FRANCHISE DISCLOSURE DOCUMENT

LB FRANCHISING, LLC
d/b/a Legends Boxing
~~a~~A Utah limited liability company
4000 Town Center Blvd.
Suite 320
Canonsburg, PA 15317
412-977-0220
www.legendsboxing.com

LB FRANCHISING, LLC d/b/a Legends Boxing offers a franchise program to open a Legends Boxing workout and boxing facility and to operate using our Legends Boxing system.

The total investment necessary to begin operation of a Legends Boxing franchise is approximately $~~313,951~~285,065 to $~~621,035~~563,938. This includes $~~64,850~~72,450 to $77,550 that must be paid to ~~us~~the franchisor or ~~our affiliates~~affiliate. The total investment necessary to begin operation under a Legends Boxing area development agreement is approximately $~~366,951~~323,065 to $~~734,835~~817,238 for ~~3-5~~2-10 Franchised Businesses within a Development Area (with 2 as the minimum). This includes $~~117~~110,450 to $330,850 ~~to $178,650~~ that must be paid to ~~us~~the franchisor or ~~our affiliates~~affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our CEO, Michael Blair, at 4000 Town Center Blvd., Suite 320, Canonsburg, PA 15317, 412-977-0220.

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

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

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

Issuance Date: ~~September 9, 2019~~

May 18, 2020

~~**STATE COVER PAGE**~~

~~Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DOCUMENT.~~

~~Call the state franchise administrator listed in Exhibit D for information about the franchisor, or about franchising in your state.~~

~~MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.~~

~~Please consider the following RISK FACTORS before you buy this franchise:~~

- ~~THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION, AND LITIGATION ONLY IN PENNSYLVANIA. OUT OF STATE MEDIAITON, ARBITRATION, AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE, ARBITRATE, OR LITIGATE WITH US IN PENNSYLVANIA THAN IN YOUR HOME STATE.~~
- ~~THE FRANCHISE AGREEMENT STATES THAT PENNSYLVANIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.~~
- ~~THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.~~
- ~~YOU MUST MAKE MINIMUM ROYALTY AND OTHER PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.~~

~~THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO~~ **How to Use This Franchise Disclosure Document**

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

- ~~QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.~~
- ~~THE PRIMARY TRADEMARK THAT YOU WILL USE IN YOUR BUSINESS IS NOT FEDERALLY REGISTERED. IF THE FRANCHISOR'S RIGHT TO USE THIS TRADEMARK~~

IN YOUR AREA IS CHALLENGED, YOU MAY HAVE TO IDENTIFY YOUR BUSINESS AND ITS PRODUCTS OR SERVICES WITH A NAME THAT DIFFERS FROM THAT USED BY OTHER FRANCHISEES OR THE FRANCHISOR. THIS CHANGE CAN BE EXPENSIVE AND MAY REDUCE BRAND RECOGNITION OF THE PRODUCTS OR SERVICES YOU OFFER.

- THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more franchise brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: see the next page for state effective dates.

~~STATE EFFECTIVE DATES~~

~~The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.~~

~~This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:~~

~~State~~QUESTION	~~Effective Date~~WHERE TO FIND INFORMATION
~~California~~**How much can I earn?**	~~September 24, 2019~~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 F and G.
~~Hawaii~~	~~September 23, 2019~~
~~Illinois~~	~~October 30, 2019~~
~~Indiana~~	~~September 16, 2019~~
~~Maryland~~**How much will I need to invest?**	~~November 7, 2019~~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.
~~Michigan~~**Does the franchisor have the financial ability to provide support to my business?**	~~September 16, 2019~~Item 21 or Exhibit J includes financial statements. Review these statements carefully.
~~Minnesota~~**Is the franchise system stable, growing, or shrinking?**	~~December 24, 2019~~Item 20 summarizes the recent history of the number of company-owned and franchised outlets

~~New York~~**Will my business be the only Legends Boxing business in the area?**	~~February 14, 2020~~Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
~~North Dakota~~	~~January 6, 2020~~
~~Rhode Island~~	~~September 17, 2019~~
~~South Dakota~~	~~September 17, 2019~~
~~Virginia~~	~~January 14, 2020~~
~~Washington~~**Does the franchisor have a troubled legal history?**	~~November 4, 2019~~Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
~~Wisconsin~~**What's it like to be a Legends Boxing franchisee?**	~~September 12, 2019~~Item 20 or Exhibits F and G list current and former franchisees. You can contact them to ask about their experiences
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **Limited Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

3. **Minimum Royalty and Other Payments**. You must make minimum royalty and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

4. **Franchisor's 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.

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.

MICHIGAN ADDENDUM
TO THE DISCLOSURE DOCUMENT

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

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

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

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

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

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

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to: (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards; (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor; (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; (iv) The failure of the franchisee or proposed transferee to pay any sums

owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligation to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

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

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

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

In this Disclosure Document, "we," "us," or "our" means LB FRANCHISING, LLC, the franchisor. "You" or "your" means the person or entity that buys the franchise. If the franchisee is an entity, "you" also may mean the entity's owners.

The Franchisor

We are a Utah limited liability company formed on July 8, 2019. Our principal place of business is 4000 Town Center Blvd., Suite 320, Canonsburg, PA 15317.

We do business under the name "Legends Boxing" (the "Marks").

We have offered franchises since September 2019, however, through our predecessor, we have offered franchises since December 2017.

Our predecessor previously offered an Area Representative franchise in 2018-2019 pursuant to a separate Franchise Disclosure Document, pursuant to which Area Representatives would recruit and support unit franchisees in their territory in exchange for a portion of the initial franchise fee and royalty paid by the unit franchisee. Area Representatives do not have management responsibility related to the franchise. Nonetheless, we attach here as Exhibit L a list of Area Representatives by state. We intend to re-commence an Area Representative franchise offering, pursuant to a separate Franchise Disclosure Document, in late ~~2019~~2020.

We have not conducted a business of the type being franchised.

Exhibit D contains our agents for service of process.

Our Parents, Predecessors, and Affiliates

Parents

Our parent company is LB Brands, LLC, a Delaware Limited Liability Company formed on July 2, 2019, with a principal business address at 4000 Town Center Blvd., Suite 320, Canonsburg, PA 15317. LB Brands, LLC does not offer products or services to our franchisees and has never offered franchises in any line of business.

LB Brands, LLC is owned by Look Good Brands, LLC, a Delaware Limited Liability Company formed on March 13, 2019, with a principal business address at 4000 Town Center Blvd., Suite 320, Canonsburg, PA 15317. Look Good Brands, LLC does not offer products or services to our franchisees and has never offered franchises in any line of business.

Predecessors

We have a predecessor, Be A Legend, LLC, a Utah limited liability company formed on June 6, 2017 with a principal place of business is 80 North 850 East, Lehi, Utah 84043. On July 1, 2019, we acquired the assets of Be A Legend, LLC.

Affiliates

Legends Affiliates

We have an affiliate, LB Gear, LLC, a Utah limited liability company, formed on ~~October 20, 2016~~July 2, 2019, with its principal business address at 4000 Town Center Blvd., Suite 320, Canonsburg, PA 15317. This affiliate is a product supplier and manufacturer and offers and sells various boxing equipment, apparel and inventory to us, our franchisees and the public. It has no other business operations, does not conduct a business of the type being franchised, and does not offer, and has never offered, franchises in any line of business.

We have an affiliate, LB IP, LLC, a Utah Limited Liability Company formed on July 2, 2019 with a principal business address at 4000 Town Center Blvd., Suite 320, Canonsburg, PA 15317. LB IP, LLC owns the trademarks and intellectual property associated with this franchise and licenses those rights to us.

Our founding gym was operated by Legends Boxing, LLC, a Utah limited liability company formed on June 19, 2013, with a principal business address at 80 North 850 East, Lehi, Utah 840437. Legends Boxing, LLC conducted a business of the type being franchised here from 2013 until 2018 when it converted to a franchised outlet, and continued to conduct a business of the type being franchised here. Legends Boxing, LLC does not offer products or services to our franchisees and has never offered franchises in any line of business.

Deka Lash Affiliate

We have an affiliate, DL Franchising, LLC d/b/a Deka Lash, a Utah limited liability company formed on September 28, 2015, with a principal business address at 4000 Town Center Blvd., Suite 320, Canonsburg, PA 15317. DL Franchising, LLC offers franchises for the operation of a high-end, eyelash extension studio. DL Franchising, LLC does not offer products or services to our franchisees.

As of December 31, ~~2018~~2019, DL Franchising, LLC had ~~41~~74 franchised outlets in the United States.

The Franchise

We offer franchises to qualified persons and entities to operate using our system. Our system includes our business services, boxing and workout programs, advertising and promotions, gear and products, and operations and payment systems. Collectively, this is called the "System."

Our franchisees develop new facilities locations to offer and promote the System using the Marks. Facilities must be constructed in accordance with the guidelines that we develop. Franchisees receive mandatory training regarding the System, franchise facilities and operations and our boxing and workout programs to match the high quality of service required by the System. Our franchisees are required to use and follow the System.

At our discretion, we may offer to qualified candidates an Area Development Agreement, attached to this Franchise Disclosure Document pursuant to which the Area Developer obtains the right to develop and operate a prescribed number of Franchised Businesses (with 2 as the minimum) over an agreed-upon period of time, by signing and entering into our then current Franchise Agreement at the time of development of each territory, which such Franchise Agreement may

contain terms and conditions that are different from those in the form of franchise agreement included in this Disclosure Document.

The Market and Competition

The market for facilities, exercise facilities, services, and products is well developed and competitive. The principal sources of direct competition for our franchisees are other facilities and exercise facilities and health clubs. Indirect competition comes from online and video health and exercise programs. You may experience some seasonal fluctuations in your business. Facilities tend to be busier during the late fall, winter, and early spring and less busy in the summer and early fall; however, your location, climate and community will greatly affect whether you experience such fluctuations.

Industry Specific Regulations

You must comply with federal, state, and local laws that apply to your business. Some state or local laws may classify a boxing facility as a health club and require it to register as such or may require licensing or registration of a membership program for exercise or health club products and services. In those states, you must comply with state laws and regulations that apply to health clubs and fitness facilities such as laws (1) regulating membership contract length and terms, advertising and limitations on pre-opening sales, and (2) requiring bonding, buyer's remorse cancellation rights for limited periods (usually three to ten days after sale), and cancellation and partial refund rights for medical or relocation reasons. States may also require you to have an automated external defibrillator (AED) unit on-site with staff member(s) trained in how to use the AED and trained in CPR.

At the federal level, health clubs who sell memberships on credit may be subject to the federal Truth-In-Lending Act and Regulation Z and various other credit-related statutes like the Equal Credit Act and Fair Debt Collection Practices Act.

In addition, there is a trade association over the amateur boxing industry, USA Boxing, which is recognized as the national Governing Body for the sport of boxing in the United States. USA Boxing has issued Rules which provide guidelines on such topics as insurance requirements, boxer qualifications, anti-doping, rules of conduct during a boxing match, rules governing boxing gloves and equipment, and related matters. To the extent franchisees join USA Boxing or have boxing matches subject to the USA Boxing Rules, then those Rules would apply.

It is your responsibility to thoroughly ascertain, comply and investigate which regulations and/or licensing requirements your state, city or locality imposes. It will be your responsibility to ascertain and comply with all federal, state, and city, county, parish, borough, municipality or other local laws requirements. We do not assume any responsibility for advising you on these regulatory matters. You should consult with your attorney about laws and regulations that may affect your franchise business.

You should investigate the application of these laws further.

Referral Program

Currently, we pay a referral fee in the amount of $5,000 to franchisees, vendors and others who provide us with prospective franchisee leads that purchase a Franchise. This referral program is administered in our sole discretion and may be changed or discontinued by us at any time. The

referral fee is further subject to change at any time. Those who are eligible to participate in this referral program and who may provide references to prospective franchisees are not acting as our agent and do not speak for us, despite the receipt of a referral fee. We do not control what these individuals may say, and we cannot guarantee the accuracy of any statement made by them, to you or any other prospective franchisee.

ITEM 2.
BUSINESS EXPERIENCE

Scott Hatter, President and Chief Operations Officer

Scott Hatter has served as our President and Chief Operations Officer since November 2019. From April 2016 to the present, Mr. Hatter has also served as an Area Representative for Deka Lash in Colorado. From June 2013 to the present, Mr. Hatter has served as a franchisee for Waxing Studios in Salt Lake City, Utah. From September 2017 to November 2019, Mr. Hatter served as Vice President of Operations for Deka Lash in Canonsburg, PA. From January 2019 to September 2017, Mr. Hatter served as the Director of Operations for Deka Lash in Canonsburg, PA. From January 2016 to September 2017, Mr. Hatter served as Site Selection & Real Estate Manager for Deka Lash in Canonsburg, PA.

Andrew Scott, National Head Coach

Mr. Scott has served as our National Head Coach since July 2019 and served as the Director of Coaches for our predecessor, Be A Legend, LLC, in Lehi, Utah, from June 2017 until July 2019. Mr. Scott served as Head Coach for the Legends Boxing® facility in Lehi Utah since February 2014.

Mary Malie, Director of Operations

Ms. Malie has served as our Director of Operations in Lehi, Utah since July 2019. From September 2017 to July 2019, she served as Onboarding and Support Specialist for our predecessor, Be A Legend, LLC, in Lehi, Utah. She served social media analyst for NUVI in Lehi, Utah from May 2016 to September 2017. Prior to her position with NUVI, Ms. Malie worked as a fulltime homemaker.

Michael Blair, Chief Executive Officer

Mr. Blair has served as our CEO since July 2019. From September 15, 2018 to the present, Mr. Blair has served as the CEO of DL Franchising, LLC in Pennsylvania. From November 2016 until the present, Mr. Blair has also served as an Area Representative for DL Franchising, LLC in Florida through Lash Management South LLC. Mr. Blair has also served as the CEO of our affiliate, DL Products, LLC, since November 2015. Mr. Blair has also served as the CEO of Lash Spa Studio, LLC in McMurray, Pennsylvania since December 2012. Mr. Blair has also served as a Principal in Capital Markets Company, Inc. in New York, New York from April 2011 to August 2015.

Jerel Tomasello, Chief Operations Officer

Jerel Tomasello has served as our Chief Operations Officer since July 2019. From September 2017 to the present, Mr. Tomasello has also served as Chief Operations Officer and previously as Vice President of Corporate Strategy, for our affiliate, DL Franchising, LLC in Pennsylvania. Mr. Tomasello has also served as an Area Representative for DL Franchising, LLC through TNT TPA Lash LLC and TNT ATL Lash LLC in Florida and Georgia since December 2016, and a franchisee in Georgia through Lash Guys LLC since November of 2016. From June 2013 until August 2017, Mr. Tomasello served as the CEO of Silverlight Salons LLC in Florida. From October 2012 to July 2015, Mr. Tomasello served as the CEO of CCZ Ice Cream Inc. in Florida. From June 2009 until June 2016, Mr. Tomasello served as CEO of Gator Tax Inc. in Florida.

Michael Debenham, Chief Development Officer

Mr. Debenham has served as our Chief Development Officer since July 2017 and served as a member of the board of our predecessor, Be A Legend, LLC, in Salt Lake City, Utah, from June 2017 until July 2019. Since July 2019, and previously for our predecessor from December 2017 until July 2019, he manages our franchise sales and development activities, through his company Zee Sprout, LLC in Salt Lake City, Utah. Mr. Debenham's other principal positions during the past five years include: CDO, MJMK Enterprises, LLC in Salt Lake City, Utah from June 2018 to Present, COO, MJMK Enterprises, LLC in Salt Lake City, Utah from September 2015 to September 2016 and the Director of Legal Operations for MJMK Enterprises from October 2016 to September 2017; CEO, Debenham Capital, LLC a consumer finance lender in various locations in Utah, from November 2009 until the present; CEO, Debenham Management, Inc, a management company that owns and manages various entities, from May 2013 to the present; CEO, Debenham Holdings, LLC, a real estate holding company, from May 2013 to the present; CEO, Fat Slobs, LLC a Liberty Tax Service franchisee for in Anchorage, Alaska, from April 2004 to the December 2018.

Brad Collier, Vice President of Finance

Brad Collier has served as our Vice President of Finance since February 2019. From October 2016 to the present, Mr. Collier has also served as an Owner with Lash Guys LLC in Atlanta, GA. From January 2014 to October 2016, Mr. Collier served as the Director of Finance for Piedmont Newton Hospital in Covington, GA.

Marcus Slater, Chief Marketing and Technology Officer

Mr. Slater has served as our Chief Marketing and Technology Officer. From 2016 to 2019, Mr. Slater served as the Vice President of Marketing for Happy Tax Franchising in Miami Beach, FL. From 2011 to 2019, Mr. Slater was self-employed with Theory9 in Nashville, TN.

~~**Andrew Scott, National Head Coach**~~

~~Mr. Scott has served as our National Head Coach since July 2019 and served as the Director of Coaches for our predecessor, Be A Legend, LLC, in Lehi, Utah, from June 2017 until July 2019. Mr. Scott served as Head Coach for the Legends Boxing® facility in Lehi Utah since February 2014.~~

~~**Mary Malic, Director of Operations**~~

~~Ms. Malic has served as our Director of Operations in Lehi, Utah since July 2019. From September 2017 to July 2019, she served as Onboarding and Support Specialist for our~~

~~predecessor, Be A Legend, LLC, in Lehi, Utah. She served social media analyst for NUVI in Lehi, Utah from May 2016 to September 2017. Prior to her position with NUVI, Ms. Malie worked as a fulltime homemaker.~~

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 FEE

~~You must pay to us an Initial Franchise Fee as described below.~~

Single-Unit Franchises

The initial franchise fee is $51,900 (“Initial Franchise Fee ~~for your first Franchised Business is $51,900. For subsequent Franchised Businesses purchased by~~ ”).

If you ~~after~~are purchasing an existing franchise location from us the ~~signing of the first Franchise Agreement but prior to five years after the signing of the first Franchise Agreement the Initial~~initial franchise fee is $19,900 (“Resale Franchise Fee ~~is $41,900 each. You~~”).

If you convert an existing gym into a Legends Boxing gym, you do not pay the ~~entire Initial Franchise Fee at the time the Franchise Agreement is signed.~~ initial franchise fee (“Conversion Gym”)

The ~~Initial Franchise Fee is~~initial franchise fees are fully earned and nonrefundable ~~under any circumstances~~ upon signing of the franchise agreement and receipt of the funds~~.~~ by us.

If you fail to successfully complete the initial training program or fail to open the Franchise within the time limits expressed in the Franchise Agreement ~~as outlined in Item 11, below~~, we may terminate the Franchise Agreement and retain the entire Initial Franchise Fee.

Area Developers

At our discretion, we may offer to qualified candidates an Area Development Agreement, attached to this Franchise Disclosure Document ~~pursuant~~as Exhibit C, according to which the area developer (“Area Developer”) obtains the right to develop and operate a prescribed number of Franchised Businesses ~~(with 2 as the minimum)~~ over an agreed-upon period of time. Currently, we offer qualified candidates the right to enter into an Area Development Agreement to operate

multiple Franchised Businesses with the payment of the development fee ("Development Fee"), which is in lieu of the initial franchise fee, as follows:

Number of Franchised Businesses	Development Fee
2 Franchised Businesses	$89,900
3 Franchised Businesses	$104,900
4 Franchised Businesses	$137,800
5 Franchised Businesses	$165,700

~~2 Franchised Businesses $89,900~~
~~3 Franchised Businesses $104,900~~
~~4 Franchised Businesses $137,800~~
~~5 Franchised Businesses $165,700~~

For each Franchise Business right above five~~,~~ (5), purchased at the time of the signing of the Area Development Agreement, the incremental price is $27,900 per Franchise Business right.

The Development Fee is fully earned and nonrefundable under any circumstances upon signing of the Development Agreement and receipt of the funds by us.

If you fail to successfully complete the initial training program or fail to open any of the Franchises within the time limits expressed in the Area Development Agreement, we may terminate the Area Development Agreement and retain the entire Development Fee.

Additional Unit Costs (If Purchased Within 5 Years)

If you purchase additional Franchised Business rights after the signing of the Franchsie Agreement and/or Area Development Agreement, the price is $41,900 per Franchise Business provided the subsequent purchase occurs within five years after signing of the Area Development Agreement~~. The~~ or, in the case of a franchisee not under an Area Development ~~Fee is fully earned and nonrefundable under any circumstances upon~~ Agreement, within five years of signing ~~of the franchise agreement and receipt of~~ the ~~funds.~~first Franchise Agreement with us.

~~If you fail to successfully complete~~**Extension Fees**

We reserve the ~~initial training program or fail~~right to approve and charge you a $500 per month fee to ~~open any of~~extend the ~~Franchises within~~opening date of your franchise beyond the ~~time limits expressed~~365 days allowed by the franchise agreement and a $500 per month fee to extend the development timeline in the Area Development Agreement ~~as outlined in Item 11, below, we may terminate the Area Development Agreement and retain the entire Development Fee~~. This fee is fully earned and nonrefundable when paid.

~~**Products and Gear**~~

~~In addition to the Initial Franchise Fee or Development Fee, you must also pay to our affiliate LB Gear, LLC approximately $5,000 for initial gear and inventory to begin operation of the franchise, according to our current standards and specifications outlined from time to time in the Operations Manuals. Neither we nor our affiliate finance any portion of your purchases. Payment is due when you order the relevant gear and inventory from our affiliate and is non-refundable. We reserve the right to require you to process some or all product purchases through automatic account~~

~~withdrawal or electronic funds transfer processes we designate and outline in the Operations Manual.~~

~~If your Franchise Agreement or Area Development Agreement is terminated (whether for your failure to commence operations, failure to successfully complete initial training program, or for any other reason), we or our affiliates have no obligation to refund any portion of the purchase price for gear and inventory or other amounts paid by you.~~

Location Assistance Fee

Additionally, for your first location, you must pay to us at the same time as the Initial Franchise Fee, a Location Assistance Fee of $4,950. This fee offsets our costs in supporting your efforts to find and develop your first site. The Location Assistance Fee is fully earned and nonrefundable upon your signing of the Franchise Agreement and receipt of the funds by us. For your second and subsequent locations, you are not required to pay a Location Assistance Fee.

Coaches' Training Deposit

Additionally, for your first location, you must pay to us at the same time as the Initial Franchise Fee, a non-refundable Training Deposit, for two coaches' tuition, of $3,000 ($1,500 each). This Training Deposit pays for the initial training for your required two initial coaches. The Training Deposit is non-refundable and non-transferable except to an entity owned by the same owners with the same ownership percentages. For your second and subsequent locations, you are not required to submit a non-refundable Training Deposit, however you must still pay for or otherwise reimburse us for any training we provide.

You are exclusively responsible to pay for all travel, lodging, and living expenses you or your employees incur to receive the required initial training at a location we designate.

Products and Gear

In addition to the Initial Franchise Fee or Development Fee, you must also pay to our affiliate LB Gear, LLC approximately $5,000 for initial gear and inventory to begin operation of the franchise, according to our current standards and specifications outlined from time to time in the Operations Manuals. Neither we nor our affiliate finance any portion of your purchases. Payment is due when you order the relevant gear and inventory from our affiliate and is non-refundable. We reserve the right to require you to process some or all product purchases through automatic account withdrawal or electronic funds transfer processes we designate and outline in the Operations Manual.

If your Franchise Agreement or Area Development Agreement is terminated (whether for your failure to commence operations, failure to successfully complete initial training program, or for any other reason), we or our affiliates have no obligation to refund any portion of the purchase price for gear and inventory or other amounts paid by you.

Veteran Discount

We offer a 10% discount on the Initial Franchise Fee for the first Franchise Agreement signed by an honorably discharged veteran of the United States military that purchases through the VetFran program.

~~**Referral Fees**~~

Uniform and Non-Refundable

~~Currently, we pay a referral fee in the amount of $5,000 to franchisees, vendors and others who provide us with prospective franchisee leads that purchase a Franchise. This referral program is administered in our sole discretion and may be changed or discontinued by us at any time. The referral fee is further subject to change at any time. Those who are eligible to participate in this referral program and who may provide references to prospective franchisees are not acting as our agent and do not speak for us, despite the receipt of a referral fee. We do not control what these individuals may say, and we cannot guarantee the accuracy of any statement made by them, to you or any other prospective franchisee.~~

Except as otherwise described in this Item 5, the initial fees are uniform and non-refundable. We intend to raise the initial franchise fee after certain growth levels have been attained. The increased franchise fee and timing have not been determined as of this date. Occasionally, we may grant new franchises to our affiliates, owners, employees, friends and family with reduced or no initial fees.

[remainder of page intentionally left blank]

ITEM 6.
OTHER FEES

~~Type of~~ Fee	Amount	Due Date	Remarks
Royalty Fee	7% of Gross Revenue[2] or $150 per week, whichever is greater. After your 2nd year of operations, the minimum Royalty Fee increases to $250 per week.	~~By the third day after the close of each calendar week for the preceding week, or as~~As specified in the operations manual. Currently we collect royalties once a week on the 3rd day following the end of each period.	As a special incentive for new franchisees, for the first Franchise Facility opened by you, we do not charge royalties until the 3rd full calendar month of your first Franchise Facility being open. To qualify for this royalty incentive, the Franchise Facility must open within 12 months after the signing of the Franchise Agreement and none of the owners listed on the Franchise Agreement will have previously received the First Store Incentive for another Franchise Facility.
Brand Development Fund Contribution	Up to 3% of Gross Revenue. We currently require 1%[2]	~~By the third day after the close of each calendar week for the preceding week or as~~As specified in the operations manual. Currently we collect royalties once a week on the 3rd day following the end of each period.	With 30 days written notice, we can increase the required contribution up to 3% of Gross Revenue.

~~Type of~~ Fee	Amount	Due Date	Remarks
Technology Fee	$199 per month per executed franchise agreement from date of signing franchise agreement through the date of lease execution. $399 per month per franchise location thereafter. Subject to change once per calendar year.	5th day of the month for the preceding month, or as specified in the operations manual.	If deemed necessary, we can change the Technology Fee once a calendar year with 30 days' notice.
Gym Management Software	As specified in the Operations Manual, Currently $254/month	Monthly	You must pay the monthly fee for the client management, gym scheduling, and POS software we specify. This fee may vary.
Gym Content Communication System	As specified in the Operations Manual, Currently $30/month	As required by vendor, currently monthly.	You must pay the monthly fee for the content communication software we specify. This fee may vary.
Media Placement Management Fee	Currently $850 per month for the 90 days pre-open, then $750/month	Monthly	This fee may change. You must use an approved vendor to manage your media placement for your gym. We are an approved vendor for these services.
Minimum Local Marketing ~~Spend~~	Greater of $2,000 per month or 4% of Gross Revenue.	When due as billed by local advertiser.	If you fail to spend the minimum amount on Local Marketing, we have the right to require you to pay the unspent required balance to the Brand Development Fund.

~~Type of~~ Fee	Amount	Due Date	Remarks
Local Advertising Cooperative	As determined by the Cooperative	As voted and approved by the Cooperative	We do not have any local advertising cooperatives at this time. Your contribution to a local advertising cooperative would be determined by a vote of the members. Any contributions you make towards the Cooperative will be credited against your Minimum Local Marketing Spend requirement.
Music and Media Licensing Fee	Per the licensing companies' requirements, currently $1,200 per year.	As Incurred	You must pay your pro rata share of music licensing or other fees charged to provide music and media for use in your franchise facilities. You must use the designated vendor we specify.
Email Account Fee	Retail cost, which is currently $6 per account per month.	5th day of the month for the preceding month, or as specified in the operations manual.	For each email account, you will pay us the retail cost which is currently $6 per account per month. We may be a reseller of the licenses and receive compensation for such. You are required to have a Legendsboxing.com email (or other domain as we specify) for each owner, each coach and each account manager.
Opening Period Training and Assistance	$1,440 (3 days at our $480 per day) plus travel, lodging, living, wage and salary expenses, and per diems.	Before Training	Not part of the Initial Franchise Fee. You must pay us at our then-current rates (currently $480 per day or partial day per trainer.

~~Type of~~ Fee	Amount	Due Date	Remarks
Conventions	$400 - $1,000. Currently $480.	Due as specified in our Operations Manual. Currently we collect this in 24 semi-monthly payments payable at the same time as your royalty payment and other recurring payments.	You are required to attend our Conventions. You will be charged a reasonable convention fee for you and your employees to attend conventions or conferences that we host, currently this fee is $480 per person. For any Annual convention you do not attend you will be charged $1,000 which will be paid directly to the Brand Development Fund. In addition to the cost of the convention (if any), you are also responsible for all costs and expenses of travel, lodging, meals, entertainment, and wage and salary.
Payment Convenience Fee	Up to 3.75% of total charge	As incurred	If you make a payment to us or our affiliate with a credit card or debit card for any fee owed we may charge you a Payment Convenience fee of up to 3.75% of the total charge.
Customer Service Center Fee	The fee is as specified in the Operations Manual.	Monthly	We, an affiliate or a third party we designate may provide a customer service center to assist in inbound inquiries, appointment setting, sales and outbound sales or follow up. If required by us, you must participate in the customer service center and you agree to pay all reasonable fees imposed by the provider for those services. Additionally, you may be required to use a specific telephone number, phone, or VOIP system that we may specify.
~~Conventions~~	~~$400 - $1,000. Currently $480.~~	~~Due as specified in our Operations Manual. Currently we collect this as 12 monthly~~	~~In addition to the cost of the convention (if any), you are also responsible for all costs and expenses of travel, lodging, meals, entertainment,~~

~~Type of~~ Fee	Amount	Due Date	Remarks
		~~payments payable at the same time as your royalty payment and other recurring payments.~~	~~and wage and salary. FA 8.19~~
~~New Customer Lead~~Secret Shopper Fee	~~100% of Initial Revenue plus cost of boxing gloves or another promotional item.~~Anticipated to be $100 per quarter plus any costs incurred to secret shop the facility, such as purchasing gloves and wraps. May be modified at our discretion.	~~At the time of third party payment and redemption by customer.~~Upon demand, if occurred	~~We retain any revenue from deals, coupons, products, promotions, gift certificates, vouchers or such intended to help drive leads to Legends facilities. If specified in the deal you must provide a customer with a pair of Legends specified boxing gloves at your cost or other promotional items at your expense as outlined in the Operations Manual (currently $34 cost to you). You benefit if such a lead becomes a member of your facilities and you retain the resulting subsequent revenue including equipment upgrades, membership fees and in-facility purchases. FA 8.20~~We may use an independent service to conduct a "secret shopper" quality control and evaluation program. You must participate in this program, and we will require that you pay the then-current charges imposed by the evaluation services we direct, either directly to the evaluation service provider or to us as a reimbursement.
~~Opening Period Training and Assistance~~	~~$1,440 (3 days at our $480 per day) plus travel, lodging, living, wage and salary expenses, and per diems.~~	~~Before Training~~	~~Not part of the Initial Franchise Fee. You must pay us at our then-current rates (currently $480 per day or partial day per trainer. FA 8.21~~
~~Other On-Site, Coaching,~~	~~Provided at our discretion, at our then-current rates~~	~~Before Training~~	~~Not part of the Initial Franchise Fee. FA 8.22~~

~~Type of~~ Fee	Amount	Due Date	Remarks
~~Training and Assistance~~	~~(currently $480 per day). You are also responsible for travel, lodging, living, wage and salary expenses, and per diems.~~		
~~Media Placement Management Fee~~	~~As charged by the vendor. If you elect to use us, the management fee is currently $650 per month (as specified in the Operations Manual)~~	~~Monthly~~	~~You must use an approved vendor to manage your media placement for your gym. We are an approved vendor for these services.~~ ~~FA 8.53~~
Renewal Fee	$3,500~~.~~	When you enter into a new franchise agreement upon the expiration of the term of your original franchise agreement	You must be in compliance with your Franchise Agreement and meet certain conditions.~~ FA .2~~
Transfer Fee	$10,000 (complete transfer or transfer of a majority interest) $2,000 (transfer of a minority interest)	At the time you transfer the franchise or ownership in it.	Transferee must be approved by us and you must be in compliance with your Franchise Agreement. No fee if transferred from individual to business entity owned by the same owners with the same ownership percentages.~~ FA 8.24~~
Audit Fee	Cost of the audit plus any shortfall amount found to be due	On demand	~~Paid to us. You will be responsible for the full costs of the audit if it reveals a discrepancy of 2% or greater. F FA 8.25~~Payable if audit discloses an underpayment of royalty or fee by 2% of more.
Opening Deadline Extension Fee	$500 per month (or portion of month) for which the deadline is extended.	Upon approval of extension	Payable for each month that you are granted an extension beyond the 365 days allowed in your franchise agreement ~~FA 8.26~~

~~Type of~~ Fee	Amount	Due Date	Remarks
Interest and Late ~~Charges~~Fee	~~At the lesser~~Lessor of ~~1.5% per month~~18% annually or the ~~highest rate allowed~~maximum permitted by law. Plus, a $100 ~~service fee~~Late Fee per occurrence.	~~On demand~~Owed on past due amounts	~~Paid~~Interest will be applied retroactively to ~~us. Late charges are accrued until paid on all amounts owed to us~~day one for any payment that ~~are~~is more than 30 days past due ~~5 days.~~. Late Fee applies to any payment that is 7 days past due.
Business Listing & Promotion Fee	Up to $250 per month. Currently no charges fall in this category ($0).	On Demand	You must pay to us the cost of listing or promotion of your Franchised Business as specified in our manuals. If deemed necessary, we can change maximum monthly fee once a calendar year with 30 days' notice.
Unauthorized or Unreported Payment Fine	$500 per occurrence	On Demand	If you fail to report cash or other payments through your POS account, we may fine you $500 per occurrence and declare you in default of your franchise agreement and subject to termination pursuant to your franchise agreement~~. FA 8.29~~.
Quality Control Inspection Fee	Reasonable costs associated with inspection of your business (including transportation, meals, lodging and employee wages.)	On Demand	We may, at our sole discretion conduct a Quality Control inspection annually, or more frequently if you fail to maintain franchise standards, receive repeated consumer complaints or fail to comply with any provisions of the franchise agreement. You agree to pay us the reasonable costs associated with such inspections. ~~FA 8.30~~
Relocation Fee	$5,000	On demand	Payable if you move your facilities from the site to a new location.

~~Type of~~ Fee	Amount	Due Date	Remarks
Failure to Comply Fee	$500 for the first breach, $1,000 for the second breach, and $2,500 for the third breach and any other breaches	On demand	We may charge this fee if you breach any of the terms, conditions, or policies outlined in the franchise agreement or the operations manual, otherwise fail to comply with our standards and specifications, or use unauthorized products, equipment, or vendors. ~~FA 8.32~~
~~Sales, excise or gross receipts tax~~	~~If required by the federal, state or locality in which your franchise is located. Including sales, excise or gross receipts tax or similar type tax on the initial franchise fee, royalty, training, marketing and promotions, brand development fee, products, and any other services, products or fees.~~	~~At time of payment of fees to us which are subject to any tax~~	~~If we are charged with any tax by the authorized taxing authority of any state or political subdivision, you must pay those taxes or otherwise agree to allow us to deduct any amounts we paid. FA 8.33~~
Proposed Location Evaluation Fee (On Site)	$~~480~~500 per day per person for each full or partial day spent traveling and evaluating your proposed location plus all expenses including travel, lodging and meals.	As incurred	If requested by you, we may send a representative to travel to a proposed location to provide an on-site evaluation of the premises.
~~Music and Media Licensing Fee~~	~~Per the licensing companies' requirements, currently $1,200 per year.~~	~~As Incurred~~	~~You must pay your pro rata share of music licensing or other fees charged to provide music and media for use in your franchise facilities. You must use the designated vendor we specify. FA 8.35~~

~~Type of~~ Fee	Amount	Due Date	Remarks
~~Technology Fee~~	~~$199 per month per executed franchise agreement from date of signing franchise agreement through the date of lease execution. $399 per month per franchise location thereafter. Subject to change once per calendar year.~~	~~5th day of the month for the preceding month, or as specified in the operations manual.~~	~~The technology fee is to cover our costs associated with providing the technology needed to support the franchise system, including our website and intranet site. If deemed necessary, we can change the Technology Fee once a calendar year with 30 days' notice. FA 8.36~~
~~Gym Management Software~~	~~As specified in the Operations Manual, Currently $199/month~~	~~Monthly~~	~~You must pay the monthly fee for the client management, gym scheduling, and POS software we specify. This fee may vary. FA 8.33~~
~~Gym Content Communication System~~	~~As specified in the Operations Manual, Currently $30/month~~	~~As required by vendor, currently monthly.~~	~~You must pay the monthly fee for the content communication software we specify. This fee may vary.~~
Product Testing Costs	Reasonable out-of-pocket expenses and costs we incur, normally $2,500 or less	As incurred	If you desire to purchase products or services other than those provided by our approved suppliers, you may submit to us a written request for approval. We may charge you for the reasonable expenses and costs we incur to test and approve these suppliers, products or services.

~~Type of~~ Fee	Amount	Due Date	Remarks
Prospect Generation Fee	The lesser of $10,000 or the actual amount charged to us by a third party per territory	Prior to us giving consent to transfer a franchise agreement	In the event you decide to sell your franchise to an existing franchisee of ours or prospective franchisee that comes from a lead generated through us (including broker networks, consultants and referral sources used by us) you will be required to pay us a Prospect Generation Fee on each territory and/or each right to future territories before we will consent to the transfer of the franchise to such a buyer. This fee is in addition to the Transfer Fee.
~~Payment Convenience Fee~~	~~Up to 3.75% of total charge~~	~~As incurred~~	~~If you make a payment to us or our affiliate with a credit card or debit card for any fee owed we may charge you a Payment Convenience fee of up to 3.75% of the total charge. FA 8.41~~
~~Attorney~~Legal Fees and Costs	Actual amount of attorney fees and costs incurred	When incurred	You must reimburse our attorney fees for all expenses reasonably incurred (including attorneys' fees and costs): (i) to enforce the terms of your Franchise Agreement or any obligation owed to us and our affiliates, whether or not we initiate the legal proceeding, unless we initiate and fail to substantially prevail in such court or formal legal proceeding; and (ii) in the defense of any claim Franchisee asserts against us on which we substantially prevail in court or other formal legal proceedings.

~~Type of~~ Fee	Amount	Due Date	Remarks
~~Secret Shopper Fee~~Taxes and Indebtedness	~~Anticipated to be $100 per quarter plus any costs incurred to secret shop the facility, such as purchasing gloves and wraps. May be modified at our discretion.~~You will pay all taxes, assessments, liens, encumbrances, accounts, and other debts, regardless of their nature, assessed against you, the Franchise Premises, or inventory, materials, fixtures, and equipment used in your Franchise.	~~Upon demand, if occurred~~Payment will be made when due and before delinquent except when being contested in good faith by appropriate proceedings.	~~We may use an independent service to conduct a "secret shopper" quality control and evaluation program. You must participate in this program, and we will require that you pay the then-current charges imposed by the evaluation services we direct, either directly to the evaluation service provider or to us as a reimbursement. FA 8.43~~If we are charged with any tax by the authorized taxing authority of any state or political subdivision, including taxes on sales made to or licenses granted to you, or sales made by you at the Franchise Premises, you will pay those taxes and otherwise agree to allow us to deduct any amounts we paid. We do not charge royalty or Brand Development Fees on sales tax.
Sales, excise or gross receipts tax	If required by the federal, state or locality in which your franchise is located. Including sales, excise or gross receipts tax or similar type tax on the initial franchise fee, royalty, training, Brand Development Fee, products, and any other services, products or fees.	At time of payment of fees to us which are subject to any tax	

~~Type of~~ Fee	Amount	Due Date	Remarks
Assistance Fee in the event of death or incapacity	Reimbursement for reasonable expenditures incurred including travel, lodging, per diem and wages.	At time of expense	In the event of your death or incapacity, we are entitled to reimbursement from you or your estate for any reasonable expenses incurred continuing Services.
Client Refunds~~Email Account Fee~~	~~Retail cost, which is currently $6 per account per month.~~The amount of any fee we refund to a client	~~5th day of the month for the preceding month, or as specified in the operations manual.~~ At time of payment	~~For each email account, you will pay us the retail cost which is currently $6 per account per month. We may be a reseller of the licenses and receive compensation for such. You are required to have a Legendsboxing.com email (or other domain as we specify) for each owner, each coach and each account manager. FA 8.44~~If you do not resolve a client service complaint and we believe a reasonable basis exists for a refund to the client of all or a portion of the client fees, we may make the refund and bill you. You agree to pay the charges.
Legal Fees and Costs	Actual amount of legal fees and costs, including Attorney Fees	When incurred	If your franchise is located in territory that falls under an Area Representative and you bring claims against the Area Representative, you will reimburse us or the Area Representative for any legal fees and costs incurred in defending such claims.

~~Type of~~ Fee	Amount	Due Date	Remarks
Customer Service Resolution Reimbursement	Our costs and expenses	At time incurred	At our option, if we use our personnel or other resources to respond to or attempt to resolve any complaint by any customer assigned to you or not (based on your failure to live up to your contractual obligations or enforceable promises, which complaints we find in the exercise of our good faith judgment to be reasonable), then you will be responsible to reimburse for our costs and expenses.
Recovery of Lost Royalty (Liquidated Damages)	Amount equal to 3 years of expected royalties	Within 15 days of termination	If you or we terminate this Agreement before the end of its term, except upon our material uncured breach, then, in order to compensate us for lost future revenue, harm to goodwill, and increased costs to us to re-franchise, you shall pay this fee to us.
New Customer Lead Fee	100% of Initial Revenue plus cost of boxing gloves or another promotional item.	At the time of third party payment and redemption by customer.	We retain any revenue from deals, coupons, products, promotions, gift certificates, vouchers or such intended to help drive leads to Legends facilities. If specified in the deal you must provide a customer with a pair of Legends specified boxing gloves at your cost or other promotional items at your expense as outlined in the Operations Manual (currently $34 cost to you). You benefit if such a lead becomes a member of your facilities and you retain the resulting subsequent revenue including equipment upgrades, membership fees and in-facility purchases.

~~Type of~~ Fee	Amount	Due Date	Remarks
Other On-Site, Coaching, Training and Assistance	Provided at our discretion, at our then-current rates (currently $480 per day). You are also responsible for travel, lodging, living, wage and salary expenses, and per diems.	Before Training	Not part of the Initial Franchise Fee.

Notes

1. The above table shows all other applicable fees, including all recurring and isolated fees, at their current rates. Except where otherwise specified, we or our affiliates impose all the fees in this table, you pay them to us or our affiliates, and we or our affiliates do not refund them.

