FRANCHISE DISCLOSURE DOCUMENT

Retrofitness, LLC
a Delaware limited liability company
1601 Belvedere Road, Suite E-500
West Palm Beach, FL 33406 Telephone: 732-431-0062
Email: info@retrofranchising.com
Home page: http://www.retrofitness.com

The franchisee will provide discount fitness programs in a specially designed format.

The total investment necessary to begin operation of a Retrofitness franchise is between $1,274,466 and $2,088,216. This includes between $46,716 and $76,716 that must be paid to the franchisor or affiliate.

Retrofitness area developers acquire the right to develop multiple Retrofitness outlets in a designated development area. The total investment necessary to begin operation of a Retrofitness area developer business will depend on the number of Retrofitness outlets to be opened. The development fee is $10,000 for each outlet to be developed under the Area Development Agreement. A minimum of four outlets must be developed; there is no maximum number of outlets you can develop. Upon signing an Area Development Agreement to develop the minimum number of outlets (4), you will pay us a development fee equal to $40,000 ($10,000 for each outlet), plus initial fees for your first outlet ranging between $46,716 and $76,716. The total investment necessary to begin operation of your first Retrofitness® franchised outlet under an Area Development Agreement that requires the development and operation of four (4) outlets ranges from $1,314,446 - $2,128,216. This includes $86,716 to $116,716 that must be paid to the franchisor or affiliate. If you develop all four outlets, your total investment will be $5,137,864 to $8,392,864; this includes $226,864 to $346,864 you must pay to franchisor or affiliate.
This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale 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 forms, contact Retrofitness at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406, or 732-431-0062

The terms of your contract will govern your franchise relationship. Do not 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 "Buying a Franchise: A Consumer Guide," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance date: April 30, 2022

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits C and D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Retrofitness business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Retrofitness franchisee?	Item 20 or Exhibits C and D list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising
Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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 Florida. 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 Iowa than in your own state.

2. **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.

3. **Mandatory Minimum Payments**. You must make minimum royalty or advertising 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. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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.

TABLE OF CONTENTS

ITEM	PAGE
ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	7
ITEM 2 BUSINESS EXPERIENCE	10
ITEM 3 LITIGATION	11
ITEM 4 BANKRUPTCY	12
ITEM 5 INITIAL FEES	13
ITEM 6 OTHER FEES	15
ITEM 7 ESTIMATED INITIAL INVESTMENT	25
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	31
ITEM 9 FRANCHISEE'S OBLIGATIONS	34
ITEM 10 FINANCING	36
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	36
ITEM 12 TERRITORY	46
ITEM 13 TRADEMARKS	49
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	52
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	52
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	53
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	54
ITEM 18 PUBLIC FIGURES	60
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	61
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	70
ITEM 21 FINANCIAL STATEMENTS	73
ITEM 22 CONTRACTS	73
ITEM 23 RECEIPTS	74

EXHIBITS

A	Franchise Agreement	F	State Addenda to Franchise Disclosure Document
B	Area Development Agreement	G	Pre-Closing Questionnaire
C	Financial Statements	H	Table of Contents of Operations Brand Standards Manual
C	List of Franchisees	I	Form of General Release
D	List of Former Franchisees	J	Guarantees
E	State Administrators/Designation of Agent for Service of Process	K	State Effective Dates & Receipts

ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify language in this Disclosure Document, we will refer to Retrofitness, LLC, as "we," "us," "our," or "Retrofitness," and to the franchisee as "you." If you are a corporation, partnership or other entity, the word "you" may also include owners or partners of the franchisee.

Franchisor

The franchisor is Retrofitness, LLC, a Delaware limited liability company, formed on August 6, 2008. Our principal business address is 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406.

We only offer franchises under the trademark "RETROFITNESS®," and do not offer franchises in any other line of business. Our agents for service of process are set forth on Exhibit F.

Parents, Predecessors and Affiliates

Our Predecessor: Retrofitness Corp. and Retrofitness Enterprises, LLC

On August 19, 2008, we acquired all of the assets of our predecessor, Retrofitness Corp., a New Jersey corporation that was incorporated on May 26, 2006, with a principal business address of 182 Route 537 , Colts Neck, New Jersey 07722. Retrofitness Corp. offered and sold franchises from 2006 until its sale of assets to us on August 19, 2008. As the successor to Retrofitness Corp., Retrofitness, LLC is now the franchisor for franchisees who signed franchise agreements with Retrofitness Corp. All franchisees who signed franchise agreements with Retrofitness Corp. are disclosed in Item 20 as franchisees of Retrofitness, LLC.

Between June 1, 2005 and June 30, 2006 and prior to the formation of Retrofitness Corp., its predecessor, Retrofitness Enterprises, LLC, a New Jersey limited liability company with a principal business address of 522 Route 9 North, No. 331, Manalapan, NJ 07726, offered license agreements to operate fitness centers under the Retrofitness trademark. Retrofitness Enterprises, LLC no longer offers licenses and never offered franchises.

Our Affiliates

We are party to an intellectual property license agreement with our affiliate, Retrofitness IP LLC ("Retro IP"), a Delaware limited liability company formed on August 14, 2008 solely to be the holder of Retrofitness' intellectual property. Retro IP's principal business address is 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406.

Our Parent Entity: Fierce Brands, LLC

Fierce Brands, LLC, a Delaware limited liability company, is the parent of Retrofitness, LLC. Fierce Brands, LLC was originally formed as Retrofitness Holdings, LLC on July 31, 2008, and changed its name to Fierce Brands, LLC in December 2012. Fierce Brands, LLC maintains its principal business address at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406. Fierce Brands, LLC has never offered franchises in this or any other line of business.

We have no other predecessors or affiliates that offer franchises in any line of business, or provide products or services to you on our behalf. We have no business other than offering franchises and assisting franchisees, and we have never offered franchises for any other type of business other than those described herein. We do not conduct business under any other name.

The Franchise Offered

We sell and grant franchises for the operation of outlets under the trademark RETROFITNESS® (the "RETROFITNESS® Outlet") providing discount fitness programs in a specially designed format. Our business model is based on offering exercise/fitness training programs and related services to members for a monthly fee. We offer a high value product at a significantly reduced price. A RETROFITNESS® Outlet offers equipment from fitness industry leaders such as Matrix, Iron Grip and more, including various pieces of cardio and strength machines, dumbbells, barbells and function training tools.

