Lansing, MI 48910	WASHINGTON Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760 Agent: Securities Administrator Director of Department
MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1500 Agent: Minnesota Commissioner of Commerce	WISCONSIN Securities Division of the Wisconsin Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703 (608) 266-8559 Agent: Wisconsin Commissioner of Securities
NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st fl New York, NY 10005 (212) 416-8222 Phone Agent for service: NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st fl New York, NY 10005 (212) 416-8222 Phone	

Exhibit B

FRANCHISE AGREEMENT

GYMGUYZ FRANCHISING LLC

FRANCHISE AGREEMENT

_____

FRANCHISEE

_____

DATE OF AGREEMENT

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FRANCHISE AGREEMENT

THIS AGREEMENT is made and entered into by and between GYMGUYZ Franchising LLC, a New York limited liability company with its principal office at 600 Broadhollow Rd., Suite 200, Melville, NY 11747 ("we", "us" or "our"), and _____ whose principal address is _____ _____("you" or "your") on the date this Agreement is executed by us below (the "Effective Date").

W I T N E S S E T H:

WHEREAS, we and our affiliate have developed, and are in the process of further developing, a unique, proprietary and evolving system ("System") relating to the establishment and operation of a mobile personal training business using the Proprietary Properties, Copyrights, Confidential Information, and Proprietary Marks, all as defined in further detail below;

WHEREAS, you desire to enter into the business of owning and operating a GYMGUYZ Franchised Business ("GYMGUYZ Business" or "Franchised Business") in accordance with the System and wish to obtain a franchise from us for that purpose, as well as to receive the training and other assistance provided by us in connection therewith;

WHEREAS, you understand and acknowledge the importance of and benefits to be derived from the System, as well as our high standards of quality and service and the necessity of operating the Franchised Business in conformity with our standards and specifications;

WHEREAS, you desire to obtain a Franchise to use the System and the Proprietary Marks within the territory described in Attachment 1 hereto pursuant to the provisions of this Agreement, and you have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of your own choosing, and you represent and warrant that you have the business experience and financial ability to operate a GYMGUYZ Business;

WHEREAS, you acknowledge that you have read this Agreement and our Disclosure Document and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain uniform high standards of quality at all locations and to protect the goodwill of the Proprietary Marks;

WHEREAS, you acknowledge that this Agreement places detailed and substantial obligations on you including strict adherence to our reasonable present and future requirements regarding facilities, equipment, suppliers, operating procedures, licensing requirements, management protocols and procedures, merchandising strategies, sales promotion programs and related matters. You acknowledge that future improvements, changes and developments in the System may require additional expense to be undertaken by you.

BEFORE SIGNING THIS AGREEMENT, YOU SHOULD READ IT CAREFULLY WITH ASSISTANCE OF LEGAL COUNSEL.

NOW, THEREFORE, for and in consideration of the mutual undertakings, covenants, premises and commitments contained above and below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **IT IS AGREED**, as follows:

ARTICLE 1
DEFINITIONS

1.1 In addition to any other terms defined in this Agreement, the following definitions shall govern this Agreement:

1.1.1 "Agreement" means this document, including all exhibits and attachments hereto and documents referenced and incorporated herein, and any properly executed documents or agreements modifying the System.

1.1.2 "Copyrights" means all work rendered in a tangible medium of expression as defined under U.S. Copyright Law, 17 U.S.C. Sec. 101, *et seq.*, that relates to the GYMGUYZ Business, whether published or unpublished, whether confidential or not, whether created by us, our affiliates or one

(1) or more of our franchisees, assigned hereunder to and owned by us and licensed for use by you in connection with the GYMGUYZ Business under this Agreement, including without limitation, the Confidential Operations Manual, training material, websites and social media page content, and application content.

1.1.3 "Franchised Business" or "GYMGUYZ Business" means the business that you are licensed to conduct in the Territory.

1.1.4 "Confidential Information" means our: (a) trade secrets and know-how, whether existing now or created during the term of this Agreement by us, our affiliates and/or one (1) or more of our franchisees (and assigned back to us), as conveyed to you, that relate to, *inter alia*, our products and/or processes, marketing practices, and business methods, affairs, tools and techniques, including our Confidential Operations Manual, training material, and our client lists and trade relationships including pricing information, which tends to give us and our network of franchisees a competitive edge over others who provide the same or similar products or services in the field of personal fitness training; (b) knowledge of the operating results and financial performance of other GYMGUYZ outlets (c) inventions that may be protected by the filing of U.S. patent applications under Title 35 of the United States Code and/or foreign statutory counterparts; and (d) all unpublished or otherwise confidential work that has been rendered and "work made for hire" protected under Title 17 of the United States Code and other applicable foreign copyright statutes. Confidential Information need not take the form of any particular tangible medium of expression, but may also be found or contained in the form of records, magnetic media, papers, photographs, catalogs, books, cassettes, videotapes, computer files, or stored or fixed on computer hard or soft disks or diskettes.

1.1.5 "Proprietary Marks" or "Marks" means all the Proprietary Marks, service marks, logos, emblems, and indicia of origin which we license to franchisees and other such trade names, service marks and Proprietary Marks as may be designated now or hereafter by us.

1.1.6 "Proprietary Properties" means the Copyrights, Confidential Information, and Proprietary Marks.

1.1.7 "System" means the conglomerate of Proprietary Properties created as a result of the expenditure of time, skill, effort, and money, for the provision of mobile personal fitness training, consisting of all services provided and the marketing of such services.

1.1.8 "Territory" means and constitutes the territorial limits of the license granted to you hereunder (geographically defined in Attachment 1)(subject to our reserved rights) to use the Proprietary Properties as part of the System in connection with the Franchised Business, in accordance with the definitions and terms of this Agreement. A typical Territory will include an area containing 30,000 households. If you request to purchase

a larger Territory during the term of this Agreement, and we grant this request based on your meeting our criteria, you and we shall execute an updated Attachment 1, as necessary, to reflect the amended boundaries of the Territory.

ARTICLE 2
GRANT OF FRANCHISE AND LICENSE

2.1 Grant of Franchise

Subject to the provisions of this Agreement and all documents or other agreements ancillary thereto:

2.1.1 We hereby grant to you, and you hereby accept, the franchise and license to operate a GYMGUYZ Business within your Territory, in accordance with our specifications and this Agreement, and subject to our approval. This license is not sublicensable, subcontractable, nor assignable, except as may be set forth in this Agreement.

2.1.2 You agree to use the Proprietary Properties and System solely for the Franchised Business in your Territory, and for no other purpose.

2.2 Location of the Franchised Business

If you choose to lease space, we expect that you will lease an office in an executive style suite of offices that will require minimal (if any) modifications. We reserve the right to review and approve or disapprove the office you propose to lease for the Franchised Business. Any such space must be located in your Territory.

2.3 Relocation of the Franchised Business

You may not relocate the physical space for your Franchised Business without our prior approval. We will not unreasonably withhold our approval of your relocation request, except that the new location must be within your Territory and must not have any adverse impact on the sales of franchisees in any adjoining Territory. You may not change your Territory without our approval.

ARTICLE 3
TERRITORIAL SCOPE, RESTRICTIONS ON YOUR AND OUR RESERVED RIGHTS

3.1 Restriction on Use of Proprietary Properties

Your right to operate the Franchised Business and the right to use and display the Proprietary Marks and other Proprietary Properties is restricted to the Territory described in Attachment 1. No operation of your Franchised Business, nor use of any part or all of the Proprietary Properties is permitted outside of the Territory, unless approved by us in writing. Franchisee acknowledges that (i) the Territory was mutually agreed upon by Franchisor and Franchisee, (ii) prior to the Effective Date hereof, Franchisee conducted Franchisee's own due diligence with regard to potential customers and other matters relative to the operation of the Franchised Business in the Territory, and (iii) Franchisor's agreement to the Territory is permission only, does not constitute a representation, promise, warranty, or guarantee, express or implied, by Franchisor that the Franchised Business operated therein will be profitable or otherwise successful, and cannot, and does not, create any liability for Franchisor

3.2 Limitations on Your Activities

Your activities are limited to offering and selling those products and services permitted by way of this Agreement under the System within the Territory. You have been granted no right of ownership in and/or to any part or all of the Proprietary Properties.

3.3 Rights Reserved to Us

We reserve the right (i) to grant additional franchises under the Proprietary Marks, at any location outside of your Territory; (ii) to establish and operate, and allow others to establish and operate, businesses that may offer products and services which are identical or similar to products and services offered by the Franchised Business, under other trade names, trademarks, service marks and commercial symbols different from the Proprietary Marks, at any location; (iii) to acquire the assets or ownership interest in (or merge or become affiliated with) one or more businesses operating under names other than the Proprietary Marks, including competing businesses, regardless of location, and the right to convert those outlets to GYMGUYZ outlets, subject to any limited right of first refusal indicated below; (iv) to be acquired by (or merge or become affiliated with) any other business operating under names other than the Proprietary Marks, including a competing business, with locations anywhere, which may result in the required conversion of the Franchised Business; (v) to engage fully and freely and without limitation in each and every aspect of the business of selling related services, products and equipment regardless of location; (vi) to offer to the public-at-large, separately, jointly or with others, all related services and/or products of every type and kind; (vii) as outlined in Section 3.5; and (viii) to take any other action not prohibited by the Franchise Agreement.

3.4 Your Right of First Refusal

If, pursuant to Section 3.3(iii) above, we purchase a business that offers the same or substantially similar products and services as a GYMGUYZ business and there is an existing unit that operates within your Territory we may, if you are in compliance with this Agreement (including that you are current in all payments owed to us and/or our Affiliate) and we believe you have the financial capacity, offer you a right of first refusal to purchase the unit that is operating within your Territory and convert the unit to a GYMGUYZ business, assuming the outlet is not owned by a franchisee with existing rights. You will have thirty (30) days after written notice from us to exercise this right of first refusal. If you do not notify us within this thirty (30) day period or if you decline the right of first refusal, then we may continue to operate the unit at its location. If you choose to purchase the unit, the purchase price will be our fully allocated purchase cost. You are not granted any other rights of first refusal.

3.5 Regional and National Accounts

We reserve the right to maintain a Regional or National Account program. A Regional or National Account is a customer that has offices and employees in multiple areas. You may not negotiate any contract terms with a prospective Regional or National Account. We will have sole discretion to negotiate terms with the Regional or National Account. We anticipate that you will participate in the Regional and National Accounts program, which will require you to provide products and services to the employees of the Regional or National Account according to the agreement we have negotiated.

If you choose not to participate in the Regional and National Account program, or if you are unable or unwilling to provide products and services to the Regional and National Account employees as requested, we, our affiliate or a third party (which may be another franchisee) may service the Regional or National Account, and you are not entitled to any portion of the revenue in these circumstances. We also reserve the right to terminate your participation in the Regional and National Account program if you are not providing products and services according to the terms we have negotiated or your participation is not otherwise in compliance with our policies.

ARTICLE 4
TERM AND RENEWAL

4.1 Initial Term

The term of this Agreement shall be ten (10) years commencing on the date of this Agreement, unless sooner terminated in accordance with the provisions of this Agreement (the "Initial Term").

4.2 Renewal

Subject to the provisions of this Section, you shall have an option (exercisable only by written notice delivered to us less than nine (9) months, but more than six (6) months, prior to the end of the Initial Term of this Agreement) to renew the franchise hereunder up to two (2) additional periods of five (5) years each, if the following conditions are met:

4.2.1 you have been, throughout the then-current term, in substantial compliance, and at the expiration of such term are in full compliance, with all agreements between you and us or companies associated or affiliated with us;

4.2.2 you enter into our then-current franchise agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of franchises (which then-current franchise agreement may materially differ from this Agreement, including a higher rate of fees, different methods of calculating fees due, and different payment methods);

4.2.3 you refurbish, upgrade, and/or renovate your Franchised Business, vehicle and equipment as we require in order that they will meet our then-current standards and image for GYMGUYZ businesses;

4.2.4 at the time the renewal option is exercised and at the time such renewal commences, all monetary obligations to us and any affiliate of ours must be current and must have been current at all times during the preceding twelve (12) months;

4.2.5 you execute a general release running in favor of us, our affiliates and our respective officers, directors and shareholders releasing all claims against us, our officers, directors and shareholders (provided, however, that all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the New York General Business Law ("GBL") and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non- waiver provisions of GBL Sections 687.4 and 687.5 be satisfied)(our current form of Release is attached as Attachment 8);

4.2.6 when you provide us with notice that you would like to renew this Agreement, we will re-evaluate your then-current Territory to determine whether there have been any shifts in demographics or in our standards that would warrant modifying your Territory, which include, but are not limited to, changes in population. You understand and acknowledge that (a) your total Territory size upon renewal may be smaller or larger than your original Territory; (b) we cannot guarantee that your renewal Territory will provide you with the same or similar results as with your original Territory; and (c) we make no guaranty that the demographics included in your renewal Territory will earn you any particular level of success; and

4.2.7 you pay to us a renewal fee equal to ten thousand dollars ($10,000).

4.3 Refusal to Renew Franchise Agreement

We can refuse to renew your franchise under certain circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure any defaults, if applicable.

4.4 Renewal Under Law

Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the franchise agreement we are using for new franchisees at the time the renewal period

begins. If we are not then offering new franchises, your renewal period will be subject to the terms in the franchise agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

4.5 Your Election Not to Renew

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us our then-standard franchise agreement and other ancillary documents required by us for a renewal franchise within thirty (30) days after we have delivered them to you.

ARTICLE 5
OUR DUTIES

5.1 Confidential Operations Manual

We will, in conjunction with our training program and in conformity with the terms and conditions of this Agreement, loan to you during the term one (1) digital copy of our Confidential Operations Manual (the "Manual"). Use of any part or all of the Manual shall be only as permitted under this Agreement, and during its term. We reserve the right to modify the manner in which the Manual is provided to you.

5.2 Additional Documentation

In addition to any other training offered to you, we will from time to time furnish to you other documents and things comprising the Copyrights or Confidential Information, including instructions, data, materials, forms or other information to the extent developed by us in connection with the operation of the System. We have the right to reasonably incorporate such matters in the Manual and you are required to conduct the operations of the Franchised Business in accordance therewith.

5.3 Initial Training Program and Additional Assistance

With respect to all franchisees, we will offer and you will be required to complete to our satisfaction a training program (the "GYMGUYZ University Training Program") which is a hybrid model consisting of 2 weeks of virtual training and 4 1/2 days of in-person training located at our headquarters in Melville, New York or another location designated by us, pertaining to the GYMGUYZ System for you and up to one (1) additional person, for a maximum of two (2) trainees. If additional trainees will attend, or if you employ a subsequent or replacement manager or other personnel in need of training, you must pay our then-current per person training fee. You shall pay for all of the expenses your trainees incur while attending the GYMGUYZ University Training Program, including, but not limited to, travel, lodging, meals and applicable wages. If you fail to complete the GYMGUYZ University Training Program to our satisfaction, we shall provide you with an opportunity to re-take the GYMGUYZ University Training Program at your expense, including payment of our then-current training fee. If you fail to complete the GYMGUYZ University Training Program a second time, we may terminate this Agreement. If we determine that in person training is not advisable due to health and safety reasons, remote training will be conducted.

5.3.1 We will pay no compensation for any services performed by the trainees in the course of training.

5.3.2 We reserve the right to determine and change the subject matter and content of the GYMGUYZ University Training Program.

5.3.3 We will provide such additional advisory assistance and training as we deem advisable in

the operation of the System, on such terms and conditions as we determine and set forth in the Manual or otherwise. We may, in our sole and exclusive discretion, cause our representatives to telephone or visit you from time to time for the purpose of rendering advice and consultation with respect to the operation of the Franchised Business, assessing your overall performance and determining whether you are conducting the Franchised Business in compliance with the standards of the System. You will comply with all such requests and visitations, and provide all information requested upon reasonable notice. If we generate an inspection report as a result of any such telephone call or visit, then we shall supply a copy of that inspection report to you, upon your reasonable written request.

5.3.4 We may, at your reasonable request, enroll additional individuals in the GYMGUYZ University Training Program, provided that you pay us our then-current training fee (as set forth in the Manual), as well as the expenses of the additional trainees, including travel, lodging, meals and applicable wages. Such requests will be honored in accordance with the availability of our training staff.

5.3.5 We reserve the right to elect or decline to train any number of individuals representing any number of franchises individually, or at the same time. Every trainee must sign a Confidentiality Agreement in advance of receiving any such training.

5.3.6 Approximately 4-6 weeks after you complete the GYMGUYZ University Training Program, if you are required to pay the Launch Fund Fee or otherwise elect to pay the Launch Fund Fee, we will provide a one-day in-Territory visit to your Franchised Business. However, we reserve the right to delay the in-Territory visit if we determine that in person training is not advisable due to health and safety reasons). We will also provide you with one-on-one training and on-boarding of various operational and marketing software systems.

5.4 In-Territory Training

If, during the term of this Agreement, you request that we provide additional training in-Territory at your Franchised Business or if we determine that you require additional remedial training, you agree to pay our then-current per diem fee for each trainer we provide and you agree to reimburse us for any expenses our trainers incur, such as costs of travel, lodging, and meals.

5.5 Purchases of Materials; Approved Suppliers

In order to maintain uniformity of concept, color and quality, all proprietary materials and forms, the equipment and materials bearing the Proprietary Marks (including letterhead, business cards, brochures, labels, uniforms, vehicle wraps, etc.) that are used by you in the operation of your Franchised Business must be purchased from us, our affiliates or the suppliers we designate. Initially you will be required to purchase our initial equipment package from us and the initial inventory and initial marketing kit from our approved vendors, provided however, these purchases are optional if you are an existing GYMGUYZ franchisee and we determine you can service the new Territory with existing equipment or materials. We and our affiliate, if an approved supplier of any item, reserve the right to earn a profit on the sale of such items to you. The use or sale of unapproved products or services constitutes a material and incurable breach of this Agreement unless such use or sale occurs as a consequence of an extreme situation and does not constitute a normal business activity. Franchisee acknowledges that Franchisor or Franchisor's affiliate(s) may be the sole approved supplier(s) of certain products and services that Franchisee is required to purchase to operate the Franchised Business.

We will, at all times during the term of this Agreement, provide information pertaining to sources of supply of those proprietary and non-proprietary products and services which may be used in the System. A list of approved suppliers for the System will be included in the Manual and may be modified or updated by us at any time upon written notice to you. If you wish to use a supplier or product that has not previously been approved by us, you must make a request to us in writing for our approval of the supplier or product, including any pertinent information

we require together with payment of our then- current evaluation fee. You will also be responsible to cover our costs incurred to perform our evaluation. We will notify you in writing within thirty (30) days if and when a supplier or product is approved, and our approval will not be unreasonably withheld. In the event we approve the product and supplier for the entire System, we may refund to you the evaluation fee that you paid but you are still responsible to cover our evaluation costs. We reserve the right to re-inspect any supplier or product to ensure that the supplier or product continues to conform to our reasonable specifications and standards. If a supplier or product fails to conform to our reasonable specifications and standards, we may revoke our approval of the supplier or product, and you must discontinue using the unapproved product or purchasing from the unapproved supplier after notice from us. Franchisee acknowledges and agrees that: (i) Franchisor and/or Franchisor's affiliate may be a designated supplier or sole approved supplier of any product or service that Franchisee is required to lease or purchase, (ii) Franchisor and/or Franchisor's affiliate may receive payment from supplier(s) related to Franchisee's required purchases or leases, and (iii) any payments so received are for Franchisor's benefit only and may be used or applied in any manner determined by Franchisor in Franchisor's sole and absolute discretion;

5.6 Computer System

We reserve the right to specify the particular computer hardware, smartphone, software and peripheral equipment which you must purchase or lease in order to effectively operate your Franchised Business. We may, in our discretion, provide you with equipment as we deem fit. We also reserve the right to require you to update and/or replace completely such computer system, software and telephone equipment, smartphone, or other equipment and there are no limitations in this Agreement regarding either our ability to require such updates, upgrades or replacements or the cost to you for such updates, upgrades or replacements. You further agree to execute any documents and pay any fees required by us or our designated suppliers or service providers, including but not limited to, fees relating to any search engine optimization services for GYMGUYZ websites or webpages, computer software programs and the telephone system. Currently, you will only be required to purchase one phone system, will only be required to pay one ongoing fee for the system and will only be required to pay one ongoing fee for required computer software, regardless of the number of Franchised Businesses you or an affiliate operate, provided however, we reserve our right to require these on a per territory basis in the future. We have also developed a mobile application which you may be required to utilize. We will charge you our then-current price for access. We reserve the right to require you to access and/or use our mobile application and you are not permitted to use any other third-party mobile applications without our prior written approval. In our reasonable discretion, we may adopt additional or replacement hardware, software, and applications for the System, and you shall acquire and use such additions or replacements, as directed by us.

5.7 Brand Development Fund

We will administer the Brand Development Fund, as described in Article 10 hereof.

5.8 Force Majeure

Neither us or our affiliate, nor you, shall be liable for loss or damage or deemed to be in breach of this Agreement or any related agreement if failure to perform obligations hereunder is not the fault nor within the reasonable control of the person due to perform but results from, without limitation, fire, flood, natural disasters, acts of God, governmental acts or orders, or civil disorders. Any delay resulting from any such cause shall extend the time of performance for the period of such delay or for such other reasonable period of time as the parties agree in writing or shall excuse performance, in whole or in part, as Franchisor deems reasonable, provided however, in the event that any such delay (i) extends any deadline to open or (ii) prevents the operation of the Franchised Business, in excess of ninety (90) days, Franchisor may, at its option, terminate this Agreement. Nothing herein shall extend the timing for the payment of fees owed by Franchisee to Franchisor nor excuse payment.

5.9 Meetings of Franchisees

In our discretion, we may choose to hold an annual meeting of GYMGUYZ franchisees to conduct

additional training, announce new products and/or services or discuss any other matters of interest. Attendance is mandatory for all franchisees, unless your absence is excused by us. You will be responsible for paying our then-current fee for yourself (or your Operating Principal if you are an entity) and all individuals who will be attending the meeting from your Franchised Business. You will also bear all other costs related to attendance, including travel, lodging, meals and wages for all of your attendees.

5.10 Vehicles

We will designate, in the Manual, the make and model of the vehicle you must purchase or lease for your Franchised Business and any signage and outfitting, such as shelving, required for the vehicle. You must purchase the equipment for your vehicle from us or an approved supplier. We may, from time to time, designate updates or upgrades that you must make to your vehicle. In addition, we may require you to update the vehicle's wrap and/or signage, but we will not require this more frequently than every five (5) years during the term of this Agreement. A sales vehicle is also recommended after 3 consecutive months of monthly Gross Sales of at least $10,000. The sales vehicle must be an approved vehicle wrapped with our trade dress. We reserve the right to mandate the use of a sales vehicle. You shall maintain and make any and all repairs and upgrades to equipment, tools, and vehicles, as Franchisor requires.

ARTICLE 6
CONFIDENTIAL OPERATIONS MANUAL

6.1 Operation of Franchised Business in Accordance with Manual

In order to protect the reputation and goodwill of the Franchisor, the System, and the Proprietary Properties, and to maintain requisite operating standards under the Proprietary Marks, you will conduct your Franchised Business in accordance with the provisions, standards, and procedures set forth in this Agreement and in the Manual. We reserve the right to provide the Manual electronically, such as via a password-protected intranet website, or in any other manner we determine.

6.2 Confidentiality

You will at all times treat the Manual, and any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein as Confidential Information, and shall use all efforts to maintain such information as secret and confidential in accordance with the terms and conditions governing Confidential Information and Copyrights, including that you will not, at any time, without our prior written consent, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person. The persons who are authorized include your personnel, who shall execute a Confidentiality Agreement in a form approved by us, a sample of our current acceptable form is annexed hereto as Attachment 4(a). We shall be a third-party beneficiary of each Confidentiality Agreement with the independent right to enforce its terms. You must provide us with a copy of each executed Confidentiality Agreement. Further, your spouse (or the Spouses of your owners if you are an entity) must sign a Confidentiality, Non-Disclosure and Non-Competition Agreement in the form approved by us, a sample of our current acceptable form is annexed hereto as Attachment 4(b).

6.3 The Manual Remains Our Property

The Manual will at all times remain our sole property, and shall be returned to us immediately upon the expiration or termination of this Agreement.

6.4 Revisions to the Manual

We may, from time to time, revise the contents of the Manual when we reasonably consider such revisions

to be necessary to improve or maintain the standards of the System and you expressly agree to comply with each new or changed standard. Any such revisions to the contents of the Manual are deemed effective seven (7) days after the date of notification to you unless otherwise specified by us.

6.5 Precedence of Terms

You acknowledge the contents of the Manual, and any revisions or modifications made to the Manual, constitute additional provisions of and modifications to this Agreement as if fully set forth in this Agreement. In the event of a direct conflict, the terms of this Agreement will take precedence over the inconsistent term in the Manual.

6.6 Manual Kept Up to Date

You will at all times ensure that your copy of the Manual is kept current and up to date, and in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by us at our home office is controlling. All changes and revisions will be dated and numbered by us.

6.7 Improvements to the System

To the extent that any improvements, inventions or discoveries are made by you or your employees or agents during the course of this Agreement and relating to the Proprietary Properties or System ("improvements"), such improvements are deemed assigned to, and owned by us for the purpose of improving the entirety of the franchised network, and the provision of goods and services in accordance with the System. All documents and other information concerning any such improvements will be disclosed to us promptly after creation or invention. We will, in our sole reasonable discretion, determine whether such improvements are worthy of inclusion in the System, and the best and most practical method of implementation and protection. You will execute all documents reasonably necessary to perfect our ownership in and to any such improvements, and will cooperate with us in the creation, implementation, use and protection thereof.

ARTICLE 7
PROPRIETARY MARKS, TRADE NAMES AND COPYRIGHTED MATERIALS

7.1 No License to the Proprietary Properties

The license granted in Section 2.1 does not grant you any right, title or interest, at law or in equity, in or to any of the Proprietary Properties, including the Proprietary Marks, Copyrights, and Confidential Information, beyond the license. Further, the license applies only to those portions of the Proprietary Properties which have been or may in the future be designated in writing by us for use by you in conjunction with the operation of the Franchised Business. You will not represent to others, or conduct yourself in any manner that might indicate to others, that you possess any other legal or equitable rights in or to the Proprietary Properties by virtue of the license granted hereunder. The execution of this Agreement by you further establishes your consent that the Proprietary Marks, Copyrights and Confidential Information are valid and enforceable (without defense or recourse), and are owned by us or our affiliates. You represent and warrant that you will not attack the validity or, enforceability or ownership of any of the Proprietary Properties, or assist another in any such attack, during the course of this Agreement or thereafter. The terms of this Section shall survive termination or expiration of this Agreement for any reason, in addition to any of the other remedies or survival provisions otherwise contained in this Agreement.

7.2 No Act in Derogation

You will not do or permit any act in derogation of any of the rights of us or our affiliates to the Proprietary Properties.

7.3 No Contest or Dispute

You will not contest or dispute our or our affiliates' title to any part or all of the Proprietary Properties.

7.4 Use of Proprietary Properties

You shall use the Proprietary Properties solely in accordance with this Agreement and the Manual.

7.5 Restriction on Use of Proprietary Properties

You shall not use the Proprietary Properties, or any words, phrases, symbols, trade dress, colors, logos or materials which we deem confusingly similar thereto, in your trade name (or for any other purpose), without our prior written approval. You will identify yourself to the public as an independent contractor using such language as we shall specify. You may not use any Proprietary Mark or any variation of it in connection with the performance or sale of any unauthorized services or products, as part of the domain name or address of a website, social media account, email address or in any other manner we have not expressly authorized in writing.

7.6 Discontinuance of Use; Telephone Numbers

In addition to all post-termination provisions contained in this Agreement, you agree that after the expiration or termination of this Agreement, you will discontinue the use of the telephone number(s) of the Franchised Business and any internet websites or domain names, whether or not established with our consent; you will not advertise in any telephone directory under the name "GYMGUYZ" or any other name, phrase or logo used by the System; you will discontinue the use of any or all of the Proprietary Properties; and you will not use any words, phrases, logos, designs, colors, trade dress or the like that in any manner may cause customer confusion, or resemble, be confusingly similar to, or be a colorable imitation of the Proprietary Properties. Additionally, upon our demand, you will direct your local telephone company and internet service provider(s) to transfer the telephone number(s) and any internet websites, domain names or listings to us or our designee by utilization of the forms required by us, a current acceptable form of which is annexed hereto as Attachment 5, to be signed by you concurrently with signing this Agreement. If you fail promptly to direct your telephone company and internet service provider(s) to effect such transfer, you hereby irrevocably appoint us as your attorney-in-fact to do so.

7.7 Notification of Claim

If you receive notice or learn of any actual or potential claim, suit or demand that has been or may be asserted against you or us involving any alleged infringement, unfair competition, or similar matter relating to the use of the Proprietary Properties, you will promptly notify us of any such actual or potential claim, suit or demand (a "Claim") and provide complete disclosure of all information concerning or relating to such Claim, including, if requested, affidavit or other sworn testimony as we shall reasonably request to evaluate the Claim, give assistance, and do any acts and things as may in the opinion of our counsel be necessary or advisable to protect and maintain our interests in any litigation or proceeding or otherwise to protect and maintain our interests in the Proprietary Properties. Thereupon, we will promptly take such action as we may deem necessary in our sole discretion to address the Claim. We shall have the sole right to defend, compromise or settle the Claim using attorneys of our own choosing, and you agree to cooperate fully with us in connection with the defense of the Claim. We shall protect, defend and indemnify you in connection with the Claim unless it arises out of or relates to your use of the Proprietary Properties in violation of this Agreement, the Manual, the Training Program or otherwise.