2. The fees and amounts are calculated based on your "Gross Revenue." "Gross Revenue" includes all revenue generated from the operation of the Franchise from whatever source derived and means the total Revenue for any calendar week or other accounting period specified in the Operations Manual. "Gross Revenue" includes, but is not limited to sales, memberships, prepaid programs, rentals, products, apparel, gear, vending, exchanges, services, labor, service charges, gross sales on deal sites (including Groupon and Living Social) attributed to your franchise, service contracts, any other type of remuneration, gift, contra-deal, barter of products or services, charity, payment in kind, or any other benefit or value that is received or deferred to be received, and excludes discounts, refunds, and sales taxes. Credit transactions will be included in Revenue as of the date of the transaction without deduction for uncollected credit accounts. The proceeds from any business interruption insurance or eminent domain recovery you receive will be included in Gross Revenue.

3. The payment of all fees, including Royalties, Brand Development Fund Contributions, Technology Fees and other Accounts Receivable payable by you to us, may be required, at our discretion, to be made by automatic account withdrawal or other automatic processes we reasonably specify in the Operations Manual, including processes whereby we are authorized by you to remove the payment directly from your bank account.

4. Any amount due us may, at our discretion, be offset or deducted from any amounts otherwise due to you. If you are party to more than one franchise agreement or separate entity with us, you agree that we may offset or deducted from any amounts otherwise due to you under one franchise agreement across all franchise agreements and entities proportionate to your ownership share in that entity or franchise agreement.

5. Currently our policy is that we will send you weekly and monthly reconciliation of any amounts due us ("Accounts Receivable" or "AR"), including Royalties, Brand Development Fund Contributions, products, gift cards, and refunds and you have ~~7~~3 calendar days to respond with any corrections, errors or modifications to the Accounts Receivable. If you

do not respond within ~~7~~3 calendar days, you consent that this amount due is fair and accurate and due immediately in full. After the response period, we will then initiate an automatic account withdrawal for the amount due. This policy may be updated in our Operations Manual.

6. The maximum interest rate under California law is 10% per annum.

ITEM 7.
ESTIMATED INITIAL INVESTMENT

TABLE 1.
YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee (Note 1)	$51,900	$51,900	Check	Upon entering into franchise agreement	Us
Location Assistance Fee (First Unit Only) (Note 2)	$4,950	$4,950	As Arranged	Upon entering into franchise agreement	Us
Non-Refundable, Coaches Training Tuition Deposit (Note 3)	$3,000	$3,000	As Arranged	Upon entering into franchise agreement	Us
Opening Period Training & Assistance (Note 4)	$2,800	$3,400	As Arranged	Upon entering into franchise agreement	Us
Coaches Initial Training (Note ~~4~~5)	$~~11,663~~6,919	$~~16,794~~15,984	As Arranged	Before opening, as incurred	Third-party vendors
Franchisee Initial Training (Note ~~5~~6)	$1,~~425~~350	$~~6,075~~4,050	As Arranged	Before opening, as incurred	Third-party vendors
Design / Architectural Plans (Note ~~6~~7)	$999	$~~15,000~~14,499	As Arranged	Before opening, as incurred	Third-party vendors

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
Leasehold Improvements (Note 78)	$621,200	$160,000 148,795	As Arranged	Before opening, as incurred	Third-party vendors
Lighting & Flooring (Note 89)	$25,2341 8,532	$32,8742 4,158	As Arranged	Before opening, as incurred	Third-party vendors
Signage (Note 910)	$7,5005,0 00	$20,0001 7,500	As Arranged	Before opening, as incurred	Third-party vendors
Furniture, Fixtures and Equipment (Note 1011)	$99,9768 6,822	$123,133, 473	As Arranged	Before opening, as incurred	Third-party vendors
Computers and Software (Note 1112)	$4,9403,4 40	$6,31081 0	As Arranged	Before opening, as incurred	Third-party vendors
Start-up Supplies / Inventory (Note 1213)	$65,000	$129,500	As Arranged	Before opening, as incurred	Us, our affiliate, & Third-party vendors
Pre-Opening & Grand Opening Marketing (Note 1314)	$15,8001 3,300	$2118,70 0	Check / Charge	Before opening, as incurred	Third-party vendors
Post-Opening Marketing (Note 1415)	$10,8509, 000	$13,8001 2,900	Check / Charge	Before opening, as incurred	Third-party vendors
Insurance & Permits (Note 1516)	$2,400	$4,750	As Arranged	Before opening, as incurred	Third-party vendors
Professional Fees (Note 1617)	$1,250	$5,000	As Arranged	Before opening, as incurred	Third-party vendors
Security Deposits (Note 1718)	$75,200	$1713,00 0	As Arranged	Before opening, as incurred	Third-party vendors
Rent (Note 1819)	$2118,00 0	$4536,00 0	As Arranged	Monthly	Landlord & Third-party suppliers
Utilities (Note 1920)	$1,230080	$5,385	Check / Charge	Monthly	Third-party utilities
Payroll (Note 2021)	$25,03218,521	$32,123	Check / Charge	Bi-Weekly or Bi-Monthly	Employees
Additional Funds-3 months (Note 2122)	$54,402	$138,402	As Arranged	As incurred	Us & Third-party Vendors
TOTAL (Notes 22 & 23 & 24)	$313,951 **$285,065**	$621,036 **$563,938**			

*None of the fees paid to us in the above table are refundable. Whether fees paid to third parties are refundable would depend on their policies

Notes from Table 1

1. Initial Franchise Fee- The initial franchise fee is $51,900 for one outlet. We base the above table on the purchase of a single franchise. We offer a 10% discount on the Initial Franchise Fee for the first Franchise Agreement signed by an honorably discharged veteran of the U.S. military that purchases through the VetFran program. Neither we nor an affiliate finances any part of the initial investment.

2. Location Assistance Fee- ~~You pay this~~Only paid for the first unit you open. This fee offsets our costs in supporting your efforts to ~~us to help you~~ find and develop a ~~location for your Franchised Business~~site. The Location Assistance Fee is non-refundable upon your signing of the franchise agreement and receipt of the funds by us.

3. Coaches Training Tuition Deposit- You pay this non-refundable deposit for the tuition costs to train two of your coaches.

4. Opening Period Training & Assistance- These are the estimated travel, lodging, and daily rate costs for our representative to visit you at your location, during your opening period for 3 days. These costs will vary depending on how far our representative must travel, the type of accommodations, and other factors.

~~4.~~5. Coaches Initial Training- These are the estimated travel, lodging, and other costs for us to train your coaches. The ~~first~~ training is ~~of~~for your two coaches at our location in Lehi Utah ~~and the second training is by our representative, at your location, during your opening period. .~~ These costs will vary depending on how far participants must travel, the type of accommodations you select, and other factors.

~~5.~~6. Franchisee Initial Training- These are the estimated costs for your travel, lodging, and other costs to attend initial training. These costs will vary depending on how far you must travel, the type of accommodations you select and other factors.

~~6.~~7. Design/ Architectural Plans- ~~These are the estimated costs~~Low cost is based on our third-party Furniture, Fixtures, and Equipment provider laying out the space, and no architecture plans are needed. If you desire architectural plans to assist or as required by your locality, you will incur architectural fees for ~~architect and design services on~~ the ~~build out of your facility~~plans which are estimated in our high number.

~~7.~~8. Leasehold Improvements- These are costs you will incur to build out and equip your facility. The low amount is based on the Landlord providing the space in a vanilla shell with the ceilings, plumbing, heating and cooling (HVAC), interior walls painted, electrical outlets, rest rooms, and flooring installed. The high amount anticipates ~~your~~you paying for the majority of the tenant improvements. These costs will vary considerably based on your market.

~~8.~~9. Lighting & Flooring- These are the estimated costs to purchase, ship, and install lighting and flooring in your facility. The low amount is based on the specified lighting and flooring package for a 3,000 square foot facility and the associated shipping costs.

The high amount is based on the specified lighting and flooring package for a 4,000 square foot gym and the associated shipping costs.

~~9.~~10. Signage- These are the estimated costs of interior and exterior signage for your facility.

~~10.~~11. Furniture, Fixtures, and Equipment- These are the estimated costs for the furniture, fixture, and equipment you will need to equip your facility. The low amount is based on the standard Furniture, Fixtures and Equipment package for a 3,000 square foot facility including the associated shipping and installation costs. The high amount is based on the standard Furniture, Fixtures and Equipment package from our supplier for a 4,000 square foot facility including the associated shipping and installation costs.

~~11.~~12. Computers and Software- You will need computers and software as we describe in Item 11, below, to run the Franchised Business.

~~12.~~13. Start-up Supplies/ Inventory- These costs are for initial supplies and inventory of fitness related items that you will sell in your facility and includes all of the products, inventory, and any other items that bear the Marks.

~~13.~~14. Pre-Opening & Grand-Opening Marketing- We require you to engage in Pre-Opening & Grand-Opening Marketing to promote your Franchised Business. These figures include the costs for the Pre-opening marketing, the grand opening, Media Placement Management Fee, and costs associated with the boxing gloves and wraps given away as part of the introduction promotion.

~~14.~~15. Post-Opening Marketing- We require you to engage in Pre-Opening & Post-Opening Marketing to promote your Franchised Business. These figures include the costs for the first 3 months of Post-opening advertising, Media Placement Management Fee, and costs associated with the boxing gloves and wraps given away as part of the introduction promotion.

~~15.~~16. Insurance & Permits- You must obtain a local business license, building and occupancy permits, and insurance per our specifications, with present insurance specifications in Item 8 below.

~~16.~~17. Professional Fees- We encourage you to consult with an attorney or accountant to assist in the purchase of this franchise and any entity formation work you may need.

~~17.~~18. Security Deposits- These are the estimated costs of real property and other security deposits.

~~18.~~19. Rent- Rent is based on a commercial facility for the first 3 months of operations. Rental costs vary considerably by geographic area and the size of the location you select, among other factors.

~~19.~~20. Utilities- You will incur electricity, internet, telephone, and possibly other utility expenses.

~~20.~~21. Payroll- These are the estimated payroll costs for recruiting and paying your coaches and account manager for the first 3 months of operation. These costs will vary depending on the number of employees, geographic area, and prevailing wage rates.

~~21.~~22. Additional Funds- We base our estimate of the Additional Funds you will need on the experience of our founding gym, run by Legends Boxing, LLC in Lehi, Utah, as a company store from 2013 – 2018, then as a franchised outlet since 2018.

~~22.~~23. Total- This represents working capital needed to open and operate your franchise during your first 3 months in operation. Does not include Royalties, Brand Development Fees, depreciation, interest expenses or taxes. The estimate may not be adequate as the amount required will depend greatly upon the salary structure for your staff and employees, your variable costs, and other commitments made by you. Additional funds will be required to finance operations until a positive cash flow is produced. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

~~23.~~24. We do not finance any of these initial expenses.

TABLE 2.

YOUR ESTIMATED INITIAL INVESTMENT – AREA DEVELOPMENT AGREEMENT

Fee[1]	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Area Development Fee[2]	$~~104~~89,900	$~~165,700~~305,200	Check / Charge	Upon entering into Area Development Agreement	Us
Initial Investment for Your Initial Franchised Business[3]	$~~262,051~~233,165	$~~569,135~~512,038	See Table 1 above.		
TOTAL	~~$366,951~~$323,065	~~$734,835~~$817,238			

Notes from Table 2

1. *Generally* - The estimates set forth in this table assumes that you will be entering into an Area Development Agreement for the right to open and operate three to five Franchised Businesses within a Development Area and the cost of opening the first Franchised Business. Does not include royalties, Brand Development Fees, interest expense, depreciation, or taxes. The minimum number of franchises required to be open under an Area Development Agreement is two.

2. *Area Development Fee* - The Area Development Fee of $104,900 to $165,700 set forth in this Area Development Agreement Table above assumes you will be purchasing the right to develop a total of three Franchised Businesses (Estimated Amount Low) to five Franchised Businesses (Estimated Amount High) within your Development Area.

3. *Initial Investment for Your Initial Franchised Business* - This figure includes the total estimated initial investment required to open your one (1) initial Franchise Facility under the Franchise Agreement you must enter into with us at the same time as the execution

of your Development Agreement. This range includes all the estimated fees set forth in the *Table 1: Estimated Initial Investment – Franchise Agreement* above except for the Initial Franchise Fee because you will not be required to pay an Initial Franchise Fee if you enter into an Area Development Agreement. This figure does not include the costs associated with opening the second and subsequent Franchise Facilities which will incur additional costs. If you open additional Franchise Facilities, besides the first one, you will incur the costs from *Table 1: Estimated Initial Investment – Franchise Agreement* (excluding the Initial Franchise Fee and Location Assistance Fee) for each of these additional facilities.

Notes for Both Table 1 and Table 2

Unless otherwise stated in this disclosure document or permitted by suppliers of above-mentioned services or products, none of the expenses described in these tables are refundable.

You should anticipate the preceding initial expenditures in connection with the establishment of a Franchise and for the first 3 months of operations. Additional factors related to each expenditure category are described in the notes.

The investment and expenditures required of actual franchisees may vary considerably from the projections outlined above, depending on many factors, including geographical area, the amount of space leased by you and the capabilities of any particular management and service team. If you are purchasing multiple franchises, you will incur the estimated initial expenditures for each franchise you operate.

These tables estimate your initial startup expenses. These figures represent our estimates based upon our experience and the experience of our licensees. We do not guarantee that you will not have additional and different expenses than those we have identified in this table. Your actual costs will depend upon many factors, including, how well you follow our directions and suggestions, your business skill and experience, local economic conditions, the local market for your products, the location and condition of your franchise premises, the prevailing wage rates, competition, and your sales levels during the initial period.

You should review these estimates with your business advisors before you decide to purchase the franchise or to make any expenditure.

ITEM 8.
RESTRICTIONS ON SOURCES OF PRODUCTS & SERVICES

The Goods or Services Required to be Purchased or Leased

Advertising Materials

You must use advertising material from us, our affiliate, LB Gear, LLC, a vendor that we designate, or we must approve the advertising in writing, prior to its use.

Computer Systems

You, at your expense, purchase such computer hardware and subscribe to and use the Point-of-Sale, client management and gym scheduling, and other software systems that we specify. You will execute and be bound by all software licenses we require. We may change the computer hardware or software (including the point of sale software and facilities software) at any time and you are required to convert to the new system.

Insurance

Upon commencement of Franchise operations, and during the term of your Franchise Agreement, you will obtain and keep in force by advance payment of premium appropriate liability insurance as required by local laws and regulations of the jurisdiction within the Franchise Premises resides. The insurance will not be limited in any way because of any insurance we maintain. Maintenance of the required insurance will not diminish your liability to us under the indemnities contained in your Franchise Agreement. You must:

A. Maintain insurance policies protecting you and us (as additional insured). The policies must be written by an A.M. Best "A" or better rated insurance company

B. Include the following types and minimum amounts of coverage as well as any other insurance as required in the Operations Manual and as may be required by state law. We may require you to increase the minimum limits of coverage to keep pace with regular business practice and prudent insurance custom.

- *Commercial General Liability*: Coverage including bodily injury, property damage, and personal injury. Per occurrence of at least $1,000,000, annual policy aggregate of $2,000,000.
- Rented Premise and Fire Legal Liability: Coverage of at least $250,000.
- *Automobile*: Coverage for all owned, non-owned and hired vehicles of at least $1,000,000 for uninsured and underinsured motorist, bodily injury and property damage. Must include statutory personal injury protection per individual state requirements.
- *Workers' Compensation/Employers Liability*: As required by statute, workers' compensation coverage for employees and all owner(s) of at least $500,000 of employer's liability limits of protection.

C. Name us and our affiliates, officers, directors, members and agents and others as their interest may appear on a primary, noncontributory basis as an additional insured on these policies and send proof of same to us. Certificates of insurance must be sent in upon annual expiration date.

D. If you are an Area Developer, maintain insurance as required under their individual franchise agreements for Franchised Businesses to be open within the Development Area.

Leased Location

You will need a site in which to operate the Franchised Business. We furnish site selection guidelines. We require you to send to us any proposed lease and information as required by us to evaluate the site for our approval before you sign the lease. You must include our franchise addendum in any lease you sign (See Exhibit K-1). You may lease from any landlord.

Project and Construction Management

Unless approved otherwise by us in writing, you agree to use the construction management company we specify to assist in the build out of your franchise location.

Logo Bearing Items

Any products, inventory, or other items that bear the Legends Boxing® names or logos must be bought from an approved supplier, which may include our affiliate, LB Gear, LLC. Any apparel needed for your opening must be purchased at least 60 days before opening.

Music and Media

You must use the designated vendor we specify for your music and media systems and must use any designated channel or clearinghouse for music and other media as specified by us.

Products, Devices, Equipment, Inventory

You must purchase all products, devices, equipment, inventory, and all other items used in your franchised business from us, our affiliate, or suppliers we have approved to ensure the quality and uniformity of services in the Legends Boxing franchise system.

Inbound Call Center. (Customer Service Center)

We, an affiliate or a third party we designate may provide a call center to assist in inbound inquiries, appointment setting, membership sales, and such. If required by us, you must participate in the call center and you agree to pay reasonable fees imposed by the provider for those services. Additionally, you may be required to use a specific telephone number, phone, or VOIP system that we may specify to use these services. The fee is as specified in the Operations Manual.

Whether We or Our Affiliates Are Approved Suppliers.

We, and our affiliate, LB Gear, LLC, are currently the only approved suppliers of products, inventory, and any other items that bear the Marks. We and our affiliate, LB Gear, LLC, are approved suppliers of advertising material, but not the only approved supplier, as you may also submit advertising material to us which may be used upon approval. We are an approved supplier of advertising and media placement. We are an approved supplier of the inbound call center. We are an approved supplier of coaches training.

Officer Interests in Suppliers

Our officers Michael Blair, Jerel Tomasello, Scott Hatter, and Michael Debenham own an interest in us and in our affiliate, LB Gear, LLC.

Alternative Suppliers

With advance written notice, you may request our approval to obtain products, equipment, supplies, and materials from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples and other data to allow us to determine whether the items from these other sources meet our specifications and standards. These specifications and standards will relate to quality, durability, value, cleanliness, composition, strength and the suppliers' capacity and facility to supply your needs in the

quantities, at the times, and with the reliability necessary for efficient operation. But we do not have these standards in writing at this time and so they are not available to you. We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing before approval and use. We may license any supplier that can meet or exceed our quality control requirements and standards, for a reasonable license fee, to produce and deliver products to you but to no other person. We will notify you in writing of the approval or disapproval of any supplier you propose within 30 days of receiving written notice from you of your request for approval. If approved, you may contract with alternative suppliers who meet our criteria. We may charge you for the reasonable expenses and costs we incur, normally $2,500 or less, to test and approve these suppliers, products or services.

Issuance and Modification of Specifications

We issue and modify specifications and standards to franchisees or approved suppliers through our Operations Manual or through informational bulletins we issue from time to time.

Revenue from Required Purchases

We and our affiliates may derive revenue from providing products to you. This revenue results from sales to our franchisees of products; including products that in the future may bear our names and services marks.

In our last fiscal year ending December 31, 2019,~~2018, neither~~ we ~~nor our affiliates earned revenue from required purchases or leases by franchisees.~~

~~However, in our last fiscal year ending December 31, 2018, our predecessor~~ earned revenue of $~~134,013~~23,477 from required purchases or leases by franchisees, representing ~~80.36~~15.22% of ~~its~~our total revenue of $~~166,758~~154,275.

~~In~~Additionally, in our last fiscal year ending December 31, 2019~~2018~~, our affiliate LB Gear, LLC earned revenue of $~~58,728~~78,885 selling Legends Boxing gear and supplies to our ~~predecessor's~~ franchisees.

Required Purchases as a Proportion of Costs

We estimate that purchases from us, our affiliate, or approved suppliers will be from 30% to 50% of the total purchases to establish your franchise and from 40% to 70% of the total purchases you make to operate your franchise.

Supplier Payments to Us

Designated suppliers do not presently make payments to us from franchisee purchases, but we reserve the right to receive such payments in the future.

In our last fiscal year ending December 31, 2019~~2018~~, suppliers did not pay to us any rebates; however, they paid to ~~our predecessor $3,000~~us $4,500 as sponsorship for our ~~predecessor's~~ Awards Dinner.

Purchasing or Distribution Cooperatives

At this time, we do not have any purchasing or distribution cooperatives, however we reserve the right to create such purchasing or distribution cooperatives.

Purchase arrangements

We negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees.

Material Benefits

We currently provide material benefits to franchisees based on use of designated or approved sources including the right to renew your franchise rights and to obtain additional franchises.

ITEM 9.
FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT ("FA") and AREA DEVELOPMENT AGREEMENT ("ADA")	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition or lease	FA Section 3.13, 3.14, and FA Schedule 1	Items 11 & 12
b. Pre-opening purchases and leases	FA Sections 3.16, 3.17, 3.18, 6, 10.4, 16.2	Items 7, 8 & 11
c. Site development and other pre-opening requirements	FA Sections 3.15, 3.16, 3.17, 3.18	Items 7, 11 & 12
d. Initial and ongoing training	FA Sections 8.4, 8.17, 9, 10.2, 10.4, 14.1, 14.2; ADA Section 1.7	Items 6, 7 & 11
e. Opening	FA Sections 8.21, 10.1; ADA Sections 1.8, 1.9, Schedule 1	Item 11
f. Fees	FA Sections 1.2, 8, 13.6, 16.1, 17.13, FA Schedule 1; ADA Sections 1.3, 1.4, 1.14, Schedule 1; Authorization for Electronic Funds Transfer	Items 5 & 6
g. Compliance with standards & policies/ Operations Manual	FA Sections 1.4, 2.2, 3.15,3.16, 3.17, 3.18, 3.19, 4, 5, 6, 7, 8.27, 8.33, 9, 10.3, 10.4, 14	Items 8, 11 & 16

OBLIGATION	SECTION IN FRANCHISE AGREEMENT (“FA”) and AREA DEVELOPMENT AGREEMENT (“ADA”)	DISCLOSURE DOCUMENT ITEM
h. Trademarks and proprietary information	FA Sections 1.3, 4, 7, 10.4, 11, 13.6	Items 13 & 14
i. Restrictions on products and services offered	FA Section 5.1, 5.3, 5.7, 5.8, 5.9, 6, 8.27, 8.34, 10.4, 12.1	Items 8, 12, 13, 16 & 17
j. Warranty and customer service requirements	FA Section 8.44. 10.4	Item 11
k. Territorial development and sales quotas	FA Section 3.20; ADA Section 1 and Schedule 1	Item 12
l. Ongoing product & service purchases	FA Sections 4.3, 4.9, 4.11, 5.1, 5.7, 6, 8.16, 8.33, 8.34, 10.4, 11.4	Items 7 & 8
m. Maintenance, appearance, and remodeling requirements	FA Sections 2.2, 3.19	Item 11
n. Insurance	FA Section 16.6	Item 7
o. Advertising	FA Sections 4.2, 5, 7, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, 8.23	Items 11 & 13
p. Indemnification	FA Section 16.1, 16.2, 16.3, 16.4, 16.5	Item 6, 13 & 14
q. Owner's participation/ management/ staffing	FA Section 8.15, 9.4, 10.2, 14	Items 11 12 and 15
r. Records and reports	FA Section 8.20, 8.24, 10.4, 13.3,	Items 6 & 11
s. Inspections and audits	FA Section 8.20, 8.25, 10.5	Items 6 & 11
t. Transfer	FA Sections 8.19, 15; ADA Sections 1.13, 1.14	Item 17
u. Renewal	FA Section 2.2, 2.3, 8.18	Item 17
v. Post-termination obligations	FA Sections 12.4, 13.6, 13.7, 13.8; ADA Section 1.11	Item 17
w. Non-competition covenants	FA Section 12	Item 17
x. Dispute resolution	FA Section 17; ADA Section 2.9	Item 17

ITEM 10.
FINANCING

We do not offer direct or indirect financing. We do not guarantee your notes, leases, or obligations.

We may, at a future date, and at our sole discretion, offer financing of initial franchise fees for additional territories you purchase after you have successfully (as determined by our sole discretion) opened an operated at least one franchise facility. We anticipate charging an Annual Percentage Rate of 10%.

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

FRANCHISOR'S ASSITANCE

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

Pre-Opening Obligations

Before you open your Franchise, we will:

1. Evaluate the location for your Franchise. (Franchise Agreement, Sections 3.1 and 3.13). We do not generally own the premises and lease it to you. You select and we approve or disapprove the location before signing the Franchise Agreement. A typical location requires 2,500 to 3,500 square feet of space, most of which will be used for boxing and workouts and merchandise areas. We must approve any site you select before you sign a lease for that location. We will typically approve or disapprove a proposed site within 14 days of your submission to us of the pertinent information required by us on the proposed site. If we accept a proposed site and you obtain it, we will insert a description of the specific location in Schedule 1 to the franchise agreement. If you sign the Area Development Agreement, we will designate the "Development Area" in which you may open and operate franchises. (Area Development Agreement, Section 1.1, and Schedule 1). Please note that if the locations and territories of franchise units to be developed are not set forth in the Area Development Agreement, we will approve the location of future location and any territories for those outlets based on our then current standards for territories and site selection. If you and we ~~can not~~cannot agree on a site, we can allow you more time to search for a site or terminate your franchise agreement.

2. Provide you minimum specifications and guidelines for the build out and equipping of your location. (Franchise Agreement, Sections 3.16 and 10.4). It is your responsibility to conform the premises to federal, state or local ordinances, building codes, licensing

requirements (including that required for a boxing facilities) and obtain any required permits.

3. Provide an initial training course for you, your franchise managers, and your coach. (Franchise Agreement, Section 9.1; Area Development Agreement, Section 1.7)

4. Provide to you guidance to obtain equipment, signs, fixtures, opening inventory, and supplies. (Franchise Agreement 3.16)

5. Provide an Operations Manual with mandatory and suggested specifications. (Franchise Agreement, Section 10.3).

6. We do not provide, delivery, or install any of the equipment, signs, fixtures, or equipment. We instead provide specifications and the name of approved suppliers. We do, however, directly sell to you opening inventory and supplies for your pro shop. (Franchise Agreement, Section 3.17).

Time to Commence Operation

You will immediately proceed with your best efforts, skills, and diligence to open and begin commercial operation of your Franchise. You will be open and operational and within 365 days from the Effective Date of your Franchise Agreement. Factors that may affect this time are arranging for the training of owners and employees, meeting business permit and license requirements, finding a suitable site, negotiating a lease, obtaining any needed licenses or permits, performing the build out, obtaining furniture and equipment, hiring and training staff, obtaining an occupancy permit and your personal operational needs. If you fail to open the Franchise within this time limit, we may terminate the Franchise Agreement and will retain the entire Initial Franchise Fee. Additionally, we have no obligation to refund any portion of the purchase price for gear, inventory, Location Assistance Fee, training deposits or other amounts paid to us, our affiliates or third parties. (Franchise Agreement, Section 10.1).

Obligations After Opening and During the Operation of Your Franchise

During the operation of your Franchise business, we will:

1. Advise you in the advertising, marketing, and promotion of your Franchised Business, to the extent we deem necessary. We may from time to time, at our sole discretion, produce advertising material and conduct promotional programs. We may use online, radio, television, direct mail, billboards, print or other advertising. We may use local, regional, or national advertising. We may produce advertising material in-house or though outside agencies. (Franchise Agreement, Section 5).

2. Provide Franchisee / Franchise Manager Initial Training, Coaches Training and other Supplemental Training as described in this section below and as we deem necessary. (Franchise Agreement, Section 9)

3. Provide ongoing assistance, by telephone, email, Internet, or any other remote means appropriate for your employee training, records, program development, advertising, operational assistance, and use of the Operations Manual and the System. (Franchise Agreement, Sections 8.17, and 9.8).

4. Conduct activities to ensure compliance with the terms of the Franchise Agreement and Operations Manual to assure consistent quality and service throughout our franchise system. (Franchise Agreement, Section 10.5).

5. Periodically allow certain franchisees to attempt to develop new products and programs and provide ongoing supervision for the System. (Franchise Agreement, Section 4.9 and 10.4).

6. Periodically update the Operations Manual and specify changes and improvements in our software and communications technology. (Franchise Agreement, Sections 8.33 and 10.3).

ADVERTISING

Our Obligation to Conduct Advertising:

We may use the Brand Development Fund Fees below to conduct advertising in print and electronic format, including our website. The media coverage may be local regional, or national. We may source advertising from an in-house advertising department or a national or regional advertising agency. We are not required to spend any amount on advertising in the area or territory where you will be located.

Use of Your Own Advertising

You may use your own advertising ~~material~~materials provided that ~~it is truthful, in compliance with the law,~~prior to use, you submit them to us and we approve them, in writing, and they adhere to federal, state and local law. All Internet and social media marketing using our Marks must be coordinated through us and approved by us. If our written approval is not received within 14 days from the date we received any material or marketing request, the material or request is deemed disapproved.

Digital Marketing. We may create, operate and promote websites, social media accounts (including but not limited to Facebook, twitter, and Instagram), applications, digital advertising ~~material, in writing, in advance.~~(including pay-per-click and display ads) or other means of digital marketing to promote the brand, studios, marks and franchise opportunities. We have the sole right to control all aspects of any digital marketing including all digital marketing related to your studio. Unless we consent in writing, you or your employees may not conduct any digital marketing that uses our marks or relates to your studio, including through an independent website, or social media account. We may withdraw approval at any time and you must immediate modify or delete any digital marketing as required.

Advertising Council. We do not have an advertising council composed of franchisees that advise us on advertising policies.

Brand Development Fund. You will contribute to the Brand Development Fund an amount up to three (3%) of Gross Revenue. Currently the Brand Development Fund is one percent (1%) of Gross Revenue, however we may change the Brand Development Fund rate with 30 days' notice as we deem necessary. (Franchise Agreement, Section 8.7)

Brand Development Fund Contributors. All Legends Boxing facilities, regardless if owned by a franchisee or owned by us or our affiliate, must contribute to the Brand Development Fund a uniform percentage of their gross sales. We administer this fund and we will have the sole right to enforce the obligations of you and all our other franchisees who contribute to the Brand Development Fund. (Franchise Agreement, Section 8.8)

Brand Development Fund Uses. We may use the Brand Development Fund for any costs (including media and production) associated with advertising, promotional events, graphic design, photography, video production, branding, public relations, marketing, promotional materials, and any other activities we believe will benefit Legends Boxing, including creation, maintenance, optimization, and advertising of the company website or other websites, pay per click advertising, and administration of such, creating, conducting, and managing social media, creating, maintenance and promotion of software, franchise facilities, contests, direct mailers, promotions, and providing promotional materials to our franchisees. We have the right to develop all media and marketing programs (internally or through outside vendors), and have final decision on all promotions, creative concepts and media. We may add information about franchise opportunities to advertising and activities supported by the Brand Development Fund. We may use up to 15% of the Brand Fund to solicit new franchisees. We do not have to spend any amount on advertising in your area or territory. We may use all contributions and any earnings from the Brand Development Fund we receive from you in our sole discretion and utilize such local, regional, national, Internet and social media, or international advertising and marketing as we deem proper. You acknowledge that we may use the Brand Development Fund to maintain, administer, research, development, direct, prepare, conduct training related to marketing, run production and distribution programs, to place advertising and promotional materials, programs, and activities, and to pay our reasonably salaries, accounting, collection, legal, and other costs related to the above. (Franchise Agreement, Section 8.9)

Brand Development Fund Overhead Allocation. We will not use the Brand Development Fund to defray the cost of our general operating expenses except for reasonable allocation of overhead, including pro-rata amount of salaries and facilities, used to develop, research and administer the promotions, products and activities covered by the Brand Development Fund. (Franchise Agreement, Section 8.10)

Brand Development Fund Accounting. By making a written request to us, you may obtain an annual unaudited financial statement of Brand Development Fund, at the expense of the Brand Development Fund, available 120 days after our fiscal year end. We may use Brand Development Fund to pay for an independent audit of the Brand Development Fund, if we choose to have it audited. If we do not spend all Brand Development Funds received in a given year, we roll them over and apply them to the Brand Development Fund in the following year. (Franchise Agreement, Section 8.11)

Brand Development Fund Expenditures. ~~—~~ In our last fiscal year ending December 31, 2019, we~~2018, our predecessor~~ collected $~~6,746~~7,262 in Brand Development Fees and spent ~~100% of it,~~$20,058 on Brand Development Items including ~~38.05% ($2,567) on~~ advertising, collateral, and ~~61.95% ($4,179) on printed material. Any~~allocated salaries. The additional ~~amount spent~~funds, beyond what was collected, ~~was paid~~were provided to the Brand Development Fund from working capital ~~of our predecessor.~~ .

COMPUTER SYSTEMS

Computer Systems. You, at your expense, will subscribe to and use the Point-of-Sale, client management, and gym scheduling Software and other software systems that we specify. We may specify software, subscriptions, licenses, tablets, computer systems and equipment to assist in the operation of your Franchised Business. We may update, modify, or otherwise make changes to our software, subscriptions, licenses, tablets, computer systems and equipment specifications and that, in the event of any updates, modification or other changes in or additions to our specifications, you will promptly modify, replace or add to your existing software, subscriptions, licenses, tablets, computer systems and equipment at your sole expense. You must lease, purchase, or otherwise acquire, from sources as we require and at your expense, software and hardware which strictly conform to our specifications. You will be responsible for the costs associated with and required to purchase systems for your Franchise Locations, including the Point-of-Sale system, electronic signing and other software subscriptions or licenses as we require. You will communicate with us, our franchises and customers using our established communication guidelines, systems and forms. You will not use or attempt to use the procedures or software for any purpose or party other than those associated with us, the System and your Franchise, or in any manner inconsistent with your Franchise Agreement. You will execute and be bound by all software licenses we require. We may change the computer hardware or software (including the point of sale software and facilities software) at any time and you are required to convert to the new system at your expense. We, in our sole discretion, may charge a license fee for some or all of the licenses we grant. We may be a reseller of the licenses and receive compensation for such. We keep and update the list of all licenses and any license fees in connection therewith in the Operations Manual. Our computer system requirements include access to the Internet. You must also have anti-virus, firewall, and spyware programs and Microsoft Office software. (Franchise Agreement, Section 8.33)

The cost of this computer software and hardware and related access is $4,000 to $7,000. You are required to have a computer, monitor, printer, and high-speed internet connection that meet our standards and specifications. None of the hardware you are required to obtain is proprietary to us. Any hardware that is functionally equivalent and fully compatible to that listed may be used. You are required to upgrade the computer systems to keep pace with technological advances, as expressed in updates to the Operations Manual. There are no contractual limits on the frequency or cost of these upgrades. We estimate that the annual cost for the obligation will be from $100 to $1,000. (Franchise Agreement, Section 8.33)

Security Video Camera System. You will install and maintain at your expense, a security video camera system with audio capability at your franchise facility, capable of being remotely by us through an internet connection. You must at all times give us unrestricted and independent electronic access to your cameras. The security video camera system type and use must be approved by us and compliant with our Operations Manual. (Franchise Agreement, Section 10.4)

Independent Access to Information. You agree that we will have and you are required to provide independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. You must at all times give us unrestricted and independent electronic access to your facilities information including, but not limited to your facilities software, appointment software and point of

sales system, for the purposes of obtaining information about the facilities. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. If, as part of a review of your business, we request a copy of any business records, you must send us at your expense these records within three business days of receiving our request. We will have access to all of your data in the software and there will be no contractual limitation on our right to access your information or data. (Franchise Agreement, Section 10.6)

Operations Manual. Exhibit E contains the Table of Contents of the Operations Manual along with the number of pages devoted to each subject. The Manual contains ~~72~~95 pages.

TRAINING

Prerequisite Training. All Franchisees and Coaches are required to complete approximately 20 hours of online training prior to attending in-person training.

Franchisee / Franchise Manager Initial Training. Franchisee / Franchise Manager Initial Training course for you and your designated Franchise Manager. The training course is currently four (4) days at our corporate training facilities in Lehi, Utah or at other locations we will designate. We do not charge you and your first designed franchise manager to attend but reserve the right to charge a reasonable fee if we permit you to bring anyone to initial training other than owners and your first designated franchise manager, regardless of when and where the individuals participate in initial training. You are encouraged to attend the training session ~~as soon as possible after executing~~around 30 to 60 days prior to opening their gym, dependent on when it is being offered by the ~~Franchise Agreement~~corporate team. We strongly recommend all owners attend the training, even if your franchise premises are being managed by a Franchise Manager. At a minimum, the Principal Owner must attend this training and must successfully complete this mandatory course to our satisfaction ~~within 90 days of signing the Franchise Agreement and~~ before you begin to operate your franchised business. (Franchise Agreement, Section 9.1). If you sign the Area Development Agreement, we have no obligation to provide the initial training program to you at our expense except pursuant to your first Franchise Agreement (Area Development Agreement, Section 1.7).

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Introduction	1 hour	N/A	Lehi, Utah, your location, or other designated locations
Standards and Specifications	3 hours	N/A	
Legends Boxing Workout and Techniques	4 hours	N/A	
Safety Procedures	1 hour	N/A	

Site Selection, Design, and Buildout	3 hours	N/A	
Business Operations	6 hours	N/A	
Products, Membership, Marketing and Promotions	5 hours	N/A	
Technology and Software	4 hours	N/A	
Administrative & Bookkeeping	2 hours	N/A	
Follow-up and Review	3 hours	N/A	
Total	32 hours	N/A	

We hold initial training classes quarterly or as needed at our headquarters or another designated location. We use the Operations Manual, Powerpoint presentations, and equipment used in operating a franchise as instructional material.

Instructors. Currently, our training instructors are Andrew Scott, Teri Harman and Mary Malie. We set forth our Instructors' experience here:

Andrew Scott, National Head Coach. Mr. Scott has served as our National Head Coach since July 2019 and served as the Director of Coaches for our predecessor, Be A Legend, LLC, in Lehi, Utah, from June 2017 until July 2019. Mr. Scott served as Head Coach for the Legends Boxing® facility in Lehi Utah since February 2014.

Teri Harman, National Account Manager. Teri Harman has served as a National Account Manager for us since July 2019. From September 2017 to the present, Ms. Harman has also served as a Yoga Instructor and Teacher Trainer for Yoga Vega in Saratoga Springs, Utah. From September 2013 to the present, Ms. Harman has also worked as an Author/Novelist in Saratoga Springs, Utah. From May 2011 to May 2018, Ms. Harman served as a Columnist and TV Segment Contributor for KSL broadcasting in Salt Lake City, Utah.

Mary Malie, Director of Operations. Ms. Malie has served as our Director of Operations in Lehi, Utah since July 2019. From September 2017 to July 2019, she served as Onboarding and Support Specialist for our predecessor, Be A Legend, LLC, in Lehi, Utah.

We disclose here the Instructors' length of experience with us and in the field:

Instructor	**Years of Experience in the Field**	**Years of Experience with the Franchisor***
Andrew Scott	~~5~~6	~~5~~6
Terri Harman	~~1~~2	~~1~~2
Mary Mallie	~~2~~3	~~2~~3

*Includes years of experience with our predecessor or any affiliate.

These instructors may use other members of the Legends Boxing corporate staff to provide information for areas over which they are responsible. Instructors will normally have a minimum of 1 year of experience in the field before training.

Coaches Training. The Coaches Training course is currently a five (5) day training that occurs at our designated training facilities (currently in Lehi, Utah). For training that occurs at our designated training facilities, prior to the start of training, you must pay to us a non-refundable fee of $1,500 for each coach who attends. The fees for your required two initial coaches are paid from the $3,000 Training Deposit, outline in Item 5, above. You must send to training at least two coaches for each franchise facility you open who must satisfactorily complete the Coaches Training program. In the event of training that occurs at your franchise facility or other locations you designate ("On-Site"), you must pay us $480 per day or partial day per trainer for On-Site training and you are exclusively responsible to pay for or otherwise reimburse us for all travel, lodging, and living expenses that we or our representatives reasonably incur to conduct the On-Site training. We reserve the right to change the cost of training as deemed necessary by us. Payments or reimbursements for our travel expenses are not refundable. You will not receive any compensation for services rendered by the trainee during this or any other training. (Franchise Agreement, Section 9.2)

Coaches Must be Approved by Us. Each franchise facility must have, at least two active coaches who have satisfactorily completed the Coaches Training program. Each franchise facility must have a designated Lead Coach. We must approve your designated Lead Coach and other coaches. We may, at any time during the training or thereafter and at our sole determination and discretion, inform you that an individual is not suitable to be a coach in the Legends Boxing system. Upon that notice, any obligations to train that individual will be deemed to have been discharged and we will not be liable for any costs or expenses you incur and you are not entitled to a refund of any of the training course tuition or other fees. (Franchise Agreement, Section 9.3)

Opening Period Training and Assistance Fee. For each facility that you open, you must pay to us for three consecutive days of on-site training and support by our approved representative at your location during your opening period. You must pay us at our then-current rates (currently $480 per day or partial day per trainer). Additionally, you are also exclusively responsible to pay for all travel, lodging, and living expenses that we or our representative incur as part of this required Opening Period Training and Assistance. The fee is due when you schedule the on-site visit. Opening Period Training and Assistance Fee is non-refundable.

Franchise Managers. If any persons other than you manage the Franchise, then you will notify us in writing of these Franchise Managers. We have the right to reasonably approve your Franchise Manager. Each Franchise Manager you hire must successfully complete to our satisfaction the mandatory initial training program. You will bear all costs of this training, including a reasonable training fee at our then current rates. (Franchise Agreement, Section 9.4)

Training Expenses. For all trainings, you are responsible for and will pay all expenses you and your employees incur to attend the training, including transportation, board and lodging, meals, entertainment, wages and salaries, etc. (Franchise Agreement, Section 9.5)

As Needed. Trainings are scheduled and held on an "as needed" basis depending on the number of franchisees requesting training in a particular time frame and the franchisor's training personnel's availability. (Franchise Agreement, Section 9.6)

Participant Advance Notice. You must give us at least thirty days' prior written notice of all participants, persons, employees or owners attending any of our trainings, at our training center and at other agreed upon locations. (Franchise Agreement, Section 9.7)

Supplemental Training. From time to time we may offer advanced training, refresher training programs or other seminars and training that you, your managers and coaches may attend. These programs and seminars will be held at locations we designate~~.~~, or will be available online through our Learning Management System (LMS). We reserve the right to charge a reasonable training fee for these trainings. You are exclusively responsible for paying all travel, living and other expenses and compensation of attending these programs and seminars. (Franchise Agreement, Section 9.8)

Conventions. We may hold conventions for the franchisees that make up our franchise system. These conventions may be held at a different location each time. Your attendance at each convention is required. You will be charged a reasonable convention fee for you and your employees to attend conventions or conferences that we host, currently this fee is estimated at $480 per person. Due as specified in our Operations Manual. ~~Currently we collect this as 12 monthly payments payable at the same time as your royalty payment and other recurring payments.~~ You are responsible for all expenses incurred in attending the annual convention including travel, wages and lodging expenses for yourself and your employees. For any ~~Annual~~required convention you do not attend you will be charged $1,000 which will be paid directly to the Brand Development Fund. (Franchise Agreement, Section 8.15).