If you are awarded a franchise, you will sign the Retrofitness, LLC Franchise Agreement for each RETROFITNESS® Outlet you open. The Franchise Agreement will grant you the right to own and operate a single Outlet at an agreed upon location. As a RETROFITNESS® franchisee, you must comply with the terms and conditions of the Franchise Agreement, which requires you to, among other things, offer for sale all services, products and merchandise we designate. Under our current System, some members of a RETROFITNESS® Outlet are entitled to access and usage of any RETROFITNESS® Outlet they choose to visit and you must honor the membership cards of all members of your Outlet, regardless of the RETROFITNESS® Outlet from which they purchased their membership. You will be responsible for complying with all reciprocal access programs and all other membership programs and policies we may develop during the term of your Franchise Agreement, including membership and member revenue transfer policies and procedures as set forth in our Operations Brand Standards Manual ("Manual") or in other written communications you receive from us.

Area Development

If you qualify, we may grant you area development rights according to the form of Area Development Agreement included in this Disclosure Document as Exhibit "B" ("Area Development Agreement"). You and we may enter into an Area Development Agreement for thedevelopment of a specified number of RETROFITNESS® Outlets in a designated geographic area called the "Development Area." Under an Area Development Agreement, you must commit to develop at least four (4) RETROFITNESS® Outlet in the Development Area within a given period of time,depending on population of the area, its market potential and other factors described in Item 12. You must sign a separate, then-current Franchise Agreement (which may be different than the Franchise Agreement attached hereto as Exhibit A) for each RETROFITNESS® Outlet you open under the Area Development Agreement and will sign the Franchise Agreement for your first RETROFITNESS® Outlet at or soon after the time you sign the Area Development Agreement.

Market Competition

Your RETROFITNESS® Outlet will compete with other health and fitness facilities offering exercise/fitness training programs and related services to members at a monthly fee. Your RETROFITNESS® Outlet will have to compete with other businesses, including franchised operations, national chains and independently owned companies offering exercise, health and wellness, and fitness facilities and training to members, through the usage of fitness equipment, locker/shower facilities, spa facilities, tanning, personal training, smoothie bar, vitamin/supplement sales and other fitness and health-related products and services. You may compete with other existing businesses and with new businesses that we may operate, franchise or license in the future. We may grant select franchises unique rights or franchises to operate or distribute authorized services through special outlets. These arrangements may involve agreements or modifications to our standard franchise and other agreements. The market for your services will be individuals interested in health and fitness. We conduct research in the markets where outlets are located, using demographic reporting software. We also run a competition analysis with similar type services in a given area comparing our fees with any competition.

Industry-Specific Regulations

You must comply with all federal, state, and local laws and regulations pertaining, directly or indirectly, to the RETROFITNESS® Outlet. You must keep current, and in compliance with all applicable laws, all licenses, permits, contracts and member contracts, bonds, and deposits made to or required by any government agency in connection with the operation of the RETROFITNESS® Outlet. Certain states may specifically require a bond to operate a health club that sells annual memberships, limit the length and terms of your membership contract, and provide customers rights to terminate their membership contract.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer: Andrew Alfano

Mr. Andrew Alfano became the Chief Executive Officer of Retrofitness, LLC in May 2019 and is based out of our West Palm Beach, FL headquarters. Prior to joining Retrofitness, Mr. Alfano served as the President & Chief Operating Officer of The Learning Experience in Deerfield Beach, FL, from March of 2016 until his departure in April of 2019.

Chief Financial Officer: Robert Sprechman

Mr. Robert Sprechman became the Chief Financial Officer of Retrofitness, LLC in November of 2008. Mr. Sprechman is based out of our West Palm Beach, FL headquarters.

Chief Operations Officer: Todd Scartozzi

Mr. Scartozzi became Chief Operations Officer in October of 2020, prior to which time Mr. Scartozzi served as the Senior Vice President of Operations for Retrofitness since August of 2019. Mr. Scartozzi is based out of our West Palm Beach, FL headquarters. Prior to joining Retrofitness, Mr. Scartozzi served as Chief Operating Officer for Exaltare Capital Partners at Planet Fitness in Orange, CT from August of 2014 through May of 2019.

Chief Marketing Officer: Victor Bao

Mr. Bao became the Chief Marketing Officer for Retrofitness in October of 2020, prior to which time Mr. Bao served as the Senior Vice President for Retrofitness since November of 2019. Mr. Bao is based out of our West Palm Beach, FL headquarters. Before joining Retrofitness, he served as the Chief Marketing Officer at Global Shopper Miami, FL from August of 2013 until November of 2019.

Chief of Franchise Development: Mark Andrews

Mr. Andrews has been the Chief of Franchise Development with Retrofitness since February of 2021. He is based out of our West Palm Beach, FL headquarters. Prior to joining Retrofitness, Mr. Andrews had served in various roles at Pla-Fit Franchise, LLC in Hampton, NH. He was the Director of Business Development (from November of 2018 through August of 2020), the Director of Franchise Sales (from March of 2018 through November of 2018) and a Franchise Sales Manager (from July of 2014 through March of 2018).

Manager: Edward Kovas

Mr. Edward Kovas became Manager of Retrofitness, LLC in September of 2012.

ITEM 3 LITIGATION

Pending Litigation

Joseph Ardino, Samantha Ardino, Krista DeFazio, Scott Richter, James Heaney, and Phillip Mazzucco v. Retrofitness, LLC, ABC Financial Services, Inc., Z Times Three, LLC d/b/a/ RetroFitness of Kenilworth, Britcarianna, LLC, d/b/a RetroFitness Fairfield, PJ's Fitness Express, Inc. d/b/a RetroFitness of Bordentown, PRJ Holding, LLC d/b/a RetroFitness of Wall This case was filed on or about January 17, 2014 in the Superior Court of New Jersey, Middlesex County (Docket No. Case No. MID-L-362-14). The Complaint seeks unspecified damages and injunctive relief and alleges that various Retrofitness facilities violated New Jersey law (Retail Installment Sales Act, Health Club Services Act, Consumer Fraud Act, and Truth-In-Consumer Contract, Warranty and Notice Act) in entering into membership agreements with their members. The Complaint further alleges that Retrofitness and other defendants should be held vicariously liable for the violations of law as they allegedly oversaw the alleged violative conduct. Retrofitness, LLC filed an answer to the Complaint on July 27, 2015. Class certification was granted on January 19, 2017. Leave for interlocutory appeal was granted on March 16, 2017. On May 21, 2019, the Appellate Division of the New Jersey Superior Court affirmed in part and overturned in part the class certification order. In doing so, the Appellate Division of the New Jersey Superior Court essentially dismissed 7 of the 8 claims alleged by Plaintiffs and affirmed certification of one subclass of Plaintiffs. On or about October 14, 2019, Plaintiffs filed a motion to amend the complaint. On October 16, 2020, Plaintiffs moved to amend the Complaint. On January 20, 2021, the Plaintiffs moved to consolidate this matter with a substantially similar claim brought by the same counsel, in the Morrell matter (*see below entry*). Retrofitness, along with its co-defendants, filed their opposition to this motion. Both motions remain pending. As of the issuance of this FDD, no trial date has been set and Retrofitness, LLC will vigorously defend all claims against it and denies all alleged wrongdoing.