7.8 Notification of Unauthorized Use

If you learn of any unauthorized use of the Proprietary Properties, you will promptly notify us of the facts relating to such alleged infringing use. You may not communicate with anyone except us and our counsel regarding any infringement, challenge or claim. We will, in our discretion, determine whether or not to take any action with respect to such information. You have no right to take any action with respect to any unauthorized use of the Proprietary Properties without our prior written consent. We will exercise our discretion based upon, among other things, a cost/benefit analysis of the specific situation as well as the status of any cost sharing agreements that exist

or may be arranged with the franchisees to support the subject litigation. We have no obligation, expressed or implied, to take any action with respect to any unauthorized use of the Proprietary Properties when such action does not, at our sole discretion, satisfy our cost/benefit requirements. You expressly consent and agree that representation of you (or any other franchisee, including its principals) in any Claim by our legal counsel is not substantially related to any issue that may arise between you and us under this Agreement, and that any conflict of interest, actual or implied, as a result of the representation of you in any such Claim by our designated legal counsel is hereby waived. You expressly agree that you will take no action whatsoever to attempt to create any such conflict of interest, nor shall you seek the disqualification of our legal counsel as a consequence of the representation of you in any such Claim. Violation of this provision governing the status of our designated legal counsel shall result in automatic and incurable breach of this Agreement.

7.9 No Ownership; Modification of Proprietary Properties (including Proprietary Marks)

You understand and agree that the limited license to use the Proprietary Properties granted by this Agreement applies only to such properties as are designated by us, together with those which may hereafter be designated by us in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Proprietary Properties by virtue of the limited license granted under this Agreement, or by virtue of your use or creation of any of the Proprietary Properties, or upon any other basis.

7.9.1 If it becomes advisable at any time, in our discretion, to modify or discontinue use of any aspect of the Proprietary Properties and/or to adopt or use one or more additional or substitute items, then you shall be obligated to comply with any such instruction by us, at your own expense. We shall have no obligation in such event to reimburse you for any expenses of compliance, such as changing signs, stationery, uniforms, advertising, etc., and you waive any claim arising from or relating to any change, modification or substitution to the Proprietary Properties. You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses.

7.9.2 We represent and warrant to the best of our knowledge the license conveyed by this Agreement does not infringe any valid or enforceable trademark rights owned by any other party. We hereby indemnify you from any claims, costs or fees associated with any violation of this provision by us, provided you are using the Propriety Properties only as authorized by this Agreement and us and subject to the requirement that we be immediately notified of all facts and circumstances that may give rise to liability under this Subsection, and be permitted to control the defense of the action.

7.9.3 You shall take no steps or actions that would in any manner impair, dilute or devalue the Proprietary Marks, and such action shall constitute a material breach of this Agreement. For the purposes of this Subsection, dilution shall be *prima facie* demonstrated by a use of the Proprietary Marks in connection with any other word, phrase or logo confusingly similar with, or otherwise not authorized or licensed under this Agreement.

7.10 Website

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System, provided however we may allow you to provide virtual personal training sessions to residents located within the Franchised Business' Territory. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Franchised Business a "click through" subpage (Microsite) at our website for the promotion of your Franchised Business. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Franchised Business, you must routinely provide us with updated copy, photographs and news stories about your Franchised Business suitable for posting on your "click through" subpage. We reserve the right to specify the content,

frequency and procedure you must follow for updating your "click through" subpage.

Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at GYMGUYZ businesses – also be devoted in part to offering GYMGUYZ franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and system-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Franchised Business; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence social media presence, presence in virtual worlds, or any URL which in whole or in part incorporates the "GYMGUYZ" name or any name confusingly similar to the Marks.

You are not permitted to promote your Franchised Business or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, Instagram, LinkedIn or Twitter, without our prior written consent. We will control and approve all social media initiatives. You must comply with our then-current Social Media policy ("social media" includes personal blogs, common social networks like Facebook and Instagram, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage.

ARTICLE 8
PAYMENTS TO US

8.1 Initial Franchise Fee

Upon execution of this Agreement and to initiate the Franchise rights conveyed under this Agreement, you shall pay to us an Initial Franchise Fee in the amount of Sixty-Nine Thousand Five Hundred Dollars ($69,500). In the event that we approve you to purchase a territory that contains in excess of 30,000 households, you must pay an additional Initial Franchise Fee of One Dollar and Fifty Cents ($1.50) per household over the standard 30,000 households, up to a maximum additional 15,000 household limit. If you are purchasing two units, the Initial Franchise Fee for the second Franchise Agreement you sign will be reduced by $29,500 to Forty Thousand Dollars ($40,000). If you are purchasing three units, the Initial Franchise Fee for the second Franchise Agreement you sign will be reduced by $29,500 to Forty Thousand Dollars ($40,000). For the third Franchise Agreement you sign, the Initial Franchise Fee will be reduced by $39,500 to Thirty Thousand Dollars ($30,000). If you are an honorably discharged United States veteran, and present DD-214 documentation, the Initial Franchise Fee will be reduced by Five Thousand Dollars for the first franchise agreement you sign. Discounts cannot be combined. The Initial Franchise Fee is not refundable in whole or in part and is deemed fully earned by us upon execution of this Agreement.

8.2 Royalty Fee

In addition to the Initial Franchise Fee and in accordance with the report required under Section 8.5, you shall pay to us a bi-weekly royalty fee ("Royalty Fee") equal to seven percent (7%) of the Gross Sales of the

Franchised Business (as defined below) or Three Hundred Dollars ($300.00) per two weeks (Four Hundred Dollars ($400.00) per two weeks for Territories in excess of 31,000 qualified households), whichever amount is greater. Such Royalty Fee is payable every other Wednesday based on Gross Sales achieved during the previous two week period ending Sunday. If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect that tax from you.

8.3 Brand Development Fee

In addition to the Initial Franchise Fee and Royalty Fee, and in accordance with the report required under Section 8.5, you shall pay to us a Brand Development Fee (to be expended as provided in Section 10.2) in an amount equal to two percent (2%) of Gross Sales, as defined below, or $40.00 per two week period, whichever is greater, into the Brand Development Fund ("Brand Development Fee"). The Brand Development Fee is payable to us at the same time and in the same manner as the Royalty Fee. Upon thirty (30) days' prior written notice to you, we may increase the Brand Development Fee.

8.4 Definition of Gross Sales

The term "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit. Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments. We may authorize certain other items to be excluded from Gross Sales. Any exclusion may be revoked or withdrawn at any time by us.

8.5 Report of Gross Sales

You will submit to us, and we will receive, not later than the Tuesday of each week, a report of your Gross Sales for the preceding week ending Sunday. Such reports shall be transmitted by you to us in the manner specified by us (*i.e.,* by e-mail, facsimile or by a computer-generated report). You represent and warrant that you shall use your best efforts to provide the information, that we are relying upon such provision, and that errors may jeopardize the franchise or other rights granted under this Agreement.

If you do not report your Gross Sales, we may debit your account for one hundred twenty percent (120%) of the last Royalty Fee and Brand Development Fee that we debited. If the Royalty Fee and Brand Development Fee we debit are less than the Royalty Fee and Brand Development Fee you actually owe us, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand Development Fee we debit are greater than the Royalty Fee and Brand Development Fee you actually owe us, we will credit the excess against the amount we otherwise would debit from your account for the next payment due.

8.6 Obligation to Pay Fees

If you are developing a single Territory, you will not be required to pay Brand Development Fees or Technology Fees during the initial ninety (90) day period beginning the Monday after you complete GYMGUYZ University training. If you are developing multiple territories and this Agreement is for your second Territory, you will not be required to pay any minimum Royalty Fee or Brand Development Fee for the initial 12-month period beginning the Monday after you complete GYMGUYZ University training. If you are developing multiple territories and this Agreement is for your third Territory, you will not be required to pay any minimum Royalty Fee or Brand Development Fee for the initial 18-month period beginning the Monday after you complete GYMGUYZ University training. We reserve the right to modify the timing and pay frequency of all payments owed to us, our affiliates or our designated vendors.

If you are developing a single Territory, you will not be required to pay Brand Development Fees or Technology Fees during the initial ninety (90) day period after establishing the Mindbody website and commencing sales for the Franchised Business. For the 1st Territory, the Royalty Fee will be imposed 90 days after Graduation

from the GYMGUYZ University training. If you are developing multiple territories and this Agreement is for your second Territory, you will not be required to pay any minimum Royalty Fee or Brand Development Fee for the initial 12-month period after establishing the Mindbody website and commencing sales for the Franchised Business. For the 2nd Territory, the Royalty Fee will be imposed 12 months following the execution of the Franchise Agreement. If you are developing multiple territories and this Agreement is for your third Territory, you will not be required to pay any minimum Royalty Fee or Brand Development Fee for the initial 18-month period after establishing the Mindbody website and commencing sales for the Franchised Business. For the 3rd Territory, the Royalty Fee will be imposed 18 months following the execution of the Franchise Agreement. For any additional Territories, the Royalty Fee will be imposed 6 months following the imposition of the Royalty Fee minimums for each previously established Territory.

In the event that you agree to establish one or more contiguous Territories for your Franchised Business in addition to the three Territories noted above, following execution of the first Franchise Agreement, the schedule for imposition of the Royalty Fee minimums for such additional contiguous territories is as follows: For the 4th Territory, the Royalty Fee will be imposed 90 days following the execution of the Franchise Agreement for the additional territories. For the 5th Territory, the Royalty Fee will be imposed 90 days following the execution of the Franchise Agreement for the additional territories. For the 6th Territory, the Royalty Fee will be imposed 90 days following the execution of the Franchise Agreement for the additional territories. We reserve the right to modify the timing and pay frequency of all payments owed to us, our affiliates, or our designated vendors.

8.7 Electronic Funds Transfer

Unless a different method is designated by us, all amounts due and owing under this Agreement will be payable by electronic funds transfer. You agree to execute and deliver to us any documents required by us, our bank or your bank to permit us to initiate debit and credit entries to your operating account, including, but not limited to, executing an authorization, a form of which is attached hereto as Attachment 7.

8.8 Interest on Overdue Amounts

In the event you fail to pay any amounts owed by you hereunder to us or any of our affiliates, you shall pay, in addition to such overdue amounts, interest on the overdue amount at the rate of one and one- half percent (1.5%) per month or the highest legal contract interest rate we can charge, whichever amount is less. Interest shall accrue from the original payment due date until payment is received in full. Any default by you in the timely payment of any indebtedness of you owing to us, or to any affiliate of ours, or your default in the payment of any indebtedness of yours with respect to which we or any of our affiliates is a guarantor, co-signer, endorser or obligor, shall constitute a breach of this Agreement, rendering the same subject to termination in accordance with the provisions of Article 16.

8.9 Payment of Taxes and Assessments

You agree to pay promptly, when due, all taxes and assessments that may be assessed or otherwise due against your income, premises, equipment and/or supplies used in connection with your Franchised Business, to discharge all liens and encumbrances of every kind and character created or placed upon or against any of said property and to pay all accounts and other indebtedness of every kind incurred by you in the conduct of your Franchised Business. In the event you should default in making any such payment and have failed to stay enforcement through a proper legal contest, we shall be authorized, but not required, to pay the same on your behalf, and you covenant promptly to reimburse us for any such payment. We shall also maintain the right of set off, to permit deductions of any such amounts from payments that may be due to you hereunder. Any such amounts advanced by us shall be due and payable immediately on your receipt of written demand from us, and if not paid within five (5) days shall be subject to interest as set forth in Section 8.8 of this Agreement.

8.10 Waiver of Claims; Application of Payments

You waive any and all existing and future claims and set offs against any amounts due us under this Agreement, which amounts shall be paid when due regardless of any other claims which you may have against us. However, we shall be entitled to apply or cause to be applied against amounts due to us any amounts which may from time to time be held by us on your behalf or be owed to you by us. Notwithstanding any designation by you, we shall use sound business adjustment and be reasonable in applying any payments received from you, whether designated as payable to us, the Brand Development Fund or otherwise, to any past due or other indebtedness of yours for fees, purchases, late fees, interest or otherwise. We may set off from any amounts that may be owed to you any amount that you owe to us or with respect to any payment overdue for over thirty (30) days. In particular, we may retain any amounts we have received for your account (whether rebates or other funds and whether paid by or due from suppliers or otherwise) as a credit and payment against any amounts that you owe or will owe to us, should you be then overdue in any payments due to us for at least thirty (30) days. We may do so without notice at any time.

You understand and acknowledge that you do not have the right to offset or withhold payments owed to us for amounts purportedly due to you from us. We may condition your participation in any program as we determine in our reasonable discretion, including, but not limited to, your being a "GYMGUYZ" franchisee in good standing and not in default under this or any other agreement with us.You agree that you will not withhold any amounts otherwise due us as a result of any dispute of any nature, but will pay such amounts to us and only thereafter seek reimbursement.

8.11 Insufficient Funds Fee

In the event that we are unable to process any payment owed to us and/or our affiliate due to insufficient funds in your bank account then you shall pay to us our then-current fee. Such amount shall be in addition to the amount owed plus interest thereon, as set forth in Section 8.8 above. In the event you incur three (3) insufficient funds fees in any twelve (12) month period, we reserve the right to terminate this Agreement without giving you the opportunity to cure the default.

8.12 Technology Fee

We reserve the right to collect a technology fee (the "Technology Fee") in connection with any costs we incur in establishing and maintaining an intranet, extranet, online portal, website, online advertising and/or training tools, mobile application and/or any other technology for use in connection with the Franchised Business. In addition to the Royalty Fee and Brand Development Fee described above, and subject to any grace period granted by Section 8.6 above, you agree to pay to us, at the same time and in the same manner as the Royalty Fee and Brand Development Fee, our current Technology Fee in the sum of Fifty Dollars ($50) per two week period if you operate a single unit, an aggregate of Seventy Dollars ($70) per two week period if you operate a total of two units and an aggregate of Ninety Dollars ($90) per two week period if you operate a total of three or more units. We reserve the right, on an annual basis, to adjust the Technology Fee based upon vendor pricing and/or the technology we determine to cover as part of the fee upon written notice to you.

8.13 POS System Fee

You shall pay us, our affiliate or our designated vendor our then-current POS system fee (the "POS System Fee"). The POS System Fee shall be payable monthly (beginning on your POS creation site day).

8.14 Search Engine Optimization Fee

You must use the search engine optimization service (S.E.O.) that we designate. You shall pay us, our affiliate or our designated vendor our then-current search engine optimization fee (the "S.E.O. Fee"). If payable to us, this fee is payable at the same time and in the same manner as the first royalty payment each month or such other date we specify. You will only pay one S.E.O Fee regardless of the number of Franchised Businesses you or

an affiliate operate, provided however we reserve the right to require you to pay on a per Territory basis in the future.

8.15 VOIP Fee

You shall pay us our then-current VOIP fee (the "VOIP Fee"). The VOIP Fee shall be payable the first Wednesday after the fourth day of every month or such other date we specify. We reserve the right to require that you pay this fee directly to us, our affiliate or to our designated vendor.

8.16 Microsite Fee

You shall pay us our then-current microsite fee (the Microsite Fee") for each microsite we provide you within the GYMGUYZ website. The Microsite Fee is payable at the same time and the same manner as the first bi-weekly Royalty Fee or such other date we specify. We reserve the right to require that you pay this fee directly to us, our affiliate or to our designated vendor.

8.17 Hiring Platform

You shall be required to use our designated vendor for your hiring platform. We also reserve the right to require you to pay us our then-current hiring platform fee (the "Hiring Platform Fee"). The Hiring Platform Fee is payable at the same time and the same manner as the first bi-weekly Royalty Fee or such other date we specify. We may require that you pay this fee directly to our affiliate or designated vendor.

8.18 GYMGUYZ Training Application Fee

You shall pay us our then-current training application fee if you choose to or are required to use the training application (the "Training Application Fee"). The GYMGUYZ Training Application Fee is payable monthly, on the application creation date. We may require you to pay the GYMGUYZ Training Application Fee directly to our affiliate or designated vendor.

8.19 Social Media Posting Platform Fee

You shall pay us our then-current social media posting platform fee (the "Social Media Platform Fee"). This fee is payable at the same time and the same manner as the first bi-weekly Royalty Fee or such other date we specify. We may require you to pay the Social Media Posting Platform Fee directly to our affiliate or designated vendor.

8.20 Call Center Fee

You shall pay us our then-current call center fee (the "Call Center Fee"). This fee is payable at the same time and the same manner as the first bi-weekly Royalty Fee or such other date we specify. We may require you to pay the Call Center Fee directly to our affiliate or designated vendor.

8.21 Telemarketing Fee

You shall pay us our then-current telemarketing service fee (the "Telemarketing Fee"). This fee is payable at the same time and the same manner as the first bi-weekly Royalty Fee or such other date we specify. We may require you to pay the Telemarketing Fee directly to our affiliate or designated vendor.

8.22 Launch Fund Fee

Upon signing this Agreement, you shall pay us a non-refundable Launch Fund Fee equal to $2,500. As part of the Launch Fund, we will provide:

(i) A one-day in-Territory visit to your Franchised Business. The in-Territory visit will occur 4-6 weeks after you complete the Initial Training program. However, we reserve the right to delay the in-Territory visit if we determine that in person training is not advisable due to health and safety reasons.

(ii) One-on-one training and on-boarding of various operational and marketing software systems.

(iii) Dedicated subject matter expertise and assistance in preparation of an initial marketing funds plan and initial one-year marketing budget.

ARTICLE 9
YOUR OBLIGATIONS

9.1 Compliance with System

Each component of the System is vital to us, to the network of other franchisees of the System and to the operation of the Franchised Business, as well as to the members of the purchasing public who have come to rely upon us and our network of GYMGUYZ businesses for prompt and efficient services. Compliance with each such component is of the essence to this Agreement. Hence, you undertake to conduct the Franchised Business at all times in full compliance with the System and each of its components, including any services as may be offered by us to the System from time to time, in your Territory, pursuant to Section 18.1.

9.1.1 You shall operate the Franchised Business in an efficient and professional manner in accordance with the highest ethical and moral standards. You shall, as well, comply with all recommendations and standards of quality and service prescribed from time to time by us in the Manual or otherwise.

9.1.2 You may operate your Franchised Business from your home ("Approved Location"), if you are so permitted under applicable law and zoning regulations. If you elect to operate your Franchised Business from a leased premises, such leased premises shall be within your Territory.

9.1.3 You will be subject to minimum performance requirements. You acknowledge the importance of actively developing the Territory for the benefit of Franchisee and the System, and, to that end, you agrees to use best efforts to market Franchisee's Franchised Business to meet Minimum Performance Standards. You must achieve and maintain minimum quarterly Gross Sales of $30,000 by the nine-month anniversary of opening the Franchised Business, in each of your territories that has been open for nine months or longer, in order to retain the rights to your Territory. Failure to adhere to these minimum requirements will be considered a default under this Agreement. We also reserve the right to require you to re-attend and complete our initial training program, at your sole expense. We may also provide you with additional in-Territory training at your location. In such case, you are required to reimburse us for our air, lodging and other expenses we incur.

9.1.4 If we institute a gift card program, you shall sell or otherwise issue gift cards or certificates (together "Gift Cards") that have been prepared utilizing the standard form of Gift Card provided or designated by us, and only in the manner specified by us in the Manual or otherwise in writing. You shall fully honor all Gift Cards that are in the form provided or approved by us regardless of where or how the

gift card was issued. You shall sell, issue, and redeem Gift Cards in accordance with procedures and policies specified by us in the Manual or otherwise in writing, including those relating to procedures by which you shall receive reimbursement for Gift Cards.

9.2 Safety and Security

Franchisee is solely responsible for the safe and secure operation of the Franchised and the services provided thereby for Franchisee, Franchisee's personnel, customers, agents and the general public. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims made against Franchisor regarding safety or security.

9.3 Prices

Subject to applicable law, Franchisor may recommend minimum and maximum prices for products and services offer by Franchisee. Franchisee shall have the right to sell its products and services at any price Franchisee determines. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits.

9.4 Development and Opening of the Franchised Business

After execution of this Agreement and payment of the Initial Franchise Fee, you shall equip the Franchised Business, complete the GYMGUYZ University Training Program, and commence operation of the Franchised Business not later than one hundred eighty (180) days after you sign this Agreement you must have your grand opening within six (6) weeks after you start marketing your Franchised Business. You may not open your Franchised Business for business until: (1) the GYMGUYZ University Training Program we provided has been completed to our satisfaction by all required persons; (2) the Initial Franchise Fee and all other amounts due to us have been paid; (3) you have furnished us with all certificates of insurance required by this Agreement; (4) you have obtained all required governmental permits, licenses and authorizations necessary for the operation of your Franchised Business; (5) you are in full compliance with all the terms of this Agreement; and (6) we provide written confirmation that you are clear to open.

9.5 Operation in Compliance with Applicable Laws

You will operate the Franchised Business in strict compliance with all applicable laws. You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided herein.

9.6 Supervisor

You are required to personally and directly operate and exercise adequate and substantial supervision over the operation of the Franchised Business unless otherwise permitted in writing by us. Our approval of the operation of your Franchised Business by a manager will not be unreasonably withheld; provided, however, that both you and your manager have satisfactorily completed our GYMGUYZ University Training Program and have otherwise met our requirements. You will remain ultimately responsible for the operation of the Franchised Business regardless of whether we permit you to hire a manager. If you are an entity or if you have more than one owner, you will also

be required to designate an Operating Principal. The Operating Principal must be an owner and shall be responsible for the daily operation of the Franchised Business and shall be our primary contact with respect to operations matters.

9.7 Vehicle

You shall be obligated to purchase or lease the vehicle(s) required by us to be used in the operation of the Franchised Business, the specifications for which are set forth in the Manual. The following provisions shall apply to the vehicle used for the Franchised Business:

9.7.1 Use of Vehicle. You and your employees, agents and independent contractors shall travel to client locations only in the vehicle (hereinafter referred to as "Vehicle") that has been acquired, designed, equipped, painted, decaled, decorated and/or otherwise outfitted as specified and approved by us. It is acknowledged that such restriction is necessary to present a uniform appearance to the public. You understand and acknowledge that the Vehicle shall only be used for "GYMGUYZ" business, promotions and work, and for no other purpose.

9.7.2 Condition. You shall maintain your Vehicle in good working order, performing scheduled maintenance as recommended by the manufacturer and repairing all malfunctions promptly.

9.7.3 Cleanliness and Appearance. You shall keep your Vehicle neat and clean, and consistent with the image of the Franchised Business.

9.7.4 Disposition. Under no circumstances shall you allow a Vehicle to come into the possession of anyone who is not a "GYMGUYZ" franchisee without first removing and/or obliterating all the Proprietary Marks.

9.7.5 Safe Driving. You shall hire and use only safe and courteous drivers of your Vehicle with valid driver's licenses.

9.7.6 Compliance with Law. You shall at all times cause yourself and your employees, agents and independent contractors, along with your Vehicle, to be in full compliance with all applicable laws and regulations pertaining to motor vehicles.

9.7.7 Taxes and License Fees. You shall promptly pay all license and use charges and taxes assessed on or pertaining to your Vehicle, and shall hold us harmless therefrom. If any withholding, sales, excise, use, privilege or other tax (excepting Franchisor's income tax obligation) ("Tax Charge") is imposed or levied by any government or governmental agency on Franchisor or Franchisee for any fee due and payable under this Agreement, including but not limited to, the Royalty Fee, System Technology Fee, and/or Brand Fund Contribution (for the purpose of this Section 6.8, such fees shall be referred to as a "Taxable Payment"), then Franchisee shall pay Franchisor a sum equal to the amount of the Tax Charge, together with the Taxable Payment, such that the net sum received by Franchisor equals the amount of the Taxable Payment without deduction, withholding, payment or application of the Tax Charge.

9.7.8 Inspection. We, by our agents, employees and attorneys, shall have the right at all times during business hours, and without prior notice to you, to inspect the interior and exterior of your Vehicle(s) to ascertain if you are in compliance with this Agreement. Such inspection may include verification of correct registration, licensing and insurance. You shall cooperate, and shall cause your employees to cooperate, fully with such inspection, and shall give your permission as may be necessary to allow us to obtain government and insurance company records pertaining to ownership and operation of the Vehicle, and promptly deliver the information and documentation referred to herein to us, upon our request.

9.7.9 Reports. You shall, when adding a Vehicle to the Franchised Business, report to us in writing the identity of the Vehicle you are adding. Also, you shall, from time to time as requested by us or pursuant to this Agreement, report to us in writing the identity of all Vehicles you are then using in connection with the Franchised Business. You shall also report to us in writing each time you dispose of any Vehicle, setting forth the date of disposition, the name and address of the purchaser and a description of the measures taken to obliterate all resemblance to a GYMGUYZ Vehicle. These reports shall also include such other information as we may reasonably require, and shall be made on such forms, and at such times, as prescribed by us.

9.8 Computer System and Technology

Any and all customer data collected or provided by Franchisee, retrieved from Franchisee's Computer System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.

The following terms and conditions shall apply with respect to the Computer System and Required Software:

9.8.1 We shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, smartphones and hardware to be used by, between, or among GYMGUYZ businesses, including without limitation: (a) office systems for use at GYMGUYZ businesses, between or among GYMGUYZ businesses, and between and among your Franchised Business and us; (b) printers and other peripheral devices; and (c) internet access mode and speed (collectively, the "Computer System"). You must accept all major credit cards. You must also purchase and install a GPS tracking system as mandated by us, which may require that all vans and personal vehicles being used for GYMGUYZ services have a GPS tracking device.

9.8.2 We shall have the right, but not the obligation, to develop or have developed for us, or to designate: (a) computer software programs, web-based programs and accounting system software that you must use in connection with the Computer System ("Required Software"), which you shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you shall install; (c) the tangible media upon which you shall record data; (d) the database file structure of your Computer System; and (e) mobile applications.

9.8.3 You shall record all sales and other information required by us on your Computer System and/or by means of the Required Software.

9.8.4 You shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as we may request in writing (collectively, "Computer Upgrades"). You shall comply with all specifications issued by us with respect to the Computer System and the Required Software and internet access, and with respect to Computer Upgrades. You shall also afford us unimpeded access to your Computer System and Required Software as we may request, in the manner, form, and at the times requested by us.

9.8.5 We may, from time to time, specify in the Manual or otherwise in writing the information that you shall collect and maintain on the Computer System, and you shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data pertaining to the Franchised

Business, and all data created or collected by you in connection with the System, or in connection with your operation of the Franchised Business (including without limitation data pertaining to or otherwise concerning your customers) or otherwise provided by you (including, without limitation, data uploaded to or downloaded from your Computer System or via the Required Software) is and will be owned exclusively by us, and we will have the right to use such data in any manner and have access to such data as we deem appropriate without compensation to you (including sharing any data with the System franchisees). Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you for the term of this Agreement, at no additional cost, solely for your use in connection with the operation of the Franchised Business. We may choose to provide you with an e-mail address that you must use in connection with your Franchised Business. We own all GYMGUYZ e-mail addresses and have full access to all communications sent and received using those addresses. We may charge you for additional e-mail addresses beyond the allotted amount we provide to you.

9.8.6 You shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("Privacy"), and shall comply with our standards and policies pertaining to Privacy. If there is a conflict between our standards and policies pertaining to Privacy and applicable law, you shall: (a) comply with the requirements of applicable law to the extent they are more stringent; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel as we may request to assist us in our determination regarding the most effective way, if any, to meet our standards and policies pertaining to Privacy within the bounds of applicable law.

9.8.7 You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your Computer System and our Intranet (as defined below), if any, and/or such other computer systems as we may reasonably require.

9.8.8 We may establish a website providing private and secure communications between us, you, other franchisees, and other persons and entities as determined by us, in our sole discretion (an "Intranet"). You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Intranet and utilizing the Intranet in connection with the operation of the Franchised Business. The Intranet may include, without limitation, the Manual, other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Intranet.

9.8.9 You shall not use the Proprietary Marks or any abbreviation or other name associated with us and/or the System as part of any e-mail address, domain name, and/or other identification of you in any electronic medium, except for any e-mail address and/or web page we may establish for you and your Franchised Business. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without our prior written consent as to your plan for transmitting such advertisements and the content of such advertisements.

9.8.10 You and we acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree that you shall abide by those reasonable new standards established by us as if this Section 9.6 were periodically revised by us for that purpose. You acknowledge and understand that this Agreement does not place any limitations on either our right to require you to obtain Computer Upgrades or the cost of such Computer Upgrades or our right to require the use of new or additional technology in connection with your Franchised Business, at your cost. We reserve the right to share all data obtained from the Computer Systems or software with the System franchisees.

9.9 Purchases from Approved Suppliers

Any products, supplies and materials required for the operation of the Franchised Business must be purchased only from us, our affiliate, or from suppliers approved in writing by us. The procedures for your obtaining approval of alternate suppliers are set forth in this Agreement and in the Manual. You may not be a supplier to other franchisees without our written approval.

9.10 Approved Products and Services

You shall offer and sell only those products and services which are part of the System or have received our prior written approval, which approval shall not be unreasonably withheld. We have the right to add to, delete from or modify the products and services you are permitted or required to offer, and there are no limits on our right to make such changes. You shall comply with any such changes upon notice from us.

9.11 Employees and Independent Contractors

You understand and acknowledge that you are solely responsible for recruiting, hiring and the terms of employment (including payment of wages) for all of your employees. You shall conduct the rigorous background check on each employee according to our requirements, and you shall not employ any person who does not satisfactorily pass the required background check.

9.12 Designated Principal

Notwithstanding any deadlock or tie-breaking mechanism set forth in the Franchisee entity's organizational documents, you shall appoint one Principal with full authority to make business decisions on behalf of the entity and to act as the tie-breaker if the Principals fail to reach a unanimous decision (the "Designated Principal"), whose decisions shall be final and binding upon the Franchisee entity.

9.12.1 Franchisee may appoint a non-owner general manager ("General Manager") to direct the day-to-day operation of the Franchised Business; provided, however, Franchisee shall remain at all times ultimately responsible for ensuring that the operation of the Franchise complies with Franchisor's standards and all provisions of the Manual and this Agreement. The General Manager shall, during the entire period he or she serves as General Manager:

(i) meet Franchisor's standards and criteria for such individuals, as set forth in the Manual or otherwise in writing by Franchisor, and shall be an individual otherwise acceptable to Franchisor, in its sole discretion;

(ii) devote his or her full time and best efforts to the management of the Franchised Business and may not engage in any other competitive business activity without the Franchisor's consent, which may be withheld in Franchisor's sole discretion; and

(iii) satisfy some or all of the Initial Training Program, as determined by Franchisor, at Franchisee's sole cost and expense, including but not limited to, payment of the then-current tuition therefor.