ITEM 12
TERRITORY

Location for Franchise Premises. The franchise is for a specific location plus a Protected Area around it, typically a 2.0-mile radius.

Relocation of the Franchised Business. We may approve the relocation of the franchised business if business circumstances so warrant, e.g., you find a better location, and your relocation will not interfere with another franchisee's rights. We would not normally approve the establishment of additional franchised outlets in your Territory.

Options, Rights of First Refusal. We do not provide options, rights of first refusal, or similar rights to acquire additional franchises.

Non-Exclusive Designated Search Area. Unless specified otherwise, we will provide you with a non-exclusive "Designated Search Area" as defined in Section 1 of Schedule 1 of your Franchise Agreement within which you must locate your Franchised Business. If your Designated Search Area is defined by zip codes and if there are any changes to the zip codes or the boundaries of the areas within the zip codes that define your Designated Search Area, unless otherwise agreed to by you and us in writing, the boundaries of your Designated Search Area shall remain defined by the zip codes in effect as of the Effective Date of your Franchise Agreement.

Exclusive Designated Search Area. If your Designated Search Area specifically contains exclusive rights, such as being part of an Area Development Agreement, we will not license anyone the right to open or operate any Franchised Business that is physically located within that Exclusive Designated Search Area. This does not mean you can open or operate a Franchised Business anywhere within that Exclusive Designated Search Area. If a franchisee secures a location near your Exclusive Designated Search Area, and their associated protective radius

(generally 2.0 miles) overlaps into your Exclusive Designated Search Area, you will not be able to locate a facility within the protected radius that overlaps your Exclusive Designated Search Area. We will let you know of any existing facilities that have protective radius overlapping into your Exclusive Designated Search Area prior to execution of your Franchise Agreement, but we make no warranties that a franchisee will not subsequently choose a location that creates a protective radius that overlaps into the Exclusive Designated Search Area. Consequently, speed is of the essence in selecting a location.

Protected Area/Exclusive Territory. Once you have an executed lease, we will establish a "Protected Area" around your Franchised Business as defined by Schedule 1, Section 2 of your Franchise Agreement. Your Protected Area will be an exclusive territory in which we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks within the Protected Area of your Franchised Business.

The Protected Area is generally a 2.0-mile radius, however this policy will be modified in cases where geographic/demographic characteristics of the market dictate closer placement. We reserve the right to vary the size of the Protected Area based on the demographics and development of each market. For example, in densely populated urban areas, the Protected Area may be smaller than a 2.0-mile radius. Your Protected Area is not exclusive for marketing, we, you and any of the system franchisees can market in your Protected Area.

Modification of Territory. Continuation of territorial exclusivity does not depend on achieving a certain sales volume, market penetration or other contingency. We will not alter your Protected Area without your consent, even if the population in your Protected Area increases.

Protected Area Temporary Protection. We will not define a Franchise Location or Protected Area until you have an executed lease. However, upon the submission to us of a fully executed Letter of Intent ("LOI") for a proposed location for the Franchised Business that we have approved, we will create a temporary protected radius around said proposed location within which we will not locate any other Franchised Business. We will grant this protected radius for a period of up to 60 days to allow you to negotiate and finalize a lease for the proposed location. While you may have multiple fully executed LOI's, we will only grant a protected radius around one of the proposed locations you designate. This designation shall be made to us in writing, accompanied by the associated signed LOI, and we have up to 5 business days to accept such designation.

Protective Area Defined - Once the lease for the site is approved by us, fully executed, and submitted to us, we will then define the Franchise Location and associated Protected Area in Section 2 and Section 3 of the Schedule 1 to the Franchise Agreement, which will supersede the temporary protected radius noted above. You may operate your Franchise only at the specific location ("the Franchise Premises") identified in Section 3 of the Schedule 1 of your Franchise Agreement.

Our Rights in Protected Areas. We and our affiliates also reserve the right in your Protected Area to:

a. Sell approved products and services, using our principal trademarks or different trademarks, through alternative channels of distribution, such as the internet, catalog sales, telemarketing, or other director marketing sales.

b. Run websites and/or advertise services on websites and sell products and services through all alternative channels under our Marks, without paying compensation to you for soliciting or accepting orders inside your territory.

c. Purchase or be purchased by, merge or combine, acquire or be acquired by, any competing system or other third party, including a competing system that has one or more units located within your Protected Area and that may or may not then operate under our Marks and brand;

d. Develop and establish other business systems, including systems that distribute products or services similar to those offered at Legends Boxing using other names or marks, and grant licenses to use those systems;

e. Establish policies and guidelines regarding the acceptance and reimbursement associated with gift certificates, gift cards, memberships, discounts, coupons, or promotions as set forth in our Manuals or otherwise in writing by us. For example, we reserve the right to establish policies relating to allocation of funds when a person buys a gift certificate in one Legends Boxing Facility but the card is redeemed in another facility.

f. Engage and license others to engage in any other activities not expressly prohibited in the Franchise Agreement.

Franchise Solicitation Outside of Territory. You may solicit and accept orders from consumers outside your territory, including through other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing, provided it is approved by us in writing in advance and that you do so only in accord with our advertising and other policies which may limit or disallow such activities.

Development Area and Development Schedule. If you sign the Area Development Agreement, you will receive a protected territory in which you are required to open and commence operations of a minimum number of Franchised Businesses. The Development Area is generally described or defined using zip codes and similar boundaries. We will not open or operate or license a third party the right to open or operate, any Franchised Business that is physically located within the Development Area. Note, however, this that does not mean you can open or operate a Franchised Business anywhere within your Development Area. If a franchisee secures a location near your Development Area, and their associated protective radius (generally 2.0 miles) overlaps into your Development Area, you will not be able to locate a franchise facility within the protected radius that overlaps your Development Area. We will let you know of any existing facilities that have protective radius overlapping into your Development Area prior to execution of the Area Development Agreement, but we make no warranties that a franchisee will not subsequently choose a location that creates a protective radius that overlaps into the Development Area.

The Development Schedule requires you to open and commence operations of a minimum of (a) 20% of the number of Franchised Business allowed under the Area Development Agreement each year, or (b) one Franchised Business per year, whichever is greater.

Please note that if the locations and territories of franchise units to be developed are not set forth in the Area Development Agreement, we will approve the location of future location and any territories for those outlets based on our then current standards for territories and site selection.

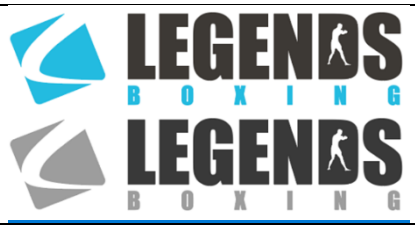
Loss of Territorial Exclusivity in Development Territories. If you fail to meet the mandatory Development Schedule and the Area Development Agreement is terminated, you will retain your rights to any open Studios, including the territorial rights described in the Franchise Agreement for such studio, provided that the Area Development Agreement was not terminated as a result of your failure to comply with the terms of your existing Franchise Agreement(s). However, your rights to any Franchised Studios for which there is no Franchise Agreement and your exclusivity in the Development Area will terminate immediately. Thereafter, we will have the right to develop the Development Area on our own or through third parties.

Lease Length. You must sign a lease for a minimum of 10 years. You may only sign a lease shorter than 10 years if approved by us in writing.

Other Brands. Neither we nor an affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will offer, but we reserve the right to do so.

ITEM 13.
TRADEMARKS

We give you the right to promote, offer, and sell boxing and workout programs and related gear, products and services under the "Legends Boxing®" name and to display our related names, logos, service marks and trademarks (the "Marks") on signage, advertising and promotional materials, and forms that we approve in advance. The Marks include all other trade names, trademarks, service marks, and logos we now own or may in the future develop for the franchise system including the following principal trademarks registered or applied for with the U.S. Patent and Trademark Office ("USPTO"):

Description of Mark	Registration/ Serial Number	Principal or Supplemental Register of the USPTO	Registration Date
Legends Boxing	4536074	Principal	May 27, 2014
	~~88582046~~6018711	Principal	~~Pending (Applied for August 16, 2019)~~March 24, 2020

~~The following disclosure applies to the logo mark in the table above: We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.~~

License Agreement. Our affiliate LB IP, LLC owns the rights to the trademarks listed above and licenses them to us pursuant to a written License Agreement dated July 8, 2019 and amended August 14, 2019. The License Agreement is for one year terms that automatically renew unless terminated by either party at any time for any reason upon a 30 day written notice to the other party. If the License Agreement was terminated, you could lose the right to use the trademarks licensed to us under the License Agreement. There are no other currently effective agreements that significantly limit our rights to use or license the use of our trademarks listed in this section.

Affidavits and Renewals. We have filed all required affidavits and renewals.

Our Limitation on Rights. There are no currently effective agreements that significantly limit our right to use or license the use of the Marks listed in this section.

Effective Material Determinations. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court, or any pending infringement, opposition or cancellation proceeding. There is no pending material federal or state court litigation regarding our use or ownership rights in the Marks.

Superior Rights. We do not know of any superior prior rights or infringing uses that could materially affect your use of our Marks anywhere except we have learned of a Legends or Legends Boxing Club that appears to have operated in the Tampa area of Florida since about 1990. They may have prior superior rights to the mark in their geographic area of operation.

Notify us of Any Challenge to Marks. You will immediately notify us if you become aware of any infringement of the Marks. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us in writing. We are not required to take affirmative action when notified of these uses or claims.

Proceedings and Litigation. We will have the sole right to control any administrative proceedings or litigation involving a trademark licensed by us to you. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. If we undertake the defense or prosecution of any litigation involving you or any litigation involving the Marks or the System, you agree to execute all documents and to undertake any and all actions, which in the opinion of our counsel are necessary or advisable to carry out the defense or prosecution. This may be done either in our name or in your name, as we will elect.

Modification, Discontinuation or Substitution of Marks. If we discontinue or modify our Marks in our sole discretion, you must adopt and use any new marks required by us. You will bear all costs and expenses that may be necessary as a result of such changes or modifications. Under no circumstances will we be liable to you for any losses, related to the modification, discontinuance, or substitution of the Marks. All obligations or requirements imposed upon you relating to the Marks will apply with equal force to any modified or substituted names or marks.

Use of Marks. You may only use the Marks in exact conformity with the specifications in the Operations Manual. You will not use or give others permission to use the Marks, or any similar Marks. You may not combine or associate any name or symbol of the Marks with any other name or word in any advertising or sign.

Good Will. Any and all goodwill associated with the Marks, including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our benefit.,

Franchisee Trade Name. You cannot use "Legends" or "Legends Boxing" as part of your corporate or other legal names. However, “Legends Boxing” followed by your entity number, or such other designation as we shall specify, shall be your “doing business as” name for an entity which owns this franchise.

Independently Owned. You must always indicate that you are operating an independently owned Franchise by using an identification tag line such as “an independent franchisee of LB FRANCHISING, LLC” on all advertising materials, signs, business cards, financial and contractual documents and business letterhead.

ITEM 14.
PATENTS, COPYRIGHT & PROPRIETARY INFORMATION

Patents. We have no patents or pending patent applications that are material to your franchise.

Copyrights of Operations Manual. We claim copyrights in the Operations Manual, advertising and promotional materials, websites, training platform and materials and similar items used in operating a franchise. We have not registered these copyrights with the United States Registrar of Copyrights. We intend to affix a statutory notice of copyright to the Operations Manual, to most of our advertising products, and to our paper forms and service products, and to all modifications and additions to them. The Operations Manual is described in Item 11. Although we have not filed applications for copyright registration, all copyrighted materials are our property. Item 11 describes limits on use of the copyrighted materials and other proprietary information by you and your employees. You must contact us immediately if you learn of any unauthorized use of our proprietary information. You must also agree to not contest our rights to and interest in our copyrights and other proprietary information.

Effective Determinations. There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of our copyrighted materials. There are no agreements currently in effect which significantly limit our right to use or authorize our franchisees to use the copyrighted materials. Furthermore, we do not actually know of any infringing uses which could materially affect a franchisee’s use of the copyrighted materials in any state. We need not protect or defend copyrights or confidential information or indemnify you for expenses or damages in a proceeding involving any licensed copyright, although we intend to do so when this action is in our best interests or the best interests of the System.

Your Rights to Copyrighted Materials. Except as described below and as provided in the Franchise Agreement, you have no rights to any of our copyrighted material. You are granted the right and are required to use the copyrighted items in your franchise business operations.

Confidential Information. You acknowledge that you will receive valuable Confidential Information, including information regarding our operational, sales, promotional and marketing methods and techniques, operating procedures, processes, practices, lists of suppliers, customer and customer lists and transaction records, manuals, marketing and sales techniques and

strategies, and the System. You specifically acknowledge that our Confidential Information is proprietary to us and remains our sole exclusive property. You further acknowledge that our Confidential Information is unique and novel to us. You will return all materials such as operations manuals and all other material you receive from us to us upon expiration or termination of your Franchise Agreement.

Non-Disclosure. You agree not to copy, download to Internet, intranet, fax, e-mail, mail, divulge, or send any Confidential Information directly or indirectly to any other person or enterprise outside of the System. During the term of your Franchise Agreement and after it expires or is terminated, you will never communicate, fax, e-mail, post on the Internet, divulge or use in any other manner, either for your benefit or the benefit or any other person, persons, partnerships, associations, companies or corporations any Confidential Information. You agree to not communicate or divulge the contents of our Operations Manuals or any other information related to the System or to the operation of the Franchise or the System to any person or entity except to your manager or other employees as we authorize in writing. You may only use the Operations Manual in the course of your performance under your Franchise Agreement, subject to the provisions and duration of your Franchise Agreement. You agree to fully and strictly adhere to all security procedures we prescribe for maintaining the confidentiality of the information.

Confidentiality of Employees. You agree to disclose information to your employees only to the extent necessary to conduct Franchise business. You will require as a condition of the employment of your employees and anyone else providing services to you that they maintain and protect our Confidential Information. You will ensure that all of your employees execute an approved confidentiality, non-disclosure, and non-competition agreement. You must follow our security procedures, which may include the execution of approved Intranet and Internet usage agreements. You will be responsible to enforce compliance with your Franchise Agreement by your employees. We may also enforce the nondisclosure agreement against your managers or employees, at our option. If you become aware of any actual or threatened violations by any of your employees or anyone else providing services to you, you will promptly and fully advise us in writing of all related facts known to you. You will cooperate with us in all ways we reasonably request to prevent or stop any violation. This may include instituting or permitting to be instituted in your name any demand, suit or action that we determine is advisable. The demand, suit or action may be maintained and prosecuted by you and us at your expense. You will also require any third party to whom you disclose any of our Confidential Information, including but not limited to consultants, distributors, and agents, to execute an approved confidentiality, nondisclosure and non-competition agreement. You acknowledge your responsibility to us for any misuse or publication of the Confidential Information by you or any of your employees.

Intellectual Property Ownership. We own the Franchise, the associated system and all intellectual property associated with it. If you develop any new concept, product, process, vendor or improvement in the System, you agree to promptly notify us and provide us with all necessary related information, without compensation. You assign to us all such concepts, processes or improvements and acknowledge that all such concepts, processes or improvements will become our property, and we may use or disclose such concepts, processes or improvements to franchisees, customers, and employees as we may determine to be appropriate. To the extent you have or later obtain any intellectual property, other property rights, or interests in the Franchise system by operation of law or otherwise, you hereby disclaim such rights or interests and will promptly assign and transfer such entire interest exclusively to us. You will not undertake

to obtain, copyright, trademark, service mark, trade secret, patent rights or other intellectual property right with respect to the Franchise system.

Gym Design, Furniture, Fixtures, and Equipment. Your units design, layout, color patterns, signage, supplies, furniture, fixtures, and equipment are considered intellectual property and proprietary to us and as such, we retain all rights and control associated therewith. As such, upon termination or expiration of your Franchise Agreement, at our option, you will offer to us the right to purchase form you any or part of the furniture, equipment, signage, fixtures, and supplies within 30 days of the date of termination for the adjusted book value, which is the undepreciated book value of the assets on your most recently filed federal tax return prior to the date of the termination or expiration. If we elect not to purchase any or part of the furniture, equipment, signage, fixtures, and supplies, you agree to either sell such furniture, equipment, signage, fixtures, and supplies to a current franchisee of ours, or destroy the furniture, equipment, signage, fixtures, and supplies such that they cannot be re-used.

Return of Information. Upon termination or expiration of your Franchise Agreement, you will return to us all of our Confidential Information embodied in tangible form, and will destroy, unless otherwise agreed, all other sources that contain or reflect any such Confidential Information. Notwithstanding the foregoing, you may retain Confidential Information as needed solely for legal, tax, and insurance purposes, but the information retained will remain subject at all times to the confidentiality restrictions of your Franchise Agreement.

Customer Data. We retain all right, title, and interest in and to the Customer Data, including all intellectual property rights therein and thereto. However, you may use the Customer Data during the Term of your Franchise Agreement as permitted by your Franchise Agreement or our Manual. "Customer Data" means any and all information about Customers that may be collected in connection with their use of the franchise system, including, but not limited to, name, telephone number, address, email address, purchase information, account information and billing transactions. Customer Data shall be considered Confidential Information for purposes of your Franchise Agreement.

Personal and Performance Data. You agree that we may share performance data of franchise businesses between us, our employees, franchisees, franchisee's employees, affiliates, consultants, distributors, vendors and agents. You agree to keep such performance data confidential. You consent to the disclosure by us of certain personal information concerning you and the Franchise and the Franchise Premises, namely your identity, including your name, address and telephone number, in our franchise disclosure documents, whether or not such disclosure is required by law, and in our other documents relating to the sale of franchises. Further, you consent to provide us with, and the additional disclosure by us of certain personal information concerning you, the Franchise and the Franchised Premises, including historical performance of the Franchise, sales, revenues, expenses, costs, results of operations, and similar financial information and operating information, and any information regarding the expiration or termination of your Franchise Agreement in our franchise disclosure documents (whether or not such disclosure is required by law), or to a prospective transferee of your Franchise or of the Franchise Premises or to any other prospective purchaser of us or any other franchise from us.

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

Full-Time Participation. You or your majority owner if you are a corporation, limited liability company or partnership, must actively participate in the daily affairs of the business. You may also hire an on premises supervisor provided they can handle the primary functions of the job and have passed our Franchise Manager Training. The on-premises supervisor does not have any equity interest in a Franchisee that is an entity.

Principal Owner. You must designate one, and only one, owner with at least 10% ownership as the "Principal Owner." The Principal Owner is the primary owner responsible for your business and communication with us. The Principal Owner must have authority over all transactions and dealings related to your facilities and must have power to create binding agreements with us.

Obligations of Owners. The Franchise Agreement requires you, including all holders of an ownership interest in a franchisee that is an entity, to a covenant not to compete (Franchise Agreement, Section 12.1) to a confidentiality and non-disclosure agreement (Exhibit K-5) and to a personal guarantee of your obligations (Franchise Agreement, Section 19.1).

ITEM 16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only services and products that we approve in writing and must offer all products, goods and services that we designate. You may not offer or sell any other boxing or workout program or related gear or products. We reserve the right, without limitation, to change, modify and add to the authorized programs, products, goods and services. We may, at our sole discretion, revoke approval of a previously approved goods or services, at which case you must immediately stop performing or selling the revoked services or products. You will bear all costs and expenses that may be reasonably necessary as a result of such changes, substitutions, modifications or additions. Under no circumstances will we be liable to you for any other damages, costs, losses, rights, or detriments related to any modifications, discontinuances, substitutions or additions and we or our affiliates have no obligation to refund any portion of the purchase price for products, gear, systems and inventory or other amounts paid by you.

You may only offer the boxing and workout programs and related gear and products from your franchise facility and are subject to standards outlined in the Operations Manual. You must assist customers assigned to other franchisees per the guidelines outlined in the Operations Manual.

If your Franchise Agreement is terminated (whether for your failure to commence operations, or for any other reason), we or our affiliates have no obligation to refund any portion of the purchase price for products, gear and inventory or other amounts paid by you.

We have complete and exclusive control over all Legends Boxing logos, designs, and products. You may not approach any manufacturers, vendors, or third-parties regarding the design or production of any Legends Boxing memorabilia or products.

For the duration of your franchise agreement, you may not offer competitive services or products in the United States. For two years after the termination or expiration of your franchise agreement, you may not offer competitive services or products within 50 miles of any Legends Boxing location, unless you receive our prior written consent from us.

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

The Franchise Relationship

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

Provision	Section in Franchise Agreement ("FA") or Area Development Agreement ("ADA")	Summary
a. Length of the Franchise Term	FA Section 2.1; ADA Section 1.10	FA term is 10 years. ADA commences on the date fully-executed and ends on the earlier of (i) the last day of the calendar month that the final Franchised Business is required to be opened and operating under the mandatory development schedule or (ii) upon opening of the final Franchised Business required under this Area Development Agreement.
b. Renewal or Extension of Term	FA Section 2.2 & 2.3	If you are in good standing, you may renew the FA under the terms of our then-current franchise agreement forms for additional 10 year periods. Our then-current franchise agreement forms may have materially different terms and conditions than your original contract.
c. Requirements for Renewal	FA Section 2.2 & 2.3	You must: a. Be in good standing and full compliance. b. Have satisfied all monetary obligations. c. Give notice at least 3 months and not more than 6 months before expiration of the initial term.

Provision	Section in Franchise Agreement ("FA") or Area Development Agreement ("ADA")	Summary
		d. Sign a General Release. e. Sign a new franchise agreement. You may be asked to sign a contract with materially different terms and conditions than your original contract. f. Pay the renewal fee. g. Successfully complete any retraining program we require at your expense.
d. Termination by You	FA Section 13.1; ADA Section 1.11	You may terminate the Franchise Agreement by not renewing, under any grounds permitted by law or if we are in material breach of the Franchise Agreement or Area Development Agreement after having received written notice by you and giving us 30 days to cure such breach. You must comply with all provisions of the Franchise Agreement or Area Development Agreement related to termination.
e. Termination by Us Without Cause	None	Not Applicable
f. Termination by Us With Cause	FA Section 13.2 & 13.3; ADA Section 1.11	We can terminate if you default.
g. "Cause" Defined – Curable Defaults	FA Section 13.2; ADA Section 1.11	FA: You have 30 days to cure any default not listed in FA Section 13.3. ADA: Fail to meet development schedule
h. "Cause" Defined – Non-curable Defaults	FA Section 13.3; ADA Section 1.~~11~~13	FA: Immediate if any of the following occur: a. Insolvency b. Abandonment c. Repeated Breaches d. Material Misrepresentation e. Fail to Timely Open or Open without Site Approval f. Judgement or Levy of Execution g. Felony / Material Violation

Provision	Section in Franchise Agreement ("FA") or Area Development Agreement ("ADA")	Summary
		h. Imminent Danger to Public Health or Safety i. ~~Attempt to Repudiate Agreement~~Material and Unfavorable Conduct. j. Attempt to Repudiate Agreement k. Mutual Agreement l. ~~k.~~ Unreported / Misreported Revenue m. ~~l.~~ Failure to Pay Suppliers n. ~~m.~~ Inhibit Inspection o. ~~n.~~ Violate Key Covenants ADA: Immediate if any of the following a. Cease to Actively Engage in Business b. Insolvency c. Termination of Associated Franchise Agreement(s)
i. Your Duties and Obligations on Termination or Non-renewal.	FA Section 13.6; ADA Section 1.11	De-identification, transfer to us or de-identification of your franchise equipment and business premises; return of proprietary information and manuals; give us all customer information; release of phone numbers, email addresses, domain names, and directory listings; payment of sums owed; confidentiality, non-competition and non-solicitation.
j. Assignment of Contract by Us	FA Section 15.6; ADA Section 1.13	There are no restrictions on our right to transfer.
k. "Transfer" by You - Definition	FA Section 15.1; ADA Section 1.13	Any sale, transfer, assignment, encumbrance, gift, lease, sublease, or allowing any other person to conduct business in or through the whole or any part of the FA or ADA (collectively called "transfer")
l. Our Approval of Your Transfer	FA Section 15.2 & 15.3; ADA Section 1.13	No transfer without our written consent. We may approve or disapprove all transfers.
m. Conditions for Our Approval of Transfer	FA Section 15.3; ADA Section 1.13, 1.14	You may not transfer the Franchise Agreement or Area Development Agreement without our consent.

Provision	Section in Franchise Agreement (“FA”) or Area Development Agreement (“ADA”)	Summary
		For the FA, you must: a. Comply with non-discloser and non-compete. b. Pay all debts. c. Not be in breach. d. Pay the Transfer Fee. e. Pay the Prospect Generation Fee (if applicable). f. Sign a general release g. Subordinate your rights to the transferee's obligations to us. h. Comply with all laws i. Comply with all post-termination provisions The transferee must: j. Meet our standards. k. Not be in competition. l. Assume your obligations m. Complete any mandatory trainings. n. Execute all documents we require including a then-current franchise agreement. For the ADA, we may approve or disapprove a transfer in our sole discretion. If we do approve of a transfer of the ADA, you must pay any relevant Transfer Fee and Prospect Generation Fees pursuant to the related franchise agreement(s).
n. Our Right of First Refusal to Acquire Your Business	FA Section 15.12	We may purchase your entire franchised business on the same terms that are acceptable to you. We have 30 days to decide whether to purchase after you notify us of the proposed sale.
o. Our Option to Purchase Your Business	None	Not Applicable

Provision	Section in Franchise Agreement ("FA") or Area Development Agreement ("ADA")	Summary
p. Your Death or Disability	FA Section 15.11	Within 90 days of the event, one of the following must be completed: a. Assume and Continue Operations b. Transfer Your Interest to approved Transferee c. Sell to Us d. Cease Operations
q. Non-Competition Covenants During the Term of the Franchise	FA Sections 12.1, 12.2, 12.3, & 12.4	You may not compete with us.
r. Non-Competition Covenants After the Franchise is Terminated or Expires	FA Sections 12.1, 12.2, 12.3, & 12.4	Non-compete with us for 2 years and within 50 miles of the Franchise Premise, any Legends Boxing location.
s. Modification of the Agreement	FA Section 17.26; ADA Section 2.9	Modifications require the signed written agreement of the parties, except we may modify the Operations Manual. If we have the right to terminate the ADA, at our option, we may modify the ADA to: (1) reduce the number of franchises that you are permitted or required to develop, (2), modify, reduce, expand, or remove any development periods or expiration dates for development; and/or (3) eliminate the Development Area or modify, alter, or reduce the area of the Development Area.
t. Integration/Merger Clause	FA Section 17.34; ADA Section 2.9	Only the terms of the Franchise Agreement, the Area Development Agreement, and operations manual are binding. Any other promises may not be enforceable. However, nothing in the Franchise Agreement or the Area Development Agreement is intended to disclaim the representations we make in this disclosure document.
u. Dispute Resolution by Arbitration or Mediation	FA Section 17.10 and 17.11	You agree to mediate and arbitrate claims against us (subject to applicable state law).

Provision	Section in Franchise Agreement ("FA") or Area Development Agreement ("ADA")	Summary
v. Choice of Forum	FA Section 17.2;	County where our corporate headquarters is located (subject to applicable state law).
w. Choice of Law	FA Section 17.1	Except to the extent federal law applies, Pennsylvania Law applies (subject to applicable state law)

ITEM 18.
PUBLIC FIGURES

We do not use any public figure to promote our franchise, but reserve the right to do so in the future.

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.

Financial Performance Representation

GROSS REVENUE

The following ~~information outlines system-wide memberships for all locations in~~table below includes the ~~United States open as of March 31, 2019 and Financial Statements from~~ Gross Revenue for the ~~two~~3 locations which were open for at least 12 months as of ~~March 31, 2019. Not all locations were open during the entire period covered by the financial performance representation. See the notes following the tables for additional details.~~December 31, 2019

~~**FRANCHISED LOCATIONS**~~

We (through our predecessor) had three franchise locations open at the end of **Gross Revenue Table**2018 and we present information on those two of the three locations open at least 12 months as of March 31, 2019.

Lehi, UT

The Lehi club is a franchised location located in Lehi, Utah. Lehi is the first Legends Boxing Club, having opened in June of 2013 as a company store, then transitioned to a franchised location in February 2018. Please keep in mind that the Lehi outlet has operated for several years.

Riverton, UT

The Riverton club is a franchised location located in Riverton, Utah. The Riverton club is a conversion club, having been previously ran under a different brand as a mixed-use gym, offering a variety of classes in mixed martial arts, boxing and personal training. This location converted to a Legends Boxing Club in November of 2016. The Riverton outlet has also operated several years.

REVENUES AND EXPENSES

The table below include the financials for the two Legends Boxing locations which were open for 12 months as of March 31, 2019. We base this representation upon their supplied accounting records which have not been audited.

Financial Statement
All Locations open at least 12 months as of MarchDecember 31, 2019
For the Period AprilJanuary 1, 20192018 to MarchDecember 31, 2019

Location	Gross Revenue[1]
Lehi, UT	$499,697
Riverton, UT	$414,020
Sandy, UT	$228,584
Gross Revenue[2]	**395,630**
AVERAGE	**$380,767**
Cost of Goods Sold[3]MEDIAN	**29,012 $414,020**

	Lehi, UT			
Gross Profit	**366,618**	**92.7%**	**404,398**	**90.6%**
Expenses				

Marketing	28,144	7.1%	23,434	5.3%
Bank & Merchant Fees	11,599	2.9%	15,777	3.5%
Payroll Expenses[4]	64,898	16.4%	75,614	16.9%
Rent or Lease	87,962	22.2%	48,400	10.8%
Utilities	5,234	1.3%	10,574	2.4%
Rock Steady Program	17,471	4.4%	21,386	4.8%
Other	9,895	2.5%	14,507	3.3%
Royalty, Brand Fund & Tech Fee[6]	33,544	8.5%	33,109	7.4%
Total Expenses	**258,747**	**65.4%**	**242,801**	**54.4%**
EBITDA[5,7]	**107,871**	**27.3%**	**161,597**	**36.2%**

The following table discloses median information on the average earnings information presented in the table above:

Financial Statement Averages / Medians
All Locations open at least 12 months as of March 31, 2019
For the Period April 1, 2018 to March 31, 2019

	Average		Median	
Gross Revenue	420,958	100.0%	420,958	100.0%
Cost of Goods Sold	35,451	8.4%	35,451	8.4%
Expenses	250,774	59.6%	250,774	59.6%
EBITDA	**134,734**	**32.0%**	**134,734**	**32.0%**

Notes for Above ChartsChart

Note 1. The period covered is from April 1, 2018 to March 31, 2019. All information is from the Riverton, Utah and Lehi, Utah gyms, the only outlets that were open during this entire reporting period.

Note 2.Note 1. Gross Revenue. Gross Revenue includes all revenue generated from the operation of the outlet including membership dues and pro shop sales. (See Exhibit B, Franchise Agreement, Section 1.2 for full definition of Gross Revenue). Gross Revenue does not include sales tax and returned merchandise credit.

Note ~~1~~2. 2 out of ~~2~~3 outlets or ~~50~~66.7% of the outlets attained or surpassed the stated Average and Median Gross Revenue figures. The highest Gross Revenue was $~~446, 287~~499,697; the lowest Gross Revenue was $~~395,630.~~228,584.

LOCATION AND BUILDOUT COSTS

Location Costs
All Locations open as of December 31, 2019
which were built out in compliance with our latest design

Location	Date Opened	Open Months as of 12/31/20	Size (SF)	Rent (per SF)[1]	NNN Charges (per SF)[1]	Monthly Rent + NNN[1]
Sandy, UT	4/12/2018	20	3,000	$23.50	$7.48	$7,745
Trolley Square, UT	4/19/2019	8	3,390	$27.37	$9.67	$10,464
Bountiful, UT	4/3/2019	8	3,100	$27.09	$4.30	$8,109
Memorial, TX	10/14/2019	2	3,428	$23.00	$10.00	$9,427
South Austin, TX	12/28/2019	0	3,450	$24.50	$12.33	$10,589
AVERAGE			**3,274**	**$25.09**	**$8.76**	**$9,267**
MEDIAN			**3,390**	**$24.50**	**$9.67**	**$9,427**

Buildout Costs
All Locations open as of December 31, 2019
which were built out in compliance with our latest design

Location	Tenant Improvement Allowance	GC Construction Cost (minus installation)	Net GC construction cost	Wadsworth Expense (including shipping)	Installation Costs	Delivery Condition
Sandy, UT	$70,000	$70,000	$0	$95,000[6]	$10,000	As-is
Trolley Square, UT	$135,600	$200,000	$64,400	$100,231	$12,500	Cold Dark Shell
Bountiful, UT	$186,000	$215,000	$29,000	$100,231	$13,366	Cold Dark Shell

Memorial, TX	$40,000	$112,500	$72,500	$95,000	$7,500	As-is
South Austin, TX	$41,400	$168,000	$126,600	$95,239	$12,000	As-Is

AVERAGE	**$94,600**	**$153,100**	**$58,500**	**$97,140**	**$11,073**	
MEDIAN	**$70,000**	**$168,000**	**$64,400**	**$95,239**	**$12,000**	

Notes for Above Charts

Note ~~*3.* Cost of Goods Sold. The~~*1.* Monthly Rent and NNN were self-reported by franchisees to us as of Lease Signing Date and don't take into account periodic rent increases.

Note 2. All costs are self-reported by franchisees. Your costs may be higher.

Note 3. This includes what is in our "Item 7 - Furnitures, Fixtures, and Equipment", which is purchased from Wadsworth Desgn, our required primary furniture and equipment supplier. This does not include technology or computer purchases or other supplies. These costs were self-reported by franchisees to us.

Note 4. Lehi, ~~Utah location, as~~ UT and Riverton, UT gyms were not included in these numbers because they were open prior to the ~~founding club, is given~~current buildout requirement and are not representative of the cost a new franchisee would incur.

Note 5. This is not a complete list of all Location and Buildout Costs you will incur. This is only intended to give you an idea of what other franchisees have paid for some expenses necessary to open a gym.

Note 6 Sandy, UT received a discount on ~~products sold from the price that is charged to franchisees; however,~~ the ~~number~~ Wadsworth costs since it was the first opening through our vendor. Consequently, the Sandy, UT Wadsworth costs as shown ~~here is the imputed price a~~were adjusted up to what a typical franchisee would pay for ~~those goods.1 out of 2 or 50% of the outlets attained or surpassed the stated Cost of Goods Sold figures. The highest Cost of Goods Sold were $41,889 and 9.4%; the lowest Cost of Goods Sold was $29,012 and 9.3%.~~their Wadsworth package.

Written substantiation for this financial performance representation is available to you upon reasonable request.

~~*Note 4.* Expenses and Payroll. The payroll figures do not include any amounts paid for the owners of a location who operate as the Franchise Managers. Hence, no costs are associated with management employees. Franchisees may hire Franchise Managers which will incur additional payroll and overhead expenses. 1 out of 2 or 50% of the outlets attained or surpassed the stated Average and Median Expenses figures. The highest Expenses were $258,747 and 65.4%; the lowest Expenses were $242,801 and 54.4%~~

~~*Note 5.* EBITDA (Earnings before interest, taxes, depreciation and amortization) before Imputed Fees does not include certain expenses such as interest, taxes, depreciation, and amortization~~

as these expenses are dependent on variables which vary greatly among franchisees. Additionally, as noted above, EBITDA before Imputed Fees does not include Royalties, Brand Development Fee and an estimated difference between the Lehi location Cost of Goods Sold (COGS) and the COGS a franchise would pay. 1 out of 2 or 50% of the outlets attained or surpassed the stated Average and Median EBITDA figures. The highest EBIDTA was $161,597 and 36.2%; the lowest EBIDTA was $107,871 and 27.3%.

Note 6. Our location in Lehi, Utah did not pay Royalties or Technology Fees to us in 2018. The amounts shown for Lehi is the imputed price a franchisee would pay for Royalties and Technology Fees. You will be expected to pay the Royalties and Technology Fees listed in your franchise agreement.

Note 7. EBITDA after Imputed Fees is the EBITDA for the Lehi Location adjusted to include expenses a franchise would be expected to pay, but the Lehi gym (as the founding club) is not required to pay. These imputed expenses for Lehi include the estimated Royalties, Technology Fees and the full Cost of Goods Sold that a franchisee would be expected to pay.

Bases

These membership and sales figures outlined in this Financial Performance Representation are derived from the historical performance of open Legends Boxing® locations in operation during the period from January 1, 2018 to March 31, 2019.

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

Written substantiation for this financial performance representation is available to you upon reasonable written request.

We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable and consult with an attorney and other advisors prior to executing the Franchise Agreement.

Other than the preceding financial performance representation we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our CEO, Michael Blair, 4000 Town Center Blvd., Suite 320, Canonsburg, PA 15317, 412-977-0220, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20.
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEM WIDE OUTLET SUMMARY

FOR YEARS 20162017 TO 20182019

Outlet Type	Fiscal Year End	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	20172016	0	0	0
	20182017	0	03	0+3
	20192018	03	37	+34
Company Owned*	20172016	12	2	+10
	20182017	2	20	0-2
	20192018	20	0	-20
Total Outlets	20172016	12	2	+10
	20182017	2	23	0+1
	20192018	23	37	+14

*Franchised locations in these Item 20 tables refers to franchised outlets that were operated under franchise agreements with our predecessor before July 2019. Company-owned in the above table refers to outlets operated by our founding gym, Legends Boxing, LLC, which in 2018 became a franchised outlet.

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN US)

FOR YEARS 20162017 TO 20182019

State	Year	Number of Transfers
Utah	20162017	0
	20182017	0
	20192018	0
Total	20162017	0
	20182017	0
	20192018	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS

FOR YEARS 20162017 TO 20182019

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
UtahTexas	20162017	0	0	0	0	0	0	0
	20182017	0	0	0	0	0	0	0
	20182019	0	32	0	0	0	0	32
UtahTotals	20162017	0	0	0	0	0	0	0
	2018	0	3	0	0	0	0	3
	2019	3	2	0	0	0	0	5
Totals	2017	0	0	0	0	0	0	0
	2018	0	3	0	0	0	0	3
	2019	3	4	0	0	0	0	7

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS*

FOR YEARS 20162017 TO 20182019

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Utah	20162017	12	10	0	0	0	2
	20182017	2	0	0	0	02	20
	20182019	20	0	0	0	20	0
Totals	20162017	12	10	0	0	0	2
	20182017	2	0	0	0	02	20
	20182019	20	0	0	0	20	0

* Company-owned in the above table refers to outlets operated by our founding gym, Legends Boxing, LLC, which in 2018 became a franchised outlet.

TABLE NO. 5

PROJECTED OPENINGS

AS OF DECEMBER 31, ~~2018~~2019

State	Franchise Agreements Signed ~~but Business~~But Outlet Not ~~Yet Opened~~ Open	Projected New Franchised Outlets ~~Through~~ in the Next Fiscal Year	Projected New Company-Owned Outlets ~~Through~~ in the Next Fiscal Year
Arizona	1	1	0
Colorado	1	1	0
~~Idaho~~Georgia	1	1	0
Michigan	1	1	0
North Carolina	2	1	0
Texas	2	2	0
Utah	~~5~~4	~~5~~3	0
~~Totals~~TOTALS	~~7~~12	~~7~~10	0

Exhibit F contains lists the names, addresses and telephone numbers of all franchised outlets, and the names and telephone numbers of any franchisees that signed franchise agreements but not yet opened their outlets, as of the date of this Disclosure Document.

Exhibit G contains a list of the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone numbers) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

~~During the last three fiscal years, we have not signed confidentiality clauses with any of our~~Restrictions on Ability to Speak. In some instances, current or former franchisees~~, which restrict~~ 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 ~~from communicating with prospective franchisees concerning their experience in the franchise system.~~ will be able to communicate with you.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this disclosure document.

ITEM 21.
FINANCIAL STATEMENTS

Exhibit J contains our audited financial statements ~~as of July 1,~~ for the fiscal year ending December 31, 2019 as well as for July 1, 2019. We also include our unaudited Balance Sheet as

of February 29, 2020 and our unaudited Profit and Loss Statement for the time period January 1, 2020 – February 29, 2020.~~2019.~~

We have not been in business or three or more years and cannot include all financial statements required of this item.

~~Our fiscal year-end is December 31.~~

ITEM 22.
CONTRACTS

Attached are copies of the following franchise agreement and all other related agreements you may have to sign when you purchase your franchise:

Exhibit B	Franchise Agreement
	Schedule 1 - Franchise Location and Fees Due
	Schedule 2 - Franchise Owners Information
	Schedule 3 – State Addenda to the Franchise Agreement
Exhibit C	Area Development Agreement
	Attachment 1 - Developer Data Sheet
	Attachment 2 – State Addenda to the Area Development Agreement
Exhibit H	Telephone Number and Listings Assignment Agreement
Exhibit I	Franchisee Closing Acknowledgements
Exhibit K-1	Franchise Premises Lease Rider Agreement
Exhibit K-2	Termination of Assumed or Fictitious Business Name
Exhibit K-3	General Release
Exhibit K-4	Authorization for Electronic Funds Transfer
Exhibit K-5	Confidentiality and Non-Disclosure Agreement
Exhibit K-6	SBA Addendum

ITEM 23.
RECEIPT

Exhibit ~~M~~N to this disclosure document contains two Receipts that evidence your receipt of this Franchise Disclosure Document. Sign and date both of them, retaining one copy for your records and returning the other copy to us.

EXHIBIT A.
STATE ADDENDA TO THE DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM
TO THE DISCLOSURE DOCUMENT

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

The "Risk Factors" on the second page of the Disclosure Document are amended to also include the following:

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

Item 3 of the Disclosure Document is amended by adding the following paragraph:

Neither we nor any person or franchise broker in Item 2 of this 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. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60 day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

The franchise agreement requires application of the laws of Utah. This provision may not be enforceable under California law.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF CORPORATIONS BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA 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).

Our website is located at www.legendsboxing.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

HAWAII ADDENDUM
TO THE DISCLOSURE DOCUMENT

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

THESE FRANCHISES 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 COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS 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 SUBFRANCHSIOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

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

ILLINOIS ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Agreements.

2. Any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

3. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

MARYLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT

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

1. Item 17.b. is modified to also provide, "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17.u. is modified to also provide, ""A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

3. Item 17.v. is modified to also provide, "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

4. Item 5 is modified to also provide, "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."

MINNESOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. 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 (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 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.

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

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may <u>seek</u> injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

NEW YORK ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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 D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW BUREAU OF INVESTOR PROTECTION AND SECURITIES 120 BROADWAY, 23RD FLOOR NEW YORK, N.Y. 10271.

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

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other

business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

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

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

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

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

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

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

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

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

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

NORTH DAKOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law.

Applicable Laws: North Dakota law will govern the franchise agreement.

Waiver of Trial by Jury: Any waiver of a trial by jury will not apply to North Dakota Franchises.

Waiver of Exemplary & Punitive Damages: Any waiver of punitive damages will not apply to North Dakota Franchisees.

General Release: Any requirement that the franchisee sign a general release upon renewal of the franchise agreement does not apply to franchise agreements covered under North Dakota law.