Westchester Fitness, LLC v. Retrofitness, LLC and Robert Sprechman This case was filed on or about January 2, 2020 in the Supreme Court New York, Suffolk County, (Index #: 600083/2020), and was subsequently moved to the United States District Court for the Eastern District of New York (Case No. 2:20-cv-00699-PKC-LB). The complaint alleges that Retrofitness failed to comply with the terms of the Franchise Agreement between Retrofitness and Westchester Fitness, LLC and, further, that Retrofitness violated the New York Franchise Sales Act, breached the implied covenant of good faith and fair dealing, was unjustly enriched and that defendants committed common law fraud. In addition, Westchester Fitness sought a declaratory judgment from the District Court that: (a) the Franchise Agreement was null and void and (b) that Westchester Fitness was entitled to reimbursement of all franchise fees, royalties, and other sums invested in the franchise, including construction and equipment expenditures. No answer has yet been filed. On or about September 9, 2020, all Retrofitness Defendants moved to dismiss the complaint and to compel arbitration. Westchester Fitness amended its complaint, adding additional claims against new defendants Bi County Commons, LLC and Milbrook Properties LTD. The newly added defendants defeated diversity jurisdiction and, on February 23, 2021, the Eastern District of New York remanded the case back to the Supreme Court of the State of New York for lack of federal subject matter jurisdiction. On March 30, 2021, the Retrofitness Defendants moved to dismiss the New York state complaint and compel arbitration. The newly added defendants answered and filed a crossclaims against Retrofitness based entirely on a third party beneficiary theory to the settlement alleged to have been in place by Westchester Fitness. On June 22, 2021, the complaint was dismissed as to Retrofitness. Westchester Fitness has appealed that decision, but no brief has yet to be filed. On July 2, 2021, Retrofitness moved to dismiss the newly added defendants crossclaims and that motion remains pending. The matter was stayed for the parties to conduct mediation as of July 22, 2021. As of the issuance of this FDD, no trial date has been set. Retrofitness, LLC will vigorously defend all claims that remain against it and denies all alleged wrongdoing.

Shaun Morrell v. Retrofitness, LLC, ABC Financial Services Company, Inc., Rocalor Fitness, LLC d/b/a Retro Fitness of East Windsor, Robert O. Hahl, Lori A. Hahl, Eric Casaburi, Andrew Alfano, John/Jane Does 1-250, Defendant Retrofitness Franchisees 1-125, and XYZ Corporations 1-25: This case was filed on or about November 17, 2020 in the Superior Court of New Jersey, Middlesex County (Docket No. Case No. MID-L-7998-20). The Complaint alleges that the named Retrofitness facilities violated New Jersey law (Retail Installment Sales Act, Health Club Services Act, Consumer Fraud Act, and Truth-In-Consumer Contract Warranty and Notice Act) in entering into membership agreements with their members. The Complaint further alleges that Retrofitness and other defendants should be held vicariously liable for the violations of law as they allegedly oversaw the alleged violative conduct. In addition, the Complaint seeks a declaration of rights under the New Jersey Declaratory Judgment Act. The Complaint does not seek damages in any specified amount. However, Plaintiff does seek statutory damages as well as injunctive relief. On January 29, 2021, Retrofitness, with its co-defendants ABC Financial Services Company, Inc. and Rocalor Fitness, LLC, filed a motion to transfer venue, arguing the Morrell matter should have been filed in a different venue. That motion remains pending. Other than the foregoing, and as of the issuance of this FDD, Retrofitness has not yet filed a response to this Complaint and no trial date has been set. Retrofitness, LLC will vigorously defend all claims against it and denies all alleged wrongdoing.

Concluded Litigation

Kimberly Ann Pirlet, and Musculi,, LLC v. Retrofitness, LLC, Fierce Brands, LLC, Robert Sprechman, Matt Schultz and Patrick Pantano This arbitration was demanded on or around October 21, 2020 before the American Arbitration Association, Arbitration (Case No. 01-20-0015-3621). The Demand for Arbitration alleged that Retrofitness and certain current and former employees failed to comply with the terms of the Franchise Agreement between Retrofitness and Plaintiff and, further, that defendants violated the Minnesota Franchise Act, made intentional and negligent misrepresentations, and breached the implied covenant of good faith and fair dealing. On or around December 2, 2020, Respondents filed an Answer and Counterclaim, alleging that Plaintiffs failed to comply with the terms of the Franchise Agreement. The parties entered into a settlement agreement through mediation with no parties admitting any liability. Retrofitness paid a settlement amount of $600,000 and Plaintiffs reaffirmed all post-term obligations, including provisions relating to indemnification, confidentiality, use of Retrofitness's trademarks and service marks, the non-compete covenants and other restrictive covenants.

In the Matter of Retrofitness Corp., Administrative Proceeding Before the Securities Commissioner of Maryland, Consent Order Dated July 3, 2007: Case No. 2007-0063. As a result of an investigation conducted between the period October 30, 2006 and July 3, 2007 regarding the franchise related activities of our predecessor, the Maryland Securities Commissioner concluded that grounds existed to allege that Retrofitness violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of a Retrofitness franchise in July 2006. In responding to inquiries from the Maryland Securities Division in connection with Retrofitness's initial application of its franchise registration, Retrofitness disclosed that it sold a franchise in Maryland on July 1, 2006 during the time it was not registered to offer and sell franchises in Maryland. On July 3, 2007, the Commissioner and Retrofitness agreed to enter into a consent order whereby Retrofitness, without admitting or denying any violations of the law, agreed to: immediately and permanently cease from the offer and sale of franchises in violation of the Maryland Franchise Law; complete registration of its franchise offering in Maryland; implement new compliance procedures; and offer rescission to the franchisee who was sold a franchise in Maryland while Retrofitness was not registered with the State. The franchisee rejected the offer of rescission.