9.13 Training Programs; Personal Training Certifications

You understand and acknowledge that you are solely responsible for the onboarding and training of any employee and you will offer such continuing training programs to your personnel as are specified in the Manual.

You shall also ensure that you and each personal trainer employed by you at the Franchised Business is appropriately certified as required by applicable law.

9.14 Advertising

You will comply with all of the obligations regarding advertising set forth in Article 10.

9.15 Inspections

We or any of our authorized agents or representatives may, upon reasonable notice, inspect the Franchised Business during normal business hours to determine whether it is in compliance with this Agreement and with the System. Unannounced spot checks may also be conducted from time to time, although discretion will be used so as not to interfere or disrupt the normal course of business.

Further, you understand and consent to our ability to access all files, data, accounts, reports and the like resulting from or relating to your transmission of any required reports to us via computer.

9.16 Reports

You shall submit to us such reports regarding the Franchised Business as we prescribe in the Manual, in addition to those required under Section 8.5.

Insurance

To afford you and us protection against insurable risks, we shall prescribe in the Manual minimum standards and limits for insurance coverage which must be purchased by you. You are obligated to obtain and maintain, at your expense, insurance coverage. Our System may regulate the types, amounts, terms and conditions of insurance coverage required for your Franchised Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims. Your failure to purchase such insurance coverage before commencement of business or to maintain such coverage throughout the term is a ground for termination of this Agreement.

9.16.1 All insurance purchased by you must name us, our affiliates and their respective officers, directors and shareholders as additional named insureds via a separate endorsement using ISO form CG2029 or an equivalent endorsement (no blanket additional insured language is acceptable). The policy must provide that we be given at least thirty (30) days' prior written notice of any termination, amendment, cancellation, or modification. All insurance shall require the insurer to defend you and us in any action based on personal injury or property damage suffered as a result of or arising out of the operation of the Franchised Business. Defense costs cannot erode policy limits.

9.16.2 You must provide us with Certificates of Insurance for all required insurance before you complete our initial training program and thereafter upon renewal of each policy during the term of this Agreement.

9.16.3 If you fail or refuse to purchase or maintain the prescribed insurance coverage, or to comply with any other requirement set forth in this Section 9.14, we shall have the right, without waiver of any other remedies, to secure such insurance on your behalf through agents and insurance companies of our choosing, and to take all other action necessary to protect our interests under this Agreement. In this event,

you agree to reimburse our costs related to acquiring such insurance on your behalf, plus our then-current administrative fee.

9.16.4 The following are the insurance requirements as of the date of this Agreement, however they are subject to change:

(i) commercial general liability/professional liability insurance with coverage of not less than One Million Dollars ($1,000,000) per occurrence, Three Million Dollars ($3,000,000) aggregate, and Three Million Dollars ($3,000,000) products aggregate with Two Thousand Five Hundred Dollars ($2,500) medical expense for any one person;

(ii) automobile insurance, including hired and non-hired vehicle coverage and uninsured/underinsured motorist coverage, in amounts not less than One Million Dollars ($1,000,000) combined single limit;

(iii) employment practices liability insurance with a minimum coverage of One Million Dollars ($1,000,000);

(iv) workers' compensation, employer liability and any other insurance required by law or statute for the state in which the Franchised Business is located; and

(v) any insurance required by the terms of your lease, if you choose to lease space for your Franchised Business, or that may be required by us in the future.

9.16.5 You must purchase your insurance policies from insurers that are qualified to sell insurance in the state in which your Franchised Business is located and that are rated at least A by A.M. Best Company.

9.16.6 Nothing contained herein shall be deemed to constitute an undertaking or representation by us that any such insurance will insure you against any or all insurable risks of loss which may or can arise out of or in connection with the operation of the Franchised Business.

9.17 Good Faith

Each of the parties hereto will act in good faith and use its best efforts to comply with its obligations under this Agreement, and will cooperate with the other in accomplishing the purposes of this Agreement. Further, you shall not directly or indirectly engage in any activities which would be detrimental to or interfere with the operation or reputation of the Franchised Business, us, the System, or the operations of any other franchisee.

9.18 Guaranty

Upon execution of this Agreement, your owners (if you are an entity) shall each execute the Guaranty in the form annexed hereto as Attachment 6 of all obligations under this Agreement, including payment of money.

ARTICLE 10
ADVERTISING

10.1 Advertising to be Approved by Us

You shall use for your advertising and promotional activities only those materials, concepts and programs which have been furnished or approved in advance by us by specification in the Manual or otherwise. Our approval will not be unreasonably withheld. Any materials, concepts and/or programs submitted to us for our review shall

become our property. Additionally, you shall comply with all applicable federal, state, and local telemarketing, telephone solicitation, do-not-call, text/SMS marketing, and related consumer protection laws, rules, and regulations applicable to Franchisee's operations in the Territory, including obtaining any required registrations, licenses, and permits, and timely maintaining and honoring all do-not-call requirements, including but not limited to the Federal CAN-SPAM Act's general rules for commercial email, opt-out rules, and other communication messages and the Telephone Consumer Protection Act, as amended ("TCPA"). Franchisor may at any time inspect, audit, and review Franchisee's advertising and telemarketing-related procedures. Franchisee shall cooperate fully with Franchisor in any such inspection or audit and shall implement, at Franchisee's sole cost and expense, any corrective actions Franchisor reasonably requires.

If you would like to use advertising that we have either not prepared or not approved within the immediately preceding twelve (12) month period, you must submit the proposed materials to us for our review. We will have fifteen (15) days after receipt of the proposed materials to notify you whether the materials are approved. Unless we provide our specific approval of your proposed advertising materials, they are deemed not approved. At our request, all advertising shall include the language "Franchises Available" and our website address and telephone number.

You must use any vendors designated by us including any call center designated by us to route calls and any telemarketing service designated by us and you will be required to comply with all policies regarding same and any associated costs. We reserve the right to provide these services directly or through our affiliate or designated vendor.

10.2 Brand Development Fund

We have established a "Fund" which operates as a Brand Development Fund for such advertising, marketing and public relations programs as we in our sole discretion deem necessary or appropriate to promote GYMGUYZ businesses. You will be required to pay a Brand Development Fee. We or our designee shall administer the Fund as follows:

10.2.1 We or our designee shall direct all advertising and public relations programs financed by the Fund with sole discretion over the creative concepts, materials and media used in such programs. The Fund may be used to meet any and all costs relating to design, directing, writing, preparing, producing and placing all electronic (television and radio) and online (internet, email, social media (including in virtual worlds)) and offline print marketing and advertising materials of any nature to promote and/or enhance the identity and image of the GYMGUYZ System, its franchisees, services, products; new product research and development; quality control (including mystery shopper programs which may or may not include call recording); market research; talent fees; working with public relations firms; administrative, travel, debt service and operating costs and overhead; or for any other purpose related to GYMGUYZ or its locations. Monies in the Fund may be used to cover administrative costs and overhead we may incur, including salary costs of employees working on the Fund and collecting and accounting for contributions to the Fund. Sums paid by you to the Fund may be commingled with our general funds but will be accounted for separately by us. Within one hundred twenty (120) days following the close of each fiscal year, and upon your written request, we shall prepare and distribute an unaudited statement detailing Fund income and expenses for such fiscal year.

10.2.2 We may spend, in any fiscal year, an amount greater or less than the aggregate contribution of all GYMGUYZ businesses to the Fund in that year. The Fund may borrow from us or other lenders at standard commercial interest rates to cover deficits of the Fund or cause the Fund to invest any surplus for future use by the Fund. Any monies remaining in the Fund at the end of any fiscal year shall carry over to the next fiscal year.

10.2.3 You authorize us to collect any advertising or promotional monies or credits offered by any supplier based upon purchases by you. Any advertising or promotional monies or credits collected by us from any supplier based upon purchases by you, whether or not the monies or credits are contributed to the Fund, shall not be credited toward or otherwise reduce your required payment of the Brand Development Fee.

10.2.4 We will have the right to cause the Fund to be incorporated or operated through an entity separate from us at such time as we deem appropriate, and such successor entity shall have all our rights and duties pursuant to this Section.

10.2.5 You understand and acknowledge that the Fund is intended to maximize recognition of the Marks and patronage of GYMGUYZ businesses generally. Although we will endeavor to utilize the Fund to develop advertising and marketing materials and programs and to place advertising in order to benefit all GYMGUYZ businesses, we undertake no obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by GYMGUYZ businesses operating in that geographic area or that any GYMGUYZ business will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising. You acknowledge that your failure to derive any such benefit will not serve as a basis for a reduction or elimination of your obligation to contribute to the Fund. Except as expressly provided in this Section 10.2.6, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Fund. You acknowledge and agree that we have no fiduciary obligation to you or any other GYMGUYZ business in connection with the establishment of the Fund or the collection, control or administration of monies paid into the Fund. We expressly disavow the existence of any such fiduciary relationship.

10.2.6 We retain the right, in our sole discretion, to terminate the Fund. The Fund shall not be terminated until all monies in the Fund have been expended for advertising and promotional purposes or are distributed to the contributors on a pro-rata basis. If we terminate the Fund, we shall have the right to reinstate such Fund. Any reinstated Fund shall be maintained and operated as described in this Section 10.2.

10.2.7 **Initial Marketing Funds**

Prior to opening and during the first six (6) months you are open, you agree to spend Thirty-One Thousand Five-Hundred Dollars ($31,500) to conduct an initial marketing funds campaign to promote the opening of your Franchised Business. If you are an existing franchisee opening a business in an adjacent territory to your existing territory, the required expenditure is reduced to Eleven Thousand Five-Hundred Dollars ($11,500). We will collect this money from you and spend it in your Territory on your behalf on direct mailers, radio advertising, Google ad words, social media ads and/or other general advertising.

10.3 Local Advertising

You acknowledge that the proper conduct of all promotion programs is not only necessary to the success of the Franchised Business but is also likely to affect the goodwill and reputation of us, the Proprietary Marks, and that of the System. It is therefore agreed as follows:

10.3.1 Between your 6-month anniversary of opening and the end of the first year you agree to expend not less than $3,000 per month on promotions in your Territory. After you have been open for more than one year, you agree to expend not less than the greater of (i) One Thousand Seven Hundred Fifty Dollars ($1,750) each month or (ii) 4% of your monthly Gross Sales on local promotions in your Territory which must be spent on marketing tactics such as direct mailers, bill boards, radio/tv advertising, Google ad words, digital marketing/social media ads and other general advertising and provide receipts to us. Of

these funds, $1,250 must currently be spent on digital advertising, though we reserve the right to modify this. We shall maintain the right during the term of this Agreement to increase your local advertising requirement annually in accordance with any increase in the Consumer Price Index: All Items/U.S. City Average – All Urban Consumers ("Index" – 1967 Base Year + 100) as published by the U.S. Department of Labor's Bureau of Labor Statistics.

10.3.2 You must participate in our SEO program and pay our then-current fees. You also must subscribe to our social media publishing tool, (currently Soci), and pay the then-current fees.

10.3.3 You shall not use any advertising or sales promotion materials of any kind other than those approved and/or produced and distributed by us, or conduct any print or broadcast advertising, or any promotion, without first obtaining our approval in the manner described in Section 10.1. We reserve the right to charge you our then current cost for the production of all marketing materials and templates containing the Proprietary Marks which we prepare for you.

10.3.4 Within thirty (30) days after our request, you must provide us with a report detailing your local advertising activities. The information we may request includes verification copies of your advertising and copies of bills for expenses.

10.4 Advisory Council

We may form one or more advisory councils to work with us to improve the System, the products and services offered, advertising conducted for the benefit of all GYMGUYZ Businesses, and other matters. If an advisory council is formed it will act in an advisory capacity only and will not have decision making authority. An advisory council will include our representatives and franchisee representatives. The franchisee representatives may be chosen by us or by other franchisees in the System. If you participate on any advisory council, you must pay for the costs you incur related to your involvement, such as travel, lodging and living expenses to attend advisory council meetings. We may form, change, merge or dissolve any advisory council at any time.

10.5 Advertising Cooperatives

We may establish an advertising cooperative within a geographically defined local or regional marketing area in which your Franchised Business is located, and you must participate and abide by any rules and procedures the cooperative adopts and we approve. You will contribute to your respective cooperative an amount determined by the cooperative, but not to exceed 2% of your monthly Gross Sales. Amounts contributed to a cooperative will not be credited against monies you are otherwise required to spend on local advertising or required to contribute to the Fund. We have the right to draft your bank account for the advertising cooperative contribution and to pass those funds on to your respective cooperative. Our affiliates will have no obligation to participate in any such advertising cooperatives.

The cooperative members are responsible for the administration of their respective advertising cooperative, as stated in the by-laws that we approve. The by-laws and governing agreements will be made available for review by the cooperative's franchisee members. We may require a cooperative to prepare annual or periodic financial statements for our review. Each cooperative will maintain its own funds; however, we have the right to review the cooperative's finances, if we so choose.

We reserve the right to approve all of a cooperative's marketing programs and advertising materials. On 30 days written notice to affected franchisees, we may terminate or suspend a cooperative's program or operations. We may form, change, dissolve or merge any advertising cooperative.

Your Franchised Business may not benefit directly or proportionately to its contribution to the Cooperative.

ARTICLE 11
REPORTING AND FINANCIAL MANAGEMENT REQUIREMENTS

11.1 Records Retention

You shall keep true and accurate records, including those which may be specified by us from time to time, from which all sums payable under this Agreement and the dates of accrual thereof may be readily determined. You shall keep such records on your business premises at all times, unless we permit them to be kept at another location. In any event, you shall at all times inform us of any change in the location of your records. You will make these records available to us at the business premises during normal business hours. All records relating to the Franchised Business shall be retained by you at all times during the Initial Term (and any Renewal Term), and for a period of three (3) years after this Agreement or any renewal Franchise Agreement expires or is terminated.

11.2 Reporting Systems

You agree to utilize such reporting and financial control systems as we may reasonably direct.

11.2.1 You will maintain on forms approved or provided by us a monthly sales report and profit and loss statement accurately reflecting the operations and condition of the Franchised Business.

11.2.2 You will employ such methods of filing, record-keeping, bookkeeping, accounting and reporting as we may from time to time reasonably require.

11.2.3 You will adopt and shall strictly adhere to such methods for control and protection of cash receipts (and of records pertaining thereto) as we may from time to time direct.

11.3 Financial Reports

You will have prepared and furnished to us each year your annual financial statements, consisting of a balance sheet, statement of earnings or loss, and statement of changes in financial position, including all notes to all such statements and any schedules of partners' or shareholders' capital. Such statements must be compiled, reviewed by a certified public accountant ("CPA") admitted to practice accountancy in the state in which the Territory is situated, and must be published on the stationery of, and signed by, the CPA. The annual statements must be furnished to us no later than one hundred twenty (120) days following the close of your fiscal year. We reserve the right to require you to use the same fiscal year end that we use. All accounting must be on a cash basis. Should you be deemed by us to have under-reported or improperly reported or paid any amount (as determined under Section 11.4 or Subsections 11.4.1 or 11.4.2), we may, at our sole discretion, require that all future statements provided by you be audited by the CPA.

In addition to the reports described above, you shall also provide to us copies of all federal, state and local tax returns (including, without limitation, sales tax returns and income tax returns) related to the Franchised Business. You agree to provide us with copies of such tax returns within fifteen (15) days after such returns are filed.

You shall also provide us with quarterly unaudited financial statements consisting of a balance sheet, statement of operations and statement of cash flow.

Reports shall be deemed timely made if personally delivered to our offices, electronically transmitted to and received by us, or postmarked by the U.S. Postal Service (with proper first-class postage prepaid) on or before the required date.

11.4 Inspections

With reasonable notice, we and our authorized representatives shall have the right at all times during the business day to request from you (in which case, you shall provide to us), or to enter your Franchised Business or any other location where books and records relative to the Franchised Business are kept, and to inspect, copy and audit such books and records, including your state and federal income tax returns and state sales and use tax and personal property tax returns related to the Franchised Business, and you waive any privileges with regard to any tax returns. You will cooperate completely and in good faith with the audit, and will provide and explain all records requested by the auditor or necessary to provide information sought by the auditor. All records produced will be maintained by us in confidence, except for the uses intended under this Agreement. Franchisee acknowledges and agrees that the financial data of Franchisee's Franchised Business (i) is owned by Franchisor, (ii) is Franchisor's Proprietary Information, (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof, and (iv) may be shared with other franchisees in the System.

11.4.1 If an audit or inspection discloses that you have underpaid any sums due us under this Agreement, you will pay the amount underpaid immediately together with applicable interest as set forth in Section 8.8. If an audit or inspection reveals any overpayment by you, the amount of the overpayment will be credited against Royalty Fees and Brand Development Fees next falling due.

11.4.2 If any audit of your books and records reveals that you have underpaid and/or understated any amount paid and/or reported to us, you agree to reimburse us for any fees and expenses related to the audit, including, but not limited to, auditor's fees and travel, lodging, meals and local transportation expenses, in addition to the amount due and interest.

ARTICLE 12
INDEPENDENT CONTRACTOR AND INDEMNIFICATION

12.1 No Fiduciary Relationship

It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them (unless otherwise stated), that you are, and shall at all times be and remain an independent contractor, and that nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

12.2 Notice of Independent Contractor

During the Initial Term and Renewal Term of this Agreement, you shall hold yourself out to the public as an independent contractor operating the business pursuant to a franchise granted by us. You will take such affirmative action as may be necessary to indicate same, including exhibiting a notice of that fact in a conspicuous place, the content and placement of which we reserve the right to specify.

12.3 Indemnification by You

You agree at all times to defend, at your own cost, and indemnify and hold harmless to the fullest extent permitted by law, us, our corporate parent, the corporate subsidiaries, affiliates, successors, assigns, and designees and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each (collectively, the "Indemnitees") from all losses and expenses (as hereinafter defined) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: your infringement or any other violation of any patent, trademark or copyright or other proprietary right owned or controlled by third parties; your violation or breach of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; libel, slander or any other form of defamation by you; your

violation or breach of any warranty, representation, agreement, or obligation in this Agreement; any acts, errors, or omissions of you or any of your agents, servants, employees, contractors, partners, proprietors, affiliates, or representatives in any manner in connection with the Franchised Business; the inaccuracy, lack of authenticity, or non- disclosure of any information by you or any customer or client of yours; any service provided by you related to the operation of the Franchised Business; any services provided by any affiliated or non- affiliated participating entity; and any action by any customer or client of yours. For the purpose of this Section, the term "losses and expenses" is deemed to include all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, attorneys' fees, experts' fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting, or replacing same, and any and all expenses of recall, refunds, compensation, public notices, and other such amounts incurred in connection with the matters described. You agree to give us notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. The foregoing indemnification shall not apply to losses or expenses to the extent arising from our gross negligence or willful acts. In the settlement of any matter hereunder, in no event shall you be permitted to admit fault on behalf of an Indemnitee nor to agree to any provision that places any obligations or restrictions on an Indemnitee (including the payment of any money by us or on our behalf) without our express written consent.

12.3.1 At your expense and risk, we may elect to assume (but under no circumstance are obligated to undertake) the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation, provided that we will seek your advice and counsel and shall keep you informed with regard to any such proposed or contemplated settlement(s). Such an undertaking by us shall in no manner or form diminish your obligation to indemnify us and to hold us harmless.

12.3.2 All losses and expenses incurred under this Section 12.3 shall be chargeable to and paid by you pursuant to your obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity or defense.

12.3.3 The Indemnitees do not assume any liability whatsoever for acts, errors, or omissions of those with whom you may contract, regardless of the purpose. You hold harmless and indemnify the Indemnitees for all losses and expenses that arise out of any acts, errors, or omissions of these third parties.

12.3.4 Under no circumstances will the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against you. You agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by the Indemnitees from you.

ARTICLE 13
CONFIDENTIAL INFORMATION

13.1 Non-Disclosure of Confidential Information

You will not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation any Confidential Information concerning, as well as the methods of operation of, the System which may be communicated to you or of which you may become apprised by virtue of the operation of the Franchised Business pursuant to this Agreement. You will divulge such Confidential Information only to such of your employees or officers and directors who must have access to it in order to operate the Franchised Business and you shall be liable for the actions of any such individuals with respect to the Confidential Information. All information, knowledge and know-how, including, without limitation, the materials, equipment, specifications, techniques, and other data which we designate as confidential shall be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention prior to disclosure thereof by us; or which, at the time of disclosure by us to you, had become a

part of the public domain through publication or communication by others; or which, after disclosure to you by us, becomes a part of the public domain through publication or communication by others and through no breach by you or those with whom you shared the Confidential Information. Examples of Confidential Information include, without limitation: (1), formats, specifications, standards, systems, procedures, sales and marketing techniques; (2) knowledge of specifications for and suppliers of, and methods of ordering, certain products, materials, equipment and supplies; (3) knowledge of the operating results and financial performance of other GYMGUYZ outlets; (4) the Operations Manual; (5) training materials and programs; (6) customer data; (7) all password-protected portions of our website, intranets and extranets and the information they contain (including the email addresses of our franchisees); (8) specifics regarding the inner workings of computer software, applications or other technology used by our System; and (9) confidential information of third parties to whom we may owe a duty of confidentiality.

13.2 Covenants

Prior to any disclosure of Confidential Information, you will require all personnel having access to any Confidential Information provided by us, or otherwise playing a role in the solicitation or provision of services to customers, to sign covenants that they will maintain the confidentiality of information they receive in connection with their employment or engagement by you, in accordance with the form prescribed by us, a current example of an accepted form is annexed as Attachment 4 hereto. It is expressly understood that we are designated as a third party beneficiary of such covenants with the independent right to enforce them. You shall provide us with a copy of each executed agreement.

13.3 Failure to Comply

You acknowledge that any actual or threatened failure to comply with the requirements of this Article 13 will cause us to suffer immediate and irreparable injury, non-compensable by the payment of mere money damages, permitting us with or without notice to seek immediate injunctive relief without the necessity of proving actual damages or posting a bond. You agree to pay all court costs and reasonable attorneys' fees incurred by us in the event we seek to obtain specific performance or an injunction against violation of the requirements of this Article 13.

ARTICLE 14
COVENANTS NOT TO COMPETE

14.1 In-Term Covenants

You specifically acknowledge that, pursuant to this Agreement, you shall receive valuable training and confidential information, including, without limitation, information regarding the promotional, operational, sales, and marketing methods and techniques of us and the System, and that the covenants not to compete set forth below are fair and reasonable and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

14.1.1 Divert or attempt to divert any member, business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

14.1.2 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any business specializing, in whole or in part, in the activities conducted by you under this Agreement, or any other type of service which you have rendered under this Agreement or sell any other products and services which you have sold under this Agreement.

14.2 Post-Term Covenants

You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, or upon transfer of this Agreement or the Franchised Business pursuant to Article 15 of this Agreement, and continuing for two (2) years thereafter, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any business offering in home, on-site or virtual personal training services within your former Territory and/or within a radial distance of fifteen (15) miles of both your former Territory and the territory of any business using the System and/or the Proprietary Marks, whether franchised, licensed or owned by us or any subsidiary or affiliated companies of ours.

14.3 Unenforceability

The parties agree that each of the foregoing covenants are construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you 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 part of this Article 14.

14.4 Modification of Covenants

You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in Sections 14.1 and 14.2, or any portion thereof, without your written consent, effective immediately upon receipt by you of written notice. You agree that you shall comply forthwith with any covenant as so modified, which will be fully enforceable notwithstanding the provisions of this Article.

14.5 Claim is Not a Defense

You expressly agree that the existence of any claim that you may have against us, regardless of whether arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Article. Your remedies, should we default, consist of specific performance and damages arising from the default, but such remedies do not constitute a defense to enforcement of this Article.

14.6 Failure to Comply

You acknowledge that any threatened or actual failure to comply with the requirements of this Article would cause us to suffer immediate and irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to the *ex parte* entry of an injunction prohibiting any conduct by you in violation of the terms of this Article. We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement, statute, common law or otherwise.

14.7 Covenants from Key Persons

At our request, you will require and obtain execution of covenants identical in scope to those set forth in this Article (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons:

14.7.1 All owners of the Franchised Business (including all owners of the franchisee entity);

14.7.2 Your spouse (or the spouses of all owners in the case of a franchisee that is an entity).

14.7.3 Each covenant required to be signed pursuant to this Section 14.7 shall be on a form

supplied by us, including specific identification of us as a third party beneficiary of such covenants with the independent right to enforce them. Your failure to obtain execution of a covenant required by this Section 14.7 shall constitute a default under Section 16.2.

ARTICLE 15
ASSIGNMENT AND RIGHT OF FIRST REFUSAL

15.1 Our Right to Assign

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity. You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "GYMGUYZ Franchising LLC" as Franchisor. Nothing contained in this Agreement shall require us to remain in the personal fitness training business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

15.2 Assignment by You

The franchisee's rights under this Agreement are personal, and you shall not change, sell, transfer, assign or encumber your percentage of ownership interest in this Agreement or the Franchised Business, without our prior written consent. Additionally, if you are an entity, a sale, transfer or assignment requiring our prior written consent shall also be deemed to occur: (i) if you are a corporation or limited liability company, upon any change, assignment, sale, pledge or transfer of any of your voting stock or membership interests, including any ownership restructuring of you or of any owners of you; or (ii) if you are a partnership, upon the change, assignment, sale, pledge or transfer of any partnership ownership, including an ownership restructuring of you or of any owners of you. You must notify us of any change in stock ownership, membership interests or partnership ownership interests while this Agreement is in effect which shall result in a change, sale, transfer or assignment within the meaning of this Section. Any unauthorized transfer shall constitute a material breach of the Agreement and shall be voidable by us.

If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the Assets and the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions. Notwithstanding the foregoing, in the event Franchisee seeks and/or obtains financing whereby funding is provided with the assistance of the United States Small Business Administration ("SBA Financing"), Franchisee shall be permitted to grant the lender of such SBA Financing a senior lien on any Collateral Franchisee uses to secure the SBA Financing, and Franchisor and Franchisee further agree that (i) the provisions of Attachment 11 are fully incorporated herein and applicable to Franchisor and Franchisee, (ii) Franchisor shall subordinate its security interest or other lien on Franchisee's Collateral to that of the lender of the SBA Financing and (iii) Franchisor waives the requirement of the written acknowledgement referenced in this Section.

15.2.1 Our consent to any sale, transfer, encumbrance or assignment is subject to the following conditions:

(a) The proposed assignee must demonstrate that it has the skills, qualifications and economic

resources necessary, in our reasonable judgment, to conduct the Franchised Business and to fulfill its obligations to you and to us.

(b) The assignee must expressly assume in writing all of your obligations under the most current version of our Franchise Agreement in existence at the time of assignment (the "new Franchise Agreement"), or, at our option execute our then-current franchise agreement in the form and on the terms and conditions then being offered by us to franchisees (except that the assignee shall not be obligated to pay another Initial Franchise Fee), which will be the prevailing agreement.

(c) As of the date of any such assignment, you shall have fully complied with all of your obligations to us, whether under this Agreement or any other agreement, arrangement or understanding with us.

(d) We shall be paid a transfer fee equal to Ten Thousand Dollars ($10,000).

(e) The assignee must satisfactorily complete the training then required of all new franchisees, unless otherwise waived by us.

(f) We will be furnished copies of the signed contract between you and any such assignee and all related documentation in advance of the assignment, and for our prior written approval.

(g) You must have executed a general release in a form satisfactory to us of any and all claims against us, our subsidiaries, affiliates, and designees, and their respective 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.

(h) The assignee shall not be affiliated in any way with a competitor of ours.

(i) The transferee, transferor and all of their principals must execute our then-current form of Transfer Agreement. Our current form of Transfer Agreement is attached hereto and Attachment 9.

(j) The transferee must be able to assume the lease on any vehicle used as part of the Franchised Business or must purchase or lease a vehicle that is wrapped and outfitted as required by us.

15.2.2 (a) Upon your death (if you are a natural person) or upon the death of any controlling principal who is a natural person and who has an interest in this Agreement, the Franchised Business or you (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by us within six (6) months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within six (6) months after the death of the Deceased.

(b) Upon your permanent disability (if you are a natural person) or upon the permanent disability of any controlling principal who is a natural person and who has an interest in this Agreement, the Franchised Business or you, we may, in our reasonable discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Article 15 within six (6) months after

notice to you. "Permanent disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section 15.2.2. In the event that a transfer to a third party is directed by a will or trust and no additional costs or legal fees are incurred by the franchisor, then a transfer fee would not be incurred by the franchisee, the trust or the transferee

15.3 Transfer to a Corporate Entity

If the franchisee is an individual and desires to transfer the interests in this Agreement to a corporate entity owned 100% by the franchisee, solely for the convenience of ownership, prior written consent of such transfer must be obtained from us, which consent shall be granted if:

15.3.1 You are the owner of all the voting interests of the transferee entity or, if you are comprised of more than one (1) individual, each such individual has the same proportionate ownership interest in the transferee entity as they held under this Agreement before the contemplated transfer (otherwise the transfer may be considered a regular transfer subject to a transfer fee); and

15.3.2 Appropriate forms of corporate resolutions and minutes, which have been duly adopted, are furnished to us before the transfer.

15.3.3 You execute our Assignment and Assumption Agreement. Our current form of Assignment and Assumption Agreement for an assignment pursuant to this Section is attached as Attachment 10.

A transfer pursuant to this Section 15.3 may occur one (1) time only without payment of the transfer fee described in Section 15.2.1 above.