Enforcement of Agreement: Any requirement in the Franchise Agreement that requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Items 5 and 7 of the Disclosure Document are modified to also state that the franchisor defers the receipt of the initial franchise fee until all initial obligations owed to the franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee is open for business.

RHODE ISLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

> Rhode Island law applies.

WASHINGTON ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Washington Franchise Investment Protection Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

~~The state~~In the event of a conflict of laws, the provisions of the Washington ~~has a statute,~~Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180~~, which~~ may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal ~~rights~~ of your franchise. ~~-~~There may also be court decisions ~~that~~which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any ~~mediation or~~ arbitration or mediation involving a franchise purchased in Washington, the ~~mediation or~~ arbitration or mediation site ~~shall~~will be either in the state of Washington, or in a place mutually agreed upon at the time of the ~~mediation or~~ arbitration or mediation, or as determined by the ~~mediator or~~ arbitrator~~, as applicable.~~

~~In~~ or mediator at the ~~event~~time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a ~~conflict~~franchisee may bring an action or proceeding arising out of ~~laws, the provisions~~or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, ~~Chapter 19.100 RCW shall prevail.~~in Washington.

A release or waiver of rights ~~signed~~executed by ~~the~~a franchisee ~~shall~~may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. ~~—~~Provisions such as those ~~that~~which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Item 5 is amended to delete the $5,000 referral fee payment.

Item 5 is further amended to also state that collection of initial franchise fees will be deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchisee is open for business. The collection of the Development Fee will be prorated, with a portion of the Development Fee being collected as each unit is opened.

Item 17(o) of the Disclosure Document is modified to state that we may be required to purchase your assets per law, specifically, RCW 19..100.180(2)(i) and (j).

WISCONSIN ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

   If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

   With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

EXHIBIT B.
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

LB FRANCHISING, LLC

4000 Town Center Blvd., Suite 320

Canonsburg, PA 15317

412-977-0220

www.legendsboxing.com

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SCHEDULE 1. FRANCHISE LOCATION AND FEES DUE
SCHEDULE 2. FRANCHISE OWNERS INFORMATION
SCHEDULE 3. STATE ADDENDA TO THE FRANCHISE AGREEMENT

WHEREAS, **LB FRANCHISING, LLC** d/b/a Legends Boxing ("Legends Boxing" "we," "us," or "our") offers a franchise system to operate boxing facilities and related products and services ("System").

WHEREAS, Franchisee and all Signators identified on the signature page to this Agreement, in any capacity, including your personal joint and several agreement to perform all the obligations in and relating to this Agreement, (jointly, severally, and collectively "Franchisee," "you," or "your") desire to utilize our System and our trade names, service marks, and trademarks (collectively, the "Marks"); and

For purposes of this Agreement "you" may include an individual, corporation, partnership, limited liability company or other legal entity. "You" includes any corporation, partnership, limited liability company, individual, combination of individuals, or other legal entity that owns a majority interest of you, or in which you own a majority interest. The term "you" will include all persons who succeed to your interest by transfer or by operation of law.

We have certain rights to, have registered in various jurisdictions, and intend to continue to develop names, trademarks, service marks, logos, commercial symbols and styles. These include, but are not limited to, "Legends Boxing" and the Legends Boxing logo, which are collectively and individually referred to as the "Marks." We own valuable goodwill and have valuable expertise, confidential information, methods, procedures, techniques, uniform standards, operations manuals, controls and guidelines, systems, reporting systems, merchandise, and materials. These are connected with the operation, promotion, and advertising of facilities that offer boxing and workout programs and related gear and products and services. It includes our business services, advertising and promotions, and operational and payment systems. Collectively, this is called the "System".

We offer franchises to qualified persons to utilize our System and to own and operate Legends Boxing® locations. You desire to utilize our System. The franchise offered to you pursuant to this Agreement is referred to as the "Franchise." The business that relates to the operation of the Franchise is referred to in this Agreement as the "Franchised Business." Any person who obtains such a Franchise from us are sometimes referred to as our "Franchisee."

THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1. DEFINITIONS

1.1 **Confidential Information.** "Confidential Information" means all written material provided to you by us, unless otherwise expressly indicated in writing by us. Further, Confidential Information, whether provided to you in writing or orally, includes, but is not limited to, our trade secrets, designs, accumulated technical knowledge and proprietary information, and information regarding our business, technology, products, marketing plans, treatment and sales strategies, research and development activities, financial affairs, pricing information and models, data and information systems, vendors, customers, employees, or any other information which we are required to keep confidential as the result of a confidentiality agreement with a third party, or which is treated by us as confidential. All Confidential Information is a protectable interest of ours. Confidential Information includes but is not limited to: customer identities and account information, records of communications from

and to customers and employees, lists, computer software technologies and procedures, the selling and use of the System, information about products or services, that are not public knowledge, procedures, and other information disclosed to you through the System or Operations Manual. Notwithstanding the foregoing.

1.2 **Gross Revenue.** "Gross Revenue" includes all revenue generated from the operation of the Franchise from whatever source derived and means the total Revenue for any calendar week or other accounting period specified in the Operations Manual. "Gross Revenue", includes, but is not limited to sales, memberships, prepaid programs, rentals, products, apparel, gear, vending, exchanges, services, labor, service charges, gross sales on deal sites (including Groupon and Living Social) attributed to your franchise, service contracts, any other type of remuneration, gift, contra-deal, barter of products or services, charity, payment in kind, or any other benefit or value that is received or deferred to be received. Gross Revenue does not include sales tax, returned merchandise and isolated sales of furniture or fixtures. Credit transactions will be included in Revenue as of the date of the transaction without deduction for uncollected credit accounts. The proceeds from any business interruption insurance or eminent domain recovery you receive will be included in Gross Revenue.

1.3 **Marks.** "Marks" include the "Legends Boxing®" names and logos, taglines, designs, and other commercial symbols, and related U.S. and foreign registrations, as well as various unregistered trademarks and service marks. The Operations Manual list all the trademarks, service marks and other designations that you are licensed to use. In our sole discretion, we may add new marks or change existing marks in the list in the Operations Manual.

1.4 **Operations Manual.** "Operations Manual" means our operations manual as amended on our franchisee intranet site from time to time, that we loan and provide electronic access to during the period of your contractual relationship with us.

1.5 **Then-Current Franchise Agreement.** "Then-Current Franchise Agreement" means the form then currently provided to prospective franchisees, or if no form is then being provided, a form we select in our sole discretion, which previously has been delivered to and executed by a franchisee of ours.

1.6 **Web Site.** "Web Site" means an interactive electronic document, contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the franchised business, proprietary marks, the System or us. The term Web Site includes, but is not limited to, Internet and World Wide Web home pages.

2. TERM AND RENEWAL

2.1 **Term.** Subject to the terms and conditions of this Agreement, we grant to you and you accept from us, the Franchise, license, and privilege to use the Marks, the System, and marketing materials bearing the Marks, for 10 years from the "Effective Date" of this Agreement, as designated on the signature page to this Agreement.

2.2 **Renewal of Franchise.** If you are not in breach of this Agreement, and if you meet the following conditions, you may renew the Franchise under the terms of our Then-Current Franchise Agreement: You must:

a. Be in good standing and full compliance.

b. Have satisfied all monetary obligations.

c. Give notice at least 3 months and not more than 6 months before the end of the Franchise term established by this Agreement;

d. Execute a general release, in a form we prescribe, following applicable law, to release us from any claims you may have against us;

e. Execute our Then-Current Franchise Agreement within 30 days after it is delivered to you. If you do not, we may conclude that you do not intend to renew. You may be asked to sign a contract with materially different terms and conditions than your original contract.

f. Pay the renewal fee of $3,500.

g. Successfully complete any retraining program we require at your expense.

2.3 **Renewal Acknowledgements.** Under a Renewal of Franchise, you acknowledge that:

a. Royalty Fees, Brand Development Fund Fees, and other fees will be set under the Then-Current Franchise Agreement and may vary materially from the terms of this Agreement.

b. We may refuse to renew this Agreement if you fail to satisfactorily comply with this Agreement. The determination of satisfactory compliance will be within our exclusive discretion in good faith. If we refuse to renew, you must continue to perform under this Agreement until its expiration.

c. You have no automatic right to continue operation of the Franchise following expiration or termination of this Agreement. If you continue to operate the Franchise with our express or implied consent, following the expiration or termination of this Agreement, the continuation will be a month-to-month extension of this Agreement. This Agreement will then be terminable by either party upon 30 days written notice. Otherwise, all provisions of this Agreement will apply while operations continue.

3. TERRITORY AND PREMISES

3.1 **Location for Franchise Premises.** You will operate your Franchise at only the location at which we have expressly and specifically granted to you in writing the right to use the Marks (the “Franchise Premises”). You may operate the Franchised Business only from a site we approve. You may only offer our approved boxing and workout programs and related gear and products from your location and are subject to standards outlined in the Operations Manual.

3.2 **No Additional Franchise Premises.** You do not receive the right to acquire additional franchises or to grant sub-franchises. You may not operate or assist in the operation of a competing business. You may not establish or operate any other Legends Boxing operation or location without executing a separate Franchise Agreement for that operation. Among other things, we require as a condition to our approval of additional Franchise Agreements (whether from us or from existing franchisees or affiliates) that you sign a general release in a form we prescribe, to release us from any claims you may have against us.

3.3 **Non-Exclusive Designated Search Area.** Unless specified otherwise, we will provide you with a non-exclusive "Designated Search Area" as defined in Section 1 of Schedule 1 of your Franchise Agreement within which you must locate your Franchised Business. If your Designated Search Area is defined by zip codes and if there are any changes to the zip codes or the boundaries of the areas within the zip codes that define your Designated Search Area, unless otherwise agreed to by you and us in writing, the boundaries of your Designated Search Area shall remain defined by the zip codes in effect as of the Effective Date.

3.4 **Exclusive Designated Search Area.** If your Designated Search Area specifically contains exclusive rights, such as being part of an Area Development Agreement, while will not license anyone the right to open or operate, any Franchised Business that is physically located within that Exclusive Designated Search Area. This does not mean you can open or operate a Franchised Business anywhere within that Exclusive Designated Search Area. If a franchisee secures a location near your Exclusive Designated Search Area, and their associated protective radius (generally 2.0 miles) overlaps into your Exclusive Designated Search Area, you will not be able to locate a facility within the protected radius that overlaps your Exclusive Designated Search Area. We will let you know of any existing facilities that have protective radius overlapping into your Exclusive Designated Search Area prior to execution of this agreement, but we make no warranties that a franchisee will not subsequently choose a location that creates a protective radius that overlaps into the Exclusive Designated Search Area. Consequently, speed is of the essence in selecting a location.

3.5 **Speed is of the Essence.** Speed is of the essence in selecting franchise locations. When multiple franchisees have a similar search area, or search areas near each other, the first franchisee to secure a location and create a protective radius, as defined herein, gets the protective rights of that radius area and the other franchisees and developers must adapt their location search accordingly.

3.6 **Protected Area**. Once you have an executed lease, we will establish a "Protected Area" around your Franchised Business as defined by Schedule 1, Section 2 of your Franchise Agreement. Your Protected Area will be an exclusive territory in which we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks within the Protected Area of your Franchised Business. The Protected Area is generally a 2.0-mile radius, however this policy will be modified in cases where geographic/demographic characteristics of the market dictate closer placement. We reserve the right to vary the size of the Protected Area based on the demographics and development of each market. For example, in densely populated urban areas, the Protected Area may be smaller than a 2.0-mile radius.

Your Protected Area is not exclusive for marketing, we, you and any of the system franchisees can market in your Protected Area. We will not alter your Protected Area without your consent, even if the population in your Protected Area increases.

3.7 **Protected Area Temporary Protection.** We will not define a Franchise Location or Protected Area until you have an executed lease. However, upon the submission to us of a fully executed Letter of Intent ("LOI") for a proposed location for the Franchised Business that we have approved, we will create a temporary protected radius around said proposed location within which we will not locate any other Franchised Business. We will grant this protected radius for a period of up to 60 days to allow you to negotiate and finalize a lease for the proposed location. While you may have multiple fully executed LOI's, we will only grant a protected radius around one of the proposed locations you designate. This designation shall be made to us in writing, accompanied by the associated signed LOI, and we have up to 5 business days to accept such designation.

3.8 **Protective Area Defined -** Once the lease for the site is approved by us, fully executed, and submitted to us, we will then define the Franchise Location and associated Protected Area in Section 2 and Section 3 of the Schedule 1 to the Franchise Agreement, which will supersede the temporary protected radius noted above. You may operate your Franchise only at the specific Franchise Premises identified in Section 3 of the Schedule 1 of this Franchise Agreement. Your Protected Area will be an exclusive territory in which we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks within the Protected Area of your Franchised Business.

3.9 **Territory Rights.** To (i) encourage the unrestricted and ongoing development and possible expansion of the System, (ii) increase market share and presence, (iii) create greater customer awareness, greater convenience to customers, and a possible increase in brand awareness, (iv) take the lead in establishing new systems, services and markets, and (v) place System franchises in a superior position with respect to competition in the boxing and exercising industries, you are not granted any rights beyond that of your Protected Area outlined above. Other than the Protected Area, there is no limitation on our right to locate or consent to the location of other System franchisees, businesses. We reserve the right to other forms of distribution for any product or service of any type, regardless of the distance from, impact on or vicinity of, your business operations or the number of System businesses in an area or market. Because growth and diversification of the System is intended to benefit both parties by enhancing the recognition, availability and goodwill of the System and the Marks, you agree that the lack of territorial rights is not unfair to you and does not reflect bad faith by us.

3.10 **Our Rights in Protected Areas.** We and our affiliates also reserve the right in your Protected Area to:

a. Sell approved products and services, using our principal trademarks or different trademarks, through all alternative channels of distribution as we deem appropriate, including, but not limited to, the internet.

b. Run websites and/or advertise services on websites, and sell products and services through all alternative channels under our Marks, without paying compensation to you for soliciting or accepting orders inside your territory.

c. Purchase or be purchased by, merge or combine, acquire or be acquired by, any competing system or other third party, including a competing system that has one or more units located within your Protected Area and that may or may not then operate under our Marks and brand;

d. Develop and establish other business systems. including systems that distribute products or services similar to those offered at Legends Boxing, using other names or marks, and grant licenses to use those systems;

e. Establish policies and guidelines regarding the acceptance and reimbursement associated with gift certificates, gift cards, memberships, discounts, coupons, or promotions as set forth in our Manuals or otherwise in writing by us. For example, we reserve the right to establish policies relating to allocation of funds when a person buys a gift certificate in one Legends Boxing Facility location but the card is redeemed in another facility.

f. Engage and license others to engage in any other activities not expressly prohibited in the Franchise Agreement.

3.11 **Other Brands.** While we are not restricted from doing so, we have not and do not intend to establish other franchises or company-owned operations selling similar products or services under a different trade name or trademark. We and our affiliates reserve the right to use alternative channels of distribution to make sales of products or services under trademarks or service marks different from the ones you will use under the Franchise Agreement, but we and our affiliates have not yet made any sales of this type.

3.12 **Relocation of Franchise Premises.** You have no right to relocate your Franchise for any reason. You may operate the Franchised Business only at the accepted site and may not relocate without our written approval. Any approved relocation will be at your sole expense. This Agreement will govern your operations at any new or replacement Franchise location. Approval to relocate the Franchise Premises is subject to:

a. You are not in breach of this Agreement;

b. You evidence to our satisfaction your ability to obtain and commence operations at the new location within a reasonable period after you vacate the original location;

c. You equip, at your sole expense, the new location according to our then current specifications and standards, as may be set out in the Operations Manual;

d. You satisfy our then current Franchise placement and demographics criteria, as may be expressed in the Operations Manual.

3.13 **Site Location.** You are responsible for finding the location of the Franchise Premises. We recommend that you contact a knowledgeable commercial real estate agent or other knowledgeable advisor to help you determine potential locations for your Franchise Premises. We do not guarantee success for any location you select. We will not be liable for any consequences of your choice of any site for your Franchise. Any site recommendation or approval we make is not a representation that any particular site is available or legally appropriate for use as a site for your Franchise. It is your responsibility to investigate all applicable zoning, licensing, leasing and other requirements for any

proposed site. You must ensure that the site you select complies with these requirements. You are responsible for all expenses related to site selection and lease or purchase agreement negotiation.

3.14 **Franchise Premises Lease.** Before you enter a lease or purchase agreement for the Franchise Premises, you will submit the lease or purchase documents to us for approval. Lease documents must include the Franchise Premises Lease Agreement Rider attached in Schedule K-1 to our franchise disclosure document or otherwise include an assignment of the lease in a form we approve. You must sign a lease for a minimum of 10 years. You may only sign a lease shorter than 10 years if approved by us in writing. You acknowledge that our approval of the lease is only to verify the lease meets our criteria and not that the lease's terms are acceptable in your favor. We strongly recommend that you hire a competent attorney to assist you to in review and negotiation of the lease. You must deliver to us a true copy of your executed lease, including all signatures, once the lease is signed.

3.15 **Conformity, Permits and Licenses.** It is your responsibility to conform the premises to federal, state or local ordinances, building codes, licensing requirements (including that required for a boxing facility) and obtain any required permits. Prior to commencing operation of the Franchise, you will obtain all local permits, licenses, improvements and business forms necessary to operate the Franchise, including without limitation any permits or licenses required to operate an exercise facilities or health club (if necessary), as applicable in your local jurisdiction.

3.16 **Franchise Premises Development.** You will be responsible to permit, construct, remodel, furnish, decorate, and equip the Franchise Premises, at your expense, as outlined in the Operations Manual. You will comply with the standards and specifications we establish for architectural design, layout, signs, equipment, furnishings and fixtures, among other things. Any modifications to or variations from our standards and specifications require our prior written consent.

3.17 **Furniture, Fixtures and Equipment.** We will furnish to you a schedule of equipment, furnishings, flooring, paint colors and equipment for the Franchise. You agree that your franchise facilities layout must be approved by us and that all franchise equipment, flooring, furniture, cabinets, chairs, rings, bags, mirrors, decorations, signage, other items and colors must be as specified by us. Any modifications to or variations from our standards and specifications require our prior written consent. Unless specified otherwise in writing, you must use vendor(s) specified by us. Any modifications you propose must be approved by us. All approvals will be solely within our discretion to maintain a uniform image consistent with the System.

3.18 **Computer Equipment.** All computers, tablets, or other computer related equipment will conform to our equipment specifications as adopted from time to time and specified in the Operations Manual. You acknowledge and agree that we may update, modify, or otherwise make changes to our equipment specifications and that, in the event of any updates, modification or other changes in or additions to our equipment specifications, you will promptly modify, replace or add to your existing equipment at your sole expense.

3.19 **Brand Image and Remodeling.** You agree to keep your Franchised Business clean, attractive and well maintained to uphold the image and goodwill of our franchise system and in compliance with the Operations Manual. You agree to remodel your Franchised

Business if and when we request, at your cost, pursuant to our guidelines at the time. However, we promise not to require you to do a full remodel of your Franchised Business more than once every ten years. You acknowledge and agree that we may update, modify, or otherwise make changes to our facilities, including artwork, furniture, fixtures, and equipment specifications and that, in the event of any updates, modification or other changes in or additions to our artwork, equipment specifications, you will promptly modify, replace or add to your existing furniture, fixtures materials, products and equipment at your sole expense.

3.20 **Minimum Performance Standards.** You are not required to meet any minimal performance standards in order to retain your franchise.

4. USE OF MARKS

4.1 **Use of Marks.** You may only use the Marks in exact conformity with the specifications in the Operations Manual. You have the right to use the Marks to:

a. Participate as a Franchise (as set forth in the Operations Manual) and to indicate to the public that your independent business is part of our franchise system;

b. Open one facility under the Marks with the primary responsibility to solicit and service customers using the System;

c. Use our current, and approved, standard promotional and operational materials, including application forms, customer materials, brochures, and other materials provided you confirm these materials adhere to any advertising laws for your area; and

d. Seek approval from us if you want to independently use the Marks in any media.

4.2 **Written Approval Required for Use of Marks and Advertising.** You will submit to us all advertising copy using the Marks in any area, including through the internet, Social Media and other advertising and promotional materials, including public relations programs and press releases, radio and television advertising, and signs before you use them. You must obtain our prior written approval as outlined in the Operations Manual prior to use of the Marks, and if our written approval is not received within 14 days from the date we received any material or marketing request, the material or request is deemed disapproved. As a condition of our approval, you must permit us and our other franchisees that we authorize to use your materials without compensation to you. We may withdraw approval at any time and you must immediate modify or delete any marketing as required.

4.3 **Marks, Operations Manual, and System Are Our Exclusive Property.** You agree that the Marks, Operations Manual, and System are our and our affiliate's sole and exclusive property. Except for the Franchise granted to you by this Agreement, nothing in this Agreement or any other agreement will give you or others any right, title, or interest whatsoever in or to the Marks, Operations Manual, or System. We, in our sole discretion, may operate under the Marks and may grant licenses to others to use the Marks on any terms and conditions we deem appropriate. You will not contest, directly or indirectly: our or our affiliates' ownership, title, right, or interest in the Marks, the Operations Manual, or

the System; or our or our affiliates' exclusive right to register, use, or license others to use the Marks, Operations Manual, and the System.

4.4 **Notify us of Any Challenge to Marks.** You will immediately notify us if you become aware of any infringement of the Marks. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us in writing. We are not required to take affirmative action when notified of these uses or claims. We will have the sole right to control any administrative proceedings or litigation involving a trademark licensed by us to you. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. If we undertake the defense or prosecution of any litigation involving you or any litigation involving the Marks or the System, you agree to execute any and all documents and to undertake any and all actions, which in the opinion of our counsel are necessary or advisable to carry out the defense or prosecution. This may be done either in our name or in your name, as we will elect.

4.5 **Modification, Discontinuation or Substitution of Marks.** If we discontinue or modify our Marks in our sole discretion, you must adopt and use any new marks required by us. You will bear all costs and expenses that may be necessary as a result of such changes or modifications. Under no circumstances will we be liable to you for any losses related to any modification, discontinuance, or substitution of the Marks. All obligations or requirements imposed upon you relating to the Marks will apply with equal force to any modified or substituted names or marks.

4.6 **Restrictions on Use of Marks.** You can only use the Marks as authorized in the Franchise Agreement or as we otherwise authorize in writing. Among other restrictions, you may not use the Marks, or any part of the Marks, including the word "Legends":

a. As part of your corporate name.

b. In any website URL, e-mail address (unless assigned by us), domain name or website meta-tags

c. With modifying words or designs.

d. On any papers, vehicles, clothing, etc. except as we authorize.

e. In connection with the sale or rendering of any unauthorized services.

f. In any way that is unethical or may be injurious to the Franchise or to the goodwill associated with the Marks.

g. Without using the designation ®, TM, SM or other trademark registration notice.

4.7 **Unauthorized or Improper Use of Marks.** You agree that any noncompliance with the terms of this Agreement or any unauthorized or improper use of the System or the Marks will cause irreparable damage to our franchisees and us. You agree that if you engage in any unauthorized or improper use, during or after the period of this Agreement, we will be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction in addition to any other remedies prescribed by law. You agree to indemnify

us for any expenses or damages relating to your Franchise business activities, which includes any improper or unauthorized use of any Marks.

4.8 **You Will Not Use Names or Marks in Combination**. Except as provided in this Agreement, you will not use or give others permission to use the Marks, or any similar mark. You may not combine or associate any name or symbol of the Marks with any other name or word in any advertising or sign. You and your owners, officers, and agents will not form or participate in the formation of any company, firm, corporation or other entity having a name containing the words of the Marks.

4.9 **Variances from Normal Standards.** We reserve the right, at our discretion, to accommodate your special needs, or those of any other of our franchisees. These needs may result from the peculiarities of a particular site or location, density of population, business potential, population of trade area, existing business practices, requirements of local law, landlord requirements, or any other condition which we deem to be important to the successful operation of the franchisee's business. From time to time, we may allow certain franchisees to depart from normal system standards and routines to experiment with or test new products, equipment, designs and procedures. In no event will any variance or testing be deemed a waiver of any of our rights, or an excuse for you to not perform any of your duties under this Agreement. We may require you at any time to commence full compliance with the Operations Manual and the System. We will not be required to grant any variance to you under any circumstances.

4.10 **Trademark and Copyright Notices.** You will use the Marks in strict conformity to the Operations Manual and will include in any advertisement, or promotional materials that use the Marks, appropriate trademark notices as may be required by the Operations Manual. All copyrighted materials we supply to you or are otherwise used by you in connection with the Franchise will contain the appropriate copyright notices.

4.11 **Good Will.** Any and all goodwill associated with the Marks, including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our benefit. You appoint us as your agent and attorney-in-fact to amend or cancel any Registered User or Business Name filings obtained by you or on your behalf that involve or pertain to the Marks. Any and all improvements, inventions, products, vendors, processes, services and developments you make, develop or create for use in the System or arising from or related to the System or any of our Confidential Information will be our property and we and our affiliates alone will hold any patent, trademark registration or other form of protection for those improvements, inventions, developments, processes, methods and practices. You agree you will not be entitled to receive any payment or compensation associated with such.

5. ADVERTISING

5.1 **Alternative Distribution Channels.** Neither we nor our affiliates are restricted from participating in other distribution methods, whether or not near your franchised location, including Internet, other forms of media now or in the future developed, wholesale and mail order channels under marks and product configurations different than those offered through your franchise. We reserve the right to use our trademarks, service marks, names, logos and products at any location and in connection with other product and service

distribution methods, including Internet, social media, wholesale and mail order channels ("alternative distribution channels"). You may not use alternative distribution channels to make sales using our Marks except as otherwise allowed by us in the Operations Manual.

5.2 **Internet.** The internet is a channel of distribution reserved exclusively to us, including all use of web sites, advertising, domain names, URL's, linking, directory addresses, linking, meta-tags, advertising, auction sites, e-commerce (including Amazon.com), and co-branding and other arrangements. You may not independently market the Marks using any digital, electronic or computerized form or any form of media now or in the future developed (e.g. materials to be made available through the internet, inactive electronic transmissions, etc.). For the purposes of this Franchise Disclosure Document, "Internet" means any of one or more local or global interactive communications media, that is flow available, or that may become available, and includes Web sites and domain names. Unless the context otherwise indicates, Internet includes methods of accessing limited access electronic networks, such as Intranets, Extranets, and WANs. You may not establish a presence on or market using the Internet except as we may specify, and only with our prior written consent.

5.3 **Website.** We intend that any franchisee web site be accessed only through our public website, legendsboxing.com. We retain the right to approve any linking or other use of our web site. You may not market the System or Franchise independently on the Internet or in social media or have an independent Internet domain name or Web Site. Subject to the terms of use on our web site, we may gather, develop and use in any lawful manner information about any visitor to the web site, including but not limited to your customers, franchisees, or prospective franchisees.

5.4 **Telephone, Listings and Email.** You will maintain a business telephone line with a business listing in the local telephone directory. You must have a business telephone with voice mail that complies with the requirements outlined in the Operations Manual. You must identify that your facilities and franchise are affiliated with us and the System when you or your answering service or voicemail service answer telephone calls and in all of your electronic and digital communications. You must use the e-mail address we assign to you (currently in the form of firstname.lastname@legendsboxing.com) for the purposes of receiving and responding to e-mail related to your Franchise.

5.5 **We Control All Advertising.** Only we control advertising, marketing, promotions and public relations using the Marks. We have sole discretion over the creative concepts, materials, endorsements, placement and allocation of moneys for all advertising.

5.6 **Social Media and Digital Marketing.** All Internet and social media marketing using the Marks is part of our multi-area marketing programs described in the Operations Manual and must be coordinated through us and approved by us. You specifically acknowledge and agree that any Web Site or social media that uses the Marks will be deemed "advertising" under this Agreement and will be subject to (among other things) our approval. You will not establish a Web Site or social media using the Marks independent of our Web Sites or social media without prior written authorization. Standards and specifications as we outline them in the Operations Manual will apply and your continued use of any independent web site or social media using the Marks will be at our sole discretion. We reserve the rights to administer all social media. We may create, operate

and promote websites, social media accounts (including but not limited to Facebook, Twitter, Snapchat, Pinterest, and Instagram), applications, digital advertising (including pay-per-click and display ads) or other means of digital marketing to promote the brand, facilities, marks, products and franchise opportunities. We have the sole right to control all aspects of any digital marketing including all digital marketing related to your facility.

5.7 **Digital Deals and Promotions.** We have the right, but not to obligation to offer deals, discounted services, gift certificates, memberships, coupons, or vouchers on third party websites or apps such as Living Social, Facebook or Groupon and their associated reach (be it digital or otherwise). If we offer any deals, coupons, gift certificates, vouchers or such, we have the right to collect and retain any revenue from such deals, including payments to third parties and you will not be entitled to receive any payment or reimbursement from us, our affiliates, third parties, or the customers that purchase the services, deals, vouchers, memberships, gift certificates or coupons. Additionally, you agree to provide the services and products associated with the deals we sell, and if specified in the deal you must provide a customer with a pair of Legends specified boxing gloves (currently $34 cost to you) or other promotional items at your expense. You benefit if such a lead becomes a member of your facilities and you retain the resulting subsequent revenue including any equipment upgrades, membership fees and in-facility purchases.

5.8 **Discounts and Incentive Programs.** From time to time we may develop and market special discounts or other incentive programs. We may establish discounts or incentive programs in our sole discretion, and may not consult or confer with you or any other of our franchisees with respect to the nature, content or amount of any discount or incentive established pursuant to any program. You agree to participate in all discounts and promotional programs that we create, offer or advertise. You agree to accept gift certificates, coupons, vouchers, corporate discounts and other promotional programs as we create and develop from time to time. You agree you will not be entitled to receive payment or be reimbursed for any expenses, lost revenue or costs associated with such.

5.9 **Pricing.** We may, to the extent permitted by relevant law, establish price ceilings or minimum or maximum allowable prices on the products and services you offer and sell. These will be specified by us in the Operations Manual.

5.10 **Business Listing & Promotion.** You agree to advertise, at your expense, in such online directories, advertising agencies, advertising fees and/or other promotional efforts as specified by us from time to time in our manuals. We have the right place such listings, advertising, fees or promotions, on your behalf and collect the cost from you. If other franchises are served by the same directories, agencies, promotions or listings, we have the right to require group participation, make direct arrangements, and to allocate an equitable part of the cost to each Franchisee. You must pay to us when billed the cost of listing or promotion of your Franchised Business on the internet or any other promotional sources as required by us.

5.11 **Ethical Advertising**. You will insure that all your advertisements and promotions are completely factual, conform to the highest ethical advertising standards and our corporate identity standards and complies with all federal, state, and local laws. You will refrain from any communications, advertising, or promotions, which may be injurious to you or to us or to the goodwill associated with the Marks and the System. If you violate these important

requirements we may terminate your Franchise pursuant to the provisions of this Agreement.

6. SUPPLIER APPROVAL

6.1 **Manufacturer, Supplier or Distributor and Product Approval.** With advance written notice, you may request our approval to obtain products, equipment, supplies, and materials from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples and other data to allow us to determine whether the items from these other sources meet our specifications and standards. These specifications and standards will relate to quality, durability, value, cleanliness, composition, strength and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation. We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing before approval and use. We may license any supplier that can meet or exceed our quality control requirements and standards, for a reasonable license fee, to produce and deliver products to you but to no other person. Our confidential requirements, systems and formulas will be revealed to potential suppliers only after we have received reasonable evidence that the proposed supplier is trustworthy and reputable; has the capacity to consistently follow our standards, requirements and testing procedures; will maintain the confidentiality of the designs, systems and formulas; and will adequately supply your reasonable needs. We will not unreasonably withhold approval of a supplier you propose. We will notify you in writing of the approval or disapproval of any supplier you propose within 30 days of receiving written notice from you of your request for approval. We may charge you for the reasonable expenses and costs we incur to test and approve these suppliers, products or services.

6.2 **Manufacturer, Supplier or Distributor Failure to Meet Standards.** We or our agents may inspect any approved manufacturer, supplier or distributor facilities and products to assure proper production, processing, packaging, storing, and transportation. Permission for inspection will be a condition of our continued approval of any manufacturer, supplier or distributor. If we find from any inspection that a manufacturer, supplier or distributor fails to meet our specifications and standards, we will give written notice describing this failure to you and to the manufacturer, supplier or distributor, with a notice that unless the failure or deficiency is corrected within 30 days, the manufacturer, supplier or distributor will no longer be approved.

6.3 **Product Design.** We have complete and exclusive control over all Legends Boxing logos, designs, and products. You may not approach any manufacturers, vendors, or third-parties regarding the design or production of any Legends Boxing memorabilia or products.

7. TRADE NAME

7.1 **Franchisee Trade Name.** You must comply with all state and local laws concerning your trade name. Most states require that any individual or company doing business under a name different from your corporate or other legal name record that fact somewhere in the state. You cannot use "Legends" or "Legends Boxing" as part of your corporate or other

legal names. However, “Legends Boxing” followed by your entity number, or such other designation as we shall specify, shall be your “doing business as” name for an entity which owns this franchise. Consequently, these laws will apply to you since the name under which the licensed business operates will be different from your corporate or other legal name. Depending on the state, such a name may be called a "trade name," "assumed name," "fictitious name," "dba," or some other similar designation. Regardless of the terminology, the purpose of the trade name filing is to prevent deception of the public by enabling consumers and creditors to know with whom they are trading.

7.2 **Termination and Cancellation.** Trade name filings do not, and are not intended to, grant any right to use the names "Legends" or "Legends Boxing" after the franchise agreement terminates or expires. At that time, you will cancel the trade name filing at our direction, as provided in the franchise agreement.

7.3 **Independently Owned.** You must always indicate that you are operating an independently owned Franchise by using an identification tag line such as “an independent franchisee of LB FRANCHISING, LLC ” on all advertising materials, signs, business cards, financial and contractual documents and business letterhead.

7.4 **Procedures Vary.** Just as the terminology varies from state-to-state, so do the procedures for filing. In some states, the filing is made at the state level, while in others, the filing is at the county or city level. Some states may require multiple filings. For this reason, we recommend that you contact the offices of the Secretary of State, County Clerk, and City or Town Clerk in the jurisdictions where the licensed business will be conducted, to obtain the necessary forms and to ensure that all required filings are made. Operating under a trade name without the requisite filing may result in civil or criminal penalties.

8. FEES AND PAYMENTS

8.1 **Initial Franchise Fee**. The Initial Franchise Fee for your first Franchise Business is $51,900. If you are purchasing an existing franchise location from us the initial franchise fee is $19,900 (“Resale Franchise Fee”). If you convert an existing gym into a Legends Boxing gym, you do not pay the initial franchise fee (“Conversion Gym”). For subsequent Franchised Businesses purchased by you after the signing of the first Franchise Agreement but prior to five years after the signing of the first Franchise Agreement the Initial Franchise Fee is $41,900 each. You must pay the entire Initial Franchise Fee as specified in Schedule 1, Section 4 of this agreement at the time the Franchise Agreement is signed. The ~~Initial Franchise Fee~~initial franchise fee is fully earned and nonrefundable ~~under any circumstances~~ upon your signing of the franchise agreement and receipt of the funds~~. If you fail to open the Franchise within the time limits expressed in the Franchise Agreement as outlined in Item 11, below, we may terminate the Franchise Agreement and retain the entire Initial Franchise Fee.~~ by us.

8.2 **Initial Franchise Fee Considerations**. This Franchise Fee is paid in consideration of expenses incurred by us related to the execution of the Franchise Agreement, including marketing for franchisee, referral fees and commissions, sales expenses, administrative overhead, return on investment, costs, legal, accounting, other professional fees and our lost or deferred opportunity to sell Franchises in your market area to others. If you fail to

open the Franchise within the time limits expressed in the Franchise Agreement, we may terminate the Franchise Agreement and retain the entire Initial Franchise Fee.

8.3 **Location Assistance Fee.** Additionally, for the first location for this entity, you must pay to us at the same time as the Initial Franchise Fee, a Location Assistance Fee of $4,950. This fee offsets our costs in supporting your efforts to find and develop your first site. The Location Assistance Fee, as specified in Schedule 1, Section 4 of this agreement, is fully earned and nonrefundable upon your signing of the franchise agreement and receipt of the funds by us. For the second and subsequent location for your entity, you are not required to pay a Location Assistance Fee.

8.4 **Training Deposit.** Additionally, for the first location for this entity, you must pay to us at the same time as the Initial Franchise Fee, a Non-Refundable Training Deposit, for two coaches' tuition, of $3,000. The Training Deposit, as specified in Schedule 1, Section 4 of this agreement is non-refundable and non-transferable except to an entity owned by the same owners with the same ownership percentages. For the second and subsequent location for your entity, you are not required to submit a Non-Refundable Training Deposit, however you must still pay for or otherwise reimburse us for our training fees, including any On-Site training we may do at any of your locations.

8.5 **Revenue Paid to You.** All revenues generated under this Agreement from all business activities of the Franchise must be paid directly to you and not directly to your employee or independent contractor.

8.6 **Royalty Fee.** You will pay to us as a Royalty Fee equal to the greater of: (i) 7% of all Gross Revenue; or (ii) $150 per week. After your second year of operations, the minimum Royalty Fee increases to the greater of: (i) 7% of all Gross Revenue; or (ii) $250 per week. This fee is paid weekly by the third day after the close of each calendar week for the preceding week, or as specified in the Operations Manual. Royalties will commence on the date that is the earlier of (a) the first day of the first full calendar month of your franchise facility being open or (b) 12 months after signing of this Agreement.

~~8.7 **First Facility Royalty Abatement.** As a special incentive for new franchisees, for the first franchise facility opened by you, we do not charge royalties until the 3rd full calendar month of your first Franchise Facility being open provided the Franchise Facility opens within 12 months after the signing of the agreement and none of the owners listed on the Franchise Agreement have previously received the First Facility Royalty Abatement Incentive for another Franchise Facility.~~

8.7 **Royalty Abatement.** We give a royalty abatement as an incentive for you to meet or exceed your opening time frames as outlined in this Franchise Agreement and Area Development Agreement (if applicable). We encourage you to exceed your development timeframes by granting one month of royalty abatement for every month by which you exceed your development timeframe in the opening of an outlet. For example, if you have a two unit area development where you are required to open one unit by month 12 and the second unit by month 24, if you were to open these outlets at months 6 and month 12 respectively, you would receive 6 months of royalty abatement on the first unit and 12 months of royalty abatement on the second unit. This Royalty Abatement only applies to the timeframes as originally defined in these agreements, and does not apply to any extensions that may be granted to these timeframes. This Royalty Abatement does not

apply in the circumstances of a conversion of an existing gym to a Legends Boxing facility as these conversion gyms do not pay an initial franchise fee.

8.8 **Brand Development Fund**. You will contribute to the Brand Development Fund an amount up to three (3%) of Gross Revenue. Currently we require you contribute to the Brand Development Fund one percent (1%) of Gross Revenue, however we may change the Brand Development Fund contribution rate with 30 days' notice as we deem necessary in our sole and absolute discretion. ~~This~~Payment frequency shall be as specified in the Operations Manual. Currently, this fee is paid weekly by the third day after the close of each calendar week for the preceding week~~, or as specified in the Operations Manual~~.

8.9 **Brand Development Fund Contributors.** All Legends Boxing facilities, regardless if owned by a franchisee or owned by us, must contribute to the Brand Development Fund a uniform percentage of their gross sales. We administer this fund and we will have the sole right to enforce the obligations of you and all our other franchisees who contribute to the Brand Development Fund.

8.10 **Brand Development Fund Uses.** We may use the Brand Development Fund for any costs (including media and production) associated with advertising, promotional events, graphic design, photography, video production, branding, public relations, marketing, promotional materials, and any other activities we believe will benefit Legends Boxing, including creation, maintenance, optimization, and advertising of the company website or other websites, pay per click advertising, and administration of such, creating, conducting, and managing social media, creating, maintenance and promotion of software, franchise facilities, contests, direct mailers, promotions, and providing promotional materials to our franchisees. We have the right to develop all media and marketing programs (internally or through outside vendors), and have final decision on all promotions, creative concepts and media. We may add information about franchise opportunities to advertising and activities supported by the Brand Development Fund. We may use up to 15% of the Brand Fund to solicit new franchisees. We do not guarantee that you will benefit from the Brand Development Fund in proportion to your contributions. We may use all contributions and any earnings from the Brand Development Fund we receive from you in our sole discretion and utilize such local, regional, national, Internet and social media, or international advertising and marketing as we deem proper. You acknowledge that we may use the Brand Development Fund to maintain, administer, research, development, direct, prepare, conduct training related to marketing, run production and distribution programs, to place advertising and promotional materials, programs, and activities, and to pay our reasonably salaries, accounting, collection, legal, and other costs related to the above.

8.11 **Brand Development Fund Overhead Allocation.** We will not use the Brand Development Fund to defray the cost of our general operating expenses except for reasonable allocation of overhead, including pro-rata amount of salaries and facilities, used in to develop, research and administer the promotions, products and activities covered by the Brand Development Fund.

8.12 **Brand Development Fund Accounting**. By making a written request to us, you may obtain an annual unaudited financial statement of Brand Development Fund, at the expense of the Brand Development Fund, available 120 days after our fiscal year end. We may use Brand Development Fund to pay for an independent audit of the Brand

Development Fund, if we choose to have it audited. If we do not spend all Brand Development Funds received in a given year, we roll them over and apply them to the Brand Development Fund in the following year.

8.13 **Minimum Local Marketing ~~Spend~~**. You must spend the greater of $2,000 or 4% of Gross Revenue per month in local marketing, as specified or approved by us, to promote your Franchised Business. If we establish a local advertising cooperative, any contributions to the cooperative will be applied to satisfy the local marketing requirements. If you fail to spend the minimum amount on Local Marketing, we have the right to require you to pay the unspent required balance to the Brand Development Fund.

8.14 **Local Advertising Cooperative.** We may designate any geographic area as a region for establishing a local advertising cooperative ("Local Advertising Cooperative"), though we typically designate areas based on Designated Market Areas as determined by the A.C. Nielsen Company. The members of the Local Advertising Cooperative for any area will consist of all Franchised Businesses, as well as outlets operated by us or our affiliates. We will determine in advance how each Local Advertising Cooperative will be organized and governed and when it must start operation. Each Local Advertising Cooperative will be organized for the sole purpose of administering advertising programs and developing, subject to our approval, promotional materials for use by the members in local advertising. At any time, we may create or modify Local Advertising Cooperative for the purpose of establishing local and regional advertising, marketing and promotional programs. We reserve the right to form, change, dissolve or merge any Local Advertising Cooperative. Advertising Cooperatives must operate from written governing documents and they are available for your review upon reasonable written request. Local Advertising Cooperatives must prepare unaudited quarterly and year-end financial statements and email them to members to review.