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

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Franchise Fee

You must pay an initial franchise fee in a lump sum of $29,000 when you sign the Franchise Agreement.

The initial franchise fee includes Franchisee Initial Training (F.I.T) for franchisees and "Retro Ready" training for a group of up to twenty people (inclusive of franchisees and their designated managers). All initial franchise fees are payable to us and there are no refunds of any initial franchise fee under any circumstances.

During the 2021 calendar year, the range of initial franchise fees was $0-$29,000. Retrofitness reserves the right to negotiate reduced initial franchise fees with franchisees that sign multiple franchise agreements simultaneously. The initial franchise fee is otherwise uniform.

Opening Key Tag Inventory

Before you open, you must order and purchase from us $216 worth of RETROFITNESS® branded key tags. The cost for these items is currently uniform for all franchisees who purchase a franchise under this Disclosure Document, and is not refundable under any circumstances.

Lease Review

After you select a location for your RETROFITNESS® Outlet, we must approve that location. If approved, we (or our authorized representative) will review and may negotiate certain lease provisions for our own benefit. We do not act as your legal counsel or representative in conducting those negotiations, although our interests, as Franchisor, are usually aligned with yours as the Franchisee and tenant. We encourage you to consult your own attorney if you need legal assistance in negotiating a lease with which you are satisfied. You must pay us (or our authorized representative) a nonrefundable "Lease Review Fee" of $2,500. The Lease Review Fee covers the costs of reviewing and (if applicable) negotiating the first lease we review. You must pay a Lease Review Fee for each lease we (or our authorized representative) review for the RETROFITNESS® Outlet. This fee is currently uniform, and is not refundable under any circumstances.

Turnkey Build-Out Support Fee

After you execute a lease, we will oversee a turnkey approach to building out your RETROFITNESS® Outlet. Led by our Construction Manager, we will help, design, build and equip your Outlet. You will be responsible for signing contracts for the architect, builder, equipment vendors and all other vendors needed to deliver the completed outlet and you will be responsible for each of the associated payments. In exchange for this support, you shall pay us a Turnkey Build-Out Service Fee of (a) for a new outlet of less than fifteen thousand (15,000) square feet, Thirty-Five Thousand Dollars ($35,000), (b) for a new outlet of fifteen thousand (15,000) square feet or more, Forty-Five Thousand Dollars ($45,000), or (c) if you are purchasing an existing Retrofitness® space that must (in Retrofitness's sole discretion) be refurbished, Fifteen Thousand Dollars ($15,000). This fee is currently uniform as described herein and is not refundable under any circumstances.

Area Development Agreement

If you enter into a multi-unit development agreement ("Area Development Agreement"), you must pay us an Area Development Fee of Ten Thousand Dollars ($10,000) for each RETROFITNESS® Outlet you are obligated to develop pursuant to the Area Development Agreement. You must commit to developing at least four RETROFITNESS® Outlets pursuant to your Area Development Agreement; accordingly, the minimum Area Development Fee that an approved developer will pay us is Forty Thousand Dollars ($40,000). The Area Development Fee is due and payable immediately upon the signing of the Area Development Agreement. The Area Development Fee is uniform and is not refundable under any circumstances.

When you sign the Area Development Agreement, you also will sign a Franchise Agreement for the first RETROFITNESS® Outlet to be developed under the Area Development Agreement and, at that time, you will also pay the $29,000 initial franchise fee for the first RETROFITNESS® Outlet.

When you sign the second and each subsequent Franchise Agreement under the Area Development Agreement, you must pay us the initial franchise fee of Twenty-Nine Thousand Dollars ($29,000) per outlet (as set forth above).

ITEM 6 OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Standard Royalty Fee *See Note 1*	5% of gross sales, subject to annual increases not to exceed +.5% each year. Monthly minimum of $1,000 per month, per outlet	As of the earlier of (a) nine months after signing the Franchise Agreement or (b) upon commencement of Pre-Sale operations, Payable monthly on the 5th day following the month in which the revenue is received.	Franchisees who have not had three or more defaults within the most recent twelve-month period will pay a standard royalty fee equal to 5% of gross sales, with a minimum of $1,000 per month, per outlet. We reserve the right to increase the Standard Royalty Fee that you are required to pay us by no more than .5% each year . Nonrefundable except in the event gross sales are over-calculated, uniform percentage or minimum royalties are imposed.
Increased Royalty Fee *See Note 1*	7% of gross sales, with a minimum of $1,500 per month, per outlet	Payable monthly on the 5th day following the month in which the revenue is received.	Franchisees who have had 3 or more defaults within the most recent twelve-month period will pay an increased royalty fee equal to 7% of gross sales for the next six months, with a minimum of $1,500 per month. Nonrefundable except in the event gross sales are over-calculated, uniform percentage or minimum royalties are imposed.
Turnkey Refurbishment Service Fee	Up to $15,000	Prior to beginning 5 year refurbishment, remodeling or improvement..	Non-refundable; You must remodel, refurbish, and improve Your RETROFITNESS® Outlet as instructed by Retrofitness. We reserve the right, in our sole discretion, to provide a turnkey approach to such remodeling, refurbishing or improvement process. For each turnkey service that we provide, you shall pay us a Turnkey Refurbishment Support Service Fee in an amount not to exceed Fifteen Thousand Dollars ($15,000) per turnkey event. You will also be responsible for all costs incurred during remodeling, refurbishment and/or improvement and shall make payment directly to applicable third parties..