15.4 Our Right of First Refusal

Your right to assign, transfer or sell your interest in this Agreement (voluntarily or by operation of law), the Franchised Business, and/or the Franchisee, as provided above, is subject to our right of first refusal. (We maintain the option of waiving this right, in writing). That is, we have the right to be offered by you the opportunity to purchase such interest on the terms and conditions which have been offered to and accepted by a third party. Our right of first refusal will be exercised in the following manner:

15.4.1 You shall serve upon us a written notice setting forth all of the terms and conditions of the proposed assignment specifying the purchase price established by the parties and including reasonably complete information concerning the identity, financial standing and character of the proposed purchaser. You will attach to the notice a copy of a binding agreement between you and the proposed purchaser, which agreement is subject to cancellation if we exercise our right of first refusal or disapprove of the proposed transfer under Section 15.2.

15.4.2 Within thirty (30) days after our receipt of such notice (or, if we shall request additional information, within thirty (30) days after receipt of such additional information), we may, at our option, purchase the Franchised Business upon the terms and conditions specified in the notice and the agreement.

15.4.3 If we elect not to exercise our right of first refusal and consent to an assignment, you are, subject to the provisions of this Article 15, free to assign this Franchise Agreement and/or the Franchised

Business to the proposed assignee on the terms and conditions specified in the notice and the agreement. If, however, the terms of the agreement are materially modified after submission to us, we have the right to evaluate the modified agreement for an additional thirty (30) days and, if we choose to do so, to exercise our right of first refusal on the modified terms.

15.5 No Right to Pledge

You do not have the right to pledge, encumber, hypothecate or otherwise give any third party any security interest in this Agreement or in the Proprietary Properties or the Franchised Business in any manner whatsoever without our express written permission, which permission may be withheld for any reason. The foregoing does not apply to the lease, financing, or purchase money security interest granted to a lender in connection with the procurement of equipment or service vehicles by you for the Franchised Business.

ARTICLE 16
DEFAULT AND TERMINATION

16.1 Automatic Termination

You shall be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment of the Franchised Business is instituted against you and not dismissed within thirty

(30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

16.2 Termination Upon Notice – No Right to Cure

Upon the occurrence of any of the following events, you are deemed to be in default and we may, in our sole and exclusive discretion, terminate this Agreement and all rights granted hereunder without affording you any opportunity to cure the default. Termination under this Section shall be effective immediately upon the earlier of the occurrence of any of the following or upon notice to you:

16.2.1 If you abandon the Franchised Business by failing to operate, or if you otherwise communicate to or respond to communication attempts by the franchisor that you intend to be absent from operation of such business for a period of five (5) consecutive days, or any shorter period after which it is reasonable for us to conclude that you do not intend to continue to operate the Franchised Business;

16.2.2 If you are (or any of your owners is) convicted of or charged with a felony, a fraud, a crime involving moral turpitude, a sex crime, or any other crime or offense that is reasonably likely to have an adverse effect on the System, the Proprietary Marks, or the goodwill associated therewith;

16.2.3 If you (or any of your owners) make any material misrepresentation relating to the creation,

acquisition or operation of the Franchised Business or engage in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business, us or the System;

16.2.4 If you fail, for a period of ten (10) days after notification of non-compliance by any duly constituted authority, to comply with any federal, state or local law, regulation or requirement applicable to the operation of the Franchised Business and fail promptly to notify us of such notification and to satisfy the steps taken to cure any such non-compliance;

16.2.5 If you repeatedly fail (i.e., at least three (3) or more times) to comply with any one or more of your obligations under this Agreement, whether or not such failures are ultimately corrected or cured;

16.2.6 If your default under this Agreement is by its very nature incapable of being cured;

16.2.7 If you (or any of your owners) fail to attend and successfully complete our GYMGUYZ University Training Program a second time, or fail to attend any meeting of franchisees unless such requirement is waived by us;

16.2.8 If you (or any of your shareholders, directors, officers, managers, members, partners) acquire any interest in a business similar to or competitive with the Franchised Business, except that you or such other persons may own less than five percent (5%) of the shares of any company listed on any national or regional securities exchange and may own more than one (1) GYMGUYZ Business pursuant to a valid Franchise Agreement with us;

16.2.9 If you (or any of your owners) engage in the unauthorized use or duplication of any aspect of our business, services or products;

16.2.10 If you (or any of your owners) engage in the unauthorized use or disclosure of any Confidential Information relating to us, the Franchised Business or the System;

16.2.11 If you (or any of your owners) sell, sublicense, assign or transfer any interest in this Agreement or the Franchised Business in violation of this Agreement or fail to timely respond to a request for an updated ownership statement, or if your representatives fail to nominate a manager for the Franchised Business upon your death or disability;

16.2.12 If you (or any of your owners) violate any covenant not to compete set forth in Article 14 of this Agreement;

16.2.13 If you misrepresent, substitute or "palm off" non-authentic services and/or products for or as our services and/or products;

16.2.14 If you knowingly maintain false books or records or submit any false reports to anyone;

16.2.15 If you violate any state or federal law or ordinance that in any manner relates to or impacts upon the provision of or ability to provide any of the services that you are required to offer and provide hereunder by the Franchised Business as an entity, or by any individuals who exercise any level of dominion or control over the operations of the Franchised Business, including, without limitation, a conviction based upon such a violation, allegation or charge of such violation without explanation that we shall deem to be reasonably satisfactory, or failure on your part to inform us of the existence of, threat of, charge or allegation of, or conviction of such violation;

16.2.16 If you or any of your owners violate any Anti-Terrorism Law; or

16.2.17 If you fail to comply with any other provision or requirement of this Agreement or the Manual after written notice and an opportunity to cure, under Section 16.3.

16.2.18 If you fail to meet your minimum performance requirements.

16.3 Notice of Termination – Right to Cure

Except as provided in Sections 16.1 and 16.2 of this Agreement, you shall have ten (10) days (for monetary and reporting defaults) and thirty (30) days (for non-monetary defaults) after receipt from us of a written notice of termination in which to remedy the default (or, if the default cannot reasonably be cured within such period, to initiate within that time substantial and continuing action to cure the default) and to provide evidence of such cure to us. If any default is not cured within that time (or if substantial and continuing action to cure the default is not initiated within that time), or such other period as applicable law may require, this Agreement may terminate without further notice to you effective immediately upon expiration of the cure period, or such longer period as applicable law may require. Defaults under this Section include the occurrence of any of the following events:

16.3.1 If you fail, refuse or neglect promptly to pay when due any monies owed to us (or our affiliates, subsidiaries or designees) or fail, refuse or neglect promptly to submit financial or other information required by us under this Agreement, or make any false statements in connection therewith;

16.3.2 If you fail to maintain and operate the Franchised Business in accordance with the provisions or requirements of this Agreement or the Manual;

16.3.3 If you offer or sell, as part of the Franchised Business, any unapproved product or service or fail to offer or provide on a regular basis all products and services which comprise part of the System;

16.3.4 If you fail to obtain and maintain all required insurance policies or fail to name us and other required parties as an additional insured thereunder in accordance with the terms of this Agreement;

16.3.5 Failure to participate in any initiatives we require;

16.3.6 Failure to timely submit financial or operational reports.

16.4 Cross Default

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

16.5 Amendment Pursuant to Applicable Law

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation. We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement.

16.6 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 16, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your web page on our website, until such time as you correct the breach.

16.7 Termination By You

You may terminate this Agreement if you are in compliance, and we materially breach this Agreement and fail to cure the breach within 90 days of receiving your written notice, except if the breach is not susceptible to cure within 90 days, but we take action within 90 days to begin curing the breach and act diligently to complete the corrective action within a reasonable time, we will be deemed to have timely cured the breach.

ARTICLE 17
FURTHER OBLIGATIONS AND RIGHTS OF THE PARTIES UPON TERMINATION OR EXPIRATION

17.1 Discontinuance of Use of Proprietary Properties

Upon the termination or expiration of this Franchise Agreement, you shall forthwith discontinue the use of the Proprietary Marks, Confidential Information, Copyrights and Manual, and you will not thereafter operate or do business under any name or in any manner that might tend to give the general public the impression that you are in any manner affiliated with us or a "GYMGUYZ" Business, or any business similar thereto, or any words, phrases or logos confusingly similar thereto or colorable imitations thereof, and you shall not thereafter use, in any manner, or for any purpose, directly or indirectly, any of our Confidential Information, or knowledge concerning the operation, products, services, trade secrets, procedures, policies, techniques or materials or customers acquired by you by virtue of the relationship established by this Agreement, including the following:

17.1.1 Standards, specifications or descriptions of our products and services;

17.1.2 Our Manual and any supplements thereto;

17.1.3 Any forms, advertising matter, marks, devices, signs, insignia, slogans or designs used from time to time in connection with the Franchised Business;

17.1.4 Any copyrights, Proprietary Marks, trade names and patents now or hereafter applied for or granted in connection therewith, or any marks, logos, words or phrases confusingly similar thereto or colorable imitations thereof;

17.1.5 Any telephone number listed in any telephone directory under the name "GYMGUYZ" or any similar designation or directory listing which relates to the Franchised Business;

17.1.6 Any internet websites, social media pages, listings, advertisements and/or domain names, whether or not established in accordance with this Agreement; and

17.1.6 Any and all of the systems, procedures, techniques, criteria, concepts, designs, advertising and promotional techniques, products or service specifications, and all other components, specifications and standards which comprise (or in the future may comprise) part of the System.

17.2 Cancellation of Assumed Names

Upon termination or expiration of this Agreement, you will take such action as may be necessary to cancel any assumed name or equivalent registration which contains any name or mark identical or similar to "GYMGUYZ" or any other name, trademark or service mark of ours, or colorable imitations thereof, and you shall furnish us with proof of discharge of this obligation within thirty (30) days following the termination or expiration of this Agreement.

17.3 We are Attorney-In-Fact

We may, if you fail or refuse to do so, sign in your name and on your behalf any and all documents necessary to cause discontinuation of your use of the name "GYMGUYZ" or any other related or similar name or use thereunder, and we are hereby irrevocably appointed by you as your attorney-in- fact to do so.

17.4 Survival of Obligations

The expiration or termination of this Agreement shall be without prejudice to the rights of one party against the other party, and such expiration or termination shall not relieve a party of any of its obligations to the other party existing at the time of expiration or termination or terminate those obligations of a party which by their nature survive the expiration or termination of this Agreement.

17.5 Telephone and Internet Listings

Upon termination or expiration of this Agreement, you will cease and desist from using (or renewing the listing for) any telephone number(s) listed in the "Yellow Pages" or "White Pages" of any telephone directory under the name "GYMGUYZ" or any other name similar thereto and, upon our demand, shall direct the telephone company servicing the Franchised Business to transfer said telephone number(s) to us, or to such other person or persons at such location or locations as we shall direct. You shall likewise cease and desist from using (or renewing the listing for) any internet websites, social media pages, advertising, domain names or the like under the name "GYMGUYZ" or any other name similar thereto, whether or not established in compliance with this Agreement, and upon our demand shall direct the appropriate companies to transfer said websites, social medial pages, advertising, domain names and the like to us or to such other person or persons we designate.

17.6 Payment of Monies Owed

Upon termination or expiration of this Agreement, you will promptly pay all sums owing to us (and our subsidiaries, affiliates or designees). In the event of termination based upon a default by you, such sums shall include all damages, costs and expenses (including actual attorneys' fees) incurred by us as a result of the default. The obligation created under this Section shall give rise to and remain, until paid in full, a lien in our favor against

any and all of the personal property, furnishings, equipment, signs, inventory, fixtures or other assets owned by you at the time of default.

17.7 Compliance with Post-Term Covenants

Upon termination or expiration of this Agreement, you will comply with the post-term covenants not to compete set forth in Article 14 hereof.

17.8 Our Right to Purchase Assets

Upon termination or expiration of this Agreement for any reason whatsoever, we or our designee shall have the option (but not the obligation) for a period of sixty (60) days from such termination or expiration to purchase all or a portion of your right, title and interest in the Franchised Business (including, without limitation, inventory, supplies, equipment and Vehicles); provided, however, that we may purchase select assets of the Franchised Business in our discretion. If we or our designee elect to exercise this right to purchase, it will be for a purchase price (the "Purchase Price") equal to the lesser of: (i) the depreciated book value of certain tangible assets in place and owned by you as of the date of our (or our designee's) exercise of such option, based on a straight-line depreciation method; or (ii) the fair market value of all such assets as determined by the application of generally accepted accounting principles less the total of (a) the amount of any indebtedness remaining against or secured by any such assets; (b) the amount of any indebtedness or obligation owed by you to us, our affiliates, subsidiaries or designees pursuant to this Agreement or any other related agreement(s); (c) the amount of any indebtedness or obligation for which you are or the Franchised Business is liable (directly or indirectly, contingently or otherwise) and for which we are or may become liable (directly or indirectly, contingently or otherwise) upon acquiring the Franchised Business or otherwise; and (d) all amounts advanced by us, or which we have paid, or which we have become obligated to pay, on your behalf for any reason whatsoever (including, without limitation, interim sums required to be advanced for operations prior to the date of our (or our designee's) exercise of the option granted hereunder).

17.8.1 If the parties cannot agree upon the Purchase Price within a reasonable time, an independent appraiser shall be designated by us and approved by both parties, acting reasonably, and his determination of the Purchase Price shall be binding on us and you. The cost of such appraisal shall be borne by you.

17.8.2 We (or our assignee) will pay the Purchase Price at the closing, which will take place not later than sixty (60) days after the Purchase Price is determined, although we (or our assignee) may decide after the Purchase Price is determined not to exercise the purchase option. At the closing, you agree to deliver instruments transferring to us (or our assignee): (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (b) all of the licenses and permits applicable to the Franchised Business which may be assigned or transferred.

17.8.3 If we exercise our option to purchase the Franchised Business, you agree to fully cooperate in effectuating such transaction and undertake to use your best efforts to provide us and our designees with all such data and documentation as reasonably may be required to give effect to the purposes of this Section.

17.8.4 In the event we do not elect to exercise the foregoing option to purchase the Franchised Business, you shall immediately return to us all materials which bear any of the Proprietary Marks, trade names or Copyrighted material. You shall also destroy any and all materials not otherwise required to be returned to us in accordance with this Agreement or the Manual. You shall also completely de-identify the Vehicle and remove all Proprietary Marks therefrom. Contemporaneously, you shall return to us all copies

in your possession of materials and documents (including, among other things, the Manual, corporate records and files, correspondence, brochures, agreements, and disclosure statements) relating to the operation of the Franchised Business.

17.9 No Right to Proprietary Properties

Upon expiration or termination, you shall immediately discontinue the use of each and every aspect of the Proprietary Properties, including the Proprietary Marks and trade dress, and Confidential Information, and thereafter shall no longer use or have the rights to use the Proprietary Properties, or any colorable or confusingly similar variations thereof, or any word, logo or figure similar to the Proprietary Marks, or Confidential Information. In the event of any litigation between the parties hereto with respect to the subject matter hereof, we shall be entitled to reimbursement for reasonable attorneys' fees, court costs, collection fees and expenses, with respect to enforcement of our rights hereunder.

ARTICLE 18
MODIFICATION OF SYSTEM

18.1 You understand and agree that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other market place variables, and if it is to best serve the interests of us, you, the network of all other franchisees, and GYMGUYZ customers. Accordingly, you expressly understand and agree that we may, from time to time, change the components of the System including altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer modifying or substituting entirely the building, premises, equipment, signage, trade dress, décor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder; and changing, improving, modifying or substituting the Proprietary Properties. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations.

18.2 You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was signed.

18.3 We shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, you expressly waive any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

ARTICLE 19
GENERAL PROVISIONS

19.1 Sums of Money

All references in this Agreement to sums of money shall be deemed to refer to lawful money of the United States of America.

19.2 Severability

Except as otherwise stated in this Agreement, each provision of this Agreement, and any portion of any provision, is severable and the remainder of this Agreement will continue in full force and effect. To the extent that any provision restricting your competitive activities is deemed unenforceable, you and we agree that such provisions will be enforced to the fullest extent permissible under governing law. This Agreement is deemed automatically modified to comply with governing law if such law requires: (a) a greater time period for notice of the termination of, or refusal to renew, this Agreement; or (b) the taking of some other action not described in this Agreement. We may modify any invalid or unenforceable provision to the extent required to be valid and enforceable and you will be bound by the modified provisions.

19.3 Waiver

A party's waiver of any breach(es) under this or any other agreement (whether by failure to exercise a right available, failure to insist on strict compliance with the terms of any agreement, development of a custom or practice which is at variance with the terms of any agreement, acceptance of partial or other payments or otherwise) will not affect the party's rights with regard to any breach by the other party or anyone else. The rights and remedies provided in this Agreement are cumulative and neither party will be prohibited from exercising any rights or remedies provided under this Agreement or permitted under law or equity.

19.4 Acknowledgments

You and we agree that there does not exist any fiduciary, trust or similar relationship between you and us, that the relationship between you and us is a normal commercial relationship between independent businesspeople intended for mutual but independent economic benefit and is not in any sense nor is intended to be a fiduciary, trust or similar relationship.

19.4.1 You acknowledge that this Agreement, the documents referred to herein, and the attachments hereto, constitute the entire, full and complete agreement between us and you and the Principals concerning the subject matter hereof and shall supersede all prior related agreements between us and you; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. Except for those permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

19.4.2 You acknowledge and represent that no contingency, condition, prerequisite, prior requirement, or otherwise (including obtaining financing, obtaining a site or otherwise) exists with respect to your fully performing any or all of your obligations under this Agreement.

19.4.3 You represent to us, as an inducement to our entry into this Agreement, that you have made no misrepresentations in obtaining the Franchised Business.

19.4.4 You are aware of the fact that some present or future franchisees of ours may operate under different forms of Franchise Agreements and, consequently, that our obligations and rights in respect to our various franchisees may differ materially in certain circumstances. This fact will not be used to unfairly discriminate against you.

19.5 Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be either personally delivered; sent by nationally recognized overnight courier (Ex: FedEx); sent by certified or registered mail, return receipt requested; or sent by email (provided that the sender also sends a copy by certified or registered

mail or recognized overnight courier contemporaneously) to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party. Notwithstanding the foregoing, your knowledge of a change in our principal place of business or contact information shall be deemed adequate designation of a change and notice shall be sent to our new address.

If to us:	GYMGUYZ Franchising LLC 600 Broadhollow Rd. Suite 200 Melville, NY 11747 Attention: President Email: josh@gymguyz.com
With a copy to:	Andrew Matson, Esq. Spadea Lignana LLC 232 N 2nd Street Philadelphia, PA 19106
If to you:	_____ _____ _____ _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of email, upon confirmation of receipt (or confirmation of delivery via contemporaneous methods required above, whichever occurs first) or, in the case of overnight courier, on the next business day after mailing, or in the case of registered or certified mail, three (3) business days after the date and time of mailing.

19.6 Gender

Reference to you as male, female, or no gender shall include male or female franchisee, general or limited partnership, joint venture, corporation, limited liability company, trust, or any other association or business entity, as relevant in the context.

19.7 Headings

Headings and captions in this Agreement are for convenience of reference only and shall not be taken into account in construing or interpreting this Agreement.

19.8 References

Any reference in this Agreement to any paragraph or other part of this Agreement shall be deemed to include a reference to every subordinate part and/or subparagraph.

19.9 Delays in Performance

It is acknowledged and agreed by both parties that any delay in the performance of its obligations under this Agreement would irreparably and irrevocably injure the other party in the conduct of its business and the value of its property. The parties agree that time is of the essence of this Agreement. Except as otherwise specifically permitted in this Agreement, no extension of time shall be implied, nor any delay allowed, in the timely and

complete performance of all covenants contained in this Agreement.

19.10 Variances

Complete and detailed uniformity under many varying conditions may not be possible or practicable, and we therefore reserve the right and privilege, in our sole and absolute discretion and as we may deem in the best interest of all concerned in any specific instance, to vary standards to accommodate special needs of you, or those of any other franchisee, based upon the peculiarities of a particular site or location, density of population, business potential, population of trade area, existing business practices, requirements of local law or local custom, or any other condition which we deem to be of importance to the successful operation of such franchisee's business. Further, we may from time to time allow certain franchisees to depart from normal System standards and routines in certain respects in order to experiment with or test new products or services, equipment, service vehicles, designs, procedures and the like. In no event shall such variance, or such testing, be deemed a waiver of any of our rights, or an excuse from performance of any of your duties hereunder. We may at any time require you to commence full compliance with all of our standards and procedures. We shall not under any circumstances be required to grant any variance to you. Nothing contained in this Article is intended to confer on you any right to compel us to grant a variance to you or to grant, withdraw or modify any variance given to any other franchisee. Such matters shall at all times remain within our sole and absolute discretion.

19.11 Resolution of Conflicts

The parties are urged, but are not required, to discuss and seek resolution of any conflicts that may arise under this Agreement prior to resorting to litigation. The foregoing notwithstanding, in any instance in which we demonstrate by affidavit evidence to a court of competent jurisdiction that we will suffer immediate and irreparable injury as a consequence of your violation of this Agreement, then you agree to the entry of *ex parte* injunctive relief.

19.12 Provisions are Self-Executing

Each provision of this Article and those provisions in this Agreement relating to covenants against post-termination/expiration use of the Proprietary Marks, Confidential Information, and Copyrights will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of it) for any reason, and will survive and will govern any claim for rescission or otherwise. Each party reserves the right to challenge any law, rule or judicial or other construction which would have the effect of varying or rendering ineffective any provision of this Agreement.

19.13 Acceptance of Agreement

This Agreement becomes valid when signed and accepted by us. This Agreement may be signed in counterparts, each of which when taken together shall form one valid and effective agreement which may be electronically signed, and any digital or electronic signatures (including pdf or electronically imaged signatures provided by DocuSign or any other digital signature provider) will be treated the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

19.14 Binding Effect; No Modification

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified except by written agreement signed by both parties.

19.15 Construction

Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any

person or legal entity not a party hereto. Except where this Agreement expressly provides otherwise, we have the right to condition, withhold and/or refuse, in our sole and absolute discretion, any request by you and our approval of, or consent to, any action or omission by you. The headings of the several articles and sections hereof are for convenience only and do not define, limit, or construe the contents of such articles or sections. The term "attorneys' fees" will include, without limitation, legal fees, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand or claim, action, hearing or proceeding to enforce the obligations of this Agreement. The term "Franchisee" as used herein is applicable to one or more persons, a corporation, limited liability company or a partnership, as the case may be. The singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two (2) or more persons are at any time the Franchisee under this Agreement, whether or not as partners or joint venturers, their obligations and liabilities to us will be joint and several. Each of the provisions of this Article shall apply to any claim brought (or which could be brought) by any principal of yours or by you or on your behalf.

19.16 You Shall Not Withhold Sums

If you in good faith believe that we have or any other person/entity has violated any legal duty to you, you will nevertheless not withhold any sums due us, any affiliate or any Brand Development Fee until such matter has been finally determined.

19.17 Governing Law

The parties agree that this Agreement (and all of its attachments) and all other matters concerning the parties will be governed by, and construed and enforced in accordance with, the laws of the State of New York. To the extent a lawsuit is permissible under a provision of this agreement that does not require arbitration pursuant to Section 20.1, the forum shall be the appropriate state or federal court in the then-current County and State where our corporate headquarters is located (currently Suffolk County, New York). Any action or proceeding under this Agreement shall be brought on an individual basis, and not on a class-wide or multiple plaintiff basis.

19.18 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative and our then-current management fee, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

19.19 Step-In Rights

If we determine in our sole judgment that the operation of your Franchised Business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, you authorize us to operate your Franchised Business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your Franchised Business; or we determine that operational problems require that we operate your Franchised Business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the Franchised Business as a going concern. We shall keep in a separate account all monies generated by the operation of your Franchised

Business, less the expenses of the Franchised Business, including reasonable compensation and expenses for our representatives and our then-current management fee. In the event of our exercise of the Step-In Rights, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

19.20 Ownership of Franchisee

If you are a corporation, general partnership or limited liability company, or subsequent to execution of this Agreement, you assign this Agreement to a corporation, general partnership or limited liability company, the Statement of Ownership Interest attached to this Agreement as Attachment 2 completely and accurately describes all of the equity owners and their interests in you. Subject to our rights and your obligations under Article 15, you agree to sign and deliver to us a revised Statement of Ownership Interest to reflect any permitted changes in the information that Attachment 2 now contains. You shall promptly provide us a copy of, as applicable: (i) the transferee corporation's Articles of Incorporation, Bylaws, resolutions including, without limitation, the resolutions of the Board of Directors authorizing entry into this Agreement; or (ii) the limited liability company's certificate of organization or formation, the Operating Agreement; and all other governing documents.

19.21 Entire Agreement; Integration

THIS AGREEMENT, INCLUDING ANY EXHIBITS AND ADDENDA, CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES REGARDING THE SUBJECT MATTER OF THIS AGREEMENT AND SUPERSEDES ALL PRIOR UNDERSTANDINGS OR AGREEMENTS, WHETHER ORAL, OR WRITTEN, PERTAINING TO ANY RIGHTS OR OBLIGATIONS IN THIS AGREEMENT. THIS AGREEMENT MAY NOT BE CHANGED, EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. HOWEVER, FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR MAY MODIFY ITS STANDARDS, SPECIFICATIONS AND CONFIDENTIAL OPERATIONS MANUAL AS FRANCHISOR, IN ITS SOLE DISCRETION, DEEMS NECESSARY. NOTHING IN THIS AGREEMENT IS INTENDED TO DISCLAIM ANY REPRESENTATIONS CONTAINED IN THE FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT.

ARTICLE 20
DISPUTE RESOLUTION

20.1 Arbitration

20.1.1 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in the then-current County and State where our corporate headquarters are located. The arbitrator(s) will have a minimum of five (5) years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement. Any disputes with be resolved under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under

this Agreement. Notwithstanding any choice of law or other provision herein, the parties agree and acknowledge that the Federal Arbitration Act shall govern the interpretation and enforcement of this provision and the proceedings hereunder. To the extent state law is applicable under the Federal Arbitration Act, the law of the state of New York shall apply. The statute of limitations of the state of New York shall be strictly enforced.

20.1.2 If we desire to seek specific performance or other extraordinary relief including, but not limited to, injunctive relief under this Agreement, and any amendments thereto, or to collect monies due, then any such action shall not be subject to arbitration, and we shall have the right to bring such action as described in Section 20.2.

20.1.3 In proceeding with arbitration and in making determinations hereunder, the arbitrators shall not extend, modify or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by us in good faith. Notice of or request to or demand for arbitration shall not stay, postpone or rescind the effectiveness of any termination of this Agreement.

20.2 Injunctive Relief

Notwithstanding anything to the contrary contained in Section 20.1 and 20.2 above, we and you each have the right, in a proper case, to seek injunctions, restraining orders and orders of specific performance from a court of competent jurisdiction. You agree that we will not be required to post a bond to obtain any injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction if warranted upon due hearing. All claims for damages by reason of the wrongful issuance of such injunction are hereby expressly waived.

20.3 Prior Notice of Claims by You

Prior to your taking any legal or other action against us, whether for mediation, arbitration, damages, injunctive, equitable or other relief (including but not limited to rescission) and whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise, based on any alleged act or omission of ours, you will first give us sixty (60) days' prior written notice and opportunity to cure such alleged act or omission.

20.4 Periods In Which to Make Claims

20.4.1 The parties agree that, except as provided below, no arbitration proceeding, action or suit (whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise) by either party will lie against the other (nor will any action or suit by you against any person and/or entity affiliated with us), whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other claim of any type, unless such party will have commenced such arbitration proceeding, action or suit before the expiration of the earlier of:

(a) One hundred eighty (180) days after the date upon which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or

(b) One (1) year after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

20.4.2 Notwithstanding the foregoing limitations, where any federal, state or provincial law provides for a shorter limitation period than above described, whether upon notice or otherwise, such shorter period

will govern.

20.4.3 The foregoing limitations may, where brought into effect by our failure to commence an action within the time periods specified, operate to exclude our right to sue for damages but will in no case, even upon expiration or lapse of the periods specified or referenced above, operate to prevent us from terminating your rights and our obligations under this Agreement as provided herein and under applicable law nor prevent us from obtaining any appropriate court judgment, order or otherwise which enforces and/or is otherwise consistent with such termination.

20.4.4 The foregoing limitations shall not apply to our claims arising from or related to:

(i) (1) your under-payment or non-payment of any amounts owed to us or any affiliated or otherwise related entity; (2) indemnification by you; (3) your confidentiality, non-competition or other exclusive relationship obligations; and/or (4) your unauthorized use of the Proprietary Properties.

20.5 Withholding Consent

In no event will you make any claim, whether directly, by way of setoff, counter-claim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by us. Your sole remedy for any such claim is to submit it to arbitration as described in this Agreement and for the arbitrator to order us to grant such consent.

20.6 Survival and Construction

Each provision of this Article 20, together with the provisions of Article 19, will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of it) for any reason, will survive and will govern any claim for rescission or otherwise. Each provision of this Agreement will be construed as independent of, and severable from, every other provision; provided that if any part of this Agreement is deemed unlawful in any way, the parties agree that such provision will be deemed interpreted and/or modified to the minimum extent necessary to make such provision lawful or, if such construction is not permitted or available, the remainder of this Agreement will continue in full force and effect. Each party reserves the right to challenge any law, rule or judicial or other construction which would have the effect of varying or rendering ineffective any provision of this Agreement.

20.7 Costs and Attorneys' Fees

If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

20.8 Waiver of Punitive Damages; Waiver of Jury Trial

You hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against us, our officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, 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, you shall be limited to the recovery of any actual damages sustained by you. If any term herein is found or determined

to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect. We and you irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of us against the other.

ARTICLE 21
SUBMISSION OF AGREEMENT

The submission of this Franchise Agreement to you does not itself constitute an offer to sell a franchise. This Franchise Agreement becomes effective only upon the signing by us and you.

-SIGNATURES APPEAR ON FOLLOWING PAGE(S)-

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative.