8.15 **Local Advertising Cooperative Participation.** If a Local Advertising Cooperative has been established for a geographic area where your Franchised Business is located when the Franchise Agreement is signed, or if any Local Advertising Cooperative is established during the term of the Franchise Agreement, you must become a member of the Local Advertising Cooperative and abide by the rules of the Local Advertising Cooperative.

8.16 **Local Advertising Cooperative Contributions.** If we establish a Local Advertising Cooperative for your area, you and franchisor owned outlets in the Cooperative must contribute to the Local Advertising Cooperative the amounts required by its members, and all outlets must contribute on the same basis (which may be a uniform percent of revenue, a fixed amount, etc.). The amount of contribution will be determined by the members of the Local Advertising Cooperative, subject to our approval. Any contributions you make towards the Cooperative will be credited against your Local Marketing Requirement.

8.17 **Local Advertising Cooperative Voting**. Each member will have one vote for each Franchised Business operated by the member within the geographic area subject to the Local Advertising Cooperative.

8.18 **Customer Service Center Fee.** We, an affiliate or a third party we designate may provide a call center (Customer Service Center) to assist in inbound calls, inquiries and sales. If required by us, you must participate in the Customer Service Center and you agree to pay all reasonable fees imposed by the provider for those services. Additionally, you may be

required to use a specific telephone number, phone, or VOIP system that we may specify to use these services. The fee is as specified in the Operations Manual.

8.19 **Conventions.** We may hold conventions for the franchisees that make up our franchise system. These conventions may be held at a different location each time. Your attendance at each convention is required. You will be charged a reasonable convention fee for you and your employees to attend conventions or conferences that we host, currently this fee is estimated at $480 per person. Due as specified in our Operations Manual. Currently we collect this ~~as 12~~ in 24 semi-monthly payments payable at the same time as your royalty payment and other recurring payments. You are responsible for all expenses incurred in attending the ~~annual convention~~conventions including travel, wages and lodging expenses for yourself and your employees. For any ~~Annual~~ convention you do not attend you will be charged $1,000 which will be paid directly to the Brand Development Fund.

8.20 **New Customer Lead Fee**. You agree that we may offer any services, deals, vouchers, gift certificates, classes, coupons or such (collectively "deal" or "deals"), and that we have the right to collect and retain any revenue from such deals, including payments to third parties and you will not be entitled to receive any payment or reimbursement from us, our affiliates, third parties, or the customers that purchase services, deals, vouchers, gift certificates, classes, coupons or such. You must provide the services and products associated with the deals and you will not be entitled to receive payment or be reimbursed for any expenses, lost revenue or costs associated with such. If specified in a deal a customer purchases from us you must provide the customer with a pair of Legends specified boxing gloves (currently $34 cost to you) and the services specified, or other products and services as we may so designate, at your cost. You benefit if such a lead becomes a member of your facilities and you retain the resulting subsequent revenue including any equipment upgrades, membership fees and in-store purchases.

8.21 **Opening Period Training and Assistance Fee.** For each facility that you open, you must pay to us for three consecutive days of on-site training and support by our approved representative at your location during your opening period. You must pay us at our then-current rates (currently $480 per day or partial day per trainer). Additionally, you are also exclusively responsible to pay for all travel, lodging, and living expenses that we or our representative incur as part of this required Opening Period Training and Assistance. The fee is due when you schedule the on-site visit. Opening Period Training and Assistance Fee is non-refundable.

8.22 **Other On-Site Coaching, Training and Assistance.** At our discretion to offer and your discretion to use our services, you must pay us at our then-current rates (currently $480 per day or partial day per trainer) for on-site training and you are exclusively responsible to pay for or otherwise reimburse us for all travel, lodging, living, and wage and salary expenses that we or our representatives reasonably incur if we conduct on-site training at your location. We reserve to change the cost of training as deemed necessary by us. These payments or reimbursements for our travel expenses are not refundable.

8.23 **Renewal Fee.** $3,500 to enter into a new franchise agreement to continue your rights as a franchisee for an additional term.

8.24 **Transfer Fee.** $10,000 for a complete transfer or transfer of a majority ownership interest in this Agreement or in an entity holding this Agreement and $2,000 for transfer of a minority ownership interest in this Agreement or in an entity holding this Agreement. We do not charge a transfer fee if the owners of this Agreement transfer this Agreement into an entity owned by the same owners with the same ownership percentages.

8.25 **Audit.** We may audit your reports, books, statements, business records, cash control devices and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you understate the Gross Revenue for any reported period or period by more than 2% or if you fail to deliver any required report. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs. These will include, among other things, the charges of any independent accountant and the travel expenses, room, board, and compensation of our employees incurred in connection with the audit. You will immediately pay all Royalty Fees, ~~Advertising~~Brand Development Fees ~~and~~, late payment charges and interest on funds that the audit determines are owed. Our right to audit will include the right to examine the books, tax returns and records of you and other businesses that you own or operate, in whole or in part, to determine whether all revenue to be reported by you has been properly reported and that appropriate fees and contributions have been paid.

8.26 **Opening Deadline Extension Fee.** If we, at our sole discretion, agree to extend the opening date of your franchise beyond the 365 days allowed by the franchise agreement, you agree to pay us, in advance, a $500 per month fee for each full or partial calendar month for which your opening deadline is extended. This fee is fully earned and nonrefundable when paid.

~~8.27 **Late Charges.** If any fee or any other amount due under this Agreement is not paid within 5 days after such payment is due, you shall pay to us a service charge calculated at the lesser of 1.5% per month or the highest rate then permitted by applicable law for each day such amount is past due plus a $100 service fee per occurrence (unless prohibited by law). This charge shall accrue whether or not we exercise our right to terminate this Agreement. Our acceptance of late charges or services fees will not constitute a waiver of the breach created by your non-payment of any amount due. Notwithstanding the payment of any late charges, we may exercise any rights or remedies granted by this Agreement upon your breach or any rights or remedies otherwise granted by law.~~

8.27 **Interest and Late Fee.** You must pay interest of 18% (compounded daily) per year, or the maximum permitted by law, if less, on any amounts owed to us that are more than 30 days past due, retroactive to day one. In addition, you agree to pay a Late Fee of $100 per occurrence for payments that are 7 days or more past due.

8.28 **Business Listing & Promotion Fee.** You agree to spend up to $250 per month in such online directories, advertising agencies, advertising fees and/or other promotional efforts as specified by us from time to time in our manuals. We have the right place such listings, advertising, fees or promotions, on your behalf and collect the cost from you. If other franchises are served by the same directories, agencies, promotions or listings, we have the right to require group participation, make direct arrangements, and to allocate an equitable part of the cost to each Franchisee. You must pay to us when billed the cost of listing or promotion of your Franchised Business on the internet or any other promotional

sources as required by us. If deemed necessary by us, we can change the Business Listing & Promotion Fee maximum per month once each calendar year with 30 days' notice to you.

8.29 **Unauthorized or Unreported Payment Fine.** If you fail to report cash or other payments through your Point-of-Sale account, we may fine you $500 per occurrence and declare you in default of this Agreement.

8.30 **Quality Control Inspection Fee**. We may conduct a quality control inspection of your business annually, or more frequently if you fail to maintain franchise standards, receive repeated customer complaints, or fail to comply with any provisions of this Agreement. We may conduct an inspection of your business. You agree to pay us the reasonable costs associated with such inspection of your business, including the transportation, meals, lodging and wages that we incur related to such inspection.

8.31 **Relocation Fee.** You must pay to us relocation fee of $5,000 if you move your franchise business to a new location.

8.32 **Failure to Comply Fee.** You agree that it is in the best interests of the System that all franchisees comply with the standards and specifications outlined in the Operations Manual. Accordingly, if you breach any provision of this Agreement (whether it be curable or non-curable), breach any of the terms, conditions, or policies outlined in the Operations Manual, otherwise fail to comply with our standards and specifications, or use unauthorized products, suppliers, or vendors, in addition to all other rights or remedies we may have under this Agreement and applicable law, we shall have the right to charge to you a Failure to Comply Fee. In addition to your cost to come into compliance, you shall pay us a Failure to Comply Fee of $500 for your first breach, $1,000 for your second breach, and $2,500 for your third breach and any other breach thereafter. Payment of any Failure to Comply Fee shall be due immediately upon your receipt of notice from us that we are charging you the respective Failure to Comply Fee. This fee helps to defray our administrative and corporate costs related to the breach and remedy. Your payment of a Failure to Comply Fee does not affect our right to terminate this Agreement if termination is permissible based on the terms of this Agreement.

8.33 **Taxes and Indebtedness.** You will pay all taxes, assessments, liens, encumbrances, accounts, and other debts, regardless of their nature, assessed against you, the Franchise Premises, or inventory, materials, fixtures, and equipment used in your Franchise. Payment will be made when due and before delinquent except when being contested in good faith by appropriate proceedings. If we are charged with any tax by the authorized taxing authority of any state or political subdivision, including taxes on sales made to or licenses granted to you, or sales made by you at the Franchise Premises, you will pay those taxes and otherwise agree to allow us to deduct any amounts we paid~~.~~

8.34 **Proposed Location Evaluation Fee (On Site).** If you request us to travel to a proposed location to provide an on-site evaluation and we agree to do so, you must $~~480~~500 per day per person for each full or partial day spent traveling and evaluating your proposed location plus all expenses including travel, lodging and meals.

8.35 **Music and Media Licensing Fee.** You must pay your pro rata share of music licensing, streaming or other fees charged to provide music and media for use in your franchise

facilities. You must use the designated vendor we specify for your music and media systems and must use any designated channel or clearinghouse for music and other media as specified by us.

8.36 **Technology and Gym Management Software Fees.** You agree to pay us a Technology Fee~~. You must pay to us~~ of $199 per month from the Effective Date through the execution of the lease on your franchise location and $399 per month per franchise location thereafter. If deemed necessary by us, we can change the technology fee once each calendar year with 30 days' notice to you. This fee is paid monthly by the 5th day of the month for the preceding month, or as specified in the Operations Manual. You also agree to pay a Gym Management Software Fee, which is presently $254 per month, but which we may change over time.

8.37 **Technology Fee Uses.** The technology fee is to cover our costs associated with providing the technology needed to support the franchise system, including, but not limited to:

a. *LegendBoxing.com Website.* Including expenses associated with development, hosting fees, design and support for LegendsBoxing.com

b. *Communication & Collaboration.* Expenses associated with communication & collaboration systems including project management systems, group conferencing, POS administration and cloud~~-~~-based systems.

c. *Intranet Site.* Including expenses associated with development, hosting fees, design and support for the franchisee Intranet site.

d. *Research and Development.* Including the payroll associated with review of systems, negotiating contracts and researching technology.

e. *Corporate Technical Support.* Labor and expenses associated with Franchisee technical support handled by us, including our support on websites, systems and point-of-sale system.

8.38 **Computer Systems.** You, at your expense, will subscribe to and use the Point-of-Sale, client management, and gym scheduling, and other software systems that we specify. We may specify software, subscriptions, licenses, tablets, computer systems and equipment to assist in the operation of your Franchised Business. We may update, modify, or otherwise make changes to our software, subscriptions, licenses, tablets, computer systems and equipment specifications and that, in the event of any updates, modification or other changes in or additions to our specifications, you will promptly modify, replace or add to your existing software, subscriptions, licenses, tablets, computer systems and equipment at your sole expense. You must lease, purchase, or otherwise acquire, from sources as we require and at your expense, software and hardware which strictly conform to our specifications. You will be responsible for the costs associated with and required to purchase systems for your Franchise Locations, including the Point-of-Sale system, electronic signing and other software subscriptions or licenses as we require. You will communicate with us, our franchises and customers using our established communication guidelines, systems and forms. You will not use or attempt to use the procedures or software for any purpose or party other than those associated with us, the System and your Franchise, or in any manner inconsistent with this Agreement. You will execute and

be bound by all software licenses we require. We may change the computer hardware or software (including the point of sale software and facilities software) at any time and you are required to convert to the new system at your expense. We, in our sole discretion, may charge a license fee for some or all of the licenses we grant. We may be a reseller of the licenses and receive compensation for such. We keep and update the list of all licenses and any license fees in connection therewith in the Operations Manual. Our computer system requirements include access to the Internet. You must also have anti-virus, firewall, and spyware programs and Microsoft Office software.

8.39 **Product Testing Costs.** If you desire to purchase products or services other than those provided by our approved suppliers, you may submit to us a written request for approval of the proposed suppliers, products or services. We may charge you for the reasonable expenses and costs we incur to test and approve these suppliers, products or services.

8.40 **Prospect Generation Fee.** In the event you decide to sell your franchise to an existing franchisee of ours or prospective franchisee that comes from a lead generated through us (including broker networks, consultants and referral sources used by us) you will be required to pay us a Prospect Generation Fee of the lesser of $10,000 or the actual amount charged to us by third parties on each territory and/or each right to future territories before we will consent to the transfer of the franchise to such a buyer. This fee is in addition to the Transfer Fee.

8.41 **Payment Convenience Fee.** If you make a payment to us or our affiliate with a credit card or debit card for any fee owed we may charge you a Payment Convenience Fee of up to 3.75% of the total charge.

8.42 ~~**Attorney**~~**Legal Fees and Costs.** You must reimburse our ~~attorney~~legal fees for all expenses reasonably incurred (including attorneys' fees and costs): (i) to enforce the terms of this Agreement or any obligation owed to us and our affiliates, whether or not we initiate the legal proceeding, unless we initiate and fail to substantially prevail in such court or formal legal proceeding; and (ii) in the defense of any claim Franchisee asserts against us on which we substantially prevail in court or other formal legal proceedings.

8.43 **Secret Shopper Fee.** We may designate an independent evaluation service to conduct a "Secret Shopper" quality control and evaluation program for the Franchise Facilities. You agree that each of your Franchised Facilities will participate in such secret shopper program, as prescribed and required by Franchisor. You agree to pay the then-current charges imposed by such evaluation service with respect to inspections of the Franchised Facilities. These charges may include purchases necessary to secret shop the facility and classes, such as purchasing wraps and gloves for the secret shopper to use. We anticipate the secret shopper fees will be $100 per quarter plus any expenses.

8.44 **Email Account Fee.** For each email account, you will pay us the retail licensing fee which is currently $6 per account month. We may be a reseller of the licenses and receive compensation for such. You are required to have a Legendsboxing.com email (or other domain as we specify) for each owner and each position we specify in our operations manual (Operations manual currently requires a separate Legendsboxing.com email address for each coach and each account manager). This fee is paid monthly by the 5th day of the month for the preceding month, or as specified in the Operations Manual.

8.45 **Sales, Excise or Gross Receipts Tax.** If required by the federal government, state or locality in which your Franchised Business is located, the initial franchise fee, royalty, training, development fee, Brand Development Fee, products and possibly other services, products or fees may be subject to sales, excise, gross receipts or similar type tax, which you must pay for or reimburse to us for taxes imposed at the same time and in the same manner as you pay other fees to us.

8.46 **Client Refunds.** If you do not resolve a client service complaint and we believe a reasonable basis exists for a refund to the client all or a portion of the client's fees, we may pay the client directly and bill you. You agree to pay the charges.

~~8.45~~8.47 **No claims against the Area Representative**. If your franchise is located in or becomes part of a territory that falls under an Area Representative, you agree to not bring any claims against the Area Representative. If you do bring claims against the Area Representative you agree to reimburse us or the Area Representative for any legal fees and costs incurred in defending such claims.

~~8.46~~8.48 **Sums to be Paid Promptly.** You will not offset any claim for damages or money due to you from us against any payments to be paid by you to us under this Agreement or any related agreement between the parties. No endorsement or statement on any check or payment of any sum less than the full sum due from you to us will be construed as an acknowledgment of payment in full or as an accord and satisfaction. We will have the right to accept any check or payment without prejudice to our rights to recover the balance due or to pursue any other remedy available to us. Nothing contained in this Agreement obligates us to accept any payments after due or to commit to extend credit to or otherwise finance your operation of the Franchise.

~~8.47~~8.49 **ACH Authorization**. You must provide to us electronic funds transfer or ACH process information and authorization so that we may withdraw Royalties, Brand Development Fund, or other fees owed to us from your bank account. You acknowledge and agree that it is a substantial and material breach and default of this Agreement if you: (i) fail to provide or revoke such authorization; (ii) close any bank account associated with your collection of Gross Revenue without our prior written consent.

~~8.48~~8.50 **You are to Pay all Franchise Costs.** All the costs of the Franchise, including opening and operating costs, will be your sole obligation. We will have no costs, liability or expense whatsoever with respect to your opening and operation of your Franchise. You will not use or employ the Marks in performing any activity or incurring any obligation or indebtedness in a manner that could result in making us liable for them. You will pay promptly when due all indebtedness you incur in connection with your franchise and in your dealings with customers and our other franchisees.

~~8.49~~8.51 **Customer Service Resolution Reimbursement**. At our option, if we use our personnel or other resources to respond to or attempt to resolve any complaint by any customer assigned to you or not (based on your failure to live up to your contractual obligations or enforceable promises, which complaints we find in the exercise of our good faith judgment to be reasonable), then you will be responsible to reimburse for our costs and expenses.

8.508.52 **Amounts Due Us May be Deducted.** Any amount due us may, at our discretion, be offset or deducted from any amounts otherwise due to you. If you are party to more than one franchise agreement or separate entity with us, you agree that we may offset or deducted from any amounts otherwise due to you under this Agreement across all franchise agreements and entities proportionate to your ownership share in that entity or franchise agreement.

8.518.53 **Automatic Withdrawal.** The payment of all fees, including Royalties, Brand Development Fund Contributions, Technology Fees and other Accounts Receivable payable by you to us, may be required, at our discretion, to be made by automatic account withdrawal or other automatic processes we reasonably specify in the Operations Manual, including processes whereby we are authorized by you to remove the payment directly from your bank account.

8.528.54 **Reconciliation.** Currently our policy is that we will send you a weekly and monthly reconciliation of any amounts due us ("Accounts Receivable" or "AR"), including Royalties, Brand Development Fund Contributions, products, gift cards, and refunds and have you 3 calendar days to respond with any corrections, errors or modifications to the Accounts Receivable. If you do not respond within 3 calendar days, you consent that this amount due is fair and accurate and due immediately in full. After the response period, we will then initiate an automatic account withdrawal for the amount due. This policy may be updated in our Operations Manual.

8.538.55 **Media Placement Management Fee.** You must use an approved vendor to manage your media placement for your gym. We are an approved vendor for these services. If you use us to place your media, you must pay us a Media Placement Management Fee as specified in the Operations Manual. Currently, we charge $650850 per month ~~per facility~~ for ~~franchisees that elect to use us for their media placement~~the 90 days pre-open, then $750/month after opening.

8.56 **Assistance Fee in the event of Death or Incapacity**. In the event of your death or incapacity, you agree we are entitled to reimbursement from you or your estate for any reasonable expenses incurred continuing operation of your Franchised Business.

9. TRAINING

9.1 **Franchisee / Franchise Manager Initial Training.** All Franchisees and Coaches are required to complete approximately 20 hours of online training prior to attending in-person training. Franchisee / Franchise Manager Initial Training course for you and your designated Franchise Manager. The training course is currently four (4) days at our corporate training facilities in Lehi, Utah or at other locations we will designate. We reserve the right to charge a reasonable fee if we permit you to bring anyone to initial training other than owners and your first designated franchise manager, regardless of when and where the individuals participate in initial training. You are encouraged to attend the training session as soon as possible after executing the Franchise Agreement. We strongly recommend all owners attend the training, even if your franchise premises is being managed by a Franchise Manager. At a minimum, the Principal Owner must attend this training and must complete this mandatory course before you begin to operate your franchised business.

9.2 **Coaches Training.** The Coaches Training course is currently a five (5) day training that occurs at our designated training facilities (currently in Lehi, Utah). For training that occurs at our designated training facilities, prior the start of training, you must pay to us a non-refundable fee of $1500 for each coach who attends. You must send to training at least two coaches for each franchise facility you open who must satisfactorily complete the Coaches Training program. In the event of training that occurs at your franchise facility or other locations you designate ("On-Site"), you must pay us $480 per day or partial day per trainer for On-Site training and you are exclusively responsible to pay for or otherwise reimburse us for all travel, lodging, and living expenses that we or our representatives reasonably incur to conduct the On-Site training. We reserve the right to change the cost of training as deemed necessary by us. Payments or reimbursements for our travel expenses are not refundable. You will not receive any compensation for services rendered by the trainee during this or any other training.

9.3 **Opening Period Training and Assistance.** For each facility you open, you must pay for and complete our on-site opening training and support program conducted by our approved representative at your facility location. This training is typically three consecutive days near the time of the opening of your facility. You are also exclusively responsible to pay for the then current daily fee for the representative (currently $480 per day) and all travel, lodging, and living expenses that we or our representative incur as part of this required training and assistance.

9.4 **Coaches Must be Approval by Us.** Each franchise facility must have at least two active coaches who have satisfactorily completed the Coaches Training program. Each franchise facility must have a designated Lead Coach. We must approve your designated Lead Coach and Other Coaches. We may, at any time during the training or thereafter and at our sole determination and discretion, inform you that an individual is not suitable to be a coach in the Legends Boxing system. Upon that notice, any obligations to train that individual will be deemed to have been discharged and we will not be liable for any costs or expenses you incurred and you are not entitled to a refund of any of the training course tuition or other fees.

9.5 **Franchise Managers.** If any persons other than you manage the Franchise, then you will notify us in writing of these Franchise Managers. We have the right to reasonably approve your Franchise Manager. Each Franchise Manager you hire must successfully complete the mandatory initial training program. You will bear all costs of this training, including a reasonable training fee at our then current rates.

9.6 **Training Expenses.** For all trainings, you are responsible for and will pay all expenses you and your employees incur to attend the training, including transportation, board and lodging, meals, entertainment, wages and salaries, etc.

9.7 **As Needed.** Training sessions are scheduled and held on an "as needed" basis depending on the number of franchisees requesting training in a particular time frame and our training personnel's availability.

9.8 **Participant Advance Notice**. You must give us at least thirty days' prior written notice of all participants, persons, employees or owners attending any of our trainings, at our training center and at other agreed upon locations.

9.9 **Supplemental Training**. From time to time we may offer advanced training, refresher training programs or other seminars and training that you, your managers and coaches may attend. These programs and seminars will be held at locations we designate. We reserve the right to charge a reasonable training fee for these trainings. You are exclusively responsible for paying all travel, living and other expenses and compensation of those attending these programs and seminars.

10. OBLIGATIONS OF THE FRANCHISEE

10.1 **Time to Commence Operation.** You will immediately proceed with your best efforts, skills and diligence to open and begin commercial operation of your Franchise. You will be open and operational and within 365 days from the Effective Date of this Agreement. If you fail to open the Franchise within this time limit, we may terminate the Franchise Agreement and will retain the entire Initial Franchise Fee. Additionally, we have no obligation to refund any portion of the purchase price for gear, inventory, Location Assistance Fee, training deposits or other amounts paid to us, our affiliates or third parties.

10.2 **Management of Franchise Facilities.** In all situations, you must have either a franchisee or Franchise Manager on site, in charge of running the day to day operation the franchise. The franchisee or Franchise Manager must work full time in the business. All franchisee and managers must pass the background checks required of franchisees and be approved by LB FRANCHISING, LLC. The owner or Franchise Manager assigned to running the day-to-day operations of the Franchise must have completed our initial training course.

10.3 **Operations Manual.** You agree to operate the Franchised Business according to the then current Operations Manual as well as information bulletins and guidance that we disseminate electronically. The Operations Manual is confidential and remains our property. You will not disclose, copy or duplicate any part of the Operations Manual for any reason without our prior written authorization. The Operations Manual contains mandatory and suggested specifications, standards and procedures. We will provide you with electronic access to our Operations Manual. We may update this Operations Manual from time-to-time as appropriate and provide you with electronic access. You agree to comply with any revised standards and procedures in the updates at your cost.

10.4 **Maintain Standards.** You will follow the System and maintain standards of service that we prescribe. The Franchise Premises will be used only as a Legends Boxing franchise. You will administer the Franchise in a clean, orderly, and respectable manner in compliance with this Agreement and the Operations Manual. You understand and acknowledge that the failure to comply with and uphold these provisions can lead to disciplinary actions up to and including termination of this Agreement. Among other things, you will:

a. Ensure that at all times, your employees are under the direct, on location supervision of you and/or a manager who has been approved and trained by us. Secure and submit within 7 days to us a Confidentiality Agreement, in the form we designate, signed by all new employees you hire.

b. Maintain the accuracy of the system to provide up-to-date information on your customers.

c. Ensure that all of your employees are adequately trained in the use of the System and remain competent, conscientious and qualified to render services to your customers;

d. Work with all customers regardless of the franchise to whom they are assigned in a professional, courteous and responsible manner, and not engage in any behavior nor make any representations we reasonably determine to reflect negatively on us or our goodwill or the goodwill associated with the Marks in any way. Aggressive, inappropriate or discriminatory language, emails or actions directed at any customer, your or our employees, other franchisees or their employees or any other person may lead to disciplinary actions up to and including termination of your Franchise with or without opportunity to cure.

e. Provide information to us in the format we request and in a timely manner. All information provided must be, to the best of your knowledge, complete, trustworthy and accurate.

f. Assist customer to Schedule appointment regardless of their location and assist in locating other outlets participating in the System, as appropriate, to provide products and services.

g. Facilitate reciprocal transactions with other franchises whose customers wish to transact with you.

h. Not, for any reason, use, buy, sell or in any way transact business through a customer account other than those that you are the account principal or additional signer for unless the customer owning the account appoints you as the customer's attorney-in-fact pursuant to a power of attorney valid in the jurisdiction where the customer resides. A copy of that power of attorney must be provided to us before you transact pursuant to the power of attorney.

i. Not disclose or provide access to any non-publicly available information from the System or learned from us concerning any customer or franchisee, to any individual or entity who competes with us or whose interests are adverse to us or the Legends Boxing franchise system.

j. Enroll new customers in compliance with this Agreement and our Operations Manual. When enrolling new customers, you will not avoid compliance with this Agreement or our Operations Manual in order to inflate growth, win awards or earn payments from us or for any other reasons.

k. Comply with and enforce the Privacy Policy of LB FRANCHISING, LLC as established and updated.

l. Maintain your, and our, business reputation by prompt payment of all bills, debts, expenses and charges arising from your operations under this Agreement and prompt payment of all taxes, licenses and permits required by any governmental unit. You are responsible for all your own expenses and costs of doing business.

m. Report all cash and other payments through your Point-of-Sale system specified by us.

n. Maintain signs and promotional materials approved by us at the Franchise Premises and comply with local sign ordinances, regulations, and bylaws.

o. Comply with all applicable ordinances, regulations, bylaws, laws and statutes. You will not permit unlawful activities on the Franchise Premises.

p. Secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchise and will operate your business in full compliance with all applicable ordinances and regulations, including without limitation, all government laws and regulations relating to occupational hazards and health, EEOC laws, Americans with Disabilities Act, copyright laws protecting owners of artistic works, consumer protection, trade regulations, workers compensation, unemployment insurance and withholding, and payment of federal and state income taxes, social security taxes and sales, use and property taxes.

q. Follow state or local laws, including those that may require that the Franchise be registered as a health club. You agree to investigate and adhere to all local and state requirements and to hire competent legal assistance to assist you to set up the Franchise at the Franchise Premises and to register with relevant governing agencies, to customize applications and contracts, and to comply with relevant federal, state, and local laws and regulations

r. Not sell or dispense any products or services or activities other than those we specifically recognize and approve in writing.

s. At your expense, maintain the interior and exterior of the Franchise Premises and equipment and furnishings in good repair, attractive appearance and sound operating condition in compliance with the Operations Manual. At our request, you will make necessary repairs to the Franchise Premises in order to protect the reputation of the Marks. You will commence all repairs and changes within a reasonable time and you will proceed with due diligence until completion.

t. Keep your location open during the hours specified in the Operations Manual or approved in writing by us.

u. You will keep a complete and accurate set of books and records. You will keep records of all business done and revenue received through your Franchise. You will date, file in consecutive order, retain for a period of six years, and make available to us for inspection and audit of all your records.

v. You will install and maintain at your expense, a security video camera system with audio capability at your franchise facility, capable of being remotely by us through an internet connection. You must at all times give us unrestricted and independent electronic access to your cameras. The security video camera system type and use must be approved by us and compliant with our Operations Manual.

10.5 **Inspections.** We may enter upon the Franchise Premises at reasonable times, including any time you are open to the public, to verify your compliance with the terms of this Agreement and the Operations Manual. You and anyone acting as your agent agree to cooperate fully with us and our agents to inspections, observations and interviews. We

may employ professional shopping services to evaluate and monitor your compliance with this Agreement without prior notice to you. To do so, we may:

a. Inspect the Franchise Premises;

b. Observe your operation of the Franchise for any consecutive or intermittent periods we deem necessary;

c. Interview your personnel and customers; and

d. Inspect and copy any books, records and documents related to the operation of the Franchise and any other Franchise information we may require.

10.6 **Independent Access to Information.** You agree that we will have and you are required to provide independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. You must at all times give us unrestricted and independent electronic access to your facilities information including, but not limited to your facilities software, appointment software and point of sales system, for the purposes of obtaining information about the facilities. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. If, as part of a review of your business, we request a copy of any business records, you must send us at your expense these records within three business days of receiving our request. We will have access to all of your data in the software and there will be no contractual limitation on our right to access your information or data.

10.7 **E-Problems**. Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date related problems, and attacks by hackers and other unauthorized intruders ("E-Problems"). We will take reasonable steps so that E-Problems will not materially affect our business, however, we do not guarantee that information or communication systems that we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that your suppliers, lenders, landlords, customers, and governmental agencies on which you rely have reasonable protection from E-problems. This may include taking reasonable steps to secure your systems including firewalls, password protection, and anti-virus systems, and to provide backup systems.

10.8 **Data Protection.** You will: (i) comply with all applicable data protection laws; (ii) comply with all of our requirements regarding the data protection laws contained in the Operations Manual or otherwise; (iii) refrain from any action or inaction that could cause us or our affiliates to breach any applicable data protection law; (iv) do and execute, or arrange to be done and executed, each act, document and thing necessary or desirable to keep us and our affiliates in compliance with any applicable data protection law; (v) reimburse us and our affiliates for any and all costs incurred in connection with your breach of any data protection laws; and (vi) permit us and our affiliates to use any data or other information each of them gathers concerning you in connection with the establishment and operation of franchised and company owned locations by us or our affiliates.

10.9 **Non-Disparagement.** You shall not, at any time during the Term and thereafter, make statements or representations, or otherwise communicate, directly or indirectly, in writing, orally, or otherwise, or take any action which may, directly or indirectly, disparage us, our franchisees, or any of its subsidiaries or affiliates or their respective officers, directors, employees, advisors, businesses or reputations.

10.10 **Project and Construction Management.** Unless approved otherwise by us in writing, you agree to use the construction management company we specify to assist in the build out of your franchise location.

11. CONFIDENTIAL INFORMATION AND INTELLECTUAL PROPERTY RIGHTS

11.1 **Confidential Information.** You acknowledge that you will receive valuable Confidential Information, including information regarding our operational, sales, promotional and marketing methods and techniques, operating procedures, processes, practices, lists of suppliers, customer and customer lists and transaction records, manuals, marketing and sales techniques and strategies, and the System. You specifically acknowledge that our Confidential Information is proprietary to us, and remains our sole exclusive property. You further acknowledge that our Confidential Information is unique and novel to us. You will return all materials such as operations manuals and all other material you receive from us to us upon expiration or termination of this Agreement.

11.2 **Non-Disclosure.** You agree not to copy, download to Internet, intranet, fax, e-mail, mail, divulge, or send any Confidential Information directly or indirectly to any other person or enterprise outside of the System. During the term of this Agreement and after it expires or is terminated, you will never communicate, fax, e-mail, post on the Internet, divulge or use in any other manner, either for your benefit or the benefit or any other person, persons, partnerships, associations, companies or corporations any Confidential Information. You agree to not communicate or divulge the contents of our Operations Manuals or any other information related to the System or to the operation of the Franchise or the System to any person or entity except to your manager or other employees as we authorize in writing. You may only use the Operations Manual in the course of your performance under this Agreement, subject to the provisions and duration of this Agreement. You agree to fully and strictly adhere to all security procedures we prescribe for maintaining the confidentiality of the information.

11.3 **Confidentiality of Employees.** You agree to disclose information to your employees only to the extent necessary to conduct Franchise business. You will require as a condition of the employment of your employees and anyone else providing services to you that they maintain and protect our Confidential Information. You will ensure that all of your employees execute an approved confidentiality, non-disclosure, and non-competition agreement. You must follow our security procedures, which may include the execution of approved Intranet and Internet usage agreements. You will be responsible to enforce compliance with this Agreement by your employees. We may also enforce the nondisclosure agreement against your managers or employees, at our option. If you become aware of any actual or threatened violations by any of your employees or anyone else providing services to you, you will promptly and fully advise us in writing of all related facts known to you. You will cooperate with us in all ways we reasonably request to

prevent or stop any violation. This may include instituting or permitting to be instituted in your name any demand, suit or action that we determine is advisable. The demand, suit or action may be maintained and prosecuted by you and us at your expense. You will also require any third party to whom you disclose any of our Confidential Information, including but not limited to consultants, distributors, and agents, to execute an approved confidentiality, nondisclosure and non-competition agreement. You acknowledge your responsibility to us for any misuse or publication of the Confidential Information by you or any of your employees.

11.4 **Intellectual Property Ownership.** We own the Franchise, the associated system and all intellectual property associated with it. If you develop any new concept, product, process, vendor or improvement in the System, you agree to promptly notify us and provide us with all necessary related information, without compensation. You assign to us all such concepts, processes or improvements and acknowledge that all such concepts, processes or improvements will become our property, and we may use or disclose such concepts, processes or improvements to franchisees, customers, and employees as we may determine to be appropriate. To the extent you have or later obtain any intellectual property, other property rights, or interests in the Franchise system by operation of law or otherwise, you hereby disclaim such rights or interests and will promptly assign and transfer such entire interest exclusively to us. You will not undertake to obtain, copyright, trademark, service mark, trade secret, patent rights or other intellectual property right with respect to the Franchise system.

11.5 **Return of Information.** Upon termination or expiration of this Agreement, you will return to us all of our Confidential Information embodied in tangible form, and will destroy, unless otherwise agreed, all other sources that contain or reflect any such Confidential Information. Notwithstanding the foregoing, you may retain Confidential Information as needed solely for legal, tax, and insurance purposes, but the information retained will remain subject at all times to the confidentiality restrictions of this Agreement.

11.6 **Customer Data.** We retain all right, title, and interest in and to the Customer Data, including all intellectual property rights therein and thereto. However, you may use the Customer Data during the Term of your Franchise Agreement as permitted by your Franchise Agreement or our Manual. "Customer Data" means any and all information about Customers that may be collected in connection with their use of the franchise system, including, but not limited to, name, telephone number, address, email address, purchase information, account information and billing transactions. Customer Data shall be considered Confidential Information for purposes of your Franchise Agreement.

11.7 **Personal and Performance Data.** You agree that we may share performance data of franchise businesses between us, our employees, franchisees, franchisee's employees, affiliates, consultants, distributors, vendors and agents. You agree to keep such performance data confidential. You consent to the disclosure by us of certain personal information concerning you and the Franchise and the Franchise Premises, namely your identity, including your name, address and telephone number, in our franchise disclosure documents, whether or not such disclosure is required by law, and in our other documents relating to the sale of franchises. Further, you consent to provide us with, and the additional disclosure by us of certain personal information concerning you, the Franchise and the Franchised Premises, including historical performance of the Franchise, sales,

revenues, expenses, costs, results of operations, and similar financial information and operating information, and any information regarding the expiration or termination of your Franchise Agreement in our franchise disclosure documents (whether or not such disclosure is required by law), or to a prospective transferee of your Franchise or of the Franchise Premises or to any other prospective purchaser of us or any other franchise from us.

12. NON-COMPETE AND NO SOLICITATION

12.1 **Covenants Against Competition and Solicitation.** You will diligently, faithfully, and honestly perform your obligations pursuant to this Agreement. You will use your best efforts to develop, promote and enhance your Franchise. You will ensure that all of your owners, shareholders, members, partners, directors, officers, employees, consultants, distributors, and agents execute a confidentiality, nondisclosure, and non-competition agreement in a form approved by us. You will ensure that you and your owners, directors, officers, partners, shareholders, members, employees, consultants, and agents, during the term of this Agreement and for a period of two years after expiration or termination of this Agreement do not:

a. Divert or directly or indirectly attempt to divert any of our business or any customer or franchisee to any competing business, location or system.

b. Undertake or attempt to solicit or otherwise agree privately with customers or franchisees to provide consultation or support related to any membership or exercise program or system, other than through the System or otherwise attempt to circumvent the System.

c. Act as a paid or unpaid advisor, employee, or board member with any boxing, exercise or fitness program or system.

12.2 **Scope.** You will not, directly or indirectly, engage in any activity or business enterprise that conflicts with or impairs these obligations. You will not, directly or indirectly, engage in any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System. For greater clarity and the avoidance of doubt, the non-competition covenants and restrictions outlined in this Section include boxing and fitness gear and products, boxing and fitness programs and other training systems similar to the System. During all of these periods, you agree to promptly and fully disclose to our chief officer any business opportunity coming to your attention, or conceived or developed in whole or in part by you, which relates to our or our affiliates' business.

12.3 **Geographic Extent.** During the term of this Agreement, these covenants apply in the United States~~.~~ and Internationally. After the termination of expiration of this Agreement, including a sale of the Franchise or your interest in it, these covenants apply within 50 miles of any Legends Boxing location, unless you receive our prior written consent.

12.4 **Duration.** During the term of this Agreement and for a period of two years after expiration or termination of this Agreement, for any reason and regardless of who terminates the Agreement

12.5 **Adequate Consideration.** You and we stipulate that, in light of all of the facts and circumstances of the relationship between you and us, the covenants, restrictions and agreements referred to in this section (including without limitation their scope, duration and geographic extent) are fair and reasonably necessary for the protection of our confidential information, goodwill and other protectable interests. You specifically acknowledge the receipt of adequate consideration for the covenants contained in this section and that we are entitled to require you to comply with these sections.

12.6 **Severability.** If a court of competent jurisdiction should decline to enforce any of those covenants and agreements, you and we request the court to reform these provisions to restrict your use of Confidential Information, non-solicitation, ability to compete with us, and any other covered topics to the maximum extent, in time, scope of activities, and geography, the court finds enforceable under Pennsylvania Law or other applicable law. If any covenant or provision of this section is determined is deemed void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision.

12.7 **Injunctive Relief.** You acknowledge that we will suffer immediate and irreparable harm that will not be compensable by damages alone if you repudiate or breach any of the provisions of this section and the section entitled "Nondisclosure of Confidential Information" above or threaten or attempt to do so. For this reason, under these circumstances, we, in addition to and without limitation of any other rights, remedies or damages available to us at law or in equity, will be entitled to obtain temporary, preliminary and permanent injunctions in order to prevent or restrain the breach, and you agree to waive any requirement that we post bond to obtain a temporary or permanent. You also agree that a violation of any of these sections would entitle us, in addition to all other remedies available at law or equity, to recover from you any and all funds, including, without limitation, wages, salary, and profits, which will be held by you in constructive trust for us, received by you in connection with such violation.

12.8 **Sufficient Livelihood.** You represent that if this Agreement expires or is terminated, whether voluntarily or involuntarily, you have experience and capabilities sufficient to enable you to find employment or otherwise earn a livelihood in areas which do not violate this Agreement and that our enforcement of a remedy by way of injunction will not prevent you from earning a livelihood.

13. TERMINATION

13.1 **Termination by You.** You may terminate this Agreement by not renewing, under any grounds permitted by law or if we are in material breach of this agreement after having received written notice by you and giving us 30 days to cure such breach. You must comply with all provisions of this Agreement related to termination.

13.2 **Termination by Us - With Opportunity to Cure.** We may terminate this Agreement, and any other related agreements between the parties, after sending you a written "Notice to Cure" and giving you the opportunity to cure for thirty (30) days. Termination will occur immediately upon delivery to you of our written declaration of termination for failure to cure within the allowed time frame. If you or your owners, officers or key employees:

a. Breach any term or provision of this Agreement, the Operations Manual, or any other franchise and related agreements.

b. Owe us any amount that is more than 30 days past due.

13.3 **Termination by Us - Without Opportunity to Cure.** We may immediately terminate this Agreement and any other franchise and related agreements between the parties without other cause, and without giving you an opportunity to cure, if any of the following occur:

a. *Insolvency.* You become insolvent, meaning unable to pay your bills in the ordinary course of business as they become due.

b. *Abandonment.* You fail to operate the Franchise continuously and actively for 14 consecutive days or for any shorter period after which it is reasonable under the facts and circumstances to conclude that you do not intend to continue the Franchise or maintain a suitable Franchise premises.

c. *Repeated Breaches.* You commit three or more breaches of this Agreement, the Operations Manual, or any other agreement with us, in any 12-month period regardless of whether or not you had corrected your earlier failures to comply after we delivered notice to you. This includes complaints for material ethics violations we find or have found to have merit.

d. *Material Misrepresentation.* You make or have made any material misrepresentation or misstatement on the Franchise application or with respect to ownership of the Franchise.

e. *Fail to Open / Open without Approval.* If you fail to obtain our approval of a site or fail to commence operation of your franchise facilities on time.

f. *Judgement or Levy of Execution.* You allow the Franchise or Franchise Premises to be seized, taken over, or foreclosed by a creditor, lien-holder, or lessor; let a final judgment against you remain unsatisfied for thirty days (unless a supersedeas or other appeal bond is filed); or allow a levy of execution upon the Franchise or upon any property used in the Franchise that is not discharged by means other than levy within five days of the levy.

g. *Felony / Material Violation.* You are convicted of a felony; or you are convicted of any criminal misconduct relevant to the operation of the Franchise. You understand and agree that if you or any of your partners, officers, or directors pleads no contest to a felony or has an adverse final judgement entered in a civil action for fraud, dishonesty, conversion, misrepresentation or any other matter involving moral turpitude, in our sole judgement, this will substantially impair the goodwill associated with us, the Marks and the System.

h. *Imminent Danger to Public Health or Safety.* You operate the Franchise in a manner that creates an imminent danger to public health or safety.

i. *Material and Unfavorable Conduct.* You engage in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system

~~i.~~j. *Attempt to Repudiate Agreement*. You attempt to unilaterally repudiate this Agreement or the performance or observance of any of its terms, conditions, covenants, provisions or obligations by any conduct evidencing your intention to no longer comply with or be bound by this Agreement.

~~j.~~k. *Mutual Agreement.* You and we agree in writing to terminate the franchise.

~~k.~~l. *Unreported / Misreported Revenue.* You fail to report cash or other payments through your approved point of sale account or you fraudulently post or omit transactions.

~~l.~~m. *Failure to Pay Suppliers*. You fail to pay suppliers an amount exceeding $5,000 for more than 60 days.