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Local Advertising Deficiency Fee *(only applicable if you fail to comply with your local advertising expenditure requirements)* *See Note 2*	If you fail to comply with your local advertising expenditure obligations, we will impose a Deficiency Fee as follows: 1st Offense: $2,500 penalty fee and will require you to pay us $5,000 per month for three months for us to spend on local advertising on your behalf; 2nd and Each Subsequent Offense: $5,000 penalty fee and will require you to pay us $5,000 per month for six months for us to spend on local advertising on your behalf.	Monthly fee required only if you fail to meet your required individual local franchise advertising requirements	Non-refundable; uniformly imposed; the Local Advertising Deficiency Fee will only be imposed if you fail to comply with the Individual Local Franchise Advertising requirement. With the exception of the penalty portion of the fee (which will be retained by Retrofitness), the remainder of the Local Advertising Deficiency Fees will be spent by Retrofitness or its designee on advertising for Your Retrofitness Outlet during each month that the fee is collected for.
Advertising Fund *See Note 1*	The greater of 2% of gross revenues per month or $400 per month, payable to Retrofitness Advertising Fund	As of the earlier of (a) nine months after signing the Franchise Agreement or (b) upon commencement of Pre-Sale operations,, payable monthly on the 5th day following the month in which the revenue is received.	Payable to the Ad Fund, non-refundable, uniformly imposed and collected by us.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Additional Training Fee *See Note 3*	$500 per person per day.	As we designate. Currently, any additional training fees assessed are due and payable on or before the 5th day of the month following the month in which the additional training was completed. Fees are to be paid via EFT along with payment of your monthly royalty fee.	We have the right to require you to retake training courses that were not, in our sole discretion, successfully completed. If you designate a new Replacement Managing Owner, that Replacement Managing Owner must complete the training we require. If we require such additional training, or if you request additional training and we agree to provide it, you will be responsible for paying additional training fees. The cost of the training will be $500 per person per day. All travel and living expenses for your travel to Retrofitness headquarters, and trainer travel for on-site training are borne by you. Expenses for trainers to travel to your site will vary depending on the distance from our corporate headquarters to your site and are an additional expense.
Continuing Education (Note 3)	Cost plus administrative fee.	As we designate; prior to Continuing Education.	We reserve the right to require you and members of your staff to attend mandatory continuing education events and we may charge you a fee to attend.
Training No Show Fee (Note 3)	$199 per person.	As we designate. Currently, no show fees are due and payable on or before the 5th day of the month following the month in which the no show occurred. Fees are to be paid via EFT along with payment of your monthly royalty fee.	If you or a member of your staff does not attend a training or continuing education session that they registered for, and they do not provide at least 24 hours advance notice to us, we reserve the right to impose a penalty fee for failure to notify us within the required time period.
Mandatory Conferences (Note 3)	Will vary under the circumstances.	Payable before attendance at the conference on the date we designate.	We reserve the right to hold mandatory conferences and to charge you a fee to attend.
Penalty for Failure to Attend Mandatory Conference (Note 3)	$1,500	As we designate. Currently, Penalty for Failure to Attend Mandatory Conference fees are due and payable on or before the 5th day of the month following the	If you do not attend a mandatory conference, we reserve the right to impose a penalty fee for non-attendance.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
		month in which the failure to attend occurred. Fees are to be paid via EFT along with payment of your monthly royalty fee.	
Penalty Royalty Fee	1% to 5% of Gross Sales	Payable monthly on the 5th day following the month in which the revenue is received when you have been in default for thirty days or more.	Only payable if you are in default and fail to cure your defaults under the Franchise Agreement before the expiration of the requisite cure period.
Secret Shop Failure Fee	Currently, $100 per secret shop (or the then-current cost of a secret shop)	As we designate. Currently, Secret Shop Failure Fees are due and payable on or before the 5th day of the month following the month in which the failure occurred. Fees are to be paid via EFT along with payment of your monthly royalty fee.	From time to time, we (or our designee) will conduct unannounced secret shops to ensure brand requirements are being met. If you fail a secret shop, then you will be expected to cure the deficiencies immediately and be able to pass the next secret shop which will be conducted within thirty (30) days from the date of your failed secret shop. If you fail the second shop, we (or our designee) will conduct three additional secret shops within the forty-five (45) days following your second failed shop. These secret shops will continue until such time that you successfully pass three consecutive secret shops. You shall be required to pay us a Secret Shop Failure Fee to reimburse us for the cost of each failed secret shop, as well as the cost of all subsequent secret shops that are required as a result of your failure.
Bookkeeping Services Fee	$500/month ($0/month until pre-sales begin)	Monthly via EFT.	You must pay us to provide bookkeeping services for Your Retrofitness Outlet starting as of the commencement date of your franchise agreement. You are obligated to pay us the Bookkeeping Services Fee for 12 months with payment beginning as of the commencement of pre-sales; after such time, you may discontinue using us to provide