FRANCHISOR:
GYMGUYZ FRANCHISING LLC

By:_____
Name:_____
Title:_____
Dated:_____
(the "Effective Date")

FRANCHISEE:

By:_____
Name:_____
Title:_____
Dated:_____

ATTACHMENT 1

TERRITORY

The Franchise Agreement (the "Agreement") between GYMGUYZ Franchising, LLC ("Franchisor") and _____("Franchisee") authorizes and obliges Franchisee to operate a GYMGUYZ business in the following Territory:

The Territory shall consist of the following zip codes: _____

FRANCHISEE:	FRANCHISOR: GYMGUYZ FRANCHISING LLC
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

ATTACHMENT 2

STATEMENT OF OWNERSHIP INTEREST

Franchisee Owners

1. **Form of Owner**. (Choose (a) or (b))

(a) ____**Individual Proprietorship**. List individual(s):

_____

_____

_____

(b) ____**Corporation, Limited Liability Company, or Partnership:**

Name: _____
Date of incorporation or formation: _____
State of incorporation of formation: _____

The following is a list of your directors/managers/officers, as applicable, and officers as of the date of execution:

	Name of Each Director/Manager/Officer	Position(s) Held
(a)		
(b)		
(c)		
(d)		

2. **Principals**. The following list includes the full name of each person or entity who is one of **your** owners and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Principal's Name	Percentage/Description of Interest
(a)		
(b)		
(c)		
(d)		

3. **Identification of Operating Principal**. Your Operating Principal is _____ must be one of the individuals listed in paragraph 2 above. You may not change the Operating Principal without prior written approval. The Operating Principal is the person authorized to receive communications regarding this Agreement).

   Address:_____

   _____

   E-mail Address:_____

GYMGUYZ FRANCHISING, LLC

By:_____
Name:_____
Title: _____
Dated: _____

FRANCHISEE

By:_____
Name:_____
Title:_____
Dated:_____

ATTACHMENT 3

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

This Questionnaire should not be completed by residents of, or anyone seeking to locate a franchise in, the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin.

As you know, GYMGUYZ Franchising LLC (the "Franchisor") and you are preparing to enter into a franchise agreement (the "Franchise Agreement") for the establishment and operation of a GYMGUYZ Business (the "Franchised Business"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually, and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

Acknowledgments and Representations

1. Did you receive a copy of Franchisor's Franchise Disclosure Document (and all exhibits and attachments at least 14 calendar days prior to signing the Franchise Agreement or paying any consideration to the Franchisor (10 business days for Michigan; the earlier of 10 business days or the first personal meeting for New York; and the earlier of 14 calendar days or the first personal meeting for Iowa)? Check one: _____Yes _____No. If no, please comment:

_____

2. Have you studied and reviewed carefully Franchisor's Franchise Disclosure Document and Franchise Agreement? Check one: ___Yes ___No. If no, please comment:

_____

3. Did you receive a copy of the Franchise Agreement with any unilateral material changes made by Franchisor at least seven calendar days prior to the date on which the Franchise Agreement was executed? Check one: _____Yes. _____No If no, please comment:

_____

4. Do you understand all the information contained in both the Franchise Disclosure Document and Franchise Agreement? Check one : _____Yes _____No. If no, please comment:

_____

5. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Franchise Disclosure Document, including statements, promises or agreements concerning advertising, marketing, training, support services or assistance to be furnished to you? Check one: _____Yes _____No. If yes, please state in detail the oral, written or visual claim or representation:

_____

6. Did any employee, broker, or other person speaking on behalf of Franchisor make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted, or projected sales, revenues, expenses, earnings, income or profit levels at any Franchised Business, or the likelihood of success at your Franchised Business? Check one: _____Yes _____No. If yes, please state in detail the oral, written or visual claim or representation:

_____

7. Do you understand that the Franchise granted is for the right to develop one Franchised Business and that Franchisor has the right, subject only to the limited rights granted to you under the Franchise Agreement, to issue Franchises or licenses or operate competing businesses for or at locations, as Franchisor determines, near your Franchised Business? Check one: ___Yes __No. If no, please comment:

_____

8. Do you understand that the Franchise Agreement contains the entire agreement between you and Franchisor concerning your Franchised Business, meaning that any prior oral or written statements not set out in the Franchise Agreement or Franchise Disclosure Document will not be binding? Check one: _____Yes _____No. If no, please comment:

_____

9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and experience, your business acumen, your location, the local market for Franchised Business products and services, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Franchised Business may change? Check one ____Yes _____No. If no, please comment:

_____

10. You further acknowledge that Executive Order 13224 (the "Executive Order") prohibits transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

(i) a person or entity listed in the Annex to the Executive Order;

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

11. Please list all states in which the undersigned are residents: _____.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO FRANCHISOR AND THAT FRANCHISOR WILL RELY ON THEM. BY SIGNING THIS DOCUMENT, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed:_____ Date:_____

Signed:_____ Date:_____

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.

ATTACHMENT 4 (A)

CONFIDENTIALITY AGREEMENT

(For employees of the Franchisee)

1. Pursuant to a Franchise Agreement dated _____, 20_ (the "Franchise Agreement"), _____ (the "Franchisee") has acquired the right and franchise from GYMGUYZ FRANCHISING LLC (the "Franchisor") to establish and operate a GYMGUYZ business (the "Franchised Business") and the right to use in the operation of the Franchised Business the Franchisor's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Franchisor's sole discretion.

2. The Franchisor, as the result of the expenditure of time, skill, effort and resources, has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of a mobile personal fitness and training business. The Franchisor possesses certain proprietary and confidential information relating to the operation of the System, which includes proprietary trade secrets, specifications, security protocols, computer hardware and systems, technology and equipment used, methods of business practices and management, research and development, training processes, operational manuals, presentation materials, vendor agreements, supplier lists, vendor lists, marketing and merchandising strategies, plans for new product or service offerings, and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information"). Confidential Information shall also expressly include all customer and franchisee personal and business information that I obtain or have access to during my employment, as well as the confidential information of any other third parties to whom the Franchisor owes a duty of confidentiality. Further, any and all information, knowledge, know-how, and techniques which the Franchisor specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

3. In consideration for my access to the Confidential Information as part of my employment with Franchisee, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree to the terms of this Confidentiality Agreement (the "Agreement").

4. As an employee of Franchisee, the Franchisor and/or Franchisee may disclose the Confidential Information to me via training programs, the Franchisor's Confidential Operations Manuals (the "Manuals"), or the development process during the term of my employment with the Franchisee.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in performing my duties for Franchisee during the term of my employment and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition. I covenant that I will not forward or provide the Confidential Information to any third party, nor store it on any personal or third-party electronic device, disk, drive, or otherwise, unless expressly authorized to do so by the Franchisor.

6. Any work performed by me during my employment with Franchisee in relation to GYMGUYZ or the Franchise Agreement and any derivative works created by me using the Confidential Information or any proprietary information of the Franchisor are considered "works made for hire" and I will have no ownership interest in the items created.

7. The Confidential Information is proprietary, involves trade secrets of the Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information. Unless the Franchisor otherwise agrees in writing, I will disclose and/or use the

Confidential Information only in connection with my duties as an employee of Franchisee, and will continue not to disclose or use any such information even after I cease to be employed by Franchisee, unless I can demonstrate that such information has become generally known to the public or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement, a breach of the employees or associates of Franchisee, or a breach of my own duties or the duties hereunder.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. In the event any provision of this Agreement is ever deemed to exceed the limits permitted by any applicable law, the provisions set forth herein will be reformed to the extent necessary to make them reasonable and enforceable. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the remaining provisions, all of which are severable and will be given full force and effect.

9. I understand and acknowledge that the Franchisor shall 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 Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with Franchisee. I am aware that my violation of this Agreement may cause the Franchisor and Franchisee irreparable harm; therefore, I acknowledge and agree that Franchisee and/or the Franchisor may apply for the issuance of an injunction preventing me from violating this Agreement, without the necessity of proving actual damages or posting a bond, in addition to any other remedies available to them, and I agree to pay Franchisee and the Franchisor 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 Franchisee and the Franchisor, any claim I have against Franchisee or the Franchisor is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This is not a contract for employment and does not guaranty my employment for any set period of time. I agree and understand that Franchisee is my employer and I have no employment relationship with the Franchisor.

12. Except for an action seeking injunctive or other equitable relief all claims, disputes or controversies that may arise concerning this Agreement, or the construction, performance, or breach of this Agreement, whether based on contract, tort, statute or any other theory, will be submitted to and adjudicated, determined and resolved through compulsory, binding arbitration, unless prohibited by law. Matters shall be decided on an individual basis, and not on a class-wide or multiple plaintiff basis or in an action where any party hereto acts in a representative capacity, unless prohibited by law. The parties hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the American Arbitration Association ("**AAA**") for any action or proceeding arising out of or relating to this Agreement, which will be governed in accordance with its Employment Arbitration Rules, to the extent such rules are not inconsistent with the provisions of this arbitration provision and unless otherwise mutually agreed by the parties or prohibited by law. **The parties agree that any such arbitration will be final and binding and in agreeing to arbitration, the parties understand that they are waiving their respective rights to seek remedies in court, including the right to a jury trial.** In any arbitration, each party is solely responsible for payment of the fees and expenses of his, her or its counsel fees, and each party shall pay their required share of arbitration costs. Notwithstanding any choice of law or other provision herein, the parties agree and acknowledge that the Federal Arbitration Act shall govern the interpretation and enforcement of this provision and the proceedings hereunder. To the extent state law is applicable under the Federal Arbitration Act, the laws of the state of New York shall apply. The statute of limitations of the state of New York shall be strictly enforced. The arbitration shall be conducted in New York, New York by one (1) arbitrator.

13. In the event any action for equitable relief, injunctive relief or specific performance is filed, or should any action be filed to confirm, modify or vacate any award rendered through compulsory binding arbitration, or otherwise, I hereby irrevocably agree that the forum for any such suit will lie with a court of competent jurisdiction in Suffolk County, New York and hereby agree to the personal jurisdiction and venue of such court.

14. This Agreement will be binding upon me, my heirs, and personal representatives, and shall inure to the benefit of Franchisor and Franchisee and any of their affiliates, parents, subsidiaries, successors and assigns. I understand that this Agreement may and will be assigned or transferred to any successor of the Franchisor, and any successor will be deemed substituted, for all purposes, as the "Franchisor" under the terms of this Agreement. As used in this Agreement the term "successor" will mean any person, firm, corporation, or business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the assets of the business of the Franchisor. I acknowledge that the services to be rendered by me in my employment are unique and personal. Accordingly, I may not assign any of my rights nor delegate any of my duties or obligations under this Agreement.

15. This Agreement may not be modified except by a written agreement executed by the Parties, which has been approved by the Franchisor.

16. This Agreement may be signed in counterparts, each of which when taken together shall form one valid and effective agreement which may be electronically signed, and any digital or electronic signatures (including pdf or electronically imaged signatures provided by DocuSign or any other digital signature provider) will be treated the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

Name:_____
Dated: _____

FRANCHISEE
By:_____
Name:_____
Title:_____
Dated:_____

ATTACHMENT 4 (B)

CONFIDENTIALITY, NON-DISCLOSURE AND NON-COMPETITION AGREEMENT
(for non-affiliated spouses of Franchisee/Franchisee's owners)

1. Pursuant to a Franchise Agreement dated _____, 20__ (the "Franchise Agreement"), _ (the "Franchisee") has acquired the right and franchise from GYMGUYZ FRANCHISING LLC (the "Franchisor") to establish and operate a GYMGUYZ business (the "Franchised Business") and the right to use in the operation of the Franchised Business the Franchisor's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Franchisor's sole discretion.

2. The Franchisor, as the result of the expenditure of time, skill, effort and resources, has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of a mobile personal fitness and training business. The Franchisor possesses certain proprietary and confidential information relating to the operation of the System, which includes proprietary trade secrets, specifications, security protocols, computer hardware and systems, technology and equipment used, methods of business practices and management, research and development, training processes, operational manuals, presentation materials, vendor agreements, supplier lists, vendor lists, marketing and merchandising strategies, plans for new product or service offerings, and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information"). Confidential Information shall also expressly include all customer and franchisee personal and business information that I obtain or have access to during my employment, as well as the confidential information of any other third parties to whom the Franchisor owes a duty of confidentiality. Further, any and all information, knowledge, know- how, and techniques which the Franchisor specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

3. In consideration for my access to the Confidential Information and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree to the terms of this Confidentiality and Non-Disclosure and Non-Competition Agreement (the "Agreement").

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in providing assistance for Franchisee during the term of the Franchise Agreement and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition. I covenant that I will not forward or provide the Confidential Information to any third party, nor store it on any personal or third-party electronic device, disk, drive, or otherwise, unless expressly authorized to do so by the Franchisor.

5. Any work performed by me during my spouse's affiliation with Franchisee in relation to GYMGUYZ or the Franchise Agreement and any derivative works created by me using the Confidential Information or any proprietary information of the Franchisor are considered "works made for hire" and I will have no ownership interest in the items created.

6. The Confidential Information is proprietary, involves trade secrets of the Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information. Unless the Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with assistance provided by me to the Franchisee, and will continue not to disclose or use any such information even after my spouse ceases to be affiliated with Franchisee, unless I can demonstrate that such information has become generally known to the public or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement, a breach of

the employees or associates of Franchisee, or a breach of my own duties or the duties hereunder. Except as otherwise approved in writing by the Franchisor, I shall not, during my spouse's association with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation (i) divert or attempt to divert any member, business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or (ii) own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any business specializing, in whole or in part, in the activities conducted by the Franchisee under the Franchise Agreement, and any other type of service that the Franchisee has rendered under the Franchise Agreement; or (iii) sell any other products and services that the Franchisee has sold under the Franchise Agreement. Further, for a continuous uninterrupted period commencing upon the expiration or termination of (i) the Franchise Agreement or (ii) my spouse's affiliation with the Franchisee (whichever occurs first), regardless of the cause for termination, and continuing for two (2) years, either directly or indirectly, for myself or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any business that offers in home, on-site or virtual personal training services within the Territory granted under the Franchise Agreement (the "Territory") and/or within a radial distance of fifteen (15) miles of both the Territory and the territory of any business using the System and/or the Proprietary Marks, whether franchised, licensed or owned by the Franchisor or any subsidiary or affiliated companies.

The prohibitions in this Paragraph 7 do not apply to my spouse's continuing interests in or activities performed in connection with a Franchised Business that is still in operation.

7. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. In the event any provision of this Agreement is ever deemed to exceed the limits permitted by any applicable law, the provisions set forth herein will be reformed to the extent necessary to make them reasonable and enforceable. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the remaining provisions, all of which are severable and will be given full force and effect.

8. I understand and acknowledge that the Franchisor shall 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.

9. The Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with Franchisee. I am aware that my violation of this Agreement may cause the Franchisor and Franchisee irreparable harm; therefore, I acknowledge and agree that Franchisee and/or the Franchisor may apply for the issuance of an injunction preventing me from violating this Agreement, without the necessity of proving actual damages or posting a bond, in addition to any other remedies available to them, and I agree to pay Franchisee and the Franchisor 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 Franchisee and the Franchisor, any claim I have against Franchisee or the Franchisor is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

10. This is not a contract for employment and does not guaranty my employment for any set period of time.

11. Except for an action seeking injunctive or other equitable relief all claims, disputes or controversies that may arise concerning this Agreement, or the construction, performance, or breach of this Agreement, whether based on contract, tort, statute or any other theory, will be submitted to and

adjudicated, determined and resolved through compulsory, binding arbitration, unless prohibited by law. Matters shall be decided on an individual basis, and not on a class-wide or multiple plaintiff basis or in an action where any party hereto acts in a representative capacity, unless prohibited by law. The parties hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the American Arbitration Association ("**AAA**") for any action or proceeding arising out of or relating to this Agreement, which will be governed in accordance with its Commercial Arbitration Rules, to the extent such rules are not inconsistent with the provisions of this arbitration provision and unless otherwise mutually agreed by the parties or prohibited by law. **The parties agree that any such arbitration will be final and binding and in agreeing to arbitration, the parties understand that they are waiving their respective rights to seek remedies in court, including the right to a jury trial.** In any arbitration, each party is solely responsible for payment of the fees and expenses of his, her or its counsel fees, and each party shall pay their required share of arbitration costs. Notwithstanding any choice of law or other provision herein, the parties agree and acknowledge that the Federal Arbitration Act shall govern the interpretation and enforcement of this provision and the proceedings hereunder. To the extent state law is applicable under the Federal Arbitration Act, the laws of the state of New York shall apply. The statute of limitations of the state of New York shall be strictly enforced. The arbitration shall be conducted in New York, New York by one (1) arbitrator.

12. In the event any action for equitable relief, injunctive relief or specific performance is filed, or should any action be filed to confirm, modify or vacate any award rendered through compulsory binding arbitration, or otherwise, I hereby irrevocably agree that the forum for any such suit will lie with a court of competent jurisdiction in Suffolk County, New York and hereby agree to the personal jurisdiction and venue of such court.

13. This Agreement will be binding upon me, my heirs, and personal representatives, and shall inure to the benefit of Franchisor and Franchisee and any of their affiliates, parents, subsidiaries, successors and assigns. I understand that this Agreement may and will be assigned or transferred to any successor of the Franchisor, and any successor will be deemed substituted, for all purposes, as the "Franchisor" under the terms of this Agreement. As used in this Agreement the term "successor" will mean any person, firm, corporation, or business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the assets of the business of the Franchisor. I acknowledge I may not assign any of my rights nor delegate any of my duties or obligations under this Agreement.

14. This Agreement may not be modified except by a written agreement executed by the Parties, which has been approved by the Franchisor.

15. This Agreement may be signed in counterparts, each of which when taken together shall form one valid and effective agreement which may be electronically signed, and any digital or electronic signatures (including pdf or electronically imaged signatures provided by DocuSign or any other digital signature provider) will be treated the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

-SIGNATURES APPEAR ON FOLLOWING PAGE(S)-

_____

Name:_____
Dated: _____

FRANCHISEE:

By:_____

Name: _____
Title: _____
Dated: _____

ATTACHMENT 5

TELEPHONE, INTERNET WEB SITES AND LISTINGS AGREEMENT

THIS TELEPHONE, INTERNET WEB SITES AND LISTINGS AGREEMENT (the "Agreement") is made and entered into as of the date it is executed by Franchisor (the "Effective Date"), by and between GYMGUYZ Franchising LLC, a New York limited liability company (the "Franchisor"), and _____ (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for the right to own and operate a GYMGUYZ business (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 Interest in Telephone Numbers, Internet Web Sites and Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain telephone numbers and telephone directory listings (collectively, the "Telephone Numbers and Listings"); social media accounts, domain names, hypertext markup language, uniform resource locator addresses, access to corresponding Internet web sites, blogs, vlogs, email addresses and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the "Internet Web Sites and Listings") related to the Franchised Business or the Proprietary Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Telephone companies or listing companies, Internet Service Providers, social media platforms, domain name registries, Internet search engines, and other listing agencies (collectively, the "Companies") with which Franchisee has Telephone Numbers and Listings or Internet Web Sites and Listings: (a) to transfer all of Franchisee's Interest in such Telephone Numbers and Listings or Internet Web Sites and Listings to Franchisor; and (b) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings or Internet Web Sites and Listings, Franchisee will immediately terminate Telephone Numbers and Listings or Internet Web Sites and Listings, or if such termination requires the involvement of the Companies, immediately direct the Companies to terminate such Telephone Numbers and Listings or Internet Web Sites and Listings and Franchisee will take such

other actions as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Companies to transfer all Franchisee's Interest to Franchisor;

2.3.2 Direct the Companies to terminate any or all of the Telephone Numbers and Listings or Internet Web Sites and Listings; and

2.3.3 Execute the Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Companies have duly transferred all Franchisee's Interest to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or continuing obligations under, such Telephone Numbers and Listings or Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Companies for the sums Franchisee is obligated to pay such Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest and shall remain liable for any actions occurring prior to the date of transfer.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or

are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings or Internet Web Sites and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers shall inure to Franchisor and its successors and assigns and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's heirs, representatives, successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. This is agreement and the documents referenced herein constitute the entire agreement between the parties related to the subject matter herein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Agreement shall be joint and several.

3.9 Governing Law. This Agreement shall be governed by and construed under the laws of the State of New York, without regard to the application of New York conflict of law rules.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement.

FRANCHISOR	FRANCHISEE
By:_____	By: _____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

ATTACHMENT 6

GUARANTY

The undersigned persons designated as "Principals" hereby represent to GYMGUYZ Franchising, LLC ("Franchisor") that they are all of the shareholders of, or all of the general partners of, all of the members and managers of, _____ ("Franchisee"), as the case may be. In consideration of the grant by Franchisor to Franchisee, as provided under the franchise agreement dated _____, (the "Franchise Agreement"), each of the undersigned agrees, in consideration of benefits received and to be received by each of them, jointly and severally, and for themselves, their heirs, legal representatives and assigns that they, and each of them, shall be firmly bound by all of the terms, provisions and conditions of the foregoing Franchise Agreement, that they and each of them do unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the Franchise Agreement, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the Franchise Agreement to Franchisor and/or its affiliate, and that they and each of them shall not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first notifying Franchisor of said proposed transfer and obtaining the prior written consent of Franchisor, following Franchisor's transfer procedures and without first paying or causing to be paid to Franchisor any required transfer fee. The undersigned further agree to be bound by the in-term and post-termination covenants of the Franchise Agreement including, without limitation, those relating to confidentiality and non-competition. The undersigned also agree that the governing law and methods for resolution of disputes which govern this Guaranty shall be the same as those outlined in the Franchise Agreement.

EACH GUARANTOR ACKNOWLEDGES THAT HE OR SHE HAS READ THIS PERSONAL GUARANTY, UNDERSTANDS ITS TERMS, AND GUARANTOR WOULD NOT SIGN THIS PERSONAL GUARANTY IF GUARANTOR DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

Principals:

By:_____	By:_____
_____	_____
Print Name	Print Name
_____	_____
Home Address	Home Address
_____	_____
Home Telephone	Home Telephone
_____	_____
Business Telephone	Business Telephone
_____	_____
Date	Date

ATTACHMENT 7

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

Depositor hereby authorizes and requests _____ (the "Depository") to initiate debit and credit entries to Depositor's ☐ checking or ☐ savings account (select one) indicated below drawn by and payable to the order of GYMGUYZ Franchising LLC by Electronic Funds Transfer, provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Depository's rights with respect to each such charge shall be the same as if it were a check drawn by the Depository and signed by Depositor. Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository shall be under no liability whatsoever.

Depository Name: _____

City: _____ State: _____ Zip Code: _____

Transit/ABA Number: _____ Account Number: _____

This authority is to remain in full force and effect until Company has received written notification from me (or either of us) of its termination in such time and in such manner to afford Company and Depository a responsible opportunity to act on such request.

Depositor: (Please Print)

_____

_____

_____

_____

Date Signed

_____

Signature(s) of Depositor, as Printed Above

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

ATTACHMENT 8

FORM OF GENERAL RELEASE
(Subject to Change)

THIS AGREEMENT ("Agreement") is made and entered into as of the date executed by the Franchisor ("Effective Date") by and between GYMGUYZ FRANCHISING LLC, a New York limited liability company having its principal place of business located at 600 Broadhollow Rd., Suite 200, Melville, NY 11747 (the "Franchisor") and _____, with an address of ____("Franchisee").

WHEREAS, Franchisor and Franchisee entered into a franchise agreement dated _____ (the "Franchise Agreement") which provides Franchisee with the right to operate a franchised business with a Territory as outlined on Attachment 1 to the Franchise Agreement (the "Franchised Business");

WHEREIN, the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein set forth, do agree as follows:

1. Franchisee acknowledges and agrees that by entering into this Agreement, all of Franchisee's respective rights under the Franchise Agreement are terminated as of the Effective Date, however, Franchisee shall continue to be bound by the post-termination restrictions and covenants contained in the Franchise Agreement and any schedules attached thereto, which include, but are not limited to, covenants relating to Franchisor's confidential information and intellectual property, a covenant not to compete, a covenant of non-disparagement and a covenant of indemnification. Further, Franchisee shall honor all obligations required upon termination, including those listed in Article 17 of the Franchise Agreement.

2. Franchisee on his/her/its own behalf and on behalf of his/her/its servants, employees, heirs, successors and assigns does hereby release Franchisor, its officers, directors, shareholders, agents, parents, affiliates, subsidiaries, servants, employees, franchisees, partners, members, heirs, successors, principals and assigns ("Franchisor Released Parties"), from any and all claims, demands, causes of action, suits, debts, dues, duties, sums of money, accounts, reckonings, judgments, liabilities and obligations, both fixed and contingent, known and unknown, in law or in equity, under local law, state or federal law or regulation, from the beginning of time to this date, arising under or in connection with the Franchise Agreement of the business operated pursuant to the Franchise Agreement. Without limiting the generality of the foregoing, but by way of example only, the release shall apply to any and all state and federal antitrust, securities, breach of contract, fiduciary duty, or fraud claims and causes of action arising under or in connection with the Franchise Agreement to the extent permitted by law.

3. Franchisee has either been advised by independent counsel before signing this or, acknowledging the need for independent counsel, knowingly waives any such review and advice.

4. The governing law, methods of dispute resolution and any right to recovery of attorney's fees outlined in the Franchise Agreement shall apply to this Agreement as well.

5. This Agreement and the other documents referred to herein contain the entire agreement between the parties hereto pertaining to the subject matter hereof and supersede all prior agreements, except those contemplated hereunder. Any waiver, alteration or modification of any of the provisions of this Agreement or cancellation or replacement of this Agreement shall not be valid unless in writing and signed by the parties.

6. This Agreement shall be binding upon Franchisee and Franchisee's heirs and personal representatives and shall inure to the benefit of Franchisor and its respective successors and assigns. Franchisee may not assign this Agreement or any of the rights or obligations hereunder, without the express written consent of

Franchisor.

7. Any waiver of any term of this Agreement by Franchisor will not operate as a waiver of any other term of this Agreement nor will any failure to enforce any provision of this Agreement operate as a waiver of Franchisor's right to enforce any other provision of this Agreement.

8. In the event any provision of this Agreement is ever deemed to exceed the limits permitted by any applicable law, the provisions set forth herein will be reformed to the extent necessary to make them reasonable and enforceable. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the remaining provisions, all of which are severable and will be given full force and effect.

9. This Agreement may be signed in counterparts, each of which when taken together shall form one valid and effective agreement which may be electronically signed, and any digital or electronic signatures (including pdf or electronically imaged signatures provided by DocuSign or any other digital signature provider) will be treated the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

10. Franchisee must maintain the confidentiality of this Agreement and shall not disclose the terms of this Agreement to any person or persons, except (a) professional advisors for legitimate business purposes or as required by law, or (b) as otherwise permitted in writing by Franchisor, or (c) as reasonably necessary for enforcement of any rights and remedies pursuant to this Agreement. Nothing in this Agreement will prohibit Franchisee, when required pursuant to a lawfully issued subpoena or discovery request or demand from government or police agency, from complying with the requirements of law with such subpoena, discovery, demand or request; provided, however, that Franchisee will, unless restricted from doing so by the terms of the subpoena or other circumstances or requested not to do so by the government or police agency (for example a gag order or law or rule that prohibits Franchisee from doing the following or request from government or police agency) provide Franchisor written notice, with time to seek relief if it wishes from disclosure pursuant to the subpoena, within one week of receipt of the subpoena.

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

In Witness Whereof, the parties hereby execute this Release.

FRANCHISOR	FRANCHISEE
By:_____	By: _____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

ATTACHMENT 9

CONSENT TO TRANSFER

FORM OF TRANSFER AGREEMENT

This TRANSFER AGREEMENT (this "Agreement") is made and entered into as of the date executed by Franchisor (the "Effective Date"), by and among GYMGUYZ FRANCHISING LLC, a New York limited liability company having its principal place of business located at 600 Broadhollow Rd., Suite 200, Melville, NY 11747 ("Franchisor"), _____ ("Transferor"),_____ (collectively "Transferor Guarantors"), _____("Transferee") and_____ _____("Transferee Guarantors").

WITNESSETH:

WHEREAS, a Franchise Agreement dated _____(the "Franchise Agreement") was executed by and between Franchisor on the one hand, and Transferor on the other, for the operation of a franchised business in the Territory as outlined on Attachment 1 to the Franchise Agreement (the "Franchised Business").

WHEREAS, Transferor desires to transfer to Transferee substantially all of the assets of the Transferor's business (the "Transferred Business") which business is responsible for operating the Franchised Business, and Transferor has requested that Franchisor consent to the transfer thereof to Transferee. This Agreement is executed and delivered simultaneously with, and as a condition of the closing of the sale of the aforementioned assets.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged by each of the parties hereto, the parties agree as follows:

AGREEMENT:

1. Recitals Included in Agreement. The parties incorporate into this Agreement the recitals set forth above as if set forth in full.

2. Consent. Franchisor hereby consents to and waives any right of first refusal in connection with the sale and the transfer by Transferor to Transferee (the "Transaction"), subject to the terms of this Agreement. Franchisor's consent to the Transaction is subject to and made in reliance upon the following terms, conditions, representations and warranties. Transferor's and/or Transferee's failure to comply with the terms of this Agreement will result in a default and render the Transaction void:

A. Transferor represents, warrants, covenants and agrees that each of the following are true and correct as of its date of execution, and shall remain true through the Closing (as defined herein):

(1) Transferor is the sole owner of, and possesses good and marketable right, title and interest in and to, the Transferred Business; and no other person or entity owns or has any right, title or interest in and to the Franchise Agreement, Franchised Business and the Transferred Business. Transferor's Guarantors are the sole owners of Transferor, and no other person or entity has an equity or beneficial ownership interest in Transferor.

(2) The execution and delivery of this Agreement and the consummation of the Transaction do not conflict with or result in a breach of the terms and conditions of, accelerate any provision of, or constitute a default under, the certificate of formation or operating

agreement of Transferor, or any lease, contract, promissory note or agreement to which Transferor is a party or is bound.

(3) Transferor and Transferor's Guarantors acknowledge and agree that by entering into this Agreement, all of Transferor's rights under the Franchise Agreement will be terminated as of the Closing however, Transferor and Transferor's Guarantors shall continue to be bound by the post- termination restrictions and covenants contained in the Franchise Agreement and any schedules attached thereto.