~~m.~~n. *Inhibit Inspection*. You fail to permit us to inspect or audit your franchise; or

~~n.~~o. *Violate Key Covenants.* You engage or attempt to engage in any act in violation of the Confidential Information requirements and Covenants Against Competition and Solicitation expressed in this Agreement.

13.4 **Remedies.** These provisions are in addition to all other remedies available to us at law or in equity. We will have the option to cure your breaches at your expense. If you breach or default in any of the terms of this Agreement, we have the right to appoint a receiver to take possession, manage and control assets, collect profits, and pay the net income for the operation of the Franchise as ordered by a court of competent jurisdiction. The right to appoint a receiver will be available regardless of whether waste or danger of loss or destruction of the assets exists, and without the necessity of notice to you.

13.5 **Non-Action is not a Waiver.** Your failure to conform to our provisions or requirements and subsequent non-action by us to require you to cure or remedy your failures and defaults will not be deemed a waiver of future or additional failures and defaults by you under this provision or any other provision of this Agreement.

13.6 **Upon Expiration or Termination.** Upon expiration or termination of this Agreement, regardless of the reason for the expiration or termination, you will:

a. Immediately cease using the Marks (or any names or marks deceptively similar to them), the Operations Manual and the System.

b. Return to us all copies of the Operations Manual. Return to us all records, files, instructions, correspondence, and materials in your possession or control related to the System. You will give us a complete and accurate summary of your advertisers, customers and prospects, including their names, addresses, telephone numbers and related file records. You will assist us in every way possible to bring about a complete and effective transfer of your Franchise to us or to our designated franchisee.

c. Return to us all proprietary and confidential materials, including customer lists and transaction records, codes, signage, advertising and marketing materials, service agreements and other forms, printed files, customer account information, security codes and the like as described in the Operations Manual. If you fail to return or cease use of any of these items, we may enter your business premises without

being guilty of trespass or any other tort to remove and retain the items. You will pay to us, on demand, any expenses we incur in trying to remove or collect the items or in attempting to have you cease use of them.

d. Authorize all Internet, email, electronic network, directory and listing entities to transfer all addresses, domain names, locators, directories and listings that contain the Marks to our designee or us. Notify these entities of the termination of your right to use the Marks. You authorize the transfer of such directory listings and Internet addresses, domain names and locators to our designees or us. You appoint us as your agent and attorney-in-fact to effectuate the transfer of these directory listings, domain names and Internet directory listings to us. You agree that we will be treated as the subscriber for the directory listings. We will have full authority to instruct the applicable directory and listing companies on the use and disposition of the listings. You release and indemnify these companies from any damage or loss because they follow our instructions.

e. Make reasonable modifications to the interior and exterior of any retained premises to reduce your identification as a part of the System. These modifications will include reasonable alterations to eliminate any possibility of confusion between the Franchise Premises and any other Legends Boxing location. You will advise all customers or prospective customers coming to the Franchise Premises or telephoning you that you are no longer associated with us.

f. Pay to us within seven days all sums you owe. These sums will include all damages, costs and expenses, including reasonable attorney's fees and collection costs, we incur because of your breach. These sums will include all costs and expenses, including reasonable attorney fees, we incur in obtaining injunctive, appellate, or other relief to enforce the provisions of this Agreement.

g. We consider all of the gym design, layout, color patterns, furniture, fixtures and equipment as intellectual proprietary and proprietary to our system. As such, at our option, you will offer to us the right to purchase from you any or part of the furniture, equipment, signage, fixtures, and supplies within 30 days of the date of termination for the adjusted book value, which is the undepreciated book value of the assets on your most recently filed federal tax return prior to the date of the termination or expiration. If we elect not to purchase any or part of the furniture, equipment, signage, fixtures, and supplies, you agree to either sell such furniture, equipment, signage, fixtures, and supplies to a current franchisee of ours, or destroy the furniture, equipment, signage, fixtures, and supplies such that they cannot be re-used.;

~~g.~~h. Abide by all provisions of the restriction upon communication of Confidential Information set forth above and the post-termination Covenant Not to Compete set forth above.

13.7 **Damages.** You agree that if you do not comply with any of these requirements upon expiration or termination of this Agreement, substantial damages that are difficult to determine at the date of execution of this Agreement will accrue to us. If this Agreement is terminated because of your material breach, you agree to pay us, all actual and

consequential damages and any costs and expenses (including reasonable attorneys' fees) we incur.

13.8 **Recovery of Lost Royalty.** In the event that you terminate this Agreement other than in accordance with the terms of Section 13.1, or if we terminate this Agreement pursuant to Section 13.2 or 13.3, then, in order to compensate us for lost future revenue and profits to us, harm to the goodwill associated with the Marks, and increased costs to us to re-develop or re-franchise the market in which your franchise is located, you shall pay to us within 15 days of termination, liquidated damages, an amount equal to three years of expected royalties. This amount will be calculated based on the greater of (a) 36 months of minimum royalties, or (b) the average monthly royalty fees incurred (whether or not actually paid by you) for the 12 months immediately preceding the date of termination, or, if you operated your franchise for which royalties were due for less than 12 months immediately preceding the date of termination, on the average monthly royalty fees incurred (whether or not actually paid) during the period you operated the franchise and were obligated to pay royalties. You agree that Lost Royalty specified in this section are only intended to compensate us for the early termination of this Agreement and our loss of opportunities and revenue resulting therefrom, but not for any other breach of this Agreement by you or any other damages incurred by us, and all remedies applicable remain available to us.

13.9 **No Refunds.** In the event of termination of this agreement, we have no obligation to return or refund any fees paid by you, or refund or repurchase any inventory or supplies purchased by you from us.

14. OWNERS, EMPLOYEES AND MANAGERS ROLES ~~AND~~AND RESPONSIBILITIES

14.1 **Employees.** You are exclusively responsible to train and make sure your employees and independent contractors meet the standards, specifications and procedures outlined in the Operations Manual. You will:

a. Hire employees for the conduct of the franchise business and will pay their wages, commissions, piece work and any other compensation justly due with no liability on our part.

b. Hire only efficient, competent, sober and courteous employees and independent contractors whose duties include exceptional customer service and have sufficient literacy and fluency in the English language to serve the public.

c. Control your own employees and independent contractors. We will not have the power to hire, fire, direct, supervise, or discipline them. You will maintain employee records to show clearly that you and your employees are not our employees.

d. Comply with all state and federal laws in respect to your employees. You acknowledge that you have had ample opportunity to investigate these and other laws applicable to your business with your own independent legal counsel before signing this Agreement. You must indemnify and hold us legally harmless from any of your violations of such laws.

e. Pay special attention to and comply with all federal, state and locality wage and hour laws with respect to your employees. You must comply with all such laws and pay your employees properly. You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits.

f. Be exclusively responsible to monitor the scheduling, performance, efficiency, and efficacy of your employees and independent contractors and to make adjustments to improve the results of their efforts.

g. If you decide to share employees or independent contractors with other franchisees, then you will indemnity and hold legally harmless us (and our affiliates, officers, directors, employees and agents) from any claims, losses, attorney fees and damages resulting from such activities. You acknowledge that this provision does not constitute an endorsement to share employees with other franchisees.

h. Be responsible to train and to make sure your employees and independent contractors meet the standards, specifications and recommendations outlined in the Operations Manual, including those related to appearance, customer service, background checks, and drug testing (as applicable). You are required to hire and maintain sufficient staff in order to handle customer volume at all times. You will ensure that your employees present a neat and clean appearance and render friendly, efficient, sober and courteous service to your customers.

i. Not hire any employee or independent contractor who has been found guilty of any charges of fiduciary misconduct, any form of unlawful sexual conduct, any felony of any kind, or any similar charges that reflect negatively on the person's moral turpitude and character.

14.2 **Responsibilities.** You, your managers and employees will:

a. Agree to be bound by the confidentiality and non-compete provisions of the franchise agreement.

b. Not have a relationship with or interest in any of our business competitors.

c. Agree to complying fully with and discharge all of your obligations under your franchise agreement.

d. Actively participate in franchisee meetings, seminars, conferences, and supplemental training we sponsor.

e. Complete our initial training program (Franchise Managers and Owners)

f. Comply with all applicable laws.

g. Pass a criminal background check.

14.3 **Management Organization.** You will maintain a management organization that includes:

a. If you operate at multiple locations you must have a unique manager located at each of your Franchise Facilities.

b. A management organizational chart that is submitted to us and approved by us.

c. A management and business plan that is submitted to us and approved by us.

14.4 **Health and Full-Time Participation.** You acknowledge that a Legends Boxing business involves hard work and sometimes long hours, similar to most small businesses that are owner operated. We do not represent that this business is going to be easy for you, your partners, officers or directors. You or your majority owner if you are a corporation, limited liability company or partnership, must actively participate in the daily affairs of the business. You represent that you or your majority owner are in good health and able to devote your full time and best efforts in the day to day operations of your Franchise or that you have the business management skills necessary to successfully hire a manager to run the day to day operations of your Franchise.

14.5 **Working Capital Requirements.** At all times during the term of this Agreement, you will maintain and employ as much working capital as may be required to enable you to properly and fully perform all your duties, obligations, and responsibilities.

14.6 **Principal Owner.** You must designate one and only one owner with at least 10% ownership as the "Principal Owner." The Principal Owner is the primary owner responsible for your business and communication with us. The Principal Owner must have authority over all transactions and dealings related to your facilities and must have power to create binding agreements with us.

15. TRANSFER

15.1 **Transfer by You**. Your rights and obligations under this Agreement are exclusive to you. This Agreement is not assignable by you without our prior written consent. Whether voluntarily or involuntarily, neither you, your owners, partners nor others claiming an interest in the Franchise will sell, transfer, assign, encumber, give, lease, sublease, or allow any other person to conduct business in or through the whole or any part of this Agreement (collectively called "Transfer"). Any attempted Transfer without our prior written consent will be a breach of this Agreement and any attempt to otherwise assign your rights and obligations under this Agreement will be void.

15.2 **Viability.** Because we will have a strong and vested interest in the financial viability and ongoing management abilities of the transferee, we need not consent to any Transfer if we reasonably believe the purchase price is excessive or if we believe based upon a review of the transferee's operational and business plans that the transferee's business operations might not be beneficial on a cash flow or financial basis. We may require a review of the transferee's operational and business plans demonstrating that the transferee's business operations will work on a cash flow or financial basis in light of the operational history of the Franchise.

15.3 **Conditions for Approval of Transfer.** You recognize that there are many subjective factors that comprise the process by which we select a suitable franchise owner. We enter this Agreement, in part, in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of you (or your shareholders, members or partners, if you are a corporation, limited liability company, partnership or other entity). Our consent

to a Transfer by you will remain a subjective determination. We need not consent to any Transfer unless all the following conditions are met:

a. *Comply with non-discloser and non-compete.* You remain bound by your covenants in this Agreement to not disclose Confidential Information and to not compete with our franchisees or us.

b. *Pay all debts.* You are current in monetary obligations and pay all ascertained or liquidated debts concerning the Franchise.

c. *Not in breach.* You are not in breach of this Agreement or any other agreement between the parties. Our consent to the transfer will not constitute a waiver of any claims we may have against you.

d. *Pay the Transfer Fee.* You pay the Transfer Fee specified in this agreement.

e. *Pay the Prospect Generation Fee (if applicable).* If you sell your franchise to an existing franchisee of ours or prospective franchisee that comes from a lead generated through us (including broker networks, consultants and referral sources used by us) you must pay us the Prospect Generation Fee specified in this agreement.

f. *Sign a general release.* You and your owners, members, partners, officers, and directors execute a general release in our favor. The release must be in a form we prescribe, following applicable law, to release us from any claims you may have against us.

g. *Subordinate your rights to the transferee's obligations to us.* You enter into an agreement to subordinate, to the transferee's obligations to us (including the payment of all Franchise fees), any obligations of the transferee to make installment payments of the purchase price to you. The form of this subordination is subject to our approval.

h. *Comply with all laws.* You will comply with and help us to comply with any laws that apply to the Transfer, including state and federal laws governing the offer and sale of Franchises.

i. *Comply with all post-termination provisions.* You remain bound to all post-termination provisions in our Agreements with us.

j. *Must Meet our standards.* The transferee meets our standards for quality of character, financial capacity, and experience required of a new or renewing franchisee. You will provide information we require to prove the transferee meets our standards.

k. *Not be in competition.* The transferee is not a competitor of ours or in competition with us.

l. *Assume your obligations.* The transferee assumes your obligations to us and all third parties.

m. *Complete any mandatory trainings.* The transferee agrees to pay for and complete to our exclusive satisfaction the training programs we then require of new franchisees or otherwise show to our satisfaction sufficient ability to successfully operate the Franchise.

n. *Execute all documents we require including a then-current franchise agreement.* The transferee executes all documents we then require of new franchisees, including if required by us, the transferee executes a then current franchise agreement.

15.4 **Transfer to a Controlled Entity**. You may transfer, without being charged a Transfer Fee, your rights and obligations under this Agreement to a corporation or other entity if the Controlled Entity has the same owners with the same ownership percentages. A "Controlled Entity" is an entity in which you are the beneficial owner of 100% of each class of voting ownership interest. The Controlled Entity must be newly organized with its activities confined exclusively to act as the franchisee under this Agreement. The entity must contemporaneously agree in writing to be bound by the terms of this Agreement and you and your owners, members, partners, officers, and directors execute a general release in our favor. You must contemporaneously agree in writing to guarantee the obligations of the entity and to remain personally liable as a named principle party in all respects under this Agreement.

15.5 **Transfer within an Entity.** Prior to the time of the desired transfer of interest within an entity, you must notify us, in writing, of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest. Each such person of the entity shall sign the then current amendment and general release forms and/or Franchise Agreement as required by us and is subject to approval by us. We charge $10,000 for a transfer of a majority interest within an entity, and $2,000 for a transfer of a minority interest in and entity.

15.6 **We may Transfer this Agreement.** We may Transfer this Agreement, and if we do it will be binding upon and inure to the benefit of our successors and assigns. Specifically, you agree that we may sell our assets, assign the Marks, or sell the System outright to a third party, go public, engage in a placement of some or all of our securities, merge, acquire other entities or be acquired by other entities, or undertake a refinancing, recapitalization, re-organization, leveraged buyout or other economic or financial restructuring. As for any or all of these sales, assignments and dispositions, you waive any claims, demands or damages arising from or related to the loss of the Marks (or any variation of them) or the loss of association with or identification as part of our franchise system.

15.7 **Securities and Public Offerings.** You may offer your securities or partnership interests to the public, by private offering, or otherwise, only with our prior written consent. All materials required for the offering by federal or state law will be submitted to us for review before filing with any government agency. Any materials to be used in any exempt offering will be submitted to us for review prior to their use. No offering by you will imply (by use of the Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities. You and all other participants in the offering must fully indemnify us concerning the offering. For each proposed offering, you will pay to us the amount necessary to reimburse us for our reasonable costs and expenses associated with

reviewing the proposed offering, including, legal and accounting fees. You will give us at least 60 days written notice before the effective date of any offering or other transaction covered by this subsection.

15.8 **No Sub-franchise or Splitting of Rights**. You may not grant a sub-franchise or Transfer less than all of your rights under this Agreement, and upon any attempt by you to violate this subsection, this Agreement will immediately terminate.

15.9 **No Waiver of Claims.** Our consent to a proposed Transfer will not be a waiver of any claims we may have against you (or your owners), nor will it be a waiver of our right to demand exact compliance with this Agreement.

15.10 **Compliance to Laws.** You will comply with and help us to comply with any laws that apply to the Transfer, including state and federal laws governing the offer and sale of Franchises.

15.11 **Death or Incapacity.** The following will apply in case of your death or incapacity if you are an individual, or of any general partner of you if you are a partnership, or of any member or shareholder owning 50 percent or more of you if you are a limited liability company or corporation or other legal entity. We are entitled to reimbursement from you or your estate for any reasonable expenses incurred continuing Services from the date of your death or incapacity until transfer or termination. The term "incapacity" means a condition that prevents you from reasonably carrying out your duties under this Agreement. Within ninety days of the event, the heirs, beneficiaries, devisees or legal representatives of that individual, partner, member or shareholder will complete one of the following:

a. *Assume and Continue Operations.* Apply to us for the right to continue to operate the Franchise for the duration of the term of this Agreement. The right to continue will be granted upon the fulfillment of all of the conditions set forth in this section (except that no Transfer Fee will be required). If a proper and timely application for the right to continue to operate has been made and rejected, the ninety days within which to Transfer will be computed from the date of rejection.

b. *Transfer Your Interest.* Transfer your interest according to the provisions this agreement.

c. *Sell to Us.* If a suitable transferee purchaser is not found within ninety days from the date of death or permanent incapacity, we may at our sole option enter into a contract to purchase the Franchise. Unless we state in writing that we do not intend to exercise this right, the parties must agree upon a purchase price and terms within twenty business days after notice from us. If not, a fair value and fair terms will be determined in Salt Lake City, Utah by three appraisers. Each party must select one appraiser. The two appraisers chosen must then select a third appraiser. The parties may then present evidence of the value of the Franchise and fair terms for the purchase. The appraisers may not include in their decision a factor for the "goodwill" or "going concern" value of the Franchise. The decision of the majority of the appraisers will be conclusive. Any time within thirty days after receiving the appraisers' decision, at our option, we may purchase the Franchise and your related assets at the price and upon the terms determined by the

appraisers. Terms of payment will be ten percent of the purchase price payable upon contract signing, the balance payable in sixty equal monthly payments of principal payments with interest calculated at the prime rate, published by your principal bank at time of each monthly principal payment. Or,

d. *Cease Operations.* If the provisions of this Subsection have not been fulfilled within the time provided, at our option, all rights licensed to you under this Agreement will immediately terminate and revert to us.

15.12 **First Right of Refusal.** If you receive a bona fide offer from a third party acting at arm's length to purchase your Franchise, a majority interest in ownership of you, or substantially all of the assets of your Franchise, which offer is acceptable to you or to your owners, we will have the right to purchase at the bona fide price on the same terms and conditions as offered to you. We may substitute cash for any other form of consideration contained in the offer. Within six days after receipt by you of an acceptable bona fide offer, you will notify us in writing of the terms and conditions of the offer. You will give us sufficient information and documentation to allow us to analyze the status and value of your Franchise. We may exercise this right to purchase within 30 days after receipt of notice from you and due diligence information. If we do not accept the offer within 30 days, you may make the proposed Transfer to a third party approved by us. The Transfer will not be at a lower price or on more favorable terms than disclosed to us. Any Transfer will require our prior written permission described in this Agreement. If the Franchise is not transferred by you within six months from the date it is offered to us, or if any material change is made in the terms of the proposed sale, then you must reoffer to Transfer to us before a Transfer to a third party.

16. INDEMNITY AND INSURANCE

16.1 **Indemnity and Hold Harmless.** You will indemnify and hold us harmless from all fines, suits, proceedings, claims, demands, actions, losses, attorney fees and damages arising out of or connected with the Franchise, franchise premise, and the business activities, acts or omissions of you and your employees and agents, including those brought against you and us jointly alleging that you and we were negligent or otherwise liable. We will not be liable to you or to any other person because of your act, omission, neglect, or breach.

16.2 **Acts of Omission.** You will indemnify us for any loss, cost or expense, including attorneys' fees, that may be sustained by us because of the acts or omissions of you, your employees, your vendors or suppliers or arising out of the Franchise, the franchise premise, the business activities and the design or construction of the Franchise Premises.

16.3 **Scope of Indemnification.** This indemnification will include use, condition, or construction, equipping, decorating, maintenance or operation of the Franchise Premises, including the sale of any products, service or merchandise sold from the Franchise Premises. Any loss, claims, costs, expenses, damages and liabilities shall include, without limitation, those arising from latent or other defects in the Franchise Premises, whether or not discoverable by us, and those arising from the death or injury to any person or arising from damage to the property of you or us, and our respective agents or employees, or any third person, firm or legal entity.

16.4 **Defense of Claims.** You will defend us at your own expense in any legal or administrative proceeding subject to this Subsection. Attorneys approved by us will conduct the defense. Our approval will not be unreasonably withheld. You will immediately pay and discharge any liability rendered against us in any proceeding, including any settlement that we approve in writing. You will not settle any claim against us without our prior written approval. In our sole discretion and upon prior written notice to you, we may settle or defend any claims against us at your expense, including attorney fees that we pay or incur in settling or defending. Promptly upon demand, you will reimburse us for any and all legal and other expenses we reasonably incur in investigating, preparing, defending, settling, compromising or paying any settlement or claim, including monies that we pay or incur in settling or defending such proceeding. At our sole discretion we may withhold such monies due to us from current and future amounts payable to you.

16.5 **Covered Parties.** All references in this Agreement that provide that you will indemnify or defend us or that you will name us under any insurance policy will also mean that our affiliates, directors, officers, area representatives and employees will be also and equally indemnified, defended or named.

16.6 **Insurance.** Upon commencement of Franchise operations, and during the term of this Agreement, you will obtain and keep in force by advance payment of premium appropriate liability insurance as required by local laws and regulations of the jurisdiction within the Franchise Premises resides. The insurance will not be limited in any way because of any insurance we maintain. Maintenance of the required insurance will not diminish your liability to us under the indemnities contained in this Agreement. You must:

a. Maintain insurance policies protecting you and us (as additional insured). The policies must be written by an A.M. Best "A" or better rated insurance company

b. Include the following types and minimum amounts of coverage as well as any other insurance as may be required by state law. We may require you to increase the minimum limits of coverage to keep pace with regular business practice and prudent insurance custom.

(i) *Commercial General Liability*: Coverage including bodily injury, property damage, and personal injury. Per occurrence of at least $1,000,000, annual policy aggregate of $2,000,000.

(ii) Rented Premise and Fire Legal Liability: Coverage of at least $250,000.

(iii) *Automobile*: Coverage for all owned, non-owned and hired vehicles of at least $1,000,000 for uninsured and underinsured motorist, bodily injury and property damage. Must include statutory personal injury protection per individual state requirements.

(iv) *Workers' Compensation/Employers Liability*: As required by statute, workers' compensation coverage for employees and all owner(s) of at least $500,000 of employer's liability limits of protection.

c. Name LB FRANCHISING, LLC and their respective affiliates, officers, directors, members and agents and others as their interest may appear on a primary,

noncontributory basis as an additional insured on these policies and send proof of same to us. Certificates of insurance must be sent in upon annual expiration date.

d. If you are an Area Developer, maintain insurance as required under their individual franchise agreements for Franchised Businesses to be open within the Development Area.

17. GOVERNING LAW AND DISPUTE RESOLUTION

17.1 **Governing Law.** Except as to claims governed by federal law, Pennsylvania Law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("Claims"). However, no laws regulating the sale of franchises or governing the relationship between you and us shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

17.2 **Jurisdiction and Venue.** Except as to claims subject to arbitration, you and we agree that venue and jurisdiction for any Claims shall be proper solely in the state and federal court nearest to our corporate headquarters, presently in Canonsburg, Pennsylvania.

17.3 **Jury Waiver.** In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

17.4 **Class Action Waiver.** You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

17.5 **Punitive Damages Waiver.** As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages. The parties waive, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against any other party and agree that the party making any claim directly or indirectly arising from or relating to this Agreement will be limited to recovery of actual and consequential damages sustained.

17.6 **Limitation on Claims.** As to any Claims, the parties agree, to the fullest extent permitted by law, any right to or claim for any actual or consequential damages sustained directly or indirectly from or relating to this Agreement will be limited to not more than the generally accepted value of a Legends Boxing franchise which is approximately equal to the cash revenue received by that franchisee over the preceding thirteen Months.

17.7 **Limitation of Actions.** You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

17.8 **Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

17.9 **Internal Dispute Resolution.** You must first bring any Claim to our CEO, after providing a prior notice of claims as set forth in the section above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

17.10 **Mediation.** Before you may bring any Claim against us in court, you agree to participate in at least 6 hours of mediation, in the county where our headquarters are located, in accordance with the Mediation Procedures of the American Arbitration Association or the Franchise Arbitration & Mediation Service or of any similar organization that specializes in the mediation of commercial franchise business disputes. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("AAA), and split any AAA and mediator fees equally. The Parties agree to share the costs of mediation.

17.11 **Arbitration.** If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county where our headquarters is located. For disputes of equal or less than $250,000, arbitration shall be in accordance with JAMS, Inc. Streamlined Arbitration Rules & Procedure. For disputes of greater than $250,000, arbitration shall be pursuant to the Commercial Arbitration Rules of the American Arbitration Association or of the Franchise Arbitration and Mediation Service or of any similar organization that specializes in the arbitration of commercial franchise business disputes. Judgment on the award may be entered in any court of competent jurisdiction.

17.12 **Waiver of bond.** You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

17.13 **Attorney Fees.** If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

17.14 **Third Party Beneficiaries.** Our officers, directors, members, shareholders, agents, area representatives, and employees are express third-party beneficiaries of the terms of the Governing Law provisions contained herein.

17.15 **All Shareholders, Members or Partners are Bound.** If you are a corporation, limited liability company, partnership or other entity, we will not be bound until your shareholders, members or partners read and approve this Agreement, agree to the restrictions on them (including restrictions on the transfer of their interest in the Franchise and the restrictions and limitations on their ability to compete with us), and jointly and severally guarantee your performance under this Agreement. We may request a copy of the resolution approved by your partners, members, shareholders, owners or directors as confirmation of your fulfillment of this requirement and authorizing your execution of this Agreement. Your ownership certificates will have conspicuously endorsed upon them a statement that they are subject to, and that further assignment or transfer of them is subject to, the restrictions imposed upon assignments by this Agreement.

17.16 **Notices.** All notices required by this Agreement will be in writing. They may be sent by certified or registered mail, postage prepaid and "return receipt requested." They may be delivered by Federal Express, or other reputable air courier service, requesting delivery with receipt on the most expedited basis available. Notices will be delivered to you at the Franchise Premises, to us at our headquarters or to other locations specified in writing. Notices sent by certified or registered mail will be deemed to have been delivered and received three business days following the date of mailing. Notices sent by Federal Express or other reputable air courier service will be deemed to have been received one

business day after placement requesting delivery on the most expedited basis available. Notices may be delivered and receipted to you personally at any location.

17.17 **We and You Are Not Joint Venturers, Partners, or Agents.** You are and will remain an independent contractor. You and we are not and will never be considered joint venturers, partners, employees, or agents one for the other. Neither will have the power to bind nor obligate the other except as otherwise outlined in this Agreement. No representation will be made by either party to anyone that would create any apparent agency, employment, or partnership. Each will hold the other safe and harmless from each other's debts, acts, omissions, liabilities, and representations. You acknowledge that you are not in a fiduciary relationship with us. In all public and private records, documents, relationships, and dealings, you will show that you are an independent owner of the Franchise. You will prominently indicate on your letterheads and business forms that you are our licensed franchisee by using language saying that you operate an independently owned Franchise. You will maintain employee records to show clearly that you and your employees are not our employees.

17.18 **Varying Forms of Agreement.** You acknowledge that our present and future franchisees may operate under a variety of different forms of franchise agreements, and that, consequently, our obligations and rights with respect to our various franchisees may differ materially in certain instances. You further acknowledge and agree that our use of different forms or versions of franchise agreements does not entitle you to benefit from any differences, nor does it us operate to alter or amend this Agreement. If you are party to an Area Development Agreement with us, you acknowledge that any Franchise Agreement that you enter into to fulfill your development obligations under the Area Development Agreement will be subject to our then-current Franchise Agreement that may have materially different terms than this agreement.

17.19 **Material Breach Applies to All Agreements.** Any material violation or breach of any of these documents or of any other Franchise or related agreement between the parties will be a material violation of this Agreement and of all the other documents and agreements between the parties.

17.20 **Waiver will not Prejudice Other Rights.** A waiver of any breach of any provision, term, covenant, or condition of this Agreement will not be a waiver of any subsequent breach of the same or any other provision, term, covenant, or condition. Any waiver of any provision of this Agreement must be set forth in writing and signed by the party granting the waiver. Any waiver we grant will not prejudice any other rights we may have, and will be subject to our continuing review. We may revoke any waiver, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten days prior written notice of revocation. Our consent, whenever required, may be arbitrarily withheld if you are in breach of this Agreement.

17.21 **Time Is of the Essence.** Time and strict performance are of the essence of this Agreement. “Time is of the essence” is a legal term that emphasizes the strictness of time limits. In this Agreement, it means it will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement, except in cases where this Agreement expressly provides for the consequences of a delay in performance.

17.22 **Time Frames Subject to Applicable Laws.** Because state laws vary, the provisions of this Agreement may state periods of notice less than those required by applicable law. They may provide for termination, cancellation, nonrenewal or the like other than according to applicable law. In such case the time frames will be extended or modified to comply with applicable law.

17.23 **Necessary Documents.** You and your partners, shareholders, members, officers, and owners agree to execute and deliver any documents that may be necessary or appropriate during the term and upon expiration or termination of this Agreement to carry out the purposes and intent of this Agreement. If you are a partnership, all general partners will sign the documents. If you are a corporation or Limited Liability Company or other entity, all shareholders or members and all officers will personally guarantee your faithful performance.

17.24 **This Agreement Prevails.** This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third party will have the right to claim the benefit of any provision of this Agreement as a third party beneficiary of that provision, unless otherwise stated herein.

17.25 **Release of Prior Claims.** By executing this Agreement, the undersigned entity, if any, and individuals, on behalf of yourselves and your heirs, legal representatives, successors and assigns, and each assignee of this Agreement, forever releases and discharges us, our past and present employees, agents, members, area developers, officers, and directors, including any of our parent, subsidiary and affiliated entities, their respective past and present employees, agents, members, officers, and directors, from any and all claims relating to or arising out of any franchise agreement between the parties executed prior to the date of this Agreement, and all other claims relating to any dealings between any of the parties. However, this release does not apply to any claim you may have arising from representations in our Franchise Disclosure Document, or its exhibits or amendments.

17.26 **Modifications Must be in Writing.** Except as expressly and otherwise provided in this Agreement, this Agreement may not be modified, nor may any rights be waived or abridged, orally or by course of dealing, but only by a written instrument signed by the parties. The words "this Agreement" include any future modifications unless noted otherwise. No salesperson, representative, or other person has the authority to bind or obligate us in any way, except our CEO by an instrument in writing.

17.27 **Format.** All words in this Agreement include any number or gender as the context or sense of this Agreement requires. The words "will" and "must" used in this Agreement indicate a mandatory obligation. This Agreement has been prepared in the "you/we" format to simplify it and to facilitate our compliance with state and federal Franchise disclosure laws.

17.28 **Captions and Headings.** All captions and headings are for reference purposes only and are not part of this Agreement.

17.29 **Severability.** If any part of this Agreement is declared invalid that declaration will not affect the validity of the remaining portion, which will remain in full force and effect as if this Agreement had been executed, with the invalid portion omitted. The parties declare their intention that they would have executed the remaining portion of this Agreement without including any part, parts, or portions, which may be declared invalid in the future.

17.30 **Survival.** All of the covenants contained in this Agreement that may require performance after the termination or expirations of this Agreement will survive any termination or expiration of this Agreement.

17.31 **Joint and Several Liability.** The liability of you and your owners, shareholders, members or partners will be both joint and several. A breach of this Agreement by you or by any shareholder, member or partner will be a breach by all of the shareholders, members or partners and also by you.

17.32 **Agreement Binding on Successors and Assigns.** Subject to the provisions of this Agreement concerning assignment and transfer, this Agreement benefits and binds the respective heirs, executors, administrators, successors, and assigns of the parties.

17.33 **Execution in Counterparts and Our Acceptance.** This Agreement will be binding upon you at the time you sign it and deliver it to us. This Agreement will not be binding upon us until we accept it in writing by one of our principal officers at our corporate office. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will constitute an original. Delivery of executed signature pages of this Agreement by facsimile transmission will constitute effective and binding execution and delivery of this Agreement.

17.34 **Entire Agreement.** This document and any exhibits attached to this Agreement and the documents referred to in this Agreement will be construed together and constitute the entire agreement between the parties. It supersedes all prior or contemporaneous agreements, understandings, communications or negotiations, whether written or oral, with respect to the subject matter of this Agreement. There are no other oral or implied under-standings between the parties with respect to the subject matter of this Agreement. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we delivered to you.

18. REPRESENTATIONS AND ACKNOWLEDGEMENTS

18.1 **Receipt of Disclosure Documents.** You acknowledge that you have received our Franchise Disclosure Document at least 15 days (14 complete calendar days) prior to the signing of this Agreement and any payment from you to us or our affiliates. In addition, you acknowledge either:

a. Receipt of this Agreement contained all substantive terms at the time of delivery of the Franchise Disclosure Document; or

b. If we unilaterally or materially altered the terms and conditions of our standard Franchise agreement or any related agreements attached to the Franchise Disclosure Document, you acknowledge that you received a complete and final

copy of this Agreement and its exhibits not less than 8 days (7 complete calendar days) before you signed this Agreement.

18.2 **You Have Read and Understand this Agreement.** You acknowledge that you have had ample time to read and have read this Agreement and our Franchise Disclosure Document. You understand and accept the terms, conditions and covenants contained in this Agreement. They are necessary to maintain our high standards of quality, service and uniformity at all Franchises. They protect and preserve the goodwill of the Marks and the confidentiality and value of the System. You have received advice from advisors of your own choosing regarding all pertinent aspects of this Franchise and the Franchise relationship created by this Agreement. You also acknowledge that you believe you have made a good decision for yourself or your partners or your corporation based upon what you believe is your ability to run and control a business of your own.

18.3 **Speculative Success.** The success of your Franchise is speculative and depends, to a large extent, upon your ability as an independent businessperson. You recognize that the business venture contemplated by this Agreement involves business risks. We do not make any representation or warranty, express or implied, as to the potential success of the Franchise.

18.4 **Independent Investigation, No Projections or Representations.** You acknowledge that you have entered this Agreement after conducting an independent investigation of us and of the Franchise. Your success will be dependent upon your ability as an independent businessperson. You have not relied upon any representation as to gross revenues, volume, cost savings, potential earnings or profits, which you in particular might realize. Except as outlined in Item 19 of our Franchise Disclosure Document, we expressly disclaim the making of, and you acknowledge that you have not received, any representation, warranty, or guarantee, express or implied, concerning the potential revenues, cost savings, volume, profits, or success of the business venture contemplated by this Agreement. You acknowledge that neither we, nor any of our officers, directors, shareholders, employees, agents or servants, made any other representation about the business contemplated by this Agreement or that are not expressly set forth in this Agreement or our Franchise Disclosure Document to induce you to accept this Franchise and execute this Agreement. Any oral representations made by our representatives to you, whether or not set forth in earlier versions of our standard form Franchise agreement, have either been ratified by us by including the representations in this document or have been disavowed by excluding them from this Agreement.

18.5 **No Review of Business Plans, Loan Applications.** Prior to your execution of this Agreement, we have not given you any advice or review of any of your business plans or third party loan applications related to your purchase of and proposed operation of the Franchise. We do not receive or review business plans and loan applications before a franchisee signs the relevant franchise agreement. We have strongly recommended that you retain and work with your own independent accountant and financial advisors to fully review all financial aspects of your potential Franchise investment for you. You acknowledge that we will not provide financial assistance to you and that we have made no representation that we will buy back from you any products, supplies, or equipment you purchase in connection with your Franchise.

18.6 **Your Location and Market Area.** You acknowledge that we will not provide or designate locations for you. You have investigated the potential of the market area in which you are to establish and operate your Franchise business and the laws and regulations applicable thereto (or will do so if you have not yet found a Franchise Premises). You agree and represent that that market area is reasonable, the Franchise Premises will be suitable for the operation of a Legends Boxing franchise, and the Initial Franchise Fee represents fair consideration for the opportunity to establish and operate a Legends Boxing franchise.

18.7 **Convictions, Immigration Status.** Neither you nor any of these persons has engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and each is eligible under applicable U.S. immigration laws to communicate with and travel to the United States to fulfill your obligations under your agreements with us.

18.8 **We May Investigate.** We may conduct investigations and make inquiries of any person or persons we, in our reasonable judgment, believe appropriate concerning the credit standing, character, and professional and personal qualifications of you and your owners, shareholders, members and partners. You authorize us to conduct these investigations and to make these inquiries. We agree to comply with the requirements of laws that apply to these investigations and inquiries.

18.9 **Franchise Closing Acknowledgements.** You acknowledge that the information contained in the Franchisee Closing Acknowledgements as filled out by you and your partners, is true, accurate, and complete as of the Effective Date.

18.10 **NO REPRESENTATIONS, PROJECTIONS, OR WARRANTIES.** YOU ACKNOWLEDGE WE HAVE NOT MADE ANY REPRESENTATIONS, PROMISES, GUARANTEES, PROJECTIONS, OR WARRANTIES OF ANY KIND TO YOU, YOUR OWNERS, OR THE GUARANTORS TO INDUCE THE EXECUTION OF THIS AGREEMENT OR CONCERNING THIS AGREEMENT EXCEPT AS SPECIFICALLY SET FORTH IN WRITING IN THIS AGREEMENT AND IN OUR FRANCHISE DISCLOSURE DOCUMENT THAT WE DELIVERED TO YOU. YOU ACKNOWLEDGE THAT NEITHER WE NOR ANY OTHER PARTY HAS GUARANTEED YOUR SUCCESS IN THE BUSINESS CONTEMPLATED BY THIS AGREEMENT.

19. GUARANTY

19.1 **Joint, Several, Irrevocable, Personal and Unconditional Guaranty.** The undersigned Guarantors are all of your partners, members, shareholders or owners. Each of you jointly, severally, irrevocably, personally and unconditionally guarantee to us the due and punctual observance and performance by you of all of your obligations under this Agreement and any other agreement to which you and us are parties. Each Guarantor agrees to guarantee us against all liability, loss, harm, damage, costs, and expenses (including attorney fees) that we may incur because of your failure to observe your obligations. The liabilities and obligations of each Guarantor will not be released, discharged, or affected by our release or discharge of or dealing with you under any of these agreements; or by anything we do, suffer, or allow to be done in relation to you; or by change, alteration, or modification of any of the agreements; or by any compromise, arrangement, or plan of reorganization affecting you; or by your bankruptcy or insolvency;

or by any other act or proceeding in relation to you or any of the agreements by which any Guarantor might otherwise be released. The liabilities and obligations of each Guarantor pursuant to this Guarantee will be continuing in nature and will terminate only on the satisfaction of your obligations under this Agreement. A fresh cause of action will arise in respect of each breach by you producing a liability of any Guarantor. The Guarantors agree that it will not be necessary for us or our assigns to institute suit or exhaust our legal remedies against you in order to enforce this guaranty. Guarantors agree that we may from time to time extend the time for performance or otherwise modify, alter, or change this Agreement, may extend the time for payment of all sums guaranteed, and may receive and accept notes, checks, and other instruments for the payment of money made by you and extensions or renewals without in any way releasing or discharging Guarantors from their obligations. This guaranty will not be released, extinguished, modified, or in any way affected by our failure to enforce all the rights or remedies available to it under this Agreement. Our release of one or more Guarantor will not operate as a release of the other Guarantors. All Signators below waive any right to presentment, demand, notice of non-performance, or the right to require us to proceed against the other Signators.

Approved and agreed to by:

FRANCHISEE ("you")

_____

(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

Franchise Agreement
Effective Date

_____

SCHEDULE 1.
FRANCHISE LOCATION AND FEES DUE

SECTION 1: FRANCHISE FACILITY DESIGNATED SEARCH AREA. The designated area in which you must locate your franchise facilities is described below (or an attached map). If there are any subsequent changes to the boundaries of the zip codes that may define the Designated Search Area, the boundaries of your Designated Search Area shall remain as in effect as of the Effective Date of the Franchise Agreement:

Zip Codes of:

SECTION 2: FRANCHISE FACILITY PROTECTED AREA. Your protected area shall be:

2 mile radius around the location in Section 3 below (to be filled in at time of approved lease signing).

SECTION 3: APPROVED FRANCHISE PREMISES LOCATION. Your franchise facility shall be located at the following "Franchise Premises" address (filled in once you have an executed lease, approved by us, pursuant to the franchise agreement):

SECTION 4: FEES DUE UPON EXECUTION OF AGREEMENT.

Initial Franchise Fee. Immediately upon execution of the Franchise Agreement, you must pay to us an Initial Franchise Fee equal to $ 51900 which will be deemed fully earned and non-refundable upon execution of the Franchise Agreement.

Location Assistance Fee. Immediately upon execution of the Franchise Agreement, you must pay to us a Location Assistance Fee equal to equal to $ 4,950 , which will be deemed fully earned and non-refundable upon execution of the Franchise Agreement.

Non-Refundable Training Deposit. Immediately upon execution of the Franchise Agreement, you must pay to us a Non-Refundable Training Deposit to equal to $ 3000 . The Training Deposit is non-refundable and non-transferable except to an entity owned by the same owners with the same ownership percentages.

Approved and agreed to by:

FRANCHISEE ("you")

_____

(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

SCHEDULE 2.
FRANCHISE OWNERS INFORMATION

1. Entity of Franchisee. If Franchisee is a Corporation, Limited Liability Company or a Partnership (leave blank if signing individually):

Entity Name:
(Full legal name including LLC, Inc, etc) _____

Entity Type:
(Corp, Limited Liability Company or Partnership) _____

Date Organized: _____

State Organized: _____

Federal Identification Number: _____

Principal Address: _____

2. Owners. The following list includes the full name and mailing address of each person who is an Owner and fully describes the nature of each Owner's interest.

Name: _____
Ownership % _____
SSN: _____
Phone Number: _____
Email Address: _____
Home Address: _____

Name: _____
Ownership % _____
SSN: _____
Phone Number: _____
Email Address: _____
Home Address: _____

Name: _____
Ownership % _____
SSN: _____
Phone Number: _____
Email Address: _____

Home Address: _____

_____

Name: _____
Ownership % _____
SSN: _____
Phone Number: _____
Email Address: _____
Home Address: _____

_____

3. Principal Owner. Your one, and only one, designated Principal Owner (with at least 10% ownership), who is responsible for your business and communication with us, has authority over all transactions and dealings related to your franchise and has power to create binding agreements with us shall be:

Name: _____

4. **Changes in Ownership.** Pursuant to your Franchise Agreement, you may transfer your interest in the franchisee or any entity holding the franchise only if we approve. You agree to immediately notify us in writing of any change in the information contained in this Schedule and, at our request, prepare and sign a new addendum containing the correct information.

Approved and agreed to by:

FRANCHISEE ("you")

_____

(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

SCHEDULE 3.
STATE ADDENDA TO THE FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Sections 13.1-13.3 of the Franchise Agreement are deleted and in their place are substituted the following:

13.1 Termination by Us Without Right to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;
b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;
c) The franchisor and franchisee agree in writing to terminate the franchise;
d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;
e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;
f) The franchisee, after curing any failure in accordance with Section 13.2 engages in the same noncompliance whether or not such noncompliance is corrected after notice;
g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;
h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property

used in the franchised business, and it is not discharged within five days of such levy;

i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;
j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or
k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

13.2 Termination by Us with Opportunity to Cure. We may terminate this Agreement, after sending you notice and a 60 day opportunity to cure, for any other breach of this Agreement.