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			bookkeeping services in your sole discretion.
Call Center Fee	$500/month ($0/month during pre-sales)	Monthly via EFT	You must utilize our call center services for Your Retrofitness Outlet starting as of the commencement of pre-sales. Once pre-sales have concluded and your Outlet is open to the public, you must pay us $500/month. You are obligated to pay for our call center services for 12 months; after such time, you may discontinue using us to provide call center services in your sole discretion.
Optional Consulting Charges	$125 per hour, or then-current hourly rate, plus reimbursement of direct costs	30 days after billing.	Fees and costs payable to us.
Transfer Fee	$1,000 - 15,000	Prior to consummation of transfer.	If your franchise is transferred to an entity that you wholly control, we will only charge you $1,000.
Renewal Fee	$20,000 (or $15,000 if you execute a renewal agreement between 12 and 24 months before renewal date)	Upon execution of the then-current franchise agreement.	Fee payable to us.
Web Signup Fee	$5.00 per member signup on Retrofitness website	As we designate. Currently, Web Signup fees are due and payable on or before the 5th day of the month following the month in which the web signup occurs. Fees are to be paid via EFT along with payment of your monthly royalty fee.	You shall pay us a Web Signup Fee of Five Dollars ($5.00) for each member of Your Retrofitness Outlet that signs up on the Retrofitness website.
Alternative Supplier Request Fee	$1,000, non-refundable	Upon submission of Alternative Supplier Request Form.	Fee payable to us; nonrefundable.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Equipment/Facility Repair Fee	Cost of the repair, plus a 18% administrative fee.	Upon invoice.	Payable to us; in the event you fail to repair, repaint or touch up worn equipment, signage or your facility within the time period specified in our notice to you, we may perform the activity ourselves and charge you for the cost of the repair plus a 18% administrative fee.
Audit	Cost of audit	30 days after billing if there is a discrepancy of 2% or more with respect to the reporting of gross sales or any other amounts being reported by you to us	Fees will be payable to us to reimburse auditor, will be imposed & collected by us, and will be non-refundable. Fees will vary depending on the cost of the audit.
Interest on Past Due Amounts	18% per year or the highest amount allowed by applicable law, whichever is less	Upon invoice.	Charges will be uniformly imposed on a state-by-state basis in conformance with applicable state laws regulating interest rates.
Attorneys' Fees and Costs	Total amount of attorneys' fees incurred by Retrofitness	Upon invoice.	If legal action or arbitration is necessary, including any motion to compel arbitration, or action on appeal, to enforce the terms and conditions of the Franchise Agreement or for violation of the Franchise Agreement, Retrofitness will be entitled to recover reasonable compensation for preparation, investigation costs, court costs, arbitral costs, and reasonable accountants', attorneys', attorneys' assistants', and expert witness fees incurred by Retrofitness. Further, if Retrofitness is required to engage legal counsel in connection with any failure by You to comply with the Franchise Agreement, You must reimburse Retrofitness for any of the above-listed costs and expenses incurred by Retrofitness.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Indemnification	All costs, damages, fees and obligations incurred by the Indemnified Parties (including Retrofitness).	Upon invoice.	You and your Related Parties must indemnify, defend and hold harmless, Retrofitness, LLC, and all Indemnified Parties from and against all claims (as defined in the Franchise Agreement) directly or indirectly arising out of or related to your act or omission, the act or omission of any of your Related Parties, employees, agents or representatives, the operation of the Outlet, the business you conduct, or your breach of the Franchise Agreement.
Technology Fee – "Retro-techno" package *See Note 1*	Currently $549.99 per month	As of the earlier of (a) ten months after signing the Franchise Agreement or (b) upon commencement of Pre-Sale operations.	You must pay us or our designee a fee for access to our Retro-techno software and support; the fee may vary depending on the amount of support you choose and the cost to Us. This fee may increase.
Liquidated Damage Fee	An amount equal to the aggregate Royalty Fees and Advertising Fund contributions due to us during the 36 month period immediately preceding termination	Upon termination if your Franchise Agreement is terminated as a result of your default	If the Franchise Agreement is terminated as a result of a default by you, you must pay us liquidated damages in an amount equal to the aggregate Royalty Fees and Advertising Fund contribution obligations accrued under your Franchise Agreement during the 36 full calendar months during which your Outlet was open and operating immediately before the termination date. If the Outlet has not been open and operating for at least 36 months before the termination date, liquidated damages shall be equal to (x) the average monthly Royalty Fees and Advertising Fund contributions owed under the Franchise Agreement for all months during which the Outlet was open and operating, multiplied by (y) 36.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Unapproved Product or Vendor Penalty Fee	$20,000 for the 1st violation, $50,000 for 2nd and every subsequent violation	Fees are to be paid via EFT immediately.	You must only sell products and services that have been approved by us. Further, if we designate a required vendor for any product, equipment, supply, service or otherwise, you must use only that vendor. If you sell unapproved products or services, or purchase from unapproved vendors, we will provide you with notice and provide you with five days to cure your violation. If you fail to cure the violation within five days from the date of our notice to you, we will charge you a $20,000 fee for the first violation and a $50,000 fee for the second and every subsequent violation.
Franchisee Behavior/Morals Penalty	$10,000 to $25,000 per incident	Immediately upon notice.	If Franchisee (or a Related Party, manager or employee of Franchisee) acts in a way that could negatively affect the reputation or good will of Franchisor or its brand, Marks or System, then Franchisor may assess a penalty of Ten Thousand Dollars ($10,000) for the first offense and Twenty Five Thousand Dollars ($25,000) for the second offense; upon the third offense, Retrofitness may terminate the Franchise Agreement.
Pre-Sales Delay Fee	$2,500 per month (in addition to all applicable minimum Royalty, Advertising and Technology Fees).	Immediately upon notice, beginning on the first day of the tenth month after signing the Franchise Agreement.	You must begin pre-sales within nine months of signing the Franchise Agreement. If you do not, you must pay us a Pre-Sales Delay Fee equal to $2,500 for each month (after the ninth) that you are not open. This Pre-Sales Delay Fee is in addition to any minimum Royalty, Advertising or Technology Fees you may owe us.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
POS and DGW Updates/Upgrades	Actual Cost.	Immediately upon notice.	You shall update and upgrade the POS and DGW System as designated by Retrofitness. You must complete all such updates and upgrades within thirty (30) days after notice. If you fail to do so within thirty (30) days, Retrofitness shall have the right to procure any necessary software or hardware on your behalf and at your expense and you shall immediately reimburse Retrofitness. Retrofitness may automatically deduct the costs via EFT.

All fees are imposed by and are payable to us. There are no other recurring or isolated fees other than those listed above. All of the fees noted above are imposed and payable to us, unless otherwise noted. All fees are non-refundable. We impose these fees uniformly with respect to new system franchisees who purchase franchises offered under this disclosure document. In some circumstances, under which we deem appropriate, we have waived or reduced some or all of these fees for a particular franchisee.

Notes:

1. "Gross Sales" and "gross revenues" are defined herein means the total amount of revenue derived from operating the franchised business, including, but not limited to, all revenues received by You and/or Your Related Parties (as defined in the Franchise Agreement, Section 3.7) for all services or sales, including member dues, and any other goods or services sold during the course of operating the franchise, including but not limited to cash, check, credit card, rewards bucks, and coupons, barter or trade, in whole or in part, excluding any amounts collected for state and local sales taxes and including all monies derived from rental/sublet, subcontractors and usage income from the Approved Location or in connection with the Trade Name or Marks, within an accounting period. Your obligation to begin paying monthly royalties, advertising fund fees and technology fees begin on the earlier of (a) the day that is ten months following your execution of the Franchise Agreement (meaning you have nine months to begin pre-sales, if you don't begin pre-sales within those nine months, payment will begin on the first day of the tenth month) or (b) on the day your facility begins presale operations as defined in Section 6.4 of the Franchise Agreement, or if you are purchasing an existing outlet, on the Effective Date of the Franchise Agreement. This means royalties, advertising fund fees and technology fees may be due before the franchised location is open for business.

2. During Pre-Sales, you must spend between $30,000 and $90,000 on local advertising. If your Pre-Sales period lasts less than 30 days, you will only be required to spend $30,000; if your Pre-Sales period lasts thirty days or more, you will be required to spend at least $90,000 on local advertising.. Once you open, you must spend a minimum of five thousand dollars ($5,000), or five percent (5%) of gross sales, whichever is greater, on local advertising. Local advertising does include the cost to wrap a vehicle; however, it does not include costs to maintain or operate a wrapped vehicle, pay for gas for the vehicle, or other vehicle expenses. Furthermore, you may not attribute more than $750 of internal employee time each month towards your minimum local advertising requirement.

3. You are responsible for your own travel and living expenses related to any training, and for the travel and living expenses for any of our trainers required to travel to your site for training purposes. The

cost of the trainers' travel and living expenses varies depending on the distance from our headquarters to your site.