B. Transferee represents, warrants, covenants and agrees that each of the following are true and correct as of its respective date of execution, and shall remain true through the Closing:

(1) Transferee will be the sole owner of and possess good and marketable right, title and interest in, and no other person or entity will own or have any right, title or interest in and to the Franchise Agreement, Franchised Business and the assets of the Transferred Business. Transferee will be executing a new Franchise Agreement. Transferee's ownership composition is set forth on Schedule 1, attached hereto.

(2) The execution and delivery of this Agreement and the consummation of the Transaction do not conflict with or result in a breach of the terms and conditions of, accelerate any provision of, or constitute a default under, the certificate of formation or operating agreement of Transferee, or any lease, contract, promissory note or agreement to which Transferee or Transferee's Guarantors are a party or are bound. Transferee's Guarantors will execute the Guaranty attached as Schedule 2.

(3) Transferee relied solely and exclusively on Transferee's own independent investigation of the franchise system and of the Franchised Business and the historical financial records of the Franchised Business provided to Transferee by Transferor; and based on the receipt of the actual historical performance of the Franchised Business it would not be reasonable to rely on the financial performance representation contained in Franchisor's Franchise Disclosure Document, or any other financial performance representation, pro forma or projection that differed or diverged, in whole or in part, from the Franchised Business' actual historical financial performance.

C. To the extent not already completed, Transferee (or Transferee's Guarantors, if an entity) and any required employees shall attend and complete, to the satisfaction of Franchisor, Franchisor's training program required of new franchisees, at the time directed by Franchisor.

D. Transferee represents, warrants, covenants and agrees that all information furnished or to be furnished to Franchisor by Transferee in connection with Transferee's request to receive a transfer is and will be, as of the date such information is furnished, and through the date of the Closing, true and correct in all material respects and will include all material facts necessary to make the information not misleading in light of the circumstances.

E. Transferor and Transferee represent, warrant and agree that, subject to Franchisor's consent, Transferor will sell and transfer, and Transferee will acquire, the assets of the Transferred Business and that all legal actions necessary to effect the sale and transfer have been or will be accomplished prior to or at Closing.

F. Effective as of the day and time Transferee takes title of the assets of the Transferred

Business ("Closing"), Transferee expressly agrees to be bound by and observe and faithfully perform all of the obligations, agreements, commitments and duties of the Transferor so that Transferee can operate the Franchised Business as of the Closing, but no sooner than the Closing. Only Transferor will have the right to operate the Franchised Business until Closing, unless otherwise expressly agreed in writing.

G. Transferee will be required to pay an initial franchise fee or a transfer fee.

3. Transferor and Transferor's Guarantor's Release. Transferor, Transferor's Guarantors and their respective officers, directors, shareholders, agents, parents, affiliates, subsidiaries, servants, employees, partners, members, heirs, successors, assigns and principals do hereby release Franchisor, its officers, directors, shareholders, agents, parents, affiliates, subsidiaries, servants, employees, partners, members, heirs, successors, principals and assigns ("Franchisor Released Parties"), from any and all claims, demands, causes of action, suits, debts, dues, duties, sums of money, accounts, reckonings, judgments, liabilities and obligations, both fixed and contingent, known and unknown, in law or in equity, under local law, state or federal law or regulation which they had, from the beginning of time to the date of execution, arising under or in connection with the Franchise Agreement or operation of the Franchised Business. Without limiting the generality of the foregoing, but by way of example only, the release shall apply to any and all state and federal antitrust, securities, breach of contract, fiduciary duty, or fraud claims and causes of action arising under or in connection with the Franchise Agreement, unless prohibited by law.

4. RESERVED

5. No Security Interests in the Assets of Transferee. The parties acknowledge and agree that Transferor is not permitted to retain a security interest in the assets of the Transferred Business or the franchise without Franchisor's prior consent.

6. Non-Participation. Transferor, Transferor's Guarantors, Transferee's Guarantors and Transferee jointly and severally, acknowledge and agree that, except for the preparation and execution of this Agreement, Franchisor has not participated in the Transaction between them and, therefore, has no knowledge of, and does not attest to, the accuracy of any representations or warranties made by or between Transferor and Transferee in connection with this transfer. Franchisor assumes no obligations in that regard. Transferor acknowledges and agrees that the sale of the assets of the Transferred Business is for Transferor's own account.

7. Insurance. Prior to Closing, Transferee must provide Franchisor with a Certificate of Insurance for the insurance coverages specified in the franchise agreement, which policy(ies) must name Franchisor and all related parties as an additional insured.

8. Changed Circumstances. All parties understand and acknowledge that Franchisor may, in the future, approve offerings and transfers under different terms, conditions and policies. Franchisor's consent and waiver in this instance shall not be relied upon in future transactions as indicative of Franchisor's position or the conditions that might be attached to future consents or waivers of its right of first refusal.

9. Singular Consent. Transferor and Transferee acknowledge and agree that Franchisor's execution of this Agreement is not intended to provide, and shall not be construed as providing, Franchisor's consent with regard to a transfer of any right or interest under any other agreement not specifically identified in this Agreement. Such consent must be separately obtained.

10. Validity. If any material provision or restriction contained herein shall be declared void or unenforceable under applicable law, the parties agree that such provision or restriction will be reformed to the extent necessary to make it valid and enforceable. To the extent a provision cannot be reformed, it shall be stricken, and the remainder of this Agreement will continue in full force and effect. Notwithstanding this Paragraph, however,

the parties agree that, to the extent Franchisor suffers harm as a consequence of the striking of such provision or restriction, the other parties to this Agreement shall exercise best efforts to make Franchisor whole.

11. Indemnification. Transferor and Transferor's Guarantors, jointly and severally, agree to indemnify, defend and hold harmless Franchisor and its predecessors, parents, successors and affiliates and any of their principals, owners, shareholders, employees or agents from and against any claims, losses, liabilities, costs or damages incurred by them as a result of or in connection with the transfer to Transferee or any dispute between Transferor and Transferee.

12. Counterparts. This Agreement may be signed in counterparts, each of which when taken together shall form one valid and effective agreement which may be electronically signed, and any digital or electronic signatures (including pdf or electronically imaged signatures provided by DocuSign or any other digital signature provider) will be treated the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

13. Miscellaneous. The parties hereto agree that this Agreement constitutes, upon the execution of this Agreement by all of the parties and after it has been accepted and executed by Franchisor, the complete understanding between the parties regarding the subject matter hereof, and no representation, agreement, warranties, or statement, oral or in writing, not contained herein, shall be of any force and effect against any party, except the Franchise Agreement and its addendums and exhibits shall remain in force in the manner, and to the extent, contemplated herein, and this Agreement shall not be modified, altered or amended except in writing signed by all parties. The waiver by any party of any breach or violation of any provision of this Agreement will not operate or be construed as a waiver of any other or subsequent breach or violation hereof. This Agreement will be binding upon and inure to the benefit of the parties, and their respective heirs, executors, successors and assigns. The governing law and methods of dispute resolution in the Franchise Agreement shall govern this Agreement as well.

14. Agreement Survives Closing. All representations, warranties, terms and conditions set forth in this Agreement shall survive the execution and delivery of this Agreement, the Closing, and the consummation of the Transaction provided for herein.

15. Review of Agreement and Representation. Transferor, Transferor's Guarantors, Transferee's Guarantors and Transferee each represent and acknowledge that he/she/it has received, read and understands this Agreement, including its exhibits; and that Franchisor has fully and adequately explained the provisions to each to their satisfaction; and that Franchisor has afforded each of them ample time and opportunity to consult with advisors of their own choosing about the potential benefits and risks of entering into this Agreement.

-SIGNATURES APPEAR ON FOLLOWING PAGE(S)-

I HAVE READ THE ABOVE AGREEMENT. I WOULD NOT SIGN THIS AGREEMENT, IF I DID NOT UNDERSTAND IT AND AGREE TO BE BOUND BY ITS TERMS.

FRANCHISOR:

GYMGUYZ FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Dated: _____

TRANSFEROR:

By: _____
Name: _____
Title: _____
Dated: _____

TRANSFEROR'S GUARANTORS:

Name: _____
Dated: _____

TRANSFEREE:

By: _____
Name: _____
Title: _____
Dated: _____

TRANSFEREE'S GUARANTORS:

Name: _____
Dated: _____

SCHEDULE 1

STATEMEMT OF OWNERSHIP INTERESTS GYMGUYZ

Franchisee Owners

1. **Form of Owner**. (Choose (a) or (b))

(a) _____**Individual Proprietorship**. List individual(s):

_____

_____

_____

(b) _____**Corporation, Limited Liability Company, or Partnership:**

Name: _____
Date of incorporation or formation:_____
State of incorporation of formation: _____

The following is a list of your directors/managers/officers, as applicable, and officers as of the date of execution:

	Name of Each Director/Manager/Officer	**Position(s) Held**
(e)	_____	_____
(f)	_____	_____
(g)	_____	_____
(h)	_____	_____

2. **Principals**. The following list includes the full name of each person or entity who is one of **your** owners and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Principal's Name	**Percentage/Description of Interest**
(e)	_____	_____
(f)	_____	_____
(g)	_____	_____
(h)	_____	_____

3. **Identification of Operating Principal**. Your Operating Principal is _____ must be one of the individuals listed in paragraph 2 above. You may not change the Operating Principal without prior written approval. The Operating Principal is the person authorized to receive communications regarding this Agreement).

   Address:_____

   _____

   E-mail Address:_____

GYMGUYZ FRANCHISING, LLC

By:_____
Name:_____
Title: _____
Dated: _____

FRANCHISEE

By:_____
Name:_____
Title:_____
Dated:_____

SCHEDULE 2

GUARANTY

The undersigned persons designated as "Principals" hereby represent to GYMGUYZ Franchising, LLC ("Franchisor") that they are all of the shareholders of, or all of the general partners of, all of the members and managers of, _____ ("Franchisee"), as the case may be. In consideration of the grant by Franchisor to _____, as provided under the franchise agreement dated _____ _____, [and later transferred to Franchisee] (the "Franchise Agreement"), each of the undersigned agrees, in consideration of benefits received and to be received by each of them, jointly and severally, and for themselves, their heirs, legal representatives and assigns that they, and each of them, shall be firmly bound by all of the terms, provisions and conditions of the foregoing Franchise Agreement, that they and each of them do unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the Franchise Agreement, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the Franchise Agreement to Franchisor and/or its affiliate, and that they and each of them shall not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first notifying Franchisor of said proposed transfer and obtaining the prior written consent of Franchisor, following Franchisor's transfer procedures and without first paying or causing to be paid to Franchisor any required transfer fee. The undersigned further agree to be bound by the in-term and post-termination covenants of the Franchise Agreement including, without limitation, those relating to confidentiality and non-competition. The undersigned also agree that the governing law and methods for resolution of disputes which govern this Guaranty shall be the same as those outlined in the Franchise Agreement.

EACH GUARANTOR ACKNOWLEDGES THAT HE OR SHE HAS READ THIS PERSONAL GUARANTY, UNDERSTANDS ITS TERMS, AND GUARANTOR WOULD NOT SIGN THIS PERSONAL GUARANTY IF GUARANTOR DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

Principals:

By: _____	By: _____
Print Name	Print Name
Home Address	Home Address
Home Telephone	Home Telephone
Business Telephone	Business Telephone
Date	Date

ATTACHMENT 10

ASSIGNMENT AND ASSUMPTION AGREEMENT'

THIS ASSUMPTION AND ASSIGNMENT AGREEMENT (the **"Agreement")** is made and entered into as of the date this Agreement is executed by Franchisor (the "**Effective Date")** by and among GYMGUYZ FRANCHISING LLC, a New York limited liability company having its principal place of business located at 600 Broadhollow Rd., Suite 200, Melville, NY 11747 ("**Franchisor**"), _____ an individual with an address at _____ ("**Assignor**") and _____**("Assignee**").

BACKGROUND

A. Assignor and Franchisor entered into a certain Franchise Agreement dated _____ (the **"Franchise Agreement")** whereby Assignor was given the right and undertook the obligation to operate a GYMGUYZ Franchised Business (the "**Franchised Business**") in the Territory listed on Attachment 1 to the Franchise Agreement.

B. Assignor has organized and incorporated Assignee for the convenience and sole purpose of owning and operating the Franchised Business.

C. Assignor desires to assign the rights and obligations under the Franchise Agreement to Assignee pursuant to and in accordance with the provisions of the Franchise Agreement.

D. Franchisor is willing to consent to the assignment of the Franchise Agreement to Assignee, subject to the terms and conditions of this Agreement, including the agreement by Assignor to guarantee the performance by Assignee of its obligations under the Franchise Agreement

AGREEMENT

In consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Assignor hereby assigns and transfers over to Assignee all right, title and interest in and to the Franchise Agreement, effective as of the Effective Date.

2. Assignee hereby assumes all of Assignor's obligations, agreements, commitments, duties and liabilities under the Franchise Agreement, and agrees to be bound by and observe and faithfully perform all of the obligations, agreements, commitments and duties of the Franchisee thereunder with the same force and effect as if the Franchise Agreement were originally written with Assignee as Franchisee.

3. Exhibit A to this Agreement lists all of Assignee's owners and their interests in Assignee as of the Effective Date. Assignee agrees that it and its owners will sign and deliver to Franchisor a revised Exhibit A to reflect any permitted changes in the information that Exhibit A now contains.

4. The Assignor as an owner of Assignee and in consideration of benefits received and to be received, shall sign and deliver to Franchisor a personal guaranty in the form attached as Exhibit B to this Agreement.

5. Assignor, for himself/herself and his/her agents, servants, employees, partners, members, heirs, predecessors, successors and assigns does hereby release Franchisor, its officers, directors, shareholders, agents, affiliates, subsidiaries, servants, employees, partners, members, heirs, successors and assigns, from any and all claims, demands, causes of action, suits, debts, dues, duties, sums of money, accounts, reckonings, judgments, liabilities and obligations, both fixed and contingent, known and unknown, in law or in equity, under local law, state or federal law or regulation which he/she had, from the beginning of time to this date, arising under or in connection with the Franchise Agreement.

6. Assignee agrees that the Franchised Business which Assignee will operate will be the only business Assignee operates (although Assignor may have other, non-competitive business interests).

7. This Agreement shall be binding upon and inure to the benefit of the parties and their heirs, successors and assigns.

8. The governing law and methods of dispute resolution in the Franchise Agreement shall govern this Agreement as well

9. This Agreement, and the documents referenced herein, shall constitute the entire integrated agreement between the parties with respect to the subject matter contained herein and shall supersede any prior agreements, verbal or written. This Agreement shall not be subject to change, modification, amendment or addition without the express written consent of all the parties.

10. If Franchisor retains the services of legal counsel to enforce the terms of this Agreement, Franchisor shall be entitled to recover all costs and expenses, including travel, reasonable attorney, expert and investigative fees, incurred in enforcing the terms of this Agreement.

11. Each party declares that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel

12. The obligations of Assignor and Assignee under this Agreement shall be joint and several.

-SIGNATURES APPEAR ON FOLLOWING PAGE(S)-

I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

FRANCHISOR:
GYMGUYZ FRANCHISING, LLC

By:_____
Name:_____
Title:_____
Dated:_____

ASSIGNOR:

By:_____
Name:_____
Title:_____
Dated:_____

ASSIGNEE:

By:_____
Name:_____
Title:_____
Dated:_____

ATTACHMENT 11

PROVISIONS APPLICABLE TO SBA FINANCING

For the purpose of Franchisee's application for funding from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (the "SBA"), and at all times that the SBA has an interest in any SBA-assisted financing provided to Franchisee, Franchisor and Franchisee agree as follows:

1. With respect to a partial interest in the Franchised Business, Franchisor may exercise its option to purchase or its right of first refusal only if the proposed transferee is not a current owner or family member of a current owner of Franchisee.

2. If Franchisor's consent is required for any transfer (full or partial) of the Franchised Business, Franchisor will not unreasonably withhold such consent.

3. If Franchisee owns the real estate where the Franchised Business operates, Franchisee will not be required to sell the real estate upon default or termination of the Franchise Agreement, but Franchisee may be required to lease the real estate for the remainder of the Term (excluding additional renewals) for fair market value.

4. If Franchisee owns the real estate where the Franchised Business operates, Franchisor has not and will not during the Term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental indemnification, control or use restrictions. If any such restrictions are currently recorded against Franchisee's real estate, they must be removed in order for Franchisee to obtain SBA financial assistance.

5. If Franchisee owns the real estate where the Franchised Business operates, the right of Franchisor to assume Franchisee's lease has not and will not during the Term of the Franchise Agreement be recorded against the real estate and may not include any attornment language unless it is subordinated to any SBA financial assistance.

6. For other than regularly scheduled payments and payments otherwise authorized in the Franchise Agreement, Franchisor does not have the authority to unilaterally share, commingle, or withdraw funds from Franchisee's bank account.

7. The Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business. Meaningful oversight includes the authority to:

i. Approve the annual budget of the Franchised Business;

ii. Have control over the bank accounts of the Franchised Business; AND

iii. Have oversight over the employees operating the Franchised Business (who must be employees of Franchisee).

Franchisee agrees that the Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business by requiring Franchisee to comply with quality, marketing, and operations standards that govern Franchisee's use of Franchisor's System.

EXHIBIT A

ASSUMPTION AND ASSIGNMENT AGREEMENT

STATEMEMT OF OWNERSHIP INTERESTS GYMGUYZ

Franchisee Owners

1. **Form of Owner**. (Choose (a) or (b))

(a) ____ **Individual Proprietorship**. List individual(s):

_____

_____

_____

(b) ____ **Corporation, Limited Liability Company, or Partnership:**

Name:_____
Date of incorporation or formation:_____
State of incorporation of formation: _____

The following is a list of your directors/managers/officers, as applicable, and officers as of the date of execution:

	Name of Each Director/Manager/Officer	**Position(s) Held**
(i)		
(j)		
(k)		
(l)		

2. **Principals**. The following list includes the full name of each person or entity who is one of **your** owners and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Principal's Name	**Percentage/Description of Interest**
(i)		
(j)		
(k)		
(l)		

3. **Identification of Operating Principal**. Your Operating Principal is _____ must be one of the individuals listed in paragraph 2 above. You may not change the Operating Principal without prior written approval. The Operating Principal is the person authorized to receive communications regarding this Agreement).

   Address:_____

   _____

   E-mail Address:_____

GYMGUYZ FRANCHISING, LLC

By:_____
Name:_____
Title: _____
Dated: _____

FRANCHISEE

By:_____
Name:_____
Title:_____
Dated:_____

EXHIBIT B

GUARANTY

The undersigned persons designated as "Principals" hereby represent to GYMGUYZ Franchising, LLC ("Franchisor") that they are all of the shareholders of, or all of the general partners of, all of the members and managers of, _____ ("Franchisee"), as the case may be. In consideration of the grant by Franchisor to _____, as provided under the franchise agreement dated _____ _____, [and later transferred to Franchisee] (the "Franchise Agreement"), each of the undersigned agrees, in consideration of benefits received and to be received by each of them, jointly and severally, and for themselves, their heirs, legal representatives and assigns that they, and each of them, shall be firmly bound by all of the terms, provisions and conditions of the foregoing Franchise Agreement, that they and each of them do unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the Franchise Agreement, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the Franchise Agreement to Franchisor and/or its affiliate, and that they and each of them shall not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first notifying Franchisor of said proposed transfer and obtaining the prior written consent of Franchisor, following Franchisor's transfer procedures and without first paying or causing to be paid to Franchisor any required transfer fee. The undersigned further agree to be bound by the in-term and post-termination covenants of the Franchise Agreement including, without limitation, those relating to confidentiality and non-competition. The undersigned also agree that the governing law and methods for resolution of disputes which govern this Guaranty shall be the same as those outlined in the Franchise Agreement.

EACH GUARANTOR ACKNOWLEDGES THAT HE OR SHE HAS READ THIS PERSONAL GUARANTY, UNDERSTANDS ITS TERMS, AND GUARANTOR WOULD NOT SIGN THIS PERSONAL GUARANTY IF GUARANTOR DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

Principals:

By:_____	By:_____
_____	_____
Print Name	Print Name
_____	_____
Home Address	Home Address
_____	_____
Home Telephone	Home Telephone
_____	_____
Business Telephone	Business Telephone
_____	_____
Date	Date

Exhibit C

LIST OF FRANCHISEES

GYMGUYZ List of Franchisees as of 12/31/25

Arizona	
Goodyear, AZ Pedro Angulo 13249 W. Ironwood St. Surprise, AZ 85374 # of units: 1	
California	
Del Mar, CA **La Jolla, CA** Michael & Allison Cantu 7534 Galaxy Ct. San Diego, CA 92120 # of units: 2	**Hayward, CA** **Pleasanton, CA** **San Ramon, CA** Kevin Low & Angela Tu Lam 460 Durham Ct Fremont, CA 94539 # of units: 3
Laguna Beach, CA **Newport Beach, CA** William Gregory Moore 1821 Buttonshell Lane Newport Beach, CA 92660 # of units: 2	**Los Altos, CA** **Palo Alto, CA** **Redwood City, CA** **San Mateo, CA** **Santa Clara Valley, CA** **Sunnyvale, CA** Shannon Sevor 350 N 2nd Street Apt 131 San Jose, CA 95112 # of units: 6
Oxnard, CA **Ventura, CA** Shyd & Jessica Coloma 3102 Roia Lane Oxnard, CA 93036 # of units: 2	**Sherman Oaks, CA** Dru Montgomery 4305 Cezanne Ave Woodland Hills, CA 91364 # of units: 1
Colorado	
Evergreen, CO (called Denver South) Mark & Barbara Garey 28160 Pine Drive Evergreen, CO 80439 # of units: 1	**Greenwood Village, CO** Thomas Newman McKay 3048 South Holly Place Denver, CO 80222 # of units: 1
Connecticut	
Bridgeport, CT **Greenwich, CT** **Stamford, CT** Sam Langer 261 Carroll Wood Drive Tarrytown, NY 10591 914-591-2220 # of units: 3	**West Hartford, CT** Christian Silva 214 Rambler Street Bristol, CT 06010 # of units: 1

Florida	
Bradenton, FL **Riverview, FL** **Sarasota, FL** Douglas & Michelle Hange 408 158th St. E Bradenton, FL 34212 # of units: 3	**Central Tampa-East Tampa, FL** Kirk Ray Smith 403 Tuscan Lane Oldsmar, FL 34677 # of units: 1
Dayton Beach, FL **Deltona, FL** Neamen Wise 1605 Sumatra Ave Deltona, FL 32725 # of units: 2	**Fort Lauderdale, FL** **Pompano Beach, FL** Erica R. Rivera 5591 SW 99th Ave Cooper City, FL 33328 # of units: 2
Orlando – East, FL Florencia Reynoso; Joaquin Duval 9276 Vintage Hills Way Winter Garden, FL 34787 # of units: 1	**Windermere, FL** **Winter Garden, FL** Jay & Yvonne Zavada Rene & Edward Taubensee 13138 Zori Lane Windermere, FL 34786 # of units: 2
Georgia	
West Atlanta, GA Joel & Erin Castro 139 Fisher's Mill Drive McDonough, GA 30252 # of units: 1	
Hawaii	
Urban Honolulu, HI Debbie Kim Morikawa 2131 Hunnewell Street Honolulu, HI 96822 # of units: 1	
Idaho	
Boise, ID Nicole Vincent 490 S Big Star Lane Eagle, ID 83616 # of units: 1	
Illinois	
Chicago South, IL James Patterson 2315 E 70th Place #013 Chicago, IL 60649 # of units: 1	**Naperville, IL** Viraj Kamdar 1856 Tamahawk Lane Naperville, IL 60564 630-301-4884 # of units: 1
Oak Brook, IL Viraj Kamdar 1856 Tamahawk Lane Naperville, IL 60564	

# of units: 1	
Kentucky	
Downtown Louisville, KY **Eastern Louisville, KY** **Southern Louisville, KY** Ramona Butler 1421 Parkridge Parkway Louisville, KY 40214 # of units: 3	
Maryland	
Annapolis, MD **Severna Park, MD** Allen & Lauren Brewington 8366 Woodland Road Millersville, MD 21108 # of units: 2	
Minnesota	
Bloomington, MN **Edina, MN** **Minnetonka, MN** **Plymouth, MN** Mark Ruff 3295 Lake Shore Court Chaska, MN 55318 # of units: 4	
Missouri	
Creve Coeur – Chesterfield, MO **Mid St. Louis, MO** Tony & Katie Mackenzie 229 E Woodbine Kirkwood, MO 63122 # of units: 2	
New Jersey	
Atlantic City, NJ Robert Lipchus 7 Beeman Place Succasunna, NJ 07876 # of units: 1	**Basking Ridge, NJ** **Denville, NJ** **Greater Passaic, NJ** **Morristown, NJ** **Northern Essex, NJ** **Parsippany, NJ** **Summit, NJ[AN1.1]** **West Essex, NJ** Phil Brojan 76 Highland Trail Denville, NJ 07834 # of units: 8
Fair Lawn, NJ **Fort Lee, NJ** **Gold Coast, NJ** **Jersey City, NJ** **Montvale, NJ** **Northern Hudson County, NJ**	**Freehold, NJ** **Red Bank, NJ** **Toms River, NJ** Alex Hunt 9 Sarah Court Marlboro, NJ 07746

Paramus, NJ **Ramsey, NJ** **Tenafly, NJ** Josh Grinstead 7000 Boulevard East Apt. 47D Guttenberg, NJ 07093 201-624-7028 # of units: 9	# of units 3
Metuchen, NJ **New Brunswick, NJ** **Princeton, NJ** Anthony & Roseanne Trapasso 39 Samantha Way Spotswood, NJ 08884 # of units: 3	**Sussex County, NJ** Justin Smith 37 Waterfall Court Bloomingdale, NJ 07043 # of units: 1
New York	
Astoria, NY **Oceanside, NY** **South Queens, NY** Robert Ansalone 1472 Sycamore Ave. Merrick, NY 11566 # of units: 3	**Bay Ridge, NY** **North Brooklyn, NY** **Park Slope, NY** **South Brooklyn, NY[AN8.1]** **Staten Island, NY** Anna Shpook & Petro Nikitin 281 Windsor Place Brooklyn, NY 11218 # of units: 5
Eastern Suffolk County, NY **Islip, NY** **Nesconset, NY** Salvatore Pesce 5 Legacy Court Huntington, NY 11743 # of units: 3	**North Queens, NY** Spencer Wiley 6 Beechwood Court Dix Hills, NY 11746 # of units: 1
Orange County, NY Justin Smith 37 Waterfall Court Bloomingdale, NJ 07403 #of units: 1	**Rockland County, NY** Josh Grinstead 7000 Boulevard East Apt. 47D Guttenberg, NJ 07093 201-624-7028 # of units: 1
Westchester, NY Sam Langer 261 Carroll Wood Drive Tarrytown, NY 10591 914-591-2220 # of units: 1	
North Carolina	
Ballantyne, NC **Huntersville, NC** **Kannapolis, NC** **Mooresville, NC** **Myers Park – SouthPark, NC** **Waxhaw-Marvin, NC** Ethan & Amy Jarrett 131 Grove Creek Lane	

Mooresville, NC 28117 # of units: 6	
Ohio	
Canton, OH Mark & Loni Perry 2080 Millsboro Road Mansfield, OH 44906 # of units: 1	**Cincinnati North** **Cincinnati South** Steven K Wyant 50 Orphanage Road Fort Mitchell, KY 41017 # of units: 2
Lewis Center/Powell, OH **North Columbus, OH** David Dulin 1724 Adlington Drive Galena, OH 43021 # of units: 2	
Oklahoma	
North Tulsa, OK **South Tulsa, OK** Chancey Bosch 611 W 15th St Apt B5 Tulsa, OK 74127 # of units: 2	
Oregon	
Beaverton, OR **Lake Oswego, OR** Adebola Adewumi 15205 SW Sandpiper Lane Beaverton, OR 97007 # of units: 2	
Pennsylvania	
Allentown, PA Brian Toonder 3133 Linda Lane Apt C Allentown, PA 18103 # of units: 1	**King of Prussia, PA** Mainline, PA Lower Merion, PA Jesse Levan & Shannon Rizzo 231 Stone Hill Drive Pottstown, PA 19464 # of units: 3
Lower Bucks, PA Anthony & Roseanne Trapasso 39 Samantha Way Spotswood, NJ 08884 # of units: 1	
Tennessee	
Brentwood, TN **Franklin, TN** Jesse Sullivan 1611 Rosebury Lane Clarksville, TN 37043 # of units: 2	**North Memphis, TN** **South Memphis, TN** Marcus & Michele Martinez 255 Ridgewood Drive Piperton, TN 38017 # of units: 2

Texas	
Cedar Park, TX **North Austin, TX** **South Austin, TX** Ken VeArd 128 Musket Drive Bastrop, TX 78602 # of units: 3	**Cypress, TX** **Katy, TX** Chad McCutchen 114 E Elm Street Mankato, MN 56001 # of units: 2
Dallas, TX **Highland Park, TX** Brian Rivers 2201 Wolf St Unit 7107 Dallas, TX 75201 # of units: 2	**Houston, TX** **Houston Galleria, TX** Sean Johnstone 5331 Dewberry Street Houston, TX 77021 # of units: 2
San Antonio East **San Antonio North** **San Antonio Northwest** **San Antonio West** Guy Bowen Creamer 9032 Summit Peninsula Road Apt 3301 Fort Worth, TX 76123 # of units: 4	
Virginia	
Richmond NW **Richmond SW** Casey Tanner Wadkins 1814 Highpoint Ave. Apt 1111 Richmond, VA 23230 # of units: 2	**Virginia Beach, VA** Dr. Jacquelyn Payne 3968 Port Road Chesapeake, VA 23321 # of units: 1

SIGNED BUT NOT OPEN AS OF 12/31/25

California	
NW San Francisco, CA **San Rafael, CA** **SE San Francisco, CA** **SW San Francisco, CA** Vana Han 126 Debussy Terrace Sunnyvale, CA 94087 # of units: 4	
Illinois	
Belleville, IL Max von Fahnestock 123 Twin Eagles Parkway Mount Washington, KY 40047 # of units: 1	

Exhibit D

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

GYMGUYZ List of Franchisees Who Left the System in 2025

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

Arizona	
Mesa-Tempe, AZ **Paradise Valley, AZ** **Scottsdale, AZ** Andrew McClain 3502 E Janice Way Phoenix, AZ 85032 # of units: 3	
Pennsylvania	
Allentown, PA **Bethlehem, PA** **Easton, PA** Aaron Behrens 1604 Jennings St. Bethlehem, PA 18017 # of units 3	
Virginia	
Annandale, VA **Fairfax, VA** **Reston, VA** Aaron Behrens & Jason Hartman 1604 Jennings St. Bethlehem, PA 18017 # of units: 3	

TRANSFERRED:

Florida	
Clearwater, FL **St. Petersburg, FL** **Tampa North, FL** Jay & Yvonne Zavada Rene & Edward Taubensee 13138 Zori Lane Windermere, FL 34786 # of units: 3	
Illinois	
Evanston, IL **Downtown Chicago, IL** **Uptown Chicago, IL** Max Malec 1339 W. Eddy St, #2 Chicago, IL 60657 # of units: 3	
Iowa	
Des Moines East, IA **Des Moines West, IA** David 'Kyle' Davis 2304 Nottingham Drive Naperville, IL 60565 # of units: 2	
New Jersey	
Greater Passaic, NJ **Northern Passaic, NJ** **West Essex, NJ** Leroy Huggins 64 George Russel Way Clifton, NJ07013 # of units: 3	
Texas	
Aledo, TX **Fort Worth, TX** Alex Gray, Timothy Gossett, Juan Robledo 8324 steel Dust Drive Fort Worth, TX 76179 # of units: 2	

Exhibit E

FINANCIAL STATEMENTS

GYMGUYZ Franchising, LLC

Independent Auditor's Report
And
Financial Statements
December 31, 2025 and 2024

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Metwally CPA PLLC

CERTIFIED PUBLIC ACCOUNTANT

2901 Corporate Cir, Flower Mound, Texas 75028

Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the Members of
GYMGUYZ Franchising, LLC

Opinion

We have audited the accompanying financial statements of GYMGUYZ Franchising, LLC (the Company), which comprise the balance sheets as of December 31, 2025 and 2024 and the related statements of operations, members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 13 to the financial statements, the Company has suffered net losses from operations, low liquidity level in comparison to its short-term obligation, and negative cash flows from operations that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 13. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to the matter.