The Franchise Agreement is amended by adding the following sentence:

Approved and agreed to by:

FRANCHISEE ("you")		**LB FRANCHISING, LLC** ("we," "us") d/b/a Legends Boxing	
_____ (Name of corporation, partnership, limited liability company or other legal entity or individually if blank)			
Signature:	_____	Signature:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____
Signature:	_____		
Name:	_____		
Title:	_____		
Date:	_____		
Signature:	_____		
Name:	_____		
Title:	_____		
Date:	_____		

ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.
2. Any condition, stipulation, or provision of the Franchise Agreement purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void."
3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Approved and agreed to by:

FRANCHISEE ("you")

_____
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. 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.

4. The Franchise Agreement is amended to also provide: "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."

Approved and agreed to by:

FRANCHISEE ("you")

_____
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

MINNESOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. 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 (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 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.

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

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may <u>seek</u> injunctive relief. See Minn. Rules 2860.4400J.

  Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

Approved and agreed to by:

FRANCHISEE ("you")

_____

(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

NORTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement or Area Development Agreement are inconsistent with the terms below, the terms below control.

1. You are not required to sign a general release upon renewal of the franchise agreement.

2. The franchise agreement is amended to also provide as follows:

20. "Covenants not to compete are generally considered unenforceable in the State of North Dakota."

3. The provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted.

4. North Dakota law governs any cause of action arising out of the franchise agreement.

5. Any requirement in the Franchise Agreement that requires you to pay all costs and expenses incurred by us in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

6. The franchise agreement is modified to also state that the franchisor defers the receipt of the initial franchise fee until all initial obligations owed to the franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee is open for business.

Approved and agreed to by:

FRANCHISEE ("you")	**LB FRANCHISING, LLC** ("we," "us") d/b/a Legends Boxing
_____ (Name of corporation, partnership, limited liability company or other legal entity or individually if blank)	
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
Signature: _____	
Name: _____	
Title: _____	
Date: _____	
Signature: _____	
Name: _____	

Title: _____

Date: _____

RHODE ISLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

4. The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

Approved and agreed to by:

FRANCHISEE ("you")		**LB FRANCHISING, LLC** ("we," "us") d/b/a Legends Boxing	
_____ (Name of corporation, partnership, limited liability company or other legal entity or individually if blank)			
Signature:	_____	Signature:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____
Signature:	_____		
Name:	_____		
Title:	_____		
Date:	_____		
Signature:	_____		
Name:	_____		
Title:	_____		
Date:	_____		

SOUTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. The Franchise Agreement is clarified to also indicate that 50% of the initial franchise fee and 50% of royalties are deemed paid for the use of our Marks and 50% are deemed paid for our training, support, and franchise system.

Approved and agreed to by:

FRANCHISEE ("you")	**LB FRANCHISING, LLC** ("we," "us") d/b/a Legends Boxing
_____ (Name of corporation, partnership, limited liability company or other legal entity or individually if blank)	
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
Signature: _____	
Name: _____	
Title: _____	
Date: _____	
Signature: _____	
Name: _____	
Title: _____	
Date: _____	

WASHINGTON ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

~~The state~~In the event of a conflict of laws, the provisions of the Washington ~~has a statute,~~Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180~~, which~~ may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal ~~rights~~ of your franchise. ~~-~~There may also be court decisions ~~that~~which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any ~~mediation or~~ arbitration or mediation involving a franchise purchased in Washington, the ~~mediation or~~ arbitration or mediation site ~~shall~~will be either in the state of Washington, or in a place mutually agreed upon at the time of the ~~mediation or~~ arbitration or mediation, or as determined by the ~~mediator or~~ arbitrator~~, as applicable.~~

or mediator at the time of arbitration or mediation. In ~~the event of~~addition, if litigation is not precluded by the franchise agreement, a ~~conflict~~ franchisee may bring an action or proceeding arising out of ~~laws, the provisions~~ or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, ~~Chapter 19.100 RCW shall prevail.~~in Washington.

A release or waiver of rights ~~signed~~executed by ~~the~~a franchisee ~~shall~~may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. ~~—~~Provisions such as those ~~that~~which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Section 13.8 of the franchise agreement is amended to change the text from "an amount equal to

three years of expected royalties" to "an amount equal to expected royalties for the lesser of (a) two years; or (b) the number of months left on your franchise agreement at the time of termination."

The franchise agreement is amended to also state that collection of initial franchise fees will be deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchisee is open for business. The collection of the Development Fee will be prorated, with a portion of the Development Fee being collected as each unit is opened.

The undersigned does hereby acknowledge receipt of this addendum.

Approved and agreed to by:

FRANCHISEE ("you")	**LB FRANCHISING, LLC** ("we," "us") d/b/a Legends Boxing
_____ (Name of corporation, partnership, limited liability company or other legal entity or individually if blank)	
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
Signature: _____	
Name: _____	
Title: _____	
Date: _____	
Signature: _____	
Name: _____	
Title: _____	
Date: _____	

WISCONSIN ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the Franchise Agreement contains any provision that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

2. The Franchise Agreement is amended to also include the following language:

   With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

Approved and agreed to by:

FRANCHISEE ("you")

_____
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

EXHIBIT C.
AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

LB FRANCHISING, LLC

4000 Town Center Blvd., Suite 320, Lehi

Utah 84043

412-977-0220

www.legendsboxing.com

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ATTACHMENT 2. STATE ADDENDA TO THE AREA DEVELOPMENT AGREEMENT

This "Agreement" is entered into between **LB FRANCHISING, LLC** d/b/a/ Legends Boxing ("we," "us," "our," "Franchisor") and Developer and all Signators identified on the signature page to this Agreement, in your joint, several, irrevocable, personal and unconditional capacity, (collectively "Developer," "you" or "your").

Contemporaneous with the execution of this Agreement, we and you have entered into that certain Legends Boxing™ franchise agreement (the "Initial Franchise Agreement") to which this Agreement is attached. The Initial Franchise Agreement is for the first Franchised Business that is required to open within the Development Area pursuant to this Agreement. Unless otherwise indicated, any capitalized terms in this Agreement shall have the same meaning and definition as such capitalized terms are used and defined in the Initial Franchise Agreement. In the event of conflict, the provisions of this Agreement supersede the corresponding provisions of the Initial Franchise Agreement.

You and we desire to enter into this Agreement regarding your right to operate multiple Franchised Businesses using the System and Marks within a defined geographical area in accordance with a mandatory development schedule that must be strictly adhered to. Each Franchised Business within the Development Area will be opened and operated utilizing the Marks and System pursuant to the terms and conditions set forth in Franchisor's then-current form of franchise agreement (each, a "Franchise Agreement").

Developer recognizes the benefits from receiving the right to operate a Franchised Business and desires to: (i) become a multi-unit Franchised Business operator subject to the terms of this Agreement; and (ii) receive the benefits provided by Franchisor under this Agreement.

Developer hereby acknowledges that adherence to the terms of this Agreement, including Franchisor's operations manual and other System standards and specifications, are essential to the operation of all Franchised Businesses and Franchisor's System as a whole.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. AGREEMENT

1.1 **Development Area.** Subject to the terms and conditions set forth in this Agreement and each relevant Franchise Agreement, Franchisor grants Developer the right, and Developer undertakes the obligation, to develop and establish multiple Franchised Businesses within the "Development Area" described in the data sheet attached to this Agreement as Attachment 1 (the "Developer Data Sheet"), provided Developer opens and commences operations of such Franchised Businesses in strict accordance with the mandatory Development Schedule also set forth in the Developer Data Sheet (the "Development Schedule"). During the term of this Agreement and except as otherwise provided in this Agreement, Franchisor will not open or operate, or license any third party the right to open or operate, any Franchised Business that is physically located within the Development Area.

1.2 **Non-Contiguous Development Areas.** We generally require that development areas be contiguous. If you are awarded a Development Area with non-contiguous sections, each non-contiguous section will be assigned a number of franchise locations to be to be opened and operating in the associated non-contiguous area. Once you have executed

the last lease for the required number of franchise locations required to be opened and operating in the specified non-contiguous area, your territorial protections associated with this non-contiguous Development Area will be terminated, and you will not have any rights or protections within the associated non-contiguous section of your Development Area other than the territorial rights granted in connection with any Franchised Businesses that you have opened and commenced operating within this non-contiguous Development Area.

1.3 **Limitations on Development Area.** While we will not license anyone the right to open or operate, any Franchised Business that is physically located within the Development Area, this that does not mean you can open or operate, a Franchised Business anywhere within your Development Area. If a franchisee secures a location near your Development Area, and their associated protective radius (generally 2.0 miles) overlaps into your Development Area, you will not be able to locate a franchise facility within the protected radius that overlaps your Development Area. We will let you know of any existing facilities that have protective radius overlapping into your Development Area prior to execution of this Agreement, but we make no warranties that a franchisee will not subsequently choose a location that creates a protective radius that overlaps into the Development Area. Consequently, speed is of the essence in developing your Development Area.

1.4 **Development Fee**. Developer must pay Franchisor a development fee in the amount set forth in the Data Sheet (the "Development Fee") for the right to develop the foregoing Franchised Businesses within the Development Area under this Agreement, which will be due immediately upon execution of this Agreement. The Development Fee is deemed fully earned upon payment and is not refundable under any circumstances. The parties agree and acknowledge that, upon payment of the Development Fee required by this Section, Developer will not be required to pay Franchisor an additional "Initial Franchise Fee" pursuant to any Franchise Agreement that Developer enters into to fulfill its development obligations under this Agreement.

1.5 **Development Fee Considerations.** The Development Fee is paid in consideration of expenses incurred by Franchisor including marketing for franchisee, referral fees and commissions, sales expenses, administrative overhead, return on investment, costs related to the execution of this Agreement, legal, accounting and other professional fees and our lost or deferred opportunity to sell Franchises in your market area to others.

1.6 **Initial Franchise Agreement**. Contemporaneous with the execution of this Agreement, Developer has entered into Franchisor's current form of Franchise Agreement for the first Franchised Business that Developer is required to open within the Development Area.

1.7 **Additional Franchise Agreements**. Developer agrees and acknowledges that it must:

a. Enter into Franchisor's then-current form of Franchise Agreement for each additional Franchised Business that Developer is required to open under this Agreement and that these Franchise Agreements may have materially different terms than the Initial Franchise Agreement.

b. Enter into any additional Franchise Agreement prior to signing of a lease for each additional Franchise Business.

c. Enter into such Franchise Agreements at such times as are required for Developer to timely meet, and strictly adhere to, its development obligations under the Development Schedule.

1.8 **Training.** We will have no obligation to provide the initial training program to you at our expense expect pursuant to the Initial Franchise Agreement.

1.9 **Development Obligations**. Developer must ensure that, at a minimum, Developer:

a. Open and commence operations of a minimum of (i) 20% of the number of Franchised Businesses allowed under this Area Development Agreement each year or (ii) one Franchise Business per year, whichever is greater.

b. Opens and commences operations of the required number of new Franchised Businesses during each specified development period set forth in the Development Schedule described in the attached Developer Data Sheet, the terms of which are herein incorporated into this Agreement (each, a "Development Period"); and

c. Has the minimum cumulative number of Franchised Businesses open and operating at the expiration of each Development Period set forth in the Development Schedule described in the attached Developer Data Sheet. The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that Developer's failure to comply with the Development Schedule is grounds for immediate termination of this Agreement and any future development rights granted hereunder.

d. If you are unable to meet the minimum Development Schedule solely as the result of force majeure, including, but not limited to strikes, material shortages, fires, floods, earthquakes, and other acts of God, or by force of law (including, but not limited to any legal disability we have to deliver a franchise disclosure document pursuant to Section 6.1 of this Agreement), which results in your inability to construct or operate Franchised Business (s) in the Development Area, and which you could not by the exercise of due diligence have avoided, the development periods will be extended by the amount of time during which the force majeure exists.

1.10 **Development Schedule Extension Fee.** If we, at our sole discretion, extend your Development Schedule beyond what is specified in this agreement, you must pay us a Development Schedule Extension Fee of $500 for each month, or portion of month, that you are granted the extension. This Development Schedule Extension Fee must be paid to us in advance of the month(s) extended.

1.11 **Additional Development**. You may only exceed the number of Franchised Businesses in the Development Area as outlined in the Development Schedule with our prior written approval. You must execute a separate Franchise Agreement and pay to us the then-current initial franchise fee related to such permitted additional Franchises, if any.

1.12 **Term**. This Agreement will commence as of the date it is fully-executed and, unless earlier terminated by Franchisor, will end on the earlier of (i) the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule or (ii) upon opening of the final Franchised Business required

under this Area Development Agreement. Upon expiration or termination of this Agreement for any reason, you will not have any rights within the Development Area other than the territorial rights granted in the franchise agreement executed in connection with any Franchised Businesses that you have opened and commenced operating as of the date this Agreement is terminated or expires, pursuant to the respective Franchise Agreement(s) that you entered into for such Franchised Business(es).

1.13 **Default and Termination**. Any material violation or breach of any Franchise Agreement or this Agreement will be deemed a material violation of this Agreement and any and all Franchise Agreements between the parties. The non-breaching party will be entitled to enforce the penalties of or to terminate this Agreement or the relevant Franchise Agreement(s) as provided in the relevant Franchise Agreement(s) for enforcement or termination. In addition, Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events:

a. *Cease to Actively Engage.* If Developer ceases to actively engage in development activities in the Development Area or otherwise abandons its development business for three (3) consecutive months, or any shorter period that indicates an intent by Developer to discontinue development of the Franchised Businesses within the Development Area;

b. *Insolvency.* If Developer becomes insolvent, meaning unable to pay bills in the ordinary course of business as they become due;

c. *Failure to Meet Development Schedule.* If Developer fails to meet its development obligations under the Development Schedule for any Development Period, and fails to cure such default within 30 days of receiving notice thereof; and

d. *Termination of Associated Franchise Agreement(s).* If any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that Franchise Agreement.

Upon termination of this Agreement, Franchisor may establish or license others to establish Legends Boxing units and operations within the Development Area without limitation or restriction. In addition, Developer's right to open and operate any of the remaining Franchises that have not yet opened for business in the Development Area and which Franchisor elects, in its sole and absolute discretion, to not reserve for Developer to open in the Development Area pursuant to this Agreement, is revoked and terminated. This means that Developer will have no further right to construct, equip, own, open or operate additional Legends Boxing units which are not, at the time of termination or expiration, the subject of a then existing Franchise Agreement between Franchisor and Developer which is in full force and effect.

No right or remedy conferred upon or reserved by Franchisor is exclusive of any other right or remedy provided or permitted by law or equity.

1.14 **Loss of Territorial Exclusivity in Development Territories.** If you fail to meet the mandatory Development Schedule and the Area Development Agreement is terminated, you will retain your rights to any open units, including the territorial rights described in the Franchise Agreement for such studio, provided that the Area Development Agreement was not terminated as a result of your failure to comply with the terms of your existing Franchise Agreement(s). However, your rights to any franchised units for which there is no Franchise Agreement and your exclusivity in the Development Area will terminate immediately. Thereafter, we will have the right to develop the Development Area on our own or through third parties.

~~1.14~~1.15 **Reservation of Rights.** Except as provided in this Agreement, the parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that Franchisor and its affiliates reserve all other rights not expressly granted to Developer herein.

~~1.15~~1.16 **Sale or Assignment.** Developer's rights under this Agreement are personal and Developer may not sell, transfer, or assign any right granted herein, including but not limited to a transfer, sale or assignment of any shares, stock, membership or other ownership interest in Developer, without Franchisor's prior written consent, which may be withheld in its sole discretion. Notwithstanding, if Developer is an individual or a partnership, Developer has the right to assign its rights under this Agreement to a corporation or limited liability company that is wholly owned by Developer according to the same terms and conditions as provided in the Initial Franchise Agreement. Franchisor has the right to assign this Agreement in whole or in part in its sole discretion.

~~1.16~~1.17 **Transfer Fee and Prospect Generation Fee.** In the event you sell or assign your rights under this Agreement, you will be required to pay us a Transfer Fee and Prospect Generation Fee (where applicable) as specified in the Initial Franchise Agreement that you executed with us, plus for any unopened territories rights granted under this Agreement but not covered under a Franchise Agreement, you will be required to pay us a Transfer Fee and Prospect Generation Fee (where applicable), as specified in the then current Franchise Agreement, for each unopened territory right granted under this Agreement but not covered under a Franchise Agreement. For example, a sale or assignment of a three (3) territory area development agreement will generate three (3) Transfer Fees and three (3) Prospect Generation Fees (if applicable).

2. RELATIONSHIP OF THE PARTIES AND MISCELLANEOUS

2.1 **No Warranties.** We make no warranties or guarantees upon which you may rely and we assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or services to you in connection with the Initial Franchise Agreement or this Agreement, or by reason of any neglect, delay or denial of any request you make of us.

2.2 **Survival.** All of the covenants contained in this Agreement that may require performance after the termination or expirations of this Agreement will survive any termination or expiration of this Agreement.

2.3 **Severability Clause.** If any covenant or provision in this Agreement is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision of this Agreement.

2.4 **Acknowledgment.** Developer acknowledges that this Agreement is not a Franchise Agreement and does not confer upon Developer any rights to use the Franchisor's Marks or System.

2.5 **Nonwaiver**. Franchisor's failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

2.6 **Successors**. References to "Franchisor" or "Developer" include the respective parties' successors, assigns or transferees, subject to the limitations of this Agreement

2.7 **Additional Documentation.** Developer must from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreements and take such other action as Franchisor may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that Developer fails to comply with the provisions of this Section, Developer hereby appoints Franchisor as Developer's attorney-in-fact to execute any and all documents on Developer's behalf, as reasonably necessary to effectuate the transactions contemplated herein.

2.8 **No Right to Offset**. You may not withhold all or any part of any payment to us or any of our affiliates on the grounds of the alleged nonperformance of us or any of our affiliates or as an offset against any amount we or any of our affiliates may owe or allegedly owe you under this Agreement or any related agreements.

~~2.8~~2.9 **Entire Agreement.** This Agreement, together with the Initial Franchise Agreement, contains the entire agreement between the parties concerning Developer's development rights within the Development Area; no promises, inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor will any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Franchisor reserves the right to change Franchisor's policies, procedures, standards, specifications or manuals at Franchisor's discretion. In the event of a conflict between this Agreement and any Franchise Agreement(s), the terms, conditions and intent of this Agreement will control. Nothing in this Agreement or in any related agreement, however, is intended to disclaim any of the representations Franchisor made in the Franchise Disclosure Document that Franchisor furnished to Developer.

~~2.9~~2.10 **All Other Aspects Governed by the Initial Franchise Agreement.** All other aspects of the parties' relationship not specifically addressed in this Agreement, are

outlined, subject to, and governed by the Initial Franchise Agreement signed in conjunction with this agreement.

~~[signature page immediately follows]~~

~~Approved and agreed to by:~~

3. GUARANTY.

3.1 The Developer named on the following page agrees to abide by the terms of this Agreement. The signature of an individual or individuals as sole proprietors, joint tenants, or tenants in common constitutes their personal agreement to such terms. The signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.

3.2 In addition, the signatures of all individuals below, in any capacity, also constitute their personal joint and several agreement to perform all the obligations in and relating to this Agreement, including, but not limited to, the obligations stated above, the obligation to make specified payments, and pay any other debts due to us. Each Guarantor agrees to guarantee us against all liability, loss, harm, damage, costs, and expenses (including attorney fees) that we may incur because of your failure to observe your obligations. The liabilities and obligations of each Guarantor will not be released, discharged, or affected by our release or discharge of or dealing with you under any of these agreements; or by anything we do, suffer, or allow to be done in relation to you; or by change, alteration, or modification of any of the agreements; or by any compromise, arrangement, or plan of reorganization affecting you; or by your bankruptcy or insolvency; or by any other act or proceeding in relation to you or any of the agreements by which any Guarantor might otherwise be released. The liabilities and obligations of each Guarantor pursuant to this Guarantee will be continuing in nature and will terminate only on the satisfaction of your obligations under this Agreement. All Signators below waive any right to presentment, demand, notice of non-performance, or the right to require us to proceed against the other Signators.

Approved and agreed to by:

DEVELOPER ("you")

_____

(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

Area Development Agreement
Executed Date

_____

ATTACHMENT 1.
DEVELOPER DATA SHEET

SECTION 1: DEVELOPMENT AREA. The Development Area, as referred to in Section 1.1 of the Area Development Agreement to which this Attachment 1 is attached, is described below (or an attached map). If there are any subsequent changes to the boundaries of the zip codes that may define the Development Area, the boundaries of your Development Area shall remain as in effect as of the Effective Date of the Area Development Agreement:

SECTION 2: NUMBER OF FRANCHISED BUSINESSES. Developer will be required to open __ Franchised Businesses.

SECTION 3: DEVELOMPENT FEE. Immediately upon execution of this Area Development Agreement, Developer must pay Franchisor a Development Fee equal to $_____, which will be deemed fully earned and non-refundable upon execution of the Area Development Agreement.

SECTION 4: DEVELOPMENT SCHEDULE. The Development Schedule referred to in the Area Development Agreement is as follows:

Development Period	Expiration Date	Number of New Franchised Businesses Developer Must Open in Development Area	Cumulative Number of Franchised Businesses Developer Must Have Open Within Development Area
First	Months from Effective Date		
Second	Months from Effective Date		
Third	Months from Effective Date		
Fourth	Months from Effective Date		
Fifth	Months from Effective Date		

Approved and agreed to by:

DEVELOPER ("you")

_____

(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

ATTACHMENT 2.
STATE ADDENDA TO THE AREA DEVELOPMENT AGREEMENT

CALIFORNIA ADDENDUM
TO THE AREA DEVELOPMENT AGREEMENT

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

Sections Section 1.11 of the Area Development Agreement is deleted and in its place is substituted the following:

11.1(a) Termination by Us Without Right to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;
b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;
c) The franchisor and franchisee agree in writing to terminate the franchise;
d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;
e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;
f) The franchisee, after curing any failure in accordance with Section 11.1(b) engages in the same noncompliance whether or not such noncompliance is corrected after notice;
g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;
h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;
i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;
j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or
k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

11.1(b) Termination by Us with Opportunity to Cure. We may terminate this Agreement, after sending you notice and a 60 day opportunity to cure, for any other breach of this Agreement.

Approved and agreed to by:

DEVELOPER ("you")

_____

(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

ILLINOIS ADDENDUM
TO THE AREA DEVELOPMENT AGREEMENT

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Area Development Agreement.

2. 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.

Approved and agreed to by:

DEVELOPER ("you")

_____
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

MARYLAND ADDENDUM
TO THE AREA DEVELOPMENT AGREEMENT

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. 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.

4. The Area Development Agreement is amended to also provide: "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 area development agreement."

Approved and agreed to by:

DEVELOPER ("you")

_____
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

MINNESOTA ADDENDUM
TO THE AREA DEVELOPMENT AGREEMENT

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. 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 (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 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.

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

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may <u>seek</u> injunctive relief. See Minn. Rules 2860.4400J.

  Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

Approved and agreed to by:

DEVELOPER ("you")	**LB FRANCHISING, LLC** ("we," "us") d/b/a Legends Boxing
_____ (Name of corporation, partnership, limited liability company or other legal entity or individually if blank)	
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____

Date: _____ Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

WASHINGTON ADDENDUM
TO THE AREA DEVELOPMENT AGREEMENT

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

The state of Washington has a statute, RCW 19.100.180, which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal rights of your franchise. There may also be court decisions that may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any mediation or arbitration involving a franchise purchased in Washington, the mediation or arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the mediation or arbitration, or as determined by the mediator or arbitrator, as applicable.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights signed by the franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Section 13.8 of the franchise agreement is amended to change the text from "an amount equal to three years of expected royalties" to "an amount equal to expected royalties for the lesser of (a) two years; or (b) the number of months left on your franchise agreement at the time of termination."

The franchise agreement is amended to also state that collection of initial franchise fees will be deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchisee is open for business. The collection of the Development Fee will be prorated, with a portion of the Development Fee being collected as each unit is opened.

The undersigned does hereby acknowledge receipt of this addendum.

Approved and agreed to by:

FRANCHISEE ("you")

_____

(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

EXHIBIT D.
STATE REGULATORY AUTHORITIES AND REGISTERED AGENTS

STATE	REGISTERED AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
CALIFORNIA	Commissioner of Department Business Oversight: Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505 Sacramento: 1515 K Street, Suite 200 Sacramento, CA 95814-4052 (916) 445-7205 San Francisco: 71 Stevenson Street, Suite 2100 San Francisco, CA 94105-2908 (415) 972-8559 Toll-free 866-ask-corp (275-2677)	Commissioner of Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105 (213) 576-7505
CONNECTICUT	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232
FLORIDA	[Not Applicable]	Senior Consumer Complaint Analyst Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, Florida 32399-0800 (850) 922-2770
HAWAII	Commissioner of Securities Dept. of Commerce & Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street	Chief, Franchise Bureau Illinois Attorney General 100 W. Randolph Street

	Springfield, IL 62706 (217) 782-4465	Chicago, IL 60601 (312) 814-3892
INDIANA	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204 (317) 232-6681	Securities Commissioner Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
IOWA	[Not Applicable]	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, Iowa 50319-0066 (515) 281-4441
MARYLAND	Maryland Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 525 W. Ottowa 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117
MINNESOTA	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
NEBRASKA	[Not Applicable]	Staff Attorney Department of Banking and Finance 1200 N Street Suite 311 P.O. Box 95006 Lincoln, Nebraska 68509 (402) 471-3445
NEW YORK	Secretary of State 99 Washington Avenue Albany, NY 12231	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8236
NORTH DAKOTA	North Dakota Securities Department	North Dakota Securities Department 600 East Boulevard Avenue

	600 East Boulevard Avenue State Capitol, 5th Floor Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	State Capitol, 5th Floor Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712
OREGON	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387
RHODE ISLAND	Director of Rhode Island Department of Business Regulation Division of Securities Suite 232 Providence, RI 02903 (401) 222-3048	Associate Director and Superintendent of Securities Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Division of Insurance 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563
TEXAS	[Not Applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
UTAH	[Not Applicable]	Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South P.O. Box 45804 Salt Lake City, Utah 84145-0804 (801) 530-6601
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street Richmond, VA 23219 (804) 371-9672	Chief Examiner/Investigator State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street Richmond, VA 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760	Administrator Dept. of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760

WISCONSIN	Wisconsin Commissioner of Securities P.O. Box 1768 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555
FEDERAL TRADE COMMISSION		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street, NW Washington, D.C. 20580 (202) 326-3128

EXHIBIT E.
OPERATIONS MANUAL TABLE OF CONTENTS

Our operations manual is kept on an access-protected website. Each separate webpage on the website is considered one (1) page regardless of length. ~~The Operations Manual currently contains 72 pages as follows:~~ We set forth the chapter subjects and page count per chapter below:

Topic	# Pages
How to Use This Manual	1
~~Table of Contents~~	~~1~~
Code of Ethics	1
~~Introduction~~History of Legends	~~2~~1
Support ~~Resources~~and Communication	~~2~~4
Starting a Business	~~5~~7
Marketing	9
Fundamental Operations Training (FOT)	~~3~~1
Coach Operations	5
Recruiting & Staffing	~~6~~15
Franchise Operations	~~7~~8
Account/Gym Manager Operations	13
~~Marketing~~	~~2~~
Brand Standards	~~8~~5
Accounting	~~1~~5
Franchisee Compliance	1

Pro-Shop	~~1~~4
Memberships & Pricing	~~2~~5
Member Retention	~~1~~2
Office ~~Inventory~~Supplies	1
Reports, Audits & Inspections	~~1~~3
Quality Control	~~1~~2
~~Communication Best Practices~~Quality Control	1
~~Appendix~~	~~1~~
Exhibits	1
Total	~~72~~95

EXHIBIT F.
CURRENT FRANCHISEES

The following is a list of the names of all Franchisees and the address and telephone number of each of their outlets as of the end of our most recently completed fiscal year:

Operational Outlets:

Location	Name	Address	Phone Number
Austin, Texas	Jared & Lynette Fields	9001 Brodie Lan, #C9 Austin, TX 78748	512-387-8045
Houston, Texas	Kavin Blodgette	9414 Gaylord Drive Houston, TX 77024	832-982-1998
Bountiful, Utah	JDK Boxing Jake Maughan, David Yang, & Karen Andrews	155 W 500 S #1A Bountiful, UT 84010	801-810-0818
Lehi, Utah	~~Legends Boxing~~Knockout Fitness, LLC Andrew & Robert Scott	80 North 850 East Lehi, UT 84043	801-~~712-6111~~768-4000
Riverton, Utah	Catchweight Fitness And Boxing LLC Lance Kener	12544 South Pasture Rd Riverton, UT 84096	801-254-3010
Salt Lake City, Utah	M&H Ventures Cate & Dave Hodgekinson Nancy & Bruce McKay	602 500 E #106 Salt Lake City, UT 84102	801-784-4446
Sandy, Utah	Look Good Naked Corp. Kassie Smith & Chyann White	1345 East 10600 South Suite D/E Sandy, UT 84092	801-407-3012

Franchise Agreement Signed But Outlet Not Yet Open~~:~~ (as of 12/31/2019):

Location	Name	Address	Phone Number
~~Bountiful, Utah~~Mesa, AZ	Matt Frentheway~~JDK Boxing~~ ~~Jake Maughan & David Yang~~	~~155 West 500 South Bountiful~~1653 Fox Hollow Lane #C Park City, UT ~~84010~~84098	801-~~810-0818~~471-6068
Denver, CO	M&H Ventures Cate & Dave Hodgekinson, Nancy & Bruce McKay	567 W 2375 N. Lehi UT 84043	801-722-8163
~~Boise, Idaho~~Atlanta, GA	~~Maryann & Mike Byg~~Ronald & Alla Broudy	~~1314 W Quail Ridge Rd Riverton Ut 84065~~6420 Stapleford Lane Johns Creek, GA 30097	~~801-755-6139~~770-733-7220

Detroit, MI	Michael Stolnicki, Richard Vlasic, & Thomas Raupp	3821 N Briarvale Road Auburn Hills, MI 48326	248-860-1079
Cary, NC	Jolee & Steve Beckstrand	10144 South Barnsley Lane South Jordan, UT 84009	509-868-7420
Wilmington, NC	Brian & Stacy Stewart	401 Antioch Lakes Road New Bern, NC 28560	252-474-8737
Houston, TX	Erik & Danita Streight	9426 Bassoon Drive Houston, TX 77025	832-594-3400
Pearland, TX	Donald & Willena Lee	12205 Bell Creek Drive Pearland, TX 77584	281-770-2520
Cottonwood Heights, ~~Utah~~UT	Maryann & Mike Byg	1314 W Quail Ridge Rd Riverton Ut 84065	801-755-6139
~~Salt Lake City, Utah~~Orem, UT	~~M&H Ventures Cate & Dave Hodgekinson, Nancy & Bruce McKay~~JDK Boxing Jake Maughan, David Yang, & Karen Andrews	~~602~~1535 East ~~500 South~~ 10 North ~~Suite 106 Salt Lake City~~Spanish Fork, UT ~~84102~~84660	801-~~784-4446~~369-4330
Saratoga Springs, ~~Utah~~UT	Garrett Wilkey, Amber Moss, Rikki & Todd Smith	12589 S Sunlight Hill Ct, Herriman, UT 84096	801-205-5155
West Jordan, ~~Utah~~UT	Lance Kener, Lori Franks	~~Lance Kener 2490 West 12195 South Riverton, UT 84065~~ ~~Lori Frankes~~ 12173 Azurite Cir Herriman, UT 84096	~~801-792-1823~~ 801-557-4805
St. George, UT	Garritt Wilkey & Lori Franks	12589 S Sunlight Hill Ct Herriman, UT 84096	801-597-5645

EXHIBIT G.
FORMER FRANCHISEES

The following is a list of Franchisees who had an outlet terminated, cancelled, not renewed or otherwise ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who had not communicated with us within ten weeks of the date of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system:

None

EXHIBIT H.
TELEPHONE NUMBER AND LISTINGS ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT is made between LB FRANCHISING, LLC d/b/a Legends Boxing, ("we," “us,” or “our”) and the franchisee named below ("you" or “your”).

The parties are entering into one or more Franchise Agreements. For value received, Franchisee hereby irrevocably assigns to Franchisor all listings associated with the Legends Boxing franchise, including all telephone numbers, telephone listings, email addresses, domain names, social media accounts, Internet listings, websites, and comparable electronic identities used in connection with the Marks or the operation of the Franchise Business covered by the Agreement, whether now-existing or adopted by Franchisee in the future, (collectively “Listings”).

As a condition to signing the Franchise Agreement(s), we have required that you assign all of your Listings relating to the Legends Boxing Franchise(s) to us upon the expiration or termination of any of the Franchise Agreements.

Franchisee agrees to update us as soon as possible of any listings adopted by Franchisee. Franchisee agrees to pay all amounts pertaining to the use of the Listings incurred by it when due. Upon expiration or termination of the Agreement for any reason, Franchisee’s right of use of the Listings shall terminate. In the event of termination or expiration of the Agreement, Franchisee agrees to pay all amounts owed in connection with the Listings, including all sums owed under existing contracts for telephone directory advertising and to immediately at Franchisor’s request, (i) take any other action as may be necessary to transfer the Listings and numbers to Franchisor or Franchisor’s designated agent, (ii) install and maintain, at Franchisee’s sole expense, an intercept message, in a form and manner acceptable to Franchisor on any or all of the Listings; (iii) disconnect the Listings; and/or (iv) cooperate with Franchisor or its designated agent in the removal or relisting of any telephone directory or directory assistance listing, Internet directory, website or advertising, whether published or online.

Franchisee agrees that Franchisor may require that all telephone numbers and telephone and internet equipment and service must be owned or provided by Franchisor or a supplier approved by Franchisor and that Franchisor has the right to require Franchisee to “port” or transfer to Franchisor or an approved call routing and tracking vendor all phone numbers associated with the Franchised Business or published in any print or online directory, advertisement, marketing or promotion associated with the Marks.

Franchisee appoints Franchisor as Franchisee’s attorney-in-fact, to act in Franchisee’s place, for the purpose of assigning any Listings covered by the Assignment to Franchisor or Franchisor’s designated agent or taking any other actions required of Franchisee under this Agreement. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of the forgoing powers, including full power of substitution and execution or completion of any documents required or requested by any telephone or other company to transfer such numbers, and Franchisee ratifies every act that Franchisor may lawfully perform in exercising those powers. This power of attorney shall be effective for a period of two (2) years from the date of expiration, cancellation or termination of Franchisee’s rights under the Agreement for any

reason. Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all rights to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney shall not be affected by the subsequent incapacity of Franchisee. This power is created to secure performance of a duty to Franchisor and is for consideration.

The validity, construction and performance of this Assignment is governed by the laws of the State in which we are located (currently Utah). All agreements, covenants, representations and warranties made in this Agreement survive the signing of this Agreement. All our rights inure to our benefit and to the benefit of our successors and assigns.

Approved and agreed to by:

FRANCHISEE ("you")

_____

(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

EXHIBIT I.
FRANCHISEE CLOSING ACKNOWLEDGEMENTS

LB FRANCHISING, LLC ("Legends Boxing") ("we/us"), through the use of this Franchisee Closing Acknowledgement, desires clarify and confirm your understanding and acceptance of the terms of the agreements, to verify certain information about the sales process, and to confirm that we and our employees have complied with applicable franchise disclosure laws and have not authorized anything that may be untrue, inaccurate or misleading. We further desire to confirm that you fully understand that the purchase of a Legends Boxing franchise is a business decision involving the evaluation of many risks. Our policy is to verify and confirm that in making your decision you are not relying upon any oral statement, representation, promise or assurance made during the negotiations for the purchase of a Legends Boxing franchise by any of our directors, officers, employees, agents, or representatives (each, a "Representative") that is not specifically reported in our then-current Franchise Disclosure Document, including all of the exhibits attached to it (the "Franchise Disclosure Document"). Please review each of the following questions and statements and INITIAL ONLY IF YOU AGREE WITH SUCH.

1. I have personally and carefully reviewed the Franchise Disclosure Document and Legends Boxing Franchise Agreement and understand the terms, conditions, and obligations of these agreements.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

2. I have had the opportunity to consult with independent legal, accounting and franchise advisory experts before signing the Legends Boxing Franchise Agreement and addenda.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

3. I acknowledge that I received the Franchise Disclosure Document for at least 15 calendar days (14 complete days) prior to the signing a binding agreement or made a payment in connection with this Franchise Sale.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

4. I acknowledge that I received the Franchise Agreement where there has been material changes made to the franchise agreement in favor of the franchisor (if applicable) at least 8 calendar days (7 complete days) prior to the signing a binding agreement or made a payment in connection with this Franchise Sale.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

5. I acknowledge that I am exclusively responsible to locate and secure a franchise site and that it is my duty to investigate and adhere to the laws, rules and regulations (including the federal, state, city or locality laws or rules) applicable to owning and operating a Legends Boxing facility.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

6. I have investigated the designated search area in which I am to establish and operate my Franchise business and the laws, rules and regulations applicable thereto and represent that the market in the area is reasonable, suitable locations are and shall be available for the operation of a Legends Boxing franchise, and the Initial Franchise Fee represents fair consideration for the opportunity to establish and operate such franchise.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

7. I acknowledge that if there is any applicable laws, rules and regulations (including the federal, state, city or locality laws or rules) such that it makes it illegal, fiscally impractical, or otherwise impractical to offer services provided in association with operating a Legend Boxing facility, that I will not be refunded any of the initial franchise fee, the Development Fee associated with Area Development Agreement (where appropriate), the Non-Refundable Training Deposit and/or the Location Assistance Fees paid for any opened or unopened territories.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

8. I acknowledge that my investment involves substantial business risk and that there is no guarantee I will find a suitable location or that it will be profitable and I am willing to take these business risks.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

9. Except as explicitly set forth in the Franchise Agreement or a written Addendum to it, no promises, oral or written agreements, contracts, commitments, representations, understandings, "side deals" or otherwise have been made to or with me with respect to any matter. This includes, but is not limited to, any representations or promises regarding advertising, marketing, training, site location, operational assistance or other services that is contrary to, or different from, the information contained in the Franchise Disclosure Document.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

10. Except as contained in your Franchise Disclosure Document, including Item 19, no oral, written, visual or other claim or representation has been made to me by any person or entity, which states or suggests any actual, average, projected or forecasted sales, gross receipts, operating costs, revenues, income, profits, expenses, cash flow, tax effects, earnings, or otherwise, that is not contained in the Franchise Disclosure Document.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

11. Prior to the execution of this Agreement, I have not been given any advice or reviewed any of business plans, pro formas, or third-party loan applications related to my purchase and proposed operation of the Franchise with the franchisor.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

12. I acknowledge that even if an oral, written, visual claim, representation, promise, agreement, contract, commitment, representation, understanding or otherwise which contradicts or is inconsistent with the Franchise Disclosure Document was made to me, I have not relied in any way on any such matter when making the decision in reference to the Franchise Agreement.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

13. I acknowledge that I will not be provided financial assistance by the franchisor and the franchisor has made no representation that they will buy back any products, supplies, territories or equipment purchased in connection with my Franchise.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

14. I acknowledge that I have made my own independent determination as to whether I have the capital necessary to fund a Legends Boxing franchise.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

15. I acknowledge that it is my responsibility to participate in the day-to-day management of my Legends Boxing franchise and the success or failure of my Legends Boxing franchise depends primarily upon my efforts and not those of Legends Boxing.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

16. I warrant that my purchase of the franchise is for my own account and is not made with a view to or for resale.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

17. I acknowledge that one or more franchise brokers, consultants, area representatives, and/or other referral sources may be paid in relation to selling me this franchise and I acknowledge that such franchise brokers, consultants, area representatives and/or other referral source represents the franchisor and not me.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

18. I acknowledge that the initial franchise fee and/or the Development Fee associated with Area Development Agreement (where appropriate), the Location Assistance Fee (where appropriate) and the Non-Refundable Training Deposit (where appropriate) is fully earned at the time of execution and that is NOT REFUNDABLE UNDER ANY CIRCUMSTANCES.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

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.

[remainder of page intentionally left blank]

If you believe that any statements, promises or assurances has been made, contrary to the points acknowledged above, please describe the statement, promise or assurance in the space provided below or leave blank if none:

ACKNOWLEDGEMENT

By signing below, you acknowledge that you have personal knowledge of the foregoing and following facts and representations and that they are all true, complete, accurate, and correct and that neither we nor our Representatives have advised you to fill in and complete this Questionnaire except as based upon your personal knowledge and experience. You do so acknowledging that we may rely upon your complete candor, honesty, and truthfulness.

Approved and agreed to by:

FRANCHISEE ("you")

_____

(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

LB FRANCHISING, LLC ("we," "us")
d/b/a Legends Boxing

Signature: _____
Name: _____
Title: _____
Date: _____

EXHIBIT J.
FINANCIAL STATEMENTS

~~LB FRANCHISING, LLC~~

~~Audited Financial Statements~~

The following statement applies to the unaudited portion of the financial statements which follow:

These Financial Statements Have Been Prepared Without An Audit. Prospective Franchisees Or Sellers of Franchises Should Be Advised That No Independent Certified Public Accountant Has Audited These Figures Or Expressed An Opinion with Regard to their Content Or Form.