If you or your Designated Manager fail to complete initial training to our satisfaction, we may require you or your Designated Manager to retake the training until such time you both have successfully completed it. If you designate a Replacement Managing Owner, the Replacement Managing Owner will be required to complete the initial training program to our satisfaction. We reserve the right to charge you an Additional Training Fee of $500 per day per person until successful completion of the training. (See Section 5.2.1 of the Franchise Agreement).

We may, from time to time, require continuing education that is charged at cost plus an administrative fee (see Sections 5.2.2 and 6.6 of the Franchise Agreement for more information on this requirement). You shall attend and complete all such continuing education programs as Retrofitness requires.

If you or your Designated Manager is required to retake the initial training, or if you or someone on your team is required to attend a continuing education event and fails to attend a training event that they had registered for without providing us with at least 24 hours advance notice, we reserve the right to charge you a no-show fee of $199 for each person who fails to attend such training.

Additionally, we may hold periodic conferences and may require your attendance at such conferences. In the event that such conferences are held, we reserve the right to charge you a fee to attend and you must pay all your travel and living expenses related to your attendance at the conference. These conferences will be held at a location chosen by us. Attendance is mandatory. If you fail to attend a mandatory conference, we reserve the right to charge you a penalty fee of $1500 per person.

Area Development Agreement

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Development Extension Period Fee	$2,500 per month	Before expiration of option period	Payable only if you request, and are entitled to, a Development Extension Period. A Development Extension Period shall not exceed three months, but you may be entitled to more than one Development Extension Period pursuant to the terms of your Area Development Agreement.
Transfer Fee	$15,000 per each unmet development obligation	At time of transfer	Payable in full at the time of the assignment or transfer.
Indemnification	All costs, including attorneys' fees	As incurred	You must reimburse us for all damages arising from your activities.

These fees are imposed and collected by and payable only to us. Fees are nonrefundable and currently are imposed uniformly.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee *See Note 1*	$29,000	Lump Sum	Total due upon signing of Franchise Agreement.	Us.
Opening Advertising-Pre-sales	$30,000 to$90,000	As Incurred	Before and during first 90 days of business.	Approved Third Party Suppliers of advertising materials.
Marketing Kit	$7,500 to $10,000	Lump Sum	Before Pre-Sales Begin.	Approved third party supplier
Trailer Rental (if needed)	$0 to $30,000	Lump Sum	Before Pre-Sales Begin.	Approved third party supplier.
Office Supplies	$500 to $2,000	Lump Sum	Upon delivery.	Approved Third Party Suppliers.
Computer Equipment	$5,000 to $7,000	Leased or Financed	Before beginning business.	Approved Third Party Computer Equipment providers.
Branded Key Tags	$216	Lump Sum	Before beginning business.	Us.
Opening Inventory	$10,000 to $15,000	Lump Sum	Before beginning business.	Approved Third Party Suppliers
Insurance and Bond	$12,000 to $24,000	As Incurred, as required	Down payment before opening of business; 10 subsequent payments due in monthly installments.	Insurance Company.

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Signage	$35,000 to $45,000	Lump Sum	Before beginning business.	Approved Third Party Signage Company.
Equipment and Furnishings *See Note 2*	$100,000 to $150,000	Bank loan or Lease	Before beginning business.	Third Party Financing Institution; Approved Third Party Suppliers.
Prepaid Rent and Security Deposit	$0 to $75,000	As Incurred	Before beginning business.	Per agreement with landlord.
Lease Review Fee	$2,500	Lump Sum	Before beginning business.	Us.
Turnkey Build-Out Service Fee	$35,000 for new club under 15,000 square feet, $45,000 for new club 15,000 square feet or larger, or $15,000 if you purchased an existing Retro outlet that must (in Retrofitness's sole discretion) be refurbished	Lump Sum	When lease is signed	Us.
Architectural fees	$35,000 to $50,000	As Incurred	Before beginning business.	Approved Third Party Suppliers
Leasehold Improvements/Fit out *See Note 3*	$900,000 to $1,200,000	As Incurred or Amortized	Before beginning business.	Various approved contractors/suppliers.
Utility Deposits	$0 to $3,500	Lump Sum	Before beginning business.	Landlord and/or utility companies.
Licenses and Permits	$500 to $30,000	Lump Sum	Before beginning business.	Governmental Authorities.
Fictitious Name Registration and/or Incorporation and Legal Review	$250 to $1,500	Lump Sum	Before beginning business.	Attorney and Governmental Authorities as required.
Travel, Lodging, Meals Etc. for Initial Training	$0 to $3,500	As Incurred	Before beginning business.	Hotels, restaurants, airlines, etc., as needed.

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Miscellaneous Start-up Costs	$2,000 to $5,000	As Incurred	Before beginning business.	Various third party vendors.
Additional Funds *See Note 4*	$90,000 to $270,000	As incurred	As incurred.	Utility companies, advertising companies, employees, government tax authorities, and various suppliers as needed.
TOTAL *See Note 5*	**$1,274,466 to $2,088,216**			

Notes:

Payments to Retrofitness are not refundable. Payments made to third party vendors may be refundable, subject to vendor's terms and conditions. Retrofitness does not provide direct or indirect financing for any part of your initial fees or investment.

1. The Initial Franchise Fee for a RETROFITNESS® Outlet is $29,000. The Initial Franchise Fee includes F.I.T. training program for franchisee owners and the "Retro Ready" training program for up to 20 total people. The Initial Franchise Fee is due and payable in full when you sign the Franchise Agreement and is non-refundable under any circumstances. See Item 5 for more details regarding the Initial Franchise Fee.

2. You must purchase certain equipment and furnishings as required by Retrofitness. Franchisees typically obtain third-party financing for the purchase of these items. The range in the chart reflects the estimate of the down-payment you may be required to make to the third-party financing institution, which generally represents 20% of the total cost for the equipment and furnishings. If you elect to pay for the equipment and furnishings in full before you begin operations, the estimated total cost for the equipment and furnishings ranges from $425,000 to $625,000. Franchisees do not typically pay for these items without the aid of third-party financing prior to opening.

A typical RETROFITNESS® Outlet contains 25 to 50 cardiovascular machines, 30 to 50 pieces of circuit training and free weight training equipment, areas for personal/group training, 1 to 3 massage chairs/beds, , 1 stand-up tanning unit and a red light therapy unit. Other furnishings include smoothie bar, blender(s), heart rate monitoring systems, basic office furniture and equipment, such as a desk, chairs, bar stools, a scanner/copier, a complete audio-visual gym system, cameras, and telephones. Most RETROFITNESS® Outlets have 6 computers.