Responsibilities of Management for the Financial Statements

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

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

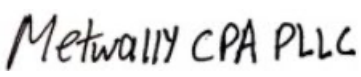
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Metwally CPA PLLC
Flower Mound, Texas
February 13, 2026

GYMGUYZ Franchising, LLC
Balance Sheets
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 92,024	$ 120,922
Accounts receivable	112,929	78,453
Deferred commission - current portion	325,677	290,242
Other assets	-	11,600
Total Current Assets	**530,630**	**501,217**
Non-Current Assets		
Property and equipment, net	234,822	82,217
Deferred commission - net current portion	1,430,294	1,398,205
Operating lease right-of-use assets	1,831,617	1,917,143
Total Non-Current Assets	**3,496,733**	**3,397,565**
Total Assets	**$ 4,027,363**	**$ 3,898,782**
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	$ 528,950	$ 483,344
Accrued liabilities	272,396	82,100
Due to related parties	267,761	-
Deferred revenue - current portion	860,576	743,900
Debt - current portion	63,426	59,933
Operating lease liabilities - current portion	52,773	50,260
Other current liability	198,063	288,992
Total Current Liabilities	**2,243,945**	**1,708,529**
Long Term Liabilities		
Deferred revenue - net of current portion	4,089,208	3,750,387
Debt - net current portion	2,070,862	2,083,560
Operating lease liabilities - net of current portion	1,891,708	1,944,481
Total Long Term Liabilities	**8,051,778**	**7,778,428**
Total Liabilities	**10,295,723**	**9,486,957**
Members' Equity (Deficit)		
Members' equity (deficit)	(6,268,360)	(5,588,175)
Total Members' Equity (Deficit)	**(6,268,360)**	**(5,588,175)**
Total Liabilities and Members' Equity (Deficit)	**$ 4,027,363**	**$ 3,898,782**

The accompanying notes are an integral part of the financial statements.

GYMGUYZ Franchising, LLC
Statements of Operations
Years Ended December 31, 2025 and 2024

	2025	2024
Revenues		
Other franchise related fees	$ 1,199,827	$ 810,815
Initial franchise fees	950,761	932,530
Royalties	871,424	702,669
Brand fund income	211,429	171,148
Equipment sales	58,101	91,568
Total Revenues	**3,291,542**	**2,708,730**
Operating Expenses		
Salaries and wages	1,633,153	1,563,764
Marketing and advertising	702,707	715,695
General and administrative	398,724	261,871
Commission expense	351,997	396,740
Legal and professional	197,377	249,667
Rent - related party	85,526	85,526
Depreciation	62,831	18,118
Cost of equipment sold	53,661	70,106
Total Operating Expenses	**3,485,976**	**3,361,487**
Operating Income / (Loss)	**(194,434)**	**(652,757)**
Other Income (Expense)		
Interest expense	(264,805)	(91,413)
Net Income / (Loss)	**$ (459,239)**	**$ (744,170)**

The accompanying notes are an integral part of the financial statements.

GYMGUYZ Franchising, LLC
Statements of Members' Equity (Deficit)
Years Ended December 31, 2025 and 2024

Members' Equity (Deficit) At December 31, 2023	**$ (4,867,292)**
Net income / (loss)	(744,170)
Members' contributions	1,045,937
Members' distributions	(1,022,650)
Members' Equity (Deficit) At December 31, 2024	**$ (5,588,175)**
Net income / (loss)	(459,239)
Members' contributions	1,256,578
Members' distributions	(1,477,524)
Members' Equity (Deficit) At December 31, 2025	**$ (6,268,360)**

The accompanying notes are an integral part of the financial statements.

GYMGUYZ Franchising, LLC
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Net income / (loss)	$ (459,239)	$ (744,170)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	62,831	18,118
Amortization of operating lease ROU assets	85,526	85,526
Change in assets and liabilities		
Accounts receivable	(34,476)	(15,609)
Deferred commission	(67,524)	(160,213)
Other assets	11,600	(11,600)
Accounts payable	45,606	191,816
Accrued liabilities	190,296	(102,095)
Due to related parties	267,761	-
Deferred revenue	455,497	667,080
Operating lease liability	(50,260)	(47,867)
Other current liabilities	(90,929)	50,924
Net Cash Flows Provided By (Used In) Operating Activities	**416,689**	**(68,090)**
Cash Flows From Investing Activities		
Purchase of property and equipment	(215,436)	(98,909)
Net Cash Flows Provided By (Used In) Investing Activities	**(215,436)**	**(98,909)**
Cash Flows From Financing Activities		
Payments on long term loan	(9,205)	(9,007)
Proceeds from loan	-	150,000
Members' contributions	1,256,578	1,045,937
Members' distributions	(1,477,524)	(1,022,650)
Net Cash Flows Provided By (Used In) Financing Activities	**(230,151)**	**164,280**
Net Change In Cash And Cash Equivalent During The Year	**(28,898)**	**(2,719)**
Cash and cash equivalents - beginning of the year	120,922	123,641
Cash And Cash Equivalent - End of The Year	**$ 92,024**	**$ 120,922**
Supplementary Information		
Interest paid	$ 74,744	$ 91,413

The accompanying notes are an integral part of the financial statements.

GYMGUYZ Franchising, LLC
Notes To Financial Statements
December 31, 2025 and 2024

1. COMPANY AND NATURE OF OPERATIONS

GYMGUYZ Franchising, LLC (the "Company") is a New York limited liability Company that was formed on July 24, 2013. The Company is engaged in the sale of franchises throughout the United States and Canada in accordance with a license agreement dated August 26, 2013 between the Company and GYMGUYZ, LLC (the "Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate mobile personal fitness training services focusing on individualized one-on-one fitness, group sessions and corporate fitness under the “GYMGUYZ.” mark.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company’s financial statements. The financial statements and notes are representations of the Company’s management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

A. Basis of Accounting

The Company’s financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

B. Cash and Cash Equivalents

For purposes of the Statement of cash flows, cash equivalents include bank accounts and cash in transit for bank deposits with maturities of three months or less to be cash equivalents.

C. Accounts Receivable

Accounts Receivable arise primarily from royalty fees and other franchise related fees and are carried at their estimated collectible amounts, net of any estimated allowances for credit losses. The measurement and recognition of credit losses involves the use of judgement. The management’s assessment of expected credit losses includes consideration of current and expected economic conditions, market and industry factors affecting the Company’s customers (including their financial condition), the aging of account balances, historical credit loss experience, customer concentration, and customer creditworthiness. Management evaluates its experience with historical losses and then applies this historical loss ratio to financial assets with similar characteristics. The Company’s historical loss ratio or its determination of risk pools may be adjusted for changes in customer, economy, market or other circumstances. The company may also establish an allowance for credit losses for specific receivables when it is probable that the receivable will not be collected, and the loss can be reasonably estimated. Amounts are written off against the allowance when they are considered to be uncollectible, and reversal of previously reserved amounts are recognized if a specifically reserved item is settled for an amount exceeding the previous estimate.

As of December 31, 2025 and 2024 the allowance for credit losses is considered immaterial and accordingly, no allowance for credit losses has been recorded.

D. Property and Equipment

Property and equipment are stated at cost (exceeding $2,500) less accumulated depreciation. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment	3 years
Furniture and fixtures	7 years
Vehicles	5 years
Websites and purchase software	3 years

E. Federal Income Taxes

The Company has elected to be taxed for U.S. Federal, and to the extent applicable, U.S. State purposes under the provisions of Subchapter S of the Internal Revenue Code. Accordingly, federal income tax liabilities relating to the Company's profits are the Members' responsibility; therefore, no provision has been made for federal income taxes.

F. Lease

Effective January 1, 2022, the Company adopted, with modified retrospective application, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)" (ASC 842). The amended guidance requires lessees, at the commencement date, to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and to record a right-of-use ("ROU") asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. In July 2018, the FASB issued ASU 2018-11, Leases, Targeted Improvements, which gave companies the option of applying the new standard at the adoption date, rather than retrospectively to the earliest period presented in the financial statements. The Company elected the package of practical expedients permitted under the new standard, which among other things, allowed the Company to carry forward the historical lease classification. The Company also elected the practical expedient to not recognize a lease liability and ROU asset for short-term leases less than 12 months. The Company chose the option to apply the new standard at the adoption date, and therefore we are not required to restate the financial statements for prior periods, nor are the Company required to provide the disclosures required by the new standard for prior periods. Upon adoption, the Company recognized an approximate $2,112,904 ROU asset, and an approximate $2,112,904 lease liability. Our adoption of the new standard did not impact on our cash flows or have a material impact on our results of operations. We have expanded our financial statement disclosures to comply with the requirements of the new standard.

G. Debt

The Company maintains a revolving credit line. The Company accounts for debt as current if the debt is due within one year of the balance sheet date or is cancelable or callable. The Company accounts for debt as noncurrent if the obligation does not expire or is due within one year.

H. Concentration of Credit Risk

The Company maintains cash and cash equivalents with major financial institutions. At various times during the year, the total amount on deposit might exceed the $250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). The Company believes that it mitigates credit risk by depositing cash with financial institutions having high credit ratings.

I. Use of Estimates

The preparation of the Company's financial statements 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 our financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates. It is at least reasonably possible that a change in the estimates will occur in the near term.

J. Reclassification

Certain reclassifications have been made to the 2024 financial statements in order to conform to the 2025 presentation. There were no changes to previously issued financial statements as a result of the reclassifications.

K. Advertising and Marketing

Advertising and marketing costs are charged to operations in the years incurred.

L. Recent Accounting Pronouncements

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities for most leases with terms longer than twelve months. The Company has evaluated the impact of this standard on its financial statements. See Note 7.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurements of Credit Losses on Financial Instruments. ASU 2016-13, along with subsequent clarifications and improvements (collectively, ASC 326), replaces the incurred loss impairment methodology in prior U.S. GAAP with a methodology that instead reflects a current estimate of all expected credit losses on financial assets, including receivables. ASC 326 requires that the Company measure and recognize expected credit losses at the time the asset is recorded, while considering a broader range of information to estimate credit losses including country specific macroeconomic conditions that correlate with historical loss experience, delinquency trends and aging behavior of receivables, among others. ASC 326 is effective for the Company beginning January 1, 2024. There was no impact on the Company's financial statements as a result of the implementation of this standard.

M. Revenue Recognition

The Company relies upon ASC 606, Revenue from Contracts with Customers, to recognize revenue, contract liabilities-deposits from franchisees and contract assets-due from franchisees. Revenue is recognized upon the transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive for those goods or services. The following is the principal activity from which the Company earns revenue:

Franchise Revenues

The franchise arrangement between the Company and each franchise owner of the Company's Franchise is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the Company's Franchise brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company are highly interrelated with the franchise license and are considered to represent a single performance obligation, which is the transfer of the franchise license. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.

The transaction price in a standard franchise arrangement consists of (a) franchise fees; (b) Royalty fees; (c) brand fund fees; (d) annual conference fees. The Company considers the franchise license to be a single performance obligation, and therefore, recognized over the term of the franchise agreement or renewal which is typically 10 years.

The terms of the Company's franchise agreement will be as follows:

A. The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
B. The franchisee is obligated to pay a non-refundable initial franchise fee.
C. The franchisee is obligated to pay a bi-weekly royalty, marketing, technology, and other franchise-related fees and costs. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following different sources:

• Franchise and development fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 10 years while successive agreement terms are typically 10 years. The Company has determined that these fees, which are paid in advance when they are recognized as revenue and does not contain a significant financing component.
• Royalty fees and other revenues are reported as earned.
• Equipment sales are reported as earned at a point of time.
• IT and marketing fees paid bi-weekly by franchisees.
• All other fees are recognized as services are rendered or when payment is received.

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license. The Company collects funds from franchisees to manage the brand level advertising, marketing, and development program. The fee is based on a percentage of the gross sales less any amount paid towards sales tax, payable bi-weekly.

Brand Development Fund

The Company maintains a brand development fund established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Brand development fund fees are collected from franchisees based on a percentage of franchisee gross revenues. The Company has determined that it acts as a principal in the collection and administration of the brand development fund and therefore recognizes the revenues and expenses related to the brand development fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand development fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the brand development fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. When brand development fund fees exceed the related brand development fund expenses in a reporting period, advertising costs are accrued up to the amount of brand development fund revenues recognized.

Contracts Assets and Liabilities Balances

The Company incurs costs that are directly attributable to obtaining a contract, for example, commission fees, broker fees, and referral fees. Under ASC 606, costs that are directly associated with obtaining a contract are to be capitalized and recognized over the term of the agreement. Capitalized costs are included in deferred expenses on the accompanying balance sheet. As such, direct franchise license costs are recognized over the franchise and renewal term, which is the performance obligation, and is typically the franchise agreement's term. If a customer is terminated, the remaining deferred expense will be recognized to expenses.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Deferred revenue is 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.

Equipment Revenue

The Equipment Revenue is generated as a result of transactions with or related to the Company's franchisees. The Company sells Fitness equipment to franchisees to be used in franchised locations. Certain franchisees may prepay for equipment, and in that circumstance, the revenue is deferred until delivery. Equipment revenue is recognized when control of the equipment is transferred to the franchisee, which is at the point in time when delivery and installation of the equipment at the store is complete.

3. CASH AND CASH EQUIVALENTS

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. On December 31, 2025 and 2024 the Company's cash balance didn't exceed the FDIC insurance limits.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. As of December 31, 2025, and 2024 the Company had approximately $92,024 and $120,922 respectively in cash in its bank accounts.

The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

4. ACCOUNTS RECEIVABLE

As of December 31, 2025 and 2024 the balance accounts receivable consisted of the following:

	2025	2024
Royalty receivables	$ 24,980	$ 17,902
Brand fund receivables	5,594	3,964
Technology receivables	2,955	1,847
Initial franchise fees receivables	79,399	54,740
Total Accounts Receivables	**$ 112,929**	**$ 78,453**

5. PROPERTY AND EQUIPMENT

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

	2025	2024
Computer equipment	$ 9,846	$ 9,846
Furniture and fixtures	7,020	7,020
Vehicles	23,833	23,833
Website and purchased software	412,759	197,323
Total Cost	**453,458**	**238,022**
Accumulated Depreciation	(218,636)	(155,805)
Net Book Value	**$ 234,822**	**$ 82,217**

Depreciation expenses for the years ended December 31, 2025 and 2024 were $62,831 and $18,118 respectively.

6. LOANS

On July 22, 2020 the Company received Economic Injury Disaster Loan (EIDL) proceeds of $150,000 under Section 7(b) of the Small Business Act. The Small Business Act, which was established as part of the CARES Act, provides loans to qualifying businesses to be used solely as working capital to alleviate economic injury caused by disaster. During 2021, the SBA increased the maximum loan amount of EIDLs to $500,000. As a result, the Company applied for and received additional proceeds under its existing EIDL of $350,000 on September 21, 2021. On September 9, 2021, the SBA further increased the maximum loan amount of EIDL to $2,000,000 for qualifying businesses. As a result, the Company applied for and received additional proceeds under its existing EIDL of $1,500,000 on March 15, 2022. On December 31, 2025 and 2024 borrowings under the EIDL totaled $2,000,000 and $2,000,000 respectively. The EIDL is personally guaranteed by the Company's member.

The EIDL has a maturity of 30 years from the loan's effective date and bears interest at a fixed rate of 3.75%. In September 2024, the SBA approved an extension of the initial principal repayment date to February 2025. Monthly installments of principal and interest are expected to be approximately $1,000 from October 2025 through April 2026. Beginning after April 2026, the required monthly payment will increase to approximately $10,000 and will continue at that level through the loan's maturity date.

On February 5, 2024, the Company entered into a preferred lenders program with the U.S. Small Business Administration (SBA) for a loan amount of $150,000. The loan carries an interest rate of 13.25% and has a maturity date of February 1, 2034. As of December 31, 2025, the outstanding balance on the SBA loan was $134,288.

Future maturities of the principal amount are the following:

	Years ending December 31,
FY 2026	$ 63,426
FY 2027	65,274
FY 2028	67,192
FY 2029	69,180
FY 2030	71,238
Thereafter	1,797,978
Total notes payable	**$ 2,134,288**

7. LEASE

On May 1, 2022 the Company moved its headquarters to a new location, entering into a new lease agreement with an entity related by common ownership for office space in Melville, New York (the "HQ Lease"). The Company and its Members are guarantors of the financing obtained in the purchase of the new facility. The new leasing agreement, although consummated with a related party, is subject to the provisions of FASB ASC 842, Leases.

The HQ Lease is for 25 years, requiring monthly payments of $12,500. The HQ Lease has been classified as operating the lease does not include termination options for either party to the lease or restrictive financial or other covenants. Any variable lease payments in connection with occupying the facility are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred. As of December 31, 2025, the Company's remaining term on the lease is 268 months. The discount rate applied to the operating lease is 5.12%, which reflects the Company's incremental borrowing.

Right-of-use lease assets and lease liabilities are recognized as of the commencement date based on the present value of the remaining lease payments over the lease term, we are reasonably certain to exercise. The Company's leases do not contain any material residual value guarantees or material restrictive covenants.

Operating lease expenses are included in rent expenses. Leases were as follows.

	2025	2024
Operating lease expenses under ASC 842, Leases		
Rent–related party	$ 85,526	$ 85,526

The leases recorded on the balance sheet consist of the following:

	2025	2024
Assets		
ROU Assets	$ 1,831,617	$ 1,917,143
Liabilities		
Lease liabilities, current portion	52,773	50,260
Lease liabilities, net of current portion	1,891,708	1,944,481
	$ 1,944,481	**$ 1,994,741**

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 162,500	$ 162,500
ROU assets obtained in exchange for lease liabilities in non-cash transactions:		
Operating lease assets obtained in exchange for operating lease liabilities	$ 85,526	$ 85,526
Discount rate (1)	5%	5%

- The discount rate used for existing operating leases upon adoption of Topic 842 was established based on the risk-free rates treasury note 5 years term as of January 1, 2022 as the lease didn't provide an implicit rate, the Company uses its risk-free rate.

Future lease obligations for leases that have commenced were as follows as of December 31:

	Lease
FY 2026	$ 150,000
FY 2027	150,000
FY 2028	150,000
FY 2029	150,000
FY 2030	150,000
Thereafter	2,462,442
Total Lease payment	**3,212,442**
Less : Interest	(1,267,961)
Present value of lease liabilities	**$ 1,944,481**

As of December 31, 2025 the term and discount rate for the Company's leases were from 21.3 years and 5%, respectively.

8. OTHER CURRENT LIABILITIES

Other current liabilities include marketing fund liability which is advertising advances and deposits from franchisees for the purpose of national and regional advertising. The use of these funds is restricted for advertising costs to benefit the franchisees. The funds cannot be utilized for the Company's advertising expenses in connection with the sale of franchises. The Company collects the funds before opening or during the first six (6) months from when the franchisees start the operation. The funds are collected and spent to conduct an initial marketing funds campaign to promote the opening of the respective franchise. The marketing fees deposit as of December 31, 2025 and 2024 were $198,063 and $288,992, respectively.

9. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

Information regarding revenues disaggregated by the timing of when goods and services are transferred consist of the following for the years ended December 31:

	2025	2024
Revenue recognized over time	$ 950,761	$ 932,530
Revenue recognized at a point in time	2,340,781	1,776,200
Total Revenue	**$ 3,291,542**	**$ 2,708,730**

Contract Balances

The following table provides information about the change in the franchise deferred expenses balances during the years ended December 31:

	2025	2024
Beginning balance	$ 1,688,447	$ 1,528,234
Additional deferred expenses	419,521	556,953
Expenses recognized – additional deferred expenses	(351,997)	(396,740)
Deferred expenses	**1,755,971**	**1,688,447**
Less: current maturities	325,677	290,242
Deferred expenses, net of current maturities	**$ 1,430,294**	**$ 1,398,205**

The following table provides information about the change in the franchise contract liability balances during the years ended December 31, 2025 and 2024 respectively. Franchise contract liability is included in deferred revenue on the accompanying balance sheets.

	2025	2024
Beginning balance	$ 4,494,287	$ 3,827,207
Additional deferred revenue	1,406,258	1,599,610
Revenue recognized – additional deferred revenue	(950,761)	(932,530)
Deferred revenue	**4,949,784**	**4,494,287**
Less: current maturities	860,576	743,900
Deferred revenue, net of current maturities	**$ 4,089,208**	**$ 3,750,387**

10. RELATED PARTY TRANSACTIONS

On August 26, 2013 the Company entered into a license agreement with the Licensor (the "License Agreement") for the use of various registered names, as defined in the License Agreement. The License Agreement will automatically renew for one-year periods after the initial 99-year term. Pursuant to the License Agreement, the Company has acquired the right to sell GYMGUYZ franchises, as well as various other trademarks, as defined in the License Agreement, and collect franchise fees, royalties and other fees from franchisees. The Licensor will not execute any other agreements in conflict with the provisions pursuant to the License Agreement. The Company is obligated to pay the Licensor a license fee equal to $1 annually.

On May 1, 2022 the Company moved its headquarters to a new location owned by the Company' member, entering into a new lease agreement with an entity related by common ownership for office space in Melville, New York (the "HQ Lease"). The Company and its Members are guarantors of the financing obtained in the purchase of the new facility. As of 2025 and 2024 payments were $85,526 and $85,526 respectively. See note 7 for lease details.

As of December 31, 2025 and 2024, the Company had outstanding balances due to its members of $17,761 and $0, respectively. These balances represent operating costs paid by members on behalf of the Company. The Company also owes $250,000 for a deposit made by a related party during 2025.

11. LITIGATION

The Company is, from time to time, involved in ordinary and routine litigation. Management presently believes that there are no proceedings, individually or in the aggregate, which will have a material adverse effect on the Company's financial position, results of operations or cash flows. Nevertheless, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include money damages and, in such event, could result in a material adverse impact on the Company's financial position, results of operations or cash flows for the period in which the ruling occurs. There is no pending litigation, or known threat of litigation, as of the date on which these financial statements were available to be issued.

12. ADVERTISING EXPENSES

Advertising costs for the years ended December 31, 2025 and 2024 were $702,707 and $715,695 respectively. These costs were expensed as incurred.

13. LIQUIDITY AND BUSINESS RISK

Driven by low liquidity compared to its short-term obligations and negative working capital (excluding deferred franchise fees and operating lease liabilities), the Company's accumulated deficit increased from $5,588,175 as of December 31, 2024, to $6,268,360 as of December 31, 2025.

Since its inception, the Company's operations have been funded through a combination of cash from operations, bank debt, and funding from its member. The Company is growing and, as such, continues incurring expenditures in the near term to benefit the future as it looks to grow the franchisee base and expand into new markets. Such expenses could be reduced or eliminated to improve operating cash flows as needed.

As of December 31, 2025, the Company held approximately $92,024 in unrestricted cash and $112,929 in accounts receivable, compared to $120,922 and $78,453, respectively, in 2024. Current liabilities, excluding deferred franchise fees and the current portion of operating lease liabilities, totaled approximately $1,330,596 in 2025 and $914,369 in 2024. Management is actively pursuing measures to improve operating cash flows, primarily through increases franchisee sales volume. The Company continues to sell franchises, maintains vendor payments within normal terms, and meets its debt service obligations. Furthermore, the Company's member has committed to providing funding to support ongoing operations during periods of cash flow variability.

Management believes that the combination of the actions taken, including cost-cutting initiatives, continued sales of additional franchises, and the continued funding and support of the Company's member will ensure the viability of the Company, enabling it to meet its funding requirements for one year from the date these financial statements were available to be issued.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 13, 2026 which is the date the financial statements were available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.

GYMGUYZ Franchising, LLC

Independent Auditor's Report
And
Financial Statements
December 31, 2024 and 2023

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Metwally CPA PLLC

CERTIFIED PUBLIC ACCOUNTANT

1312 Norwood Dr STE 100, Bedford, Texas 76022

Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the Members of
GYMGUYZ Franchising, LLC

Opinion

We have audited the accompanying financial statements of GYMGUYZ Franchising, LLC (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023 and the related statements of operations, members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Emphasis of a Matter

Management's plans regarding liquidity and business risks are disclosed in Note 15 to the financial statements. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

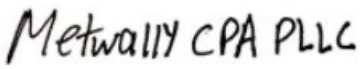
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Metwally CPA PLLC
Bedford, Texas
February 24, 2025

GYMGUYZ Franchising, LLC
Balance Sheets
December 31, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 120,922	$ 123,641
Accounts receivable	78,453	62,844
Deferred commission, current portion	290,242	252,327
Other assets	11,600	-
Total Current Assets	**501,217**	**438,812**
Non-Current Assets		
Property and equipment, net	82,217	1,426
Deferred commission, net of current portion	1,398,205	1,275,907
Operating lease right-of-use assets	1,917,143	2,002,669
Total Non-Current Assets	**3,397,565**	**3,280,002**
Total Assets	**$ 3,898,782**	**$ 3,718,814**
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	$ 483,344	$ 291,528
Accrued liabilities	82,100	184,195
Line of credit	-	2,500
Deferred revenue - current portion	743,900	617,939
Debt, current portion	59,933	66,667
Operating lease liabilities - current portion	50,260	47,867
Other current liability	288,992	238,068
Total Current Liabilities	**1,708,529**	**1,448,764**
Long Term Liabilities		
Deferred revenue - net of current portion	3,750,387	3,209,268
Debt, net of current portion	2,083,560	1,933,333
Operating lease liabilities - net of current portion	1,944,481	1,994,741
Total Long Term Liabilities	**7,778,428**	**7,137,342**
Total Liabilities	**9,486,957**	**8,586,106**
Members' Equity (Deficit)		
Members' equity (deficit)	(5,588,175)	(4,867,292)
Total Members' Equity (Deficit)	**(5,588,175)**	**(4,867,292)**
Total Liabilities and Members' Equity (Deficit)	**$ 3,898,782**	**$ 3,718,814**

The accompanying notes are an integral part of the financial statements.

GYMGUYZ Franchising, LLC
Statements of Operations
Years Ended December 31, 2024 and 2023

	2024	2023
Revenues		
Initial franchise fees	$ 932,530	$ 539,620
Other franchise related fees	810,815	149,473
Royalties	702,669	662,638
Brand fund income	171,148	153,936
Equipment sales	91,568	96,900
Total Revenues	**2,708,730**	**1,602,567**
Operating Expenses		
Salaries and wages	1,563,764	1,128,802
Advertising and marketing	715,695	314,193
Franchise commissions	396,740	222,624
Legal and professional	249,667	210,014
General and administrative	224,212	229,067
Rent - related party	85,526	85,526
Cost of equipment sold	70,106	57,764
Depreciation and amortization	55,777	49,397
Total Operating Expenses	**3,361,487**	**2,297,387**
Operating Income / (Loss)	**(652,757)**	**(694,820)**
Other Income (Expense)		
Interest expense	(91,413)	(211,857)
Net Income / (Loss)	**$ (744,170)**	**$ (906,677)**

The accompanying notes are an integral part of the financial statements.

GYMGUYZ Franchising, LLC
Statements of Members' Equity (Deficit)
Years Ended December 31, 2024 and 2023

Members' Equity (Deficit) At December 31, 2022	**$ (4,862,018)**
Net income / (loss)	(906,677)
Members' contributions	1,433,574
Members' distributions	(532,171)
Members' Equity (Deficit) At December 31, 2023	**$ (4,867,292)**
Net income / (loss)	(744,170)
Members' contributions	1,045,937
Members' distributions	(1,022,650)
Members' Equity (Deficit) At December 31, 2024	**$ (5,588,175)**

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The accompanying notes are an integral part of the financial statements.