Legends

BALANCE SHEET

As of February 29, 2020

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
10000 Bank Accounts	
10100 PNC Bank	0.00
10125 Legends Franchising	64,512.50
10130 Legends Gear	22,351.00
10225 Legends Zions Account	4,829.96
10230 Legends Zions Gear Account	18,870.84
Total 10000 Bank Accounts	**110,564.30**
Total Bank Accounts	**$110,564.30**
Accounts Receivable	
1200000 Accounts Receivable	0.00
1200030 Legends AR	68,681.76
Total Accounts Receivable	**$68,681.76**
Other Current Assets	
130000 Note Receivable - Look Good	110,000.00
1301030 Prepaid Expenses - Legends	28,151.22
1305000 Inventory Asset	65,133.04
1400000 Prepaid	13,090.00
1835000 Due From DL Studios	2,223.91
Total Other Current Assets	**$218,598.17**
Total Current Assets	**$397,844.23**
Other Assets	
17000 Deferred Franchising Costs	16,500.00
17005 Goodwill	660,629.67
Total Other Assets	**$677,129.67**
TOTAL ASSETS	**$1,074,973.90**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2210000 401K Withholding	0.00
2320000 Deferred Franchise Fee Revenue	93,800.00
2325000 Training Fee Deposits	3,000.00
24000 Current Portion of Long Term Debt	34,753.64
2801010 Due to LGB from Legends	274,018.16
2801020 Due to Deka Lash from Legends	478,092.81
Total Other Current Liabilities	**$883,664.61**
Total Current Liabilities	**$883,664.61**
Long-Term Liabilities	
27000 Long Term Debt	235,376.03

Legends

BALANCE SHEET

As of February 29, 2020

	TOTAL
Total Long-Term Liabilities	**$235,376.03**
Total Liabilities	**$1,119,040.64**
Equity	
3000000 Opening Balance Equity	22,070.99
31000 Partner Contributions	460,000.00
3900000 Retained Earnings	-402,986.91
Net Income	-123,150.82
Total Equity	**$ -44,066.74**
TOTAL LIABILITIES AND EQUITY	**$1,074,973.90**

Legends

PROFIT AND LOSS

January - February, 2020

	TOTAL
Income	
40100 Fee Based Income	
40105 Royalty Income	20,015.90
40115 Technology Fee	10,971.00
Total 40100 Fee Based Income	**30,986.90**
40200 Marketing Fund	6,514.81
41080 Other Income.	11,210.00
4115200 Jive Phone Line Fee - Operations	-59.86
4152030 Royalty Income - Legends Operations	9,610.51
4206130 Advertising Fee Income - Legends NMF	2,693.18
4252030 Technology Fee - Legends Operations	9,586.00
4604030 Product Income - Legends Products	46,571.38
4650000 Other Income	
4652030 Other Income - Legends	30,907.70
Total 4650000 Other Income	**30,907.70**
Total Income	**$148,020.62**
Cost of Goods Sold	
Cost of Goods Sold	
5204030 Legends Gear	22,669.18
Total Cost of Goods Sold	**22,669.18**
Total Cost of Goods Sold	**$22,669.18**
GROSS PROFIT	**$125,351.44**
Expenses	
6000000 Marketing & Advertising	
6002030 Marketing - Legends Operations	9,689.00
6006030 Marketing - Legends Marketing	31,514.41
Total 6000000 Marketing & Advertising	**41,203.41**
6102030 Bank Charges - Legends	143.00
61105 Commissions & Fees.	
61106 Store Openings	500.00
Total 61105 Commissions & Fees.	**500.00**
61116 Office/General Administrative Expenses	48.00
61122 Payroll Expenses.	
61123 Salaries	459.00
61124 Payroll Taxes	43.99
61127 Health Insurance	-391.63
61128 401k	1,940.00
Total 61122 Payroll Expenses.	**2,051.36**
6203030 Broker Dues, Conventions & Conference Fees - Legends	11,259.00
6205020 Broker Dues, Conventions & Conference Fees - Deka Lash Training	3,700.00
6502030 Outside Consulting - Legends Operations	11,500.00
65050 Commissions & Fees	

Legends

PROFIT AND LOSS

January - February, 2020

	TOTAL
6324200 Area Rep Dev Royalty - Operations	2,238.38
Total 65050 Commissions & Fees	**2,238.38**
6652030 Software Subscriptions - Legends Operations	1,404.78
6712020 Legal Fees	1,400.00
6712030 Legal Fees - Legends	2,072.70
6800000 General Expenses	
6802030 General and Admin Expenses - Legends - Operations	19,757.57
Total 6800000 General Expenses	**19,757.57**
6811030 Office Stipend - Legends Corporate	34.50
6812030 Office Stipend - Legends Operations	1,932.83
7000000 Salaries & Benefits	
7002030 Payroll Expenses - Legends Operations	81,879.78
7005030 Payroll Expenses - Legends Training	14,999.98
7006030 Payroll Expenses - Legends Marketing	11,609.43
Total 7000000 Salaries & Benefits	**108,489.19**
7052030 Payroll Taxes - Legends Operations	16,186.74
7053020 Payroll Taxes - Deka Lash Franchise Sales	2,298.01
7055030 Payroll Taxes - Legends Training	1,081.82
7056030 Payroll Taxes - Legends Marketing	862.55
7102030 Health Insurance - Legends Operations	-805.09
7104020 Shipping Costs	1,103.75
7105030 Health Insurance - Legends Training	421.29
7106020 Health Insurance - Deka Lash Marketing	-50.58
7106030 Health Insurance - Legends Marketing	97.69
7152030 401k - Legends Operations	775.00
7205020 Commissions- Sales - Deka Lash Training	1,500.00
7252030 Commissions & Fees - Legends Ops	1,700.00
75000 Travel Employee	
7322200 Parking - Operations	40.00
Total 75000 Travel Employee	**40.00**
7502030 Travel - Legends Operations	7,814.12
7552030 Meals & Entertainment - Legends Operations	1,993.30
7553030 Meals & Entertainment - Legends Franchise Sales	223.02
Total Expenses	**$242,976.34**
NET OPERATING INCOME	**$ -117,624.90**
Other Expenses	
9102030 Look Good Allocation to Legends	5,525.92
Total Other Expenses	**$5,525.92**
NET OTHER INCOME	**$ -5,525.92**
NET INCOME	**$ -123,150.82**

LB Franchising, LLC

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the Period of July 1, 2019 to December 31, 2019

LB Franchising, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Member of
LB Franchising, LLC
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of LB Franchising, LLC (the "Company") which comprise the balance sheet as of December 31, 2019, and the related statements of operations, changes in member's capital, and cash flows for the period of July 1, 2019 to December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

The Mumford Group
Bountiful, Utah
May 14, 2020

LB Franchising, LLC

Balance Sheet

December 31, 2019

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 71,570
Accounts receivable	26,573
Prepaid expenses	13,090
Inventory	53,189
Notes receivable - related party	101,084
TOTAL CURRENT ASSETS	265,506
OTHER ASSETS	
Deferred direct franchising costs	16,500
Goodwill, net of accumulate amortization of $31,928	606,631
TOTAL OTHER ASSETS	623,131
TOTAL ASSETS	$ 888,637

LIABILITIES AND MEMBER'S CAPITAL

CURRENT LIABILITIES	
Notes payable - related party	$ 483,599
Long-term debt, current portion	76,633
TOTAL CURRENT LIABILITIES	560,232
OTHER LIABILITIES	
Deferred franchise fee revenue	96,800
Long-term debt, net of current portion	189,787
TOTAL LIABILITIES	846,819
MEMBER'S CAPITAL	
Member's capital	41,818
TOTAL MEMBER'S CAPITAL	41,818
TOTAL LIABILITIES AND MEMBER'S CAPITAL	$ 888,637

See accompanying notes to financial statements

LB Franchising, LLC

Statement of Operations

For the Period of July 1, 2019 to December 31, 2019

REVENUE	
Initial franchise fees	$ -
Other operating revenue	154,275
TOTAL REVENUES	154,275
OPERATING EXPENSES	
Selling and administrative expense	190,620
Salaries, wages, and benefits	216,798
Other operating expenses	130,070
Amortization expense	31,928
TOTAL OPERATING EXPENSES	569,416
OPERATING INCOME/(LOSS)	(415,141)
OTHER INCOME (EXPENSE)	
Interest expense	(3,041)
TOTAL OTHER INCOME (EXPENSE)	(3,041)
NET LOSS	$ (418,182)

See accompanying notes to financial statements

LB Franchising, LLC
Statement of Changes in Member's Capital

Balance at June 30, 2019	$ -
Member's contributions	460,000
Net loss	(418,182)
Balance at December 31, 2019	$ 41,818

See accompanying notes to financial statements

LB Franchising, LLC

Statement of Cash Flows

For the Period of July 1, 2019 to December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	$ (418,182)
Adjustments to reconcile net loss to net cash flows from operating activities:	
Amortization	31,928
(Increase) decrease in operating assets:	
Accounts receivable	(26,573)
Prepaid expense	(13,090)
Inventory	(53,189)
Deferred direct franchise costs	(16,500)
Increase (decrease) in operating liabilities:	
Deferred initial franchise fee revenue	96,800
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(398,806)
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments received from notes receivable - related parties	110,000
Net issuance of notes receivable - related parties	(101,084)
Purchase of intangible assets	(651,929)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(643,013)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from long-term debt	324,000
Payments on long-term debt	(44,210)
Net proceeds from notes payable - related parties	483,599
Member contributions	350,000
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	1,113,389
NET INCREASE IN CASH	71,570
CASH, BEGINNING OF PERIOD	-
CASH, END OF PERIOD	$ 71,570
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid for interest	$ 3,041

See accompanying notes to financial statements

LB Franchising, LLC
Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of LB Franchising, LLC (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Operations

LB Franchising, LLC was formed on July 1, 2019 as a limited liability company under the laws of the State of Utah. LB Franchising, LLC is engaged in the business of franchising boxing training and related product sales companies at locations throughout the United States. LB Franchising, LLC sells franchises to individuals and groups and then provides training and certain franchise maintenance services to the franchisees.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and expenses, and related disclosures of contingent liabilities in the consolidated financial statements and accompanying notes. Estimates are used for, but not limited to, receivables valuation, revenue recognition, sales returns, inventory valuation, depreciable lives of fixed assets, intangible asset valuation, and contingencies. Actual results could differ materially from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with banks, highly liquid money market funds, United States government securities, overnight repurchase agreements and commercial paper with maturities of three months or less when purchased.

Accounts Receivable

Accounts receivable represent amounts due from franchisees and are presented net of an allowance for doubtful accounts. The Company records its accounts receivable at contractual amounts and establishes specific reserves for those franchisee accounts identified with collection problems due to insolvency or other issues. The Company's accounts receivable are considered past due when payment has not been received by the contractual due date. The amounts of the specific reserves are estimated by management based on various assumptions including the franchisee's financial position, age of the franchisee's receivables, and changes in payment schedules and histories. Account balances are charged off against the allowance for doubtful accounts receivable. Recoveries of receivables previously charged off are recorded when payment is received. As of December 31, 2019, the Company did not have any accounts receivable that they determined was uncollectible and therefore did not have an allowance for doubtful accounts. For the period ended December 31, 2019, the Company's bad debt expense was $0.

Inventory

Inventories, consisting of merchandise purchased for resale, are accounted for using a standard costing system which approximates the first-in-first-out ("FIFO") method of accounting, and are valued at the lower of cost or market. Inventory is written down for estimated obsolescence and to lower of cost or market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required. Once established, the original cost of the inventory less the related allowance represents the new cost basis of such products. Reversal of the allowance is recognized only when the related inventory has been sold or scrapped. The inventory allowance was $0 as of December 31, 2019.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid expenses and other current assets

Prepaid expenses and other current assets represent expenses paid prior to receipt of the related goods or services, including insurance, travel, and other miscellaneous costs.

Intangible Assets – Goodwill

The Company's intangible assets consist of goodwill. The Goodwill was recorded at cost. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-02 *Intangibles – Goodwill and Other*, the Company amortizes goodwill over its estimated remaining useful life of 10 years using the straight-line method. The Company evaluates its intangible assets for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable in accordance with FASB ASC 360-10-40 *Impairment or Disposal of Long-Lived Assets*. Amortization expense related to goodwill for the period ending December 31, 2019, was $31,928.

Concentration of Credit Risk

The Company maintains cash and cash equivalents with financial institutions. These institutions are believed by management to be creditworthy and are insured by Federal Deposit Insurance Corporation (FDIC). Cash in bank deposit accounts may at times exceed federally insured limits. At December 31, 2019 the Company did not have any bank deposit accounts that exceeded the federally insured limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Revenue Recognition

The Company recognizes revenue for financial reporting purposes from initial franchise fees of a territory when it has substantially performed or satisfied all material services or conditions relating to the sale of the franchise and the fees are nonrefundable. The initial franchise fee is generally recognized upon the opening of a franchise store or upon termination of the agreement between the company and the franchisee.

Franchisees also pay a monthly royalty fee, based on cash receipts, and for advertising fees, technology fees, and customer service fees. Royalty fees are recorded in the month earned if collectability is reasonably assured. Estimates of royalties earned, but unreported by the franchisees at the balance sheet date are recorded as revenue and accounts receivable, and are adjusted to actual amounts when reported and paid by the franchisee. Advertising, technology, and customer service fees are recognized when earned.

Revenue related to product sales is recognized upon shipment of the product to the franchise. Franchises may be required to purchase certain product from the Company. These products may be supplied from an affiliated company or an outside vendor. The affiliate company or vendor may pay the Company a rebate based on the purchases being made by the franchises. These rebates are recognized as a reduction of product cost. For the period of July 1, 2019 to December 31, 2019, there were no rebates received from affiliate companies or vendors.

Advertising Expense

The Company expenses advertising production costs as they are incurred, and advertising communication costs the first time the advertising takes place. Advertising expense for the period of July 1, 2019 to December 31, 2019 was $26,602.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company was established as a limited liability company. In lieu of corporate income taxes, the members are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for income taxes is included in the financial statements.

The Company's Form 1065 for the year ending December 31, 2019 will be subject to examination by the IRS, generally for three years after being filed. Generally accepted accounting principles require tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. Management has evaluated the tax positions reflected in the Company's tax filings and does not believe that any material uncertain tax positions exist.

Subsequent Events

Management has evaluated events and transactions for potential recognition and disclosure through May 14, 2020, the date the financial statements were available to be issued.

Recently Issued Accounting Standards

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU will supersede most current revenue recognition guidance, including industry specific guidance. The core principle of the new guidance is that an entity will recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the considerations to which the entity expects to be entitled in exchange for those goods or services. The standard provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. Additionally, the guidance requires disclosures related to the nature, amount, timing, and uncertainty of revenue that is recognized. In August 2015, the FASB issued ASU No. 2015-14, revenue from contracts with customer (Topic 606), which changed the effective dates of ASU 2014-09. The provisions of ASU 2014-09 are effective for annual reporting periods beginning after December 15, 2018. However, at a FASB board meeting on April 8, 2020, the Board decided to amend the effective date for franchisors that are not public business entities to annual reporting periods beginning after December 15, 2019. Transition to the new guidance may be done using either a full or modified retrospective method. The Company is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires that a lease liability and related right-of-use asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Notes (continued)

2. LONG-TERM DEBT

Long-term debt at December 31, 2019, consists of the following:

Loan payable to an individual in the amount of $324,000 in monthly installments of $6,750 for forty-eight months maturing in June 2023. As this note bears no interest, an imputed interest on the note is recognized using the annual mid-term Applicable Federal Rate (AFR) at the inception of the loan (2.08%). This loan is guaranteed by the Member of the Company.	$ 266,420
	266,420
Less amounts due within one year	(76,633)
	$ 189,787

Future maturities of long-term debt are as follows:

Year ended December 31,	
2020	$ 76,633
2021	77,792
2022	79,426
2023	32,569
	$ 266,420

3. NOTES RECEIVABLE – RELATED PARTIES

One entity owned by the entity owning 100% of the Company received loans from the Company on a revolving basis. This loan does not have a maturity date or are charged interest. As of December 31, 2019, the balance of this loan totaled $101,084.

4. NOTES PAYABLE – RELATED PARTIES

The Company receives loans from one entity owned by the entity owning 100% of the Company on a revolving basis. This loan does not have a maturity date or interest being charged. As of December 31, 2019, the balance of this loan was $483,599.

5. NON-CASH TRANSACTIONS

The Company recognized a note receivable for the Owner's contribution to the Company as of July 1, 2019. This resulted in a note receivable from a related party totaling $110,000 and member's capital increasing by the same amount. The Company also received $324,000 in proceeds from a note payable that bears no interest. Imputed interest was applied on the recognized loan balance that resulted in a $13,370 decrease to the presented note payable balance and an increase to goodwill in the same amount.

LB Franchising, LLC

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the Day Ended July 1, 2019

MUMFORD GROUP
CERTIFIED PUBLIC ACCOUNTANTS

LB Franchising, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Member of
LB Franchising, LLC
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of LB Franchising, LLC (the "Company") which comprise the consolidated balance sheet as of July 1, 2019, and the related statements of operations, changes in member's capital, and cash flows for the day then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LB Franchising, LLC as of July 1, 2019, and the results of its operations and its cash flows for the day then ended in accordance with accounting principles generally accepted in the United States of America.

The Mumford Group

Bountiful, Utah
September 9, 2019

LB Franchising, LLC

Balance Sheet

July 1, 2019

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ -
Notes receivable - related party	110,000
TOTAL CURRENT ASSETS	110,000
OTHER ASSETS	
Intangible assets	660,630
TOTAL OTHER ASSETS	660,630
TOTAL ASSETS	$ 770,630

LIABILITIES AND MEMBER'S CAPITAL

CURRENT LIABILITIES	
Long-term debt, current portion	$ 75,254
TOTAL CURRENT LIABILITIES	75,254
OTHER LIABILITIES	
Long-term debt, net of current portion	$ 235,376
TOTAL LIABILITIES	310,630
MEMBER'S CAPITAL	
Member's capital	460,000
TOTAL MEMBER'S CAPITAL	460,000
TOTAL LIABILITIES AND MEMBER'S CAPITAL	$ 770,630

See accompanying notes to financial statements

LB Franchising, LLC

Statement of Operations

For the Day Ended July 1, 2019

REVENUE	$ -
OPERATING EXPENSES	-
OPERATING INCOME/(LOSS)	-
OTHER INCOME (EXPENSE)	-
NET INCOME/(LOSS)	$ -

See accompanying notes to financial statements

LB Franchising, LLC
Statement of Changes in Member's Capital

Balance at June 30, 2019	$ -
Member's contributions	460,000
Net income/(loss)	-
Balance at July 1, 2019	$ 460,000

See accompanying notes to financial statements

LB Franchising, LLC
Statement of Cash Flows
For the Day Ended July 1, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income/(loss)	$ -
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of intangible assets	(674,000)
NET CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	(674,000)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from long-term debt	324,000
Member contributions	350,000
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	674,000
NET INCREASE/DECREASE IN CASH	-
CASH, BEGINNING OF PERIOD	-
CASH, END OF PERIOD	$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid for interest	$ -

See accompanying notes to financial statements

LB Franchising, LLC
Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business
LB Franchising, LLC was formed on July 1, 2019 as a limited liability company under the laws of the State of Utah. LB Franchising, LLC is engaged in the business of franchising boxing training and related product sales companies at locations throughout the United States. LB Franchising, LLC sells franchises to individuals and groups and then provides training and certain franchise maintenance services to the franchisees.

Use of Estimates in Preparing the Financial Statements
The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Key management estimates include evaluation of long-lived assets for impairment.

Cash and Cash Equivalents
Cash and cash equivalents consist of demand deposits with banks, highly liquid money market funds, United States government securities, overnight repurchase agreements and commercial paper with maturities of three months or less when purchased.

Accounts Receivable
Accounts receivable represent amounts due from franchisees and are presented net of an allowance for doubtful accounts. The Company records its accounts receivable at contractual amounts and establishes specific reserves for those franchisee accounts identified with collection problems due to insolvency or other issues. The Company's accounts receivable are considered past due when payment has not been received by the contractual due date. The amounts of the specific reserves are estimated by management based on various assumptions including the franchisee's financial position, age of the franchisee's receivables, and changes in payment schedules and histories. Account balances are charged off against the allowance for doubtful accounts receivable. Recoveries of receivables previously charged off are recorded when payment is received. As of July 1, 2019, the Company did not have any accounts receivable and therefore did not have an allowance for doubtful accounts. For the day ended July 1, 2019, the Company's bad debt expense was $0.

Revenue Recognition
The Company recognizes revenue in relation to the sale of its franchise model through initial or renewal franchise fees, training fees and location assistance fees, ongoing royalty fees, product sales, and franchise support fees.

As per the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2017-09, *Revenue from Contracts with Customers* (Topic 606), the Company applied a five-step approach in determining the amount and timing of revenue to be recognized: (1) identifying the contract with a customer, (2) identifying the performance obligations in the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations in the contract, and (5) recognizing revenue when the performance obligation is satisfied.

Various economic factors affect revenues and cash flows. The timing of cash collections from the contracts results in accounts receivable on the balance sheet. Payment on accounts receivable is generally due according to the franchise contract. No significant financing is provided to franchisees. Cash is generally collected prior to (or shortly after) revenue recognition.

The franchise fee (initial or renewal) is paid by the franchisee when executing the franchise agreement. Revenue from the initial franchise fee is deferred until the location begins operations. Upon the franchisee opening its boxing gym to the public (or renewing the franchise agreement), the Company recognizes the franchise fee over the life of the franchise agreement, which is usually 10 years.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)
The training fee and the location assistance fee are paid by the franchisee when executing the franchise agreement. Management has determined the training and location assistance are distinct performance obligations from the franchise fee which are outlined within the franchise contract. Both services, training and location assistance, are distinct and similar to services provided to other franchise industries. Revenue from the location fee is recognized immediately, since the Company's performance obligation is met. Revenue from the training fee is deferred until the training occurs, typically a week before the franchisee opens. The Company then fully recognizes this revenue at completion. The Company did not have any sales of new franchise territories during the day ended July 1, 2019.

Ongoing royalty fees are recognized in the month the Company has earned them. Estimates of the royalties earned but unreported by the franchisees at the balance sheet date are recorded as revenue and accounts receivable. These estimated amounts are adjusted to actual amounts when reported and paid by the franchisee.

Net product sales include shipping and handling charges, net of estimates from product returns. Revenue is measured as the amount of consideration that the Company expects to receive in exchange for transferring its products to its franchisees. The Company recognizes revenue by transferring the promised products to the franchisee, with revenue being recognized at the point in time when the franchisee obtains control of the products. The Company recognizes revenue for shipping and handling charges at the time the products are delivered to or picked up by the franchisee. The Company estimates product returns based on historical return rates. Sales taxes that are collected from franchisees are remitted to governmental authorities and are accounted for net of sales.

Franchise support fees, such as marketing, technology, and email fees, are recognized in the month the Company has met its performance obligation.

Deferred Franchising Revenue
Deferred revenue is comprised of contractual franchisee payments for services that have not yet been performed.

Inventories
Inventories are stated at the lower of cost or net realizable value and consist of finished goods merchandise. Allowances are recorded for slow-moving, obsolete or unusable inventories. The Company assesses inventories for estimated obsolescence or unmarketable products and writes down the difference between the cost of the inventories and the estimated net realizable values based upon assumptions about future sales and supplies on-hand. The inventory allowance was $0 as of July 1, 2019.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation. Depreciation expense is computed using the straight-line method over the assets' estimated useful lives. Estimated useful lives are periodically reviewed, and where appropriate, changes are made prospectively. As of July 1, 2019, the Company's had not acquired any property and equipment and therefore did not have accumulated depreciation. For the day ended July 1, 2019, the Company did not have any depreciation expense.

Intangible Assets – Goodwill
Goodwill represents the excess of the purchase price paid over the fair value of the net assets acquired in connection with a business combination and is recorded at cost. In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-02, *Intangibles – Goodwill and Other*, the Company amortizes goodwill over its estimated remaining life of 10 years using the straight-line method. Amortization expense related to goodwill for the day ending July 1, 2019, was $0.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible Assets – Goodwill (Continued)
The Company reviews goodwill for possible impairment on an annual basis or when triggering events occur in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 350. When evaluating whether goodwill is impaired, the Company makes a qualitative assessment to determine if it is more likely than not that the fair value is less than its carrying amount. If the Company determines through its qualitative assessment that it is more likely than not that its fair value is less than its carrying amount, the fair value is compared to the carrying amount of the reporting unit to which the goodwill is assigned. If the carrying amount exceeds its fair value, then the amount of the impairment loss must be measured. The impairment loss, if any, is calculated by comparing the implied fair value of the goodwill to its carrying amount. In calculating the implied fair value of the goodwill, the fair value of the reporting units is allocated to the other assets and liabilities within the reporting unit based on estimated fair value. The excess of the fair value of a reporting unit over the amount allocated to its other assets and liabilities is the implied fair value of the goodwill. An impairment loss is recognized when the carrying amount of goodwill exceeds its implied fair value. No impairment was recognized during the day ended July 1, 2019.

Impairment of Long-Lived Assets
The Company reviews long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable, as measured by a comparison of undiscounted estimated future net cash flows to the carrying value of the asset. If an asset is considered impaired, the asset is written down to fair value. The Company determined that none of its assets were impaired as of July 1, 2019.

Income Taxes

The Company was established as a limited liability company. In lieu of corporate income taxes, the members are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for income taxes is included in the financial statements.

The Company's Form 1065 for the year ending December 31, 2019 will be subject to examination by the IRS, generally for three years after being filed. Generally accepted accounting principles require tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. Management has evaluated the tax positions reflected in the Company's tax filings and does not believe that any material uncertain tax positions exist.

Recently Issued Accounting Pronouncements
In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) (ASU 2016-02). ASU 2016-02 requires a lessee to recognize assets and liabilities on the balance sheet for all leases with lease terms greater than 12 months. ASU 2016-02 is effective for fiscal years and interim period within those years, beginning after December 15, 2019, and early adoption is permitted. Accordingly, ASU 2016-02 is effective for the Company on January 1, 2020, using a modified retrospective approach. Management is evaluating the impact that ASU 2016-02 will have on the Company's financial statements.

Subsequent Events
Management has evaluated events and transactions for potential recognition and disclosure through September 9, 2019, the date the financial statements were available to be issued.

Notes (continued)

2. NOTES RECEIVABLE – RELATED PARTY

Related party notes receivable as of July 1, 2019, totaling $110,000 represents an amount due from the Company's member for temporary advancing the member's contribution to member's equity. The note receivable is unsecured, noninterest bearing, and is due upon demand. Accordingly, the note receivable is classified as a current asset and no imputed interest income is assessed on the outstanding balance.

3. LONG-TERM DEBT

Long-term debt at July 1, 2019, consists of the following:

Loan payable to an individual in the amount of $324,000 in monthly installments of $6,750 for forty-eight months maturing in June 2023. As this note bears no interest, an imputed interest on the note is recognized using the annual mid-term Applicable Federal Rate (AFR) at the inception of the loan (2.08%). This loan is guaranteed by the Member of the Company.	$ 310,630
	310,630
Less amounts due within one year	(75,254)
	$ 235,376

Future maturities of long-term debt are as follows:

Year ended July 1,	
2020	$ 75,254
2021	76,834
2022	78,447
2023	80,095
	$ 310,630

4. NON-CASH TRANSACTIONS

The Company recognized a note receivable for the Owner's contribution to the Company as of July 1, 2019. This resulted in a note receivable from a related party totaling $110,000 and member's capital increasing by the same amount. The Company also received $324,000 in proceeds from a note payable that bears no interest. Imputed interest was applied on the recognized loan balance that resulted in a $13,370 decrease to the presented note payable balance and an increase to goodwill in the same amount.

EXHIBIT K-1.
FRANCHISE PREMISES LEASE RIDER AGREEMENT

This Franchisor Premises Lease Agreement Rider ("Agreement") is made a part of that certain Lease to which it is attached and is dated of even date therewith.

Whereas the Landlord and Tenant are executing a lease agreement (the "Lease Agreement") by which Tenant leased from Landlord real property for Tenant's operations of a LEGENDS BOXING franchise. Landlord and Tenant desire to execute this addendum to the Lease Agreement to give Franchisor certain rights to the Franchise Premises as required by the Franchise Agreement.

THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1. **Use of Franchise Premises**. Landlord acknowledges and agrees that the Franchise Premises may be used only for the operation of a LEGENDS BOXING business. Landlord permits Tenant to use and display the following service marks, trademarks, and commercial logos: LEGENDS BOXING, and all other marks that Franchisor develops for a LEGENDS BOXING™ operation in the future.

2. **Landlord Reports and Disclosures to Franchisor**. Tenant acknowledges and agrees that Landlord may, upon Franchisor's written request, disclose to Franchisor all reports, information, or data in Landlord's possession respecting sales made in, upon, or from the Franchise Premises and Tenant's business operations.

3. **Assignment to Franchisor**. Landlord agrees that without Landlord's consent, the Lease Agreement and Tenant's right, title and interest, may be assigned by Tenant to Franchisor, without cost or penalty. Landlord grants to Franchisor the right, at Franchisor's sole election, to assume the Lease Agreement and the leasehold interest in the Franchise Premises, upon any of the following conditions:

    a. Termination, nonrenewal or expiration of Tenant's Franchise Agreement.

    b. Default by Tenant under the terms of the Franchise Agreement which default is not cured by Tenant within the time limits provided therein.

    c. Default by Tenant under the terms of the Lease, which default is not cured by Tenant within the time limits provided therein.

    d. Voluntary institution of any insolvency or bankruptcy proceedings as a debtor or insolvent on the part of Tenant or involuntary insolvency or bankruptcy proceedings brought against Tenant which are not dismissed within 60 days of the filing thereof.

    e. Discontinuation by the Tenant of operation of ~~a~~ a LEGENDS BOXING business in the Premises, whether voluntarily or involuntarily.

4. **Sublease**. If the Franchisor assumes the Lease Agreement and the leasehold interest in the Franchise Premises, Franchisor may then (i) enter into a sublease with any other

franchisee of Franchisor without Landlord's further consent, or (ii) further assign the Lease to a franchisee of Franchisor who shall agree to assume Tenant's obligations under the Lease. Landlord further agrees that upon the occurrence of any such assignment, Franchisor shall have no further liability or obligation under the Lease

5. **Tenant's Default; Notice to Franchisor.** Landlord will give written notice to Franchisor (concurrently with the giving of notice to Tenant) of any breach by Tenant under the Lease Agreement. Franchisor will have the right (but not obligation), in Franchisor's sole discretion, to cure any breach at Tenant's expense within 15 business days after the expiration of the period in which Tenant had to cure the default. Notice will be sent to the following address, or to the address Franchisor may, from time to time, specify in writing to Landlord:

   LB FRANCHISING, LLC
   4000 Town Center Blvd., Suite 320
   Canonsburg, PA 15317
   412-977-0220

6. **Franchise Premises De-identification.** Upon termination, expiration, or non-renewal of the Lease Agreement, Tenant may de-identify the Franchise Premises. If Tenant fails to do so, Landlord gives Franchisor the express right to de-identify. De-identification consists of removal of all signs; modification or remodeling of all identifying architectural features; repainting as necessary to no longer use the cooler scheme used by Franchisor; and any other steps necessary (in Franchisor's reasonable discretion) to effectively distinguish the Franchise Premises from Franchisor's proprietary designs and marks.

7. **Surrender or Assignment.** Landlord and Tenant agree not to allow any surrender or other assignment of the Lease without the prior written consent of Franchisor.

The terms and conditions of this Addendum shall amend, supersede, replace, and control over any conflicting or inconsistent terms and conditions in the Lease; except as modified in this Addendum, all other terms and conditions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS, the parties have executed this Rider.

Tenant	**Landlord**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT K-2.
TERMINATION OF ASSUMED OR FICTITIOUS BUSINESS NAME.

Pursuant to the provisions of relevant state laws concerning the registration and use of assumed or fictitious business names, the undersigned applicant, being a franchisee of LB FRANCHISING, LLC, submits the following to evidence its intent to abandon, relinquish and terminate its right to use the business name Legends Boxing:

1. Name of Applicant who is Using the Assumed or Fictitious Business Name:

   a(an) individual/partnership/corporation organized and doing business under the laws of the State of:

2. Date When Original Assumed or Fictitious Business Name was Filed by Applicant:

3. Address of Applicant's Registered Office in the State of:

Whereas the applicant is hereby abandoning, relinquishing and terminating its right to use the business name Legends Boxing, effective immediately, please cancel the Applicant's registration to use the name Legends Boxing.

Signature: _____

Name: _____

Title: _____

Date: _____

EXHIBIT K-3.
GENERAL RELEASE

This release is made and give by: _____ (Releasor)

Whereas Releasor and LB FRANCHISING, LLC (Releasee) are parties to one or more franchise agreements and related documents, the following is given in consideration of the Releasee granting:

_____ The execution of an additional Franchise Agreement

_____ The execution of a successor Franchise Agreement or other documents renewing the franchise.

_____ Consent to transfer the Releasors rights and duties under the Franchise Agreement

_____ Consent to: _____

Franchisee and all of Franchisee's guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against Released Parties or any of them up through and including the date of this Release. Releasor forever discharge the Released Parties from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the negotiation of, execution of, performance of, nonperformance, or breach of the Releasor's current or former Franchise Agreements and any related agreements between the Releasor and the Released Parties and out of any other action or relationship between the Releasor and the Released Parties arising prior to the date of this release. It is expressly understood and agreed that this release is intended to waive, release and discharge all claims against the Released Parties.

California Release. You represent and warrant that you waive benefit of the California Civil Code Section 1542, which states: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

The above Release shall not apply to any liabilities arising under the California Franchise Investment Law, the California Franchise Relations Act, Indiana Code § 23-2-2.5.1 through 23-2-2.7-7, the Maryland Franchise Registration and Disclosure Law, Michigan Franchise Investment Law, Minnesota Franchise Act, North Dakota franchise laws, the Rhode Island Investment Act, or the Washington State Franchise Investment Protection Act.

FRANCHISEE (“Releasor”)	**LB FRANCHISING, LLC** (“Releasee”) d/b/a Legends Boxing
_____ (Name of corporation, partnership, limited liability company or other legal entity or individually if blank)	
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT K-4.
AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER

Please complete the following and attach a voided blank check for verification purposes:

Financial Institution Name: _____

Financial Institution Address: _____

Company Name Listed on Account: _____

Account Number: _____

Routing Number: _____

I hereby authorize LB FRANCHISING, LLC (the "Company") to initiate Electronic Funds Transfer charges to the bank account indicated above in accordance with the terms of my franchise agreement including for the payment of my weekly or other periodic Royalty Fee, Brand Development Fund and other fees owed by me to the Company and, if necessary, to initiate adjustments for any transactions credited in error. This Authorization will remain in full force and effect until Company receives written confirmation of termination of this Authorization via certified letter. I further certify that I have received a copy of the Authorization for my files.

Signature: _____

Name: _____

Title: _____

Date: _____

EXHIBIT K-5.
CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

THIS CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT (“Agreement”) is made on the date entered below between LB FRANCHISING, LLC d/b/a Legends Boxing ("Company") and the below named recipient ("Recipient").

WHEREAS, Company has or is about to undertake discussions with Recipient regarding a franchise business opportunity (the "Opportunity"); and

WHEREAS, in connection with the Opportunity, Company may grant to Recipient access to Confidential Information, which such Confidential Information, including its existence and terms, the Company does not want made public, except as may be required by law;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. Definition. Confidential Information shall include all oral, written, and electronic information which is furnished by Company to Recipient in connection with the Opportunity and which is not available to the public, including but not limited to all business information, agreements, manuals, operating materials, and data.

2. Restricted Use. Recipient agrees that the Confidential Information will not be used or disclosed to any third party except business advisors such as CPA’s or attorneys with a need to know, or in response to a lawful summons, subpoena, or discovery request, without the express prior written consent of Company.

3. Injunctive Relief. Recipient acknowledges that the remedy at law for any breach by it of the terms of this Agreement shall be inadequate and that the damages resulting from such breach are not readily susceptible to being measured in monetary terms. Accordingly, in the event of a breach or threatened breach by Recipient of the terms of this Agreement, Company shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach. Nothing herein shall be construed as prohibiting Company from pursuing any other remedies available to Company for such breach or threatened breach, including the recovery of damages from Recipient. Recipient further represents that it understands and agrees that the provisions of this Agreement shall be strictly enforced and construed against it.

4. Non-Waiver. No failure or delay by Company in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

5. Pennsylvania Law. This Agreement is effective upon its acceptance in Utah by Company’s authorized personnel. Utah governs all claims that in any way relates to or arises out of this Agreement or any of the dealings of the parties (“Claims”).

6. Jurisdiction and Venue. In any suit over any Claims, the parties agree to the sole and exclusive venue and personal jurisdiction in the state and federal court of the city or county of Company’s National Office, presently the Canonsburg, Pennsylvania state and federal courts.

7. Jury Waiver. In any trial between any of the parties, as to any Claims, the parties agree to waive their rights to a jury trial and instead have such action tried by a judge.

8. **Class Action Waiver.** Recipient agrees that any Claim Recipient may have shall be brought individually and Recipient shall not join with claims of any other person or entity or bring, join or participate in a class action against Company.

9. **Punitive Damages Waiver.** In any Claim, the parties agree to waive their rights, if any, to seek or recover punitive damages.

10. **Attorney Fees.** In any Claim, in the event that Company is the prevailing party, Company shall be entitled to recover its costs and attorney fees.

IN WITNESS WHEREOF, the parties have executed this Confidentiality Agreement on the date below.

Recipient ~~RECIPIENT~~ (Name of corporation, partnership, limited liability company or other legal entity or individually if blank)	**LB FRANCHISING, LLC** ~~LB FRANCHISING, LLC~~ d/b/a Legends Boxing
Signature: _____ Name: _____ ~~Date~~Title: _____ Date: _____	Signature: _____ Name: _____ Title: _____ Date: _____
Signature: _____ Name: _____ Title: _____ Date: _____	
Signature: _____ Name: _____ Title: _____ Date: _____	
Signature: _____ Name: _____ Title: _____ Date: _____	

EXHIBIT K-6.
SBA ADDENDUM

ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20__, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for a loan ("Loan") from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining the SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor may not record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees.

This Addendum automatically terminates on the earlier to occur of the following: (i) the Loan is paid in full; or (ii) SBA no longer has any interest in the Loan.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

FRANCHISOR:	**FRANCHISEE:**
By: _____	By: _____
Print Name: _____	Print Name: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements.

EXHIBIT L.
LIST OF AREA REPRESENTATIVES

The following is a list of Area Representatives as of the date of this disclosure document:

Arizona

Rob Scott
80 N 850 E
Lehi, UT 84043
801-712-6111

Matt Frentheway
345 W 600 S #104
Heber City, UT 84032
801-471-6068

Colorado

~~Rob Scott~~
~~80~~Bruce & Nancy Mackay
953 N ~~850~~830 E
Lehi, UT 84043
801-362-9646

David & Cate Hodgkinson
567 W 2375 N
Lehi, UT 84043
801-~~712-6111~~722-8163

~~Matt Frentheway~~
~~345 W 600 S #104~~
~~Heber City, UT 84032~~
~~801-471-6068~~

Oregon

Rob Scott
80 N 850 E
Lehi, UT 84043
801-712-6111

Matt Frentheway
345 W 600 S #104
Heber City, UT 84032
801-471-6068

Texas

Michael Debenham
3355 S State St
Salt Lake City, UT 84115
801-232-2262

Utah

Rob Scott
80 N 850 E
Lehi, UT 84043
801-712-6111

Matt Frentheway
345 W 600 S #104
Heber City, UT 84032
801-471-6068

EXHIBIT M.
STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	September 16, 2019
Maryland	Pending
Michigan	September 16, 2019
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	September 17, 2019
Virginia	Pending
Washington	Pending
Wisconsin	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.

EXHIBIT N.
RECEIPTS

RECEIPT

This franchise disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this franchise disclosure document and all agreements carefully.

If LB FRANCHISING, LLC offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

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.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If LB FRANCHISING, LLC does not deliver this franchise disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the state authorities identified in Exhibit D.

Issuance Date: ~~September 9,~~ May 18, 2020~~2019~~

The name, principal business address, and telephone number of each franchise seller offering the franchise follows:

	Michael Blair, 4000 Town Center Blvd., Suite 320, Canonsburg, PA 15317, 801-712-6111
	~~Michael Debenham, 3355 S State St, Salt Lake City, UT 84115, 801-232-2262~~
	Michael Samson, 6708 Danbury Curve, Shakopee MN 55379, 801-415-9188
	Heather McPherson; 30596 E. Skidaddle Lane, Government Camp, OR 97028; 503-819-9083
	Ricki Wilkins; 10005 Old 3 C Highway, Clarksville, OH 45113; (916) 799-4513
	Michael Tilbrooke; 2600 Spinnaker Dr., Reno, NV 89519; 213-200-3498

We authorize the respective state agencies identified on Exhibit D to receive service of process for us in the particular state.
~~We authorize the respective state agencies identified on Exhibit D to receive service of process for us in the particular state.~~

I have received a disclosure document dated ~~September 9, 2019~~May 18, 2020 that included the following Exhibits:

A. State Addenda
B. Franchise Agreement and Schedules
C. Area Development Agreement
D. State Authorities, Registered Agents
E. Operations Manual Table of Contents
F. Current Franchisees
G. Former Franchisees
H. Telephone Number/Listings Assignment
I. Franchisee Closing Acknowledgements
J. Financial Statements
K-1. Premises Lease Rider Agreement
K-2.Termination of Assumed/Fictitious Name
K-3.General Release
K-4.Authorization for Electronic Funds Transfer
K-5.Confidentiality & Non-Disclosure Agreement
K-6. SBA Addendum
L. List of Area Representatives
M. State Effective Dates
N.

~~A. State Addenda~~
~~B. Franchise Agreement and Schedules~~
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~~K-2.Termination of Assumed/Fictitious Name~~
~~K-3.General Release~~
~~K-4.Authorization for Electronic Funds Transfer~~
~~K-5.Confidentiality & Non-Disclosure Agreement~~
~~K-6. SBA Addendum~~
~~L. List of Area Representatives~~
~~M.~~Receipt

_____
DATE YOU RECEIVED THIS DISCLOSURE DOCUMENT

PROSPECTIVE FRANCHISEE

_____
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature:		Signature:	
Name:		Name:	
Title:		Title:	
Signature:		Signature:	
Name:		Name:	
Title:		Title:	

Please sign and date two copies.
KEEP THIS COPY FOR YOUR RECORDS.

RECEIPT

This franchise disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this franchise disclosure document and all agreements carefully.

If LB FRANCHISING, LLC offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

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.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If LB FRANCHISING, LLC does not deliver this franchise disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the state authorities identified in Exhibit D.

FDD Date of Issuance: ~~September 9,~~ May 18, 2020~~2019~~

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	Heather McPherson; 30596 E. Skidaddle Lane, Government Camp, OR 97028; 503-819-9083
	Ricki Wilkins; 10005 Old 3 C Highway, Clarksville, OH 45113; (916) 799-4513

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D. State Authorities, Registered Agents
E. Operations Manual Table of Contents
F. Current Franchisees
G. Former Franchisees
H. Telephone Number/Listings Assignment
I. Franchisee Closing Acknowledgements
J. Financial Statements
K-1. Premises Lease Rider Agreement
K-2.Termination of Assumed/Fictitious Name
K-3.General Release
K-4.Authorization for Electronic Funds Transfer
K-5.Confidentiality & Non-Disclosure Agreement
K-6. SBA Addendum
L. List of Area Representatives
M.

~~A. State Addenda~~
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~~L. List of Area Representatives~~
~~M.~~N. Receipt

_____
DATE YOU RECEIVED THIS DISCLOSURE DOCUMENT

PROSPECTIVE FRANCHISEE

_____
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature:		Signature:	
Name:		Name:	
Title:		Title:	

Signature:		Signature:	
Name:		Name:	
Title:		Title:	

Please sign, date and email this copy to us at info@legendsboxing.com or by mail to: 4000 Town Center Blvd., Suite 320, Canonsburg, PA 15317