GYMGUYZ Franchising, LLC
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Net income / (loss)	$ (744,170)	$ (906,677)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	55,777	49,397
Change in assets and liabilities		
Accounts receivable	(15,609)	398
Deferred commission	(160,213)	(287,258)
Other assets	(11,600)	2,450
Accounts payable	191,816	(16,226)
Accrued liabilities	(102,095)	81,555
Deferred revenue	667,080	789,124
Due to related parties	-	(15,072)
Other current liabilities	50,924	226,519
Net Cash Flows Provided By (Used In) Operating Activities	**(68,090)**	**(75,790)**
Cash Flows From Investing Activities		
Purchase of property and equipment	(98,909)	-
Net Cash Flows Provided By (Used In) Investing Activities	**(98,909)**	**-**
Cash Flows From Financing Activities		
Payments on long term loan	(9,007)	(774,143)
Proceeds from loan	150,000	61,976
Members' contributions	1,045,937	1,433,574
Members' distributions	(1,022,650)	(532,171)
Net Cash Flows Provided By (Used In) Financing Activities	**164,280**	**189,236**
Net Change In Cash And Cash Equivalent During The Year	**(2,719)**	**113,446**
Cash and cash equivalents - beginning of the year	123,641	10,195
Cash And Cash Equivalent - End of The Year	**$ 120,922**	**$ 123,641**
Supplementary Information		
Interest paid	$ 91,413	$ 25,919

The accompanying notes are an integral part of the financial statements.

GYMGUYZ Franchising, LLC
Notes To Financial Statements
December 31, 2024 and 2023

1. COMPANY AND NATURE OF OPERATIONS

GYMGUYZ Franchising, LLC (the "Company") is a New York limited liability Company that was formed on July 24, 2013. The Company is engaged in the sale of franchises throughout the United States and Canada in accordance with a license agreement dated August 26, 2013 between the Company and GYMGUYZ, LLC (the "Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate mobile personal fitness training services focusing on individualized one-on-one fitness, group sessions and corporate fitness under the “GYMGUYZ.” mark.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company’s financial statements. The financial statements and notes are representations of the Company’s management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

A. Basis of Accounting

The Company’s financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

B. Cash and Cash Equivalents

For purposes of the Statement of cash flows, cash equivalents include bank accounts and cash in transit for bank deposits with maturities of three months or less to be cash equivalents.

C. Accounts Receivable

Accounts receivable arise primarily from initial franchise fees, royalties, brand fund, and technology fees are carried at their estimated collectible amounts, net of any estimated allowances for doubtful accounts. The Company provides an allowance for doubtful collections, which is based upon a review of outstanding receivables, historical collection information, existing economic conditions, and other relevant factors. Management has determined that no allowance for doubtful accounts was necessary on December 31, 2024 and 2023.

D. Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment	3 years
Furniture and fixtures	7 years
Vehicles	5 years
Websites and purchase software	3 years

E. Federal Income Taxes

The Company has elected to be taxed for U.S. Federal, and to the extent applicable, U.S. State purposes under the provisions of Subchapter S of the Internal Revenue Code. Accordingly, federal income tax liabilities relating to the Company's profits are the Members' responsibility; therefore, no provision has been made for federal income taxes.

F. Lease

Effective January 1, 2022, the Company adopted, with modified retrospective application, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)" (ASC 842). The amended guidance requires lessees, at the commencement date, to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and to record a right-of-use ("ROU") asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. In July 2018, the FASB issued ASU 2018-11, Leases, Targeted Improvements, which gave companies the option of applying the new standard at the adoption date, rather than retrospectively to the earliest period presented in the financial statements. The Company elected the package of practical expedients permitted under the new standard, which among other things, allowed the Company to carry forward the historical lease classification. The Company also elected the practical expedient to not recognize a lease liability and ROU asset for short-term leases less than 12 months. The Company chose the option to apply the new standard at the adoption date, and therefore we are not required to restate the financial statements for prior periods, nor are the Company required to provide the disclosures required by the new standard for prior periods. Upon adoption, the Company recognized an approximate $2,112,904 ROU asset, and an approximate $2,112,904 lease liability. Our adoption of the new standard did not impact on our cash flows or have a material impact on our results of operations. We have expanded our financial statement disclosures to comply with the requirements of the new standard.

G. Debt

The Company maintains a revolving credit line. The Company accounts for debt as current if the debt is due within one year of the balance sheet date or is cancelable or callable. The Company accounts for debt as noncurrent if the obligation does not expire or is due within one year.

H. Concentration of Credit Risk

The Company maintains cash and cash equivalents with major financial institutions. At various times during the year, the total amount on deposit might exceed the $250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). The Company believes that it mitigates credit risk by depositing cash with financial institutions having high credit ratings.

I. Use of Estimates

The preparation of our Company's financial statements 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 our financial statements and the reported amounts of revenues, costs, and expenses during the reporting period. Actual results could differ significantly from those estimates. It is at least reasonably possible that a change in the estimates will occur in the near term.

J. Advertising and Marketing

Advertising and marketing costs are charged to operations in the years incurred.

K. Revenue Recognition

The Company relies upon ASC 606, Revenue from Contracts with Customers, to recognize revenue, contract liabilities-deposits from franchisees and contract assets-due from franchisees. Revenue is recognized upon the transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive for those goods or services. The following is the principal activity from which the Company earns revenue:

Franchise Revenues

The franchise arrangement between the Company and each franchise owner of the Company's Franchise is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the Company's Franchise brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company are highly interrelated with the franchise license and are considered to represent a single performance obligation, which is the transfer of the franchise license. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.

The transaction price in a standard franchise arrangement consists of (a) franchise fees; (b) Royalty fees; (c) brand fund fees; (d) annual conference fees. The Company considers the franchise license to be a single performance obligation, and therefore, recognized over the term of the franchise agreement or renewal which is typically 10 years.

The terms of the Company's franchise agreement will be as follows:

A. The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
B. The franchisee is obligated to pay a non-refundable initial franchise fee.
C. The franchisee is obligated to pay a bi-weekly royalty, marketing, technology, and other franchise-related fees and costs. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following different sources:

• Franchise and development fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 10 years while successive agreement terms are typically 10 years. The Company has determined that these fees, which are paid in advance when they are recognized as revenue and does not contain a significant financing component.
• Royalty fees and other revenues are reported as earned.
• Equipment sales are reported as earned at a point of time.
• IT and marketing fees paid bi-weekly by franchisees.
• All other fees are recognized as services are rendered or when payment is received.

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license. The Company collects funds from franchisees to manage the brand level advertising, marketing, and development program. The fee is based on a percentage of the gross sales less any amount paid towards sales tax, payable bi-weekly.

Brand Development Fund

The Company maintains a brand development fund established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Brand development fund fees are collected from franchisees based on a percentage of franchisee gross revenues. The Company has determined that it acts as a principal in the collection and administration of the brand development fund and therefore recognizes the revenues and expenses related to the brand development fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand development fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the brand development fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. When brand development fund fees exceed the related brand development fund expenses in a reporting period, advertising costs are accrued up to the amount of brand development fund revenues recognized.

Contracts Assets and Liabilities Balances

The Company incurs costs that are directly attributable to obtaining a contract, for example, commission fees, broker fees, and referral fees. Under ASC 606, costs that are directly associated with obtaining a contract are to be capitalized and recognized over the term of the agreement. Capitalized costs are included in deferred expenses on the accompanying balance sheet. As such, direct franchise license costs are recognized over the franchise and renewal term, which is the performance obligation, and is typically the franchise agreement's term. If a customer is terminated, the remaining deferred expense will be recognized to expenses.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Deferred revenue is 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.

Equipment Revenue

The Equipment Revenue is generated as a result of transactions with or related to the Company's franchisees. The Company sells Fitness equipment to franchisees to be used in franchised locations. Certain franchisees may prepay for equipment, and in that circumstance, the revenue is deferred until delivery. Equipment revenue is recognized when control of the equipment is transferred to the franchisee, which is at the point in time when delivery and installation of the equipment at the store is complete.

L. Recent Accounting Pronouncements

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities for most leases with terms longer than twelve months. The Company has evaluated the impact of this standard on its financial statements. See Note 7.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurements of Credit Losses on Financial Instruments. ASU 2016-13, along with subsequent clarifications and improvements (collectively, ASC 326), replaces the incurred loss impairment methodology in prior U.S. GAAP with a methodology that instead reflects a current estimate of all expected credit losses on financial assets, including receivables. ASC 326 requires that the Company measure and recognize expected credit losses at the time the asset is recorded, while considering a broader range of information to estimate credit losses including country specific macroeconomic conditions that correlate with historical loss experience, delinquency trends and aging behavior of receivables, among others. ASC 326 is effective for the Company beginning January 1, 2023. There was no impact on the Company's financial statements as a result of the implementation of this standard.

3. CASH AND CASH EQUIVALENTS

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. On December 31, 2024 and 2023 the Company's cash balance didn't exceed the FDIC insurance limits.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. As of December 31, 2024, and 2023 the Company had approximately $120,922 and $123,641 respectively in cash in its bank accounts.

The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

4. ACCOUNTS RECEIVABLE

As of December 31, 2024 and 2023 the balance accounts receivable consisted of the following:

	2024	2023
Royalty receivable	$ 17,902	$ 11,585
Brand fund receivable	3,964	2,565
Technology receivables	1,847	1,195
Initial franchise fees receivable	54,740	47,499
Total Accounts Receivable	**$ 78,453**	**$ 62,844**

5. PROPERTY AND EQUIPMENT

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

	2024	2023
Computer equipment	$ 9,846	$ 9,846
Furniture and fixtures	7,020	7,020
Vehicles	23,833	23,833
Website and purchased software	197,323	98,341
Total Cost	**238,022**	**139,040**
Accumulated Depreciation	(155,805)	(137,614)
Net Book Value	**$ 82,217**	**$ 1,426**

Depreciation expenses for the years ended December 31, 2024 and 2023 were $18,118 and $9,458 respectively.

6. LOANS

On July 22, 2020 the Company received Economic Injury Disaster Loan (EIDL) proceeds of $150,000 under Section 7(b) of the Small Business Act. The Small Business Act, which was established as part of the CARES Act, provides loans to qualifying businesses to be used solely as working capital to alleviate economic injury caused by disaster. During 2021, the SBA increased the maximum loan amount of EIDLs to $500,000. As a result, the Company applied for and received additional proceeds under its existing EIDL of $350,000 on September 21, 2021. On September 9, 2021, the SBA further increased the maximum loan amount of EIDL to $2,000,000 for qualifying businesses. As a result, the Company applied for and received additional proceeds under its existing EIDL of $1,500,000 on March 15, 2022. On December 31, 2024 and 2023 borrowings under the EIDL totaled $2,000,000 and $2,000,000 respectively. The EIDL is personally guaranteed by the Company's member.

The EIDL matures 30 years from the effective date of the loan and accrues interest at a fixed rate of 3.75%. On August 2023, the SBA extended the first payment due date to February 2024 for the repayment of the principle. The installments of principal and interest will be approximately $10,000 monthly starting on February, 2024.

On February 5, 2024, GYMGUYZ Franchising, LLC entered into a preferred lenders program with the U.S. Small Business Administration (SBA) for a loan amount of $150,000. The loan carries an interest rate of 13.25% and has a maturity date of February 1, 2034. As of December 31, 2024, the outstanding balance on the SBA loan was $143,493.

Future maturities of the principal amount are the following:

	Years ending December 31,
FY 2025	$ 59,933
FY 2026	61,647
FY 2027	63,426
FY 2028	65,274
FY 2029	67,192
Thereafter	1,826,021
Total notes payable	**$ 2,143,493**

7. LEASE

On May 1, 2022 the Company moved its headquarters to a new location, entering into a new lease agreement with an entity related by common ownership for office space in Melville, New York (the "HQ Lease"). The Company and its Members are guarantors of the financing obtained in the purchase of the new facility. The new leasing agreement, although consummated with a related party, is subject to the provisions of FASB ASC 842, Leases.

The HQ Lease is for 25 years, requiring monthly payments of $12,500. The HQ Lease has been classified as operating the lease does not include termination options for either party to the lease or restrictive financial or other covenants. Any variable lease payments in connection with occupying the facility are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred. As of December 31, 2024, the Company's remaining term on the lease is 268 months. The discount rate applied to the operating lease is 5.12%, which reflects the Company's incremental borrowing.

Right-of-use lease assets and lease liabilities are recognized as of the commencement date based on the present value of the remaining lease payments over the lease term, we are reasonably certain to exercise. The Company's leases do not contain any material residual value guarantees or material restrictive covenants.

Operating lease expenses are included in rent expenses. Leases were as follows.

	2024	2023
Operating lease expenses under ASC 842, Leases		
Rent–related party	$ 85,526	$ 85,526

The leases recorded on the balance sheet consist of the following:

	2024	2023
Assets		
ROU Assets	$ 1,917,143	$ 2,002,669
Liabilities		
Lease liabilities, current portion	50,260	47,867
Lease liabilities, net of current portion	1,944,481	1,994,741
	$ 1,994,741	**$ 2,042,608**

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 162,500	$ 162,500
ROU assets obtained in exchange for lease liabilities in non-cash transactions:		
Operating lease assets obtained in exchange for operating lease liabilities	$ 85,526	$ 85,526
Discount rate (1)	5%	5%

- The discount rate used for existing operating leases upon adoption of Topic 842 was established based on the risk-free rates treasury note 5 years term as of January 1, 2022 as the lease didn't provide an implicit rate, the Company uses its risk-free rate.

Future lease obligations for leases that have commenced were as follows as of December 31:

	Lease
FY 2025	$ 150,000
FY 2026	150,000
FY 2027	150,000
FY 2028	150,000
FY 2029	150,000
Thereafter	2,612,500
Total Lease payment	**3,362,500**
Less : Interest	(1,367,759)
Present value of lease liabilities	**$ 1,994,741**

As of December 31, 2024 the term and discount rate for the Company's leases were from 22.3 years and 5%, respectively.

8. LINE OF CREDIT

On February 1, 2023, the Company established a business line of credit with a limit of $30,000, bearing an annual interest rate of 36% on the outstanding balance. As of December 31, 2023, the outstanding balance on the line of credit was $2,500. The Company has the discretion to make principal payments as funds become available. Upon the expiration of the credit agreement, the full outstanding principal is due. On February 1, 2024, the Company paid off the entire remaining balance.

9. OTHER CURRENT LIABILITIES

Other current liabilities include marketing fund liability which is advertising advances and deposits from franchisees for the purpose of national and regional advertising. The use of these funds is restricted for advertising costs to benefit the franchisees. The funds cannot be utilized for the Company's advertising expenses in connection with the sale of franchises. The Company collects the funds before opening or during the first six (6) months from when the franchisees start the operation. The funds are collected and spent to conduct an initial marketing funds campaign to promote the opening of the respective franchise. The marketing fees deposit as of December 31, 2024 and 2023 were $288,992 and $238,068, respectively.

10. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

Information regarding revenues disaggregated by the timing of when goods and services are transferred consist of the following for the years ended December 31:

	2024	2023
Revenue recognized over time	$ 932,530	$ 539,620
Revenue recognized at a point in time	1,776,200	1,062,947
Total Revenue	**$ 2,708,730**	**$ 1,602,567**

Contract Balances

The following table provides information about the change in the franchise deferred expenses balances during the years ended December 31:

	2024	2023
Beginning balance	$ 1,528,234	$ 1,240,975
Additional deferred expenses	556,953	509,882
Expenses recognized – additional deferred expenses	(396,740)	(222,624)
Deferred expenses	**1,688,447**	**1,528,234**
Less: current maturities	290,242	252,327
Deferred expenses, net of current maturities	**$ 1,398,205**	**$ 1,275,907**

The following table provides information about the change in the franchise contract liability balances during the years ended December 31, 2024 and 2023 respectively. Franchise contract liability is included in deferred revenue on the accompanying balance sheets.

	2024	2023
Beginning balance	$ 3,827,207	$ 3,038,083
Additional deferred revenue	1,599,610	1,328,744
Revenue recognized – additional deferred revenue	(932,530)	(539,620)
Deferred revenue	**4,494,287**	**3,827,207**
Less: current maturities	743,900	617,939
Deferred revenue, net of current maturities	**$ 3,750,387**	**$ 3,209,268**

11. RELATED PARTY TRANSACTIONS

On August 26, 2013 the Company entered into a license agreement with the Licensor (the "License Agreement") for the use of various registered names, as defined in the License Agreement. The License Agreement will automatically renew for one-year periods after the initial 99-year term. Pursuant to the License Agreement, the Company has acquired the right to sell GYMGUYZ franchises, as well as various other trademarks, as defined in the License Agreement, and collect franchise fees, royalties and other fees from franchisees. The Licensor will not execute any other agreements in conflict with the provisions pursuant to the License Agreement. The Company is obligated to pay the Licensor a license fee equal to $1 annually.

On May 1, 2022 the Company moved its headquarters to a new location owned by the Company' member, entering into a new lease agreement with an entity related by common ownership for office space in Melville, New York (the "HQ Lease"). The Company and its Members are guarantors of the financing obtained in the purchase of the new facility. As of 2024 and 2023 payments were $85,526 and $85,526 respectively. See note 7 for lease details.

12. LITIGATION

The Company is, from time to time, involved in ordinary and routine litigation. Management presently believes that there are no proceedings, individually or in the aggregate, which will have a material adverse effect on the Company's financial position, results of operations or cash flows. Nevertheless, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include money damages and, in such event, could result in a material adverse impact on the Company's financial position, results of operations or cash flows for the period in which the ruling occurs. There is no pending litigation, or known threat of litigation, as of the date on which these financial statements were available to be issued.

13. ADVERTISING EXPENSES

Advertising costs for the years ended December 31, 2024 and 2023 were $715,695 and $314,193 respectively. These costs were expensed as incurred.

14. EMPLOYEE RETENTION CREDITS

Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), enacted on March 27, 2020, and its subsequent extensions, the Company was eligible for an employee retention credit. The Company recognized $0 in employee retention credit for the fiscal year ended December 31, 2024, and $208,878 for the fiscal year ended December 31, 2023.

15. LIQUIDITY AND BUSINESS RISK

Driven by sustained negative cash flows from operations and negative working capital (excluding deferred franchise fees and operating lease liabilities), the Company's accumulated deficit increased from $4,867,292 as of December 31, 2023, to $5,588,175 as of December 31, 2024. Furthermore, the Company demonstrates low liquidity compared to its short-term obligations.

Since its inception, the Company's operations have been funded through a combination of cash from operations, bank debt, and funding from its member. The Company is growing and, as such, continues incurring expenditures in the near term to benefit the future as it looks to grow the franchisee base and expand into new markets. Such expenses could be reduced or eliminated to improve operating cash flows as needed.

As of December 31, 2024, the Company held approximately $120,922 in unrestricted cash and $78,212 in accounts receivable, compared to $123,641 and $62,844, respectively, in 2023. Current liabilities, excluding deferred franchise fees and the current portion of operating lease liabilities, totaled approximately $914,369 in 2024 and $782,958 in 2023. Management is actively pursuing measures to improve operating cash flows, primarily through reductions in general and administrative expenses and increased franchisee sales volume. The Company continues to sell franchises, maintains vendor payments within normal terms, and meets its debt service obligations. Furthermore, the Company's member has committed to providing funding to support ongoing operations during periods of cash flow variability.

Management believes that the combination of the actions taken, including cost-cutting initiatives, continued sales of additional franchises, and the continued funding and support of the Company’s member will ensure the viability of the Company, enabling it to meet its funding requirements for one year from the date these financial statements were available to be issued.

16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 24, 2025 which is the date the financial statements were available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.

Exhibit F

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#1 IN HOME PERSONAL TRAINING

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Exhibit G

STATE ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.

2. 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.).

3. The Franchise Agreement contains covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The Franchise Agreement requires binding arbitration. The arbitration will occur in the then- current State and County where our corporate headquarters is located with the costs being borne by equally by the parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

7. The Franchise Agreement requires application of the laws of New York. This provision may not be enforceable under California law.

8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

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

10. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

11. OUR WEBSITE, www.gymguyz.com, and www.gymguyzfranchise.com HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

12. Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can

resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable.

13. Franchisees and all owners must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk if your franchise fails.

14. 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.

15. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

16. **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.**

17. Item 5 of the Disclosure Document is amended to provide that all of the initial fees (payable under the Franchise Agreement) shall be deferred until franchisor has satisfied all of the pre- opening obligations to franchisee. The California Department of Financial Protection and Innovation has imposed this deferral requirement due to the franchisor's financial condition.

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF CALIFORNIA

This addendum between _____ and GYMGUYZ FRANCHISING, LLC effectively amends and revises the Franchise Agreement dated _____, (the "Franchise Agreement") as follows:

1. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

2. Both the governing law and choice of law for franchisees operating outlets located in California, will be the California Franchise Investment Law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.

3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

Except for the foregoing, all other provisions of the Franchise Agreement remain valid and unchanged.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

GYMGUYZ FRANCHISING, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

By:_____
Name:_____
Title:_____

ADDENDUM REQUIRED BY THE STATE OF HAWAII

This will serve as the State Addendum for the State of Hawaii for GYMGUYZ Franchising LLC's Franchise Disclosure Document and for its Franchise Agreement. The amendments to the Franchise Agreement included in this addendum have been agreed to by the parties.

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.

Based upon the franchisor's financial condition, the Hawaii Securities Commissioner has imposed a financial assurance requirement. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the Franchised outlet is open for business. Item 5 of the Disclosures, and the appropriate sections of the Franchise Agreement are amended accordingly.

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

GYMGUYZ FRANCHISING, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

By:_____
Name:_____
Title:_____

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1. The following item must be included within the Disclosure Document and the Franchise Agreement and shall replace contrary language that is in the Disclosure Document and the Franchise Agreement:

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for mediation or arbitration in a forum outside of this State." This Section of the Act replaces any contradictory language contained in the Franchise Agreement.

2. Illinois law governs the Franchise Agreement, to the extent applicable.

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

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

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

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

7. The Initial Franchise fee shall be deferred until franchisor has satisfied all of the pre-opening obligations to franchisee, and franchisee has commenced doing business, pursuant to Section 200.508 of the rules. The Illinois Attorney General's Office has imposed this deferral requirement due to franchisor's financial condition.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

GYMGUYZ FRANCHISING, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

By:_____
Name:_____
Title:_____

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for GYMGUYZ Franchising LLC's Franchise Disclosure Document and for its Franchise Agreement. The amendments to the Franchise Agreement included in this addendum have been agreed to by the parties. The documents are amended as follows:

1. Item 17 of the Disclosure Document is amended to state that 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.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. The appropriate sections of the Franchise Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

7. The appropriate sections of the Franchise Agreement are amended to state that 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.

8. The Franchise Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

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

10. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. Item 5 of the Disclosures, and the appropriate sections of the Franchise Agreement are amended accordingly.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

GYMGUYZ FRANCHISING, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

By:_____
Name:_____
Title:_____

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this _____ day of _____, 20_____, and effectively amends and revises said Disclosure Document and Franchise Agreement as follows:

1. Item 13 of the Disclosure Document and Article 7 of the Franchise Agreement are amended to conform to the requirements of Minnesota law, to the extent applicable, as follows:

"In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

2. Item 17 of the Disclosure Document and Article 16 of the Franchise Agreement are amended to conform to the requirements of Minnesota law, to the extent applicable, as follows:

"With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld."

3. Item 17 of the Disclosure Document and Articles 19 and 20 of the Franchise Agreement relating to Governing Law, Jurisdiction and Venue, and Choice of Forum sections, are amended to conform to the requirements of Minnesota law, to the extent applicable, as follows:

"Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. Item 17 of the Disclosure Document and Articles 4.2.5 and 15.2.1(h) of the Franchise Agreement are amended to conform to the requirements of Minnesota law, to the extent applicable, as follows:

"Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release with respect to the Minnesota Franchise Act."

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Section 20.8 of the Franchise Agreement is hereby amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial, to the extent applicable.

7. Section 20.4 of the Franchise Agreement regarding Limitations of Claims are hereby amended to comply with Minn. Stat. §80C.17, Subd. 5, to the extent applicable.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of $30 on a NSF check. This applies to everyone in Minnesota who accepts checks except banks.

8. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive

relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. Article 20 of the Franchise Agreement is hereby amended to conform to the requirements of Minnesota law, to the extent applicable.

9. The Franchise Agreement and Items 5 and 7 of the Franchise Disclosure Document are amended to provide that payment of initial franchise fees will be deferred until Franchisee has opened the franchised business.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____day of _____, 20___.

GYMGUYZ FRANCHISING LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

By:_____
Name:_____
Title:_____

NEW YORK ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

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 INFORMTION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THE FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NYS DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NY 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FOR 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 or transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

GYMGUYZ FRANCHISING, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

By:_____
Name:_____
Title:_____

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

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

1. Additional Disclosure: The following statements are added to Item 17.h:

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

   Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

2. 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.

3. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

GYMGUYZ FRANCHISING, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

By:_____
Name:_____
Title:_____

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSUREDOCUMENT, FRANCHISE AGREEMENT AND RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1 Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial, mediation, 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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

GYMGUYZ FRANCHISING, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

By:_____
Name:_____
Title:_____

Exhibit H

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

This Questionnaire should not be completed by residents of, or anyone seeking to locate a franchise in, the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin.

As you know, GYMGUYZ Franchising LLC (the "Franchisor") and you are preparing to enter into a franchise agreement (the "Franchise Agreement") for the establishment and operation of a GYMGUYZ Business (the "Franchised Business"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually, and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

Acknowledgments and Representations

1. Did you receive a copy of Franchisor's Franchise Disclosure Document (and all exhibits and attachments at least 14 calendar days prior to signing the Franchise Agreement or paying any consideration to the Franchisor (10 business days for Michigan; the earlier of 10 business days or the first personal meeting for New York; and the earlier of 14 calendar days or the first personal meeting for Iowa)? Check one: Yes _____No. If no, please comment:

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2. Have you studied and reviewed carefully Franchisor's Franchise Disclosure Document and Franchise Agreement? Check one: _____Yes _____No. If no, please comment:

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3. Did you receive a copy of the Franchise Agreement with any unilateral material changes made by Franchisor at least seven calendar days prior to the date on which the Franchise Agreement was executed? Check one: _____Yes. _____No If no, please comment:

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4. Do you understand all the information contained in both the Franchise Disclosure Document and Franchise Agreement? Check one _____Yes ____No. If no, please comment:

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5. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Franchise Disclosure Document, including statements, promises or agreements concerning advertising, marketing, training, support services or assistance to be furnished to you? Check one: ____No Yes____. If yes, please state in detail the oral, written or visual claim or representation:

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6. Did any employee, broker, or other person speaking on behalf of Franchisor make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted, or projected sales, revenues, expenses, earnings, income or profit levels at any Franchised Business, or the likelihood of success at your Franchised Business? Check one: _____No _____Yes. If yes, please state in detail the oral, written or visual claim or representation:

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7. Do you understand that the Franchise granted is for the right to develop one Franchised Business and that Franchisor has the right, subject only to the limited rights granted to you under the Franchise Agreement, to issue Franchises or licenses or operate competing businesses for or at locations, as Franchisor determines, near your Franchised Business? Check one: ____Yes _____No. If no, please comment:. If no, please comment:

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8. Do you understand that the Franchise Agreement contains the entire agreement between you and Franchisor concerning your Franchised Business, meaning that any prior oral or written statements not set out in the Franchise Agreement or Franchise Disclosure Document will not be binding? Check one: _____Yes _____No. If no, please comment:

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9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and experience, your business acumen, your location, the local market for Franchised Business products and services, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Franchised Business may change? Check one ____Yes _____No. If no, please comment:

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10. You further acknowledge that Executive Order 13224 (the "Executive Order") prohibits transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

(i) a person or entity listed in the Annex to the Executive Order;

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

11. Please list all states in which the undersigned are residents: _____.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO FRANCHISOR AND THAT FRANCHISOR WILL RELY ON THEM. BY SIGNING THIS DOCUMENT, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____ Date: _____

Signed: _____ Date: _____

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

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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	*Pending*
Maryland	*Pending*
Michigan	*Pending*
Minnesota	*Pending*
New York	*Pending*
Rhode Island	*Pending*
Virginia	*Pending*
Wisconsin	*Pending*
Washington	*Pending*

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If GYMGUYZ Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Iowa require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (14 calendar days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If GYMGUYZ 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, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is GYMGUYZ Franchising LLC located at 600 Broadhollow Rd., Suite 200, Melville, NY 11747. Its telephone number is (855) GYM-GUYZ (496-4899).

Issuance date: February 25, 2025 (Effective dates of this Disclosure Document in states requiring registration can be found on the State Effective Date page).

The name, principal business address and telephone number of the franchise sellers for this offering are (please fill in/check all that apply):

Josh York 600 Broadhollow Rd., Suite 200, Melville, NY 11747 (855) 496-4899		

Issuance Date: February 17, 2026

I received a Disclosure Document dated_____, that included the following Exhibits:

EXHIBIT A:	State Agents for Service of Process	EXHIBIT F:	Operations Manual Table of Contents
EXHIBIT B:	Franchise Agreement	EXHIBIT G:	Multi-State Addendum
EXHIBIT C:	List of Franchisees	EXHIBIT H:	Franchisee Disclosure Acknowledgment Statement Receipt
EXHIBIT D:	Franchisees Who Have Left the System		
EXHIBIT E:	Financial Statements		

Date Received: _____
(If other than date signed)

DATE:_____

Print Name:_____

Print Address: _____

City, State:_____

_____
(Signature of recipient)

Please return signed receipt to GYMGUYZ Franchising, LLC,
600 Broadhollow Rd., Suite 200, Melville, NY 11747

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If GYMGUYZ Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Iowa require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (14 calendar days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If GYMGUYZ 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, DC 20580 and the appropriate state agency listed on Exhibit A.

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EXHIBIT E:	Financial Statements		

Date Received: _____
(If other than date signed)

DATE:_____

Print Name:_____

Print Address: _____

City, State:_____

_____
(Signature of recipient)

KEEP FOR YOUR RECORDS