3. The cost of the leasehold improvements is dependent on the size/condition of the leasehold site when you (the tenant) take possession and/or how much the landlord's contribution to leasehold improvements may be, and this varies from location to location. Some landlords may agree to do "rough plumbing," or sheetrock all the exterior walls (vanilla box). In that case, the additional leasehold improvements that you would be paying for, at a minimum, from vanilla box, would be as follows:

2 locker rooms (30-40 Lockers for each room).
3 showers for each locker room.
2 toilet fixtures for each locker room (men's room 1 urinal 2 toilets).
2 sinks for each locker room.
Smoothie bar area requires a hand sink, a triple basin sink, and 1 ice machine hook up.
1 mop sink.
Rubber flooring throughout equipment areas, then-current approved product elsewhere.
Construction of the front desk/reception area, including smoothie bar area (for the preparation of healthy shakes and smoothies).

The estimated costs of construction and outfitting for a new RETROFITNESS® Outlet are based on a model build-out of approximately 12,000 to 15,000 square feet.

4. The "Additional Funds" category includes estimated start-up costs calculated for a period of three (3) months, with additional working capital to be available as may be needed during the initial phase (to cover expenses such as, but not limited to, payroll, utilities, and advertising during early stages of operation, until cash flow builds up). . These expenses do not include owner's salary or draw. We cannot and do not estimate when or whether any franchisee will achieve a positive cash flow or profits during this period, or any period. These amounts are estimates only and specific amounts will vary.

5. The above chart lists estimates of the initial investment funds necessary to open one Outlet. These are estimates only, as most costs are not within our control and may change at frequent intervals. Your individual costs and expenses may vary depending on numerous factors, including the size of your RETROFITNESS® Outlet, location, ability to negotiate rent, leasehold improvements and other factors that are outside of our control. We cannot, and do not, guarantee that your costs will fall within the stated ranges. We have relied on our experience in the fitness business, our affiliates' and principals' experience in the nutrition and fitness business, our predecessor Retrofitness Corp.'s experience, and franchised facilities currently operating or under construction to compile these estimates. If your Outlet is located in one of the New York City Boroughs, or in other metropolitan markets, your estimated initial investment expenses will likely be significantly higher than the ranges stated in the Item 7 table. Costs are constantly changing, and your costs may be higher as a result of supply chain issues or otherwise. You should diligently investigate all potential costs before proceeding. You should review these figures carefully with a lawyer, accountant, and business advisor before making any decision to purchase the franchise.

TABLE 2

AREA DEVELOPMENT AGREEMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Area Development Fee (Note 1)	$40,000 *[if you sign an Area Development Agreement for four Outlets.]*	Lump Sum	At the Signing of the Development Agreement	Us
Initial Investment for your **first** Outlet to be developed under the Development Agreement (Note 2)	$1,274,466 - $2,088,216 *[The initial investment range disclosed in Table 1 for the first Outlet Developer is obligated to open under the Area Development Agreement.]*	See Item 7 Chart above for Franchise Agreement	See Item 7 Chart above for Franchise Agreement	See Item 7 Chart above for Franchise Agreement
TOTAL (Notes 1 & 2)	$1,314,446 - $2,128,216 *[Total Amount includes an Area Development Agreement for four Outlets, Training Fee and the Initial Investment for your **first** Outlet.]*			

Notes.

Note 1. If you are granted the opportunity to enter into an Area Development Agreement, as disclosed in Item 1, you and we will mutually agree on an area to be defined in the Area Development Agreement as the "Development Area." The Development Agreement will specify the number of RETROFITNESS® Outlets you are required to open under the Development Agreement (the "Development Area Outlets"), with a minimum of four RETROFITNESS® Outlets. The Area Development Fee you will pay to us under the Development Agreement will be equal to $10,000 for each RETROFITNESS® Outlet that you are obligated to develop pursuant to the Area Development Agreement (e.g., for an Area Development Agreement that obligates you to open four RETROFITNESS® Outlets, your Area Development Fee will be Forty Thousand Dollars ($40,000). The Area Development Fee is due upon signing the Area Development Agreement. Prior to developing each RETROFITNESS® Outlet you are obligated to develop pursuant to your Area Development Agreement, You (or your approved affiliate) will (a) sign our then-current Franchise Agreement and (b) pay us an initial franchise fee of Twenty-Nine Thousand Dollars ($29,000). If you are

unable to open the RETROFITNESS® Outlets you are obligated to open under the Development Agreement, or if the Development Agreement is terminated for any reason, you will not receive any refund of any portion of the Development Fee, the Initial Franchise Fee or any other fees paid to us.

Note 2. The Initial Investment estimate for the first RETROFITNESS® Outlet to be developed under an Area Development Agreement was derived from the Total Estimated Initial Investment range set forth above in Table 1; the Initial Investment estimate set forth in Table 2 will apply to each RETROFITNESS® Outlet you are obligated to open and operate under the Area Development Agreement. Table 2 includes the estimated initial investment range for the first RETROFITNESS® Outlet you are obligated to open. You will incur initial investment expenses for each RETROFITNESS® Outlet you are required to open and operate under the Area Development Agreement. These expenses may increase over time.

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ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase most of the equipment, goods, vendor or professional services, materials, supplies and certain computer software to be used in connection with operating a RETROFITNESS® Outlet from our approved suppliers. The list of current approved suppliers appears in the Manual. While the suppliers listed in the Manual are currently mandated, approved and/or recommended, we reserve the right to change this list from time to time. Notifications of changes to the approved suppliers list will be made via changes to the Manual. Approval of suppliers may be revoked at any time upon notice from Retrofitness. We reserve the right to designate a required source for all products and services used in your RETROFITNESS® Outlet, and we or our designee may act as the sole approved supplier for any and all approved products and services used at your RETROFITNESS® Outlet. We may also limit the sources of products and services to certain unaffiliated designated vendors, or to Us and/or our affiliates, in which case you must acquire these items only from those limited sources at the prices they (or we) decide to charge. We or our Affiliates may charge a mark-up on products sold to you by Us. We have the absolute right to limit the suppliers with whom you may deal.

If we institute a restrictive sourcing program (which we have already done for certain items, as noted above) you must use the products and services we designate. If you fail to use a vendor that we require, we will, after providing you with five days to cure your violation, assess an Unapproved Product or Vendor Penalty Fee for each violation (see Item 6).

If you would like to purchase any of the items you are required to purchase from another supplier, you may submit our "Alternative Supplier Approval Form," which is available to you upon request and the current Alternative Supplier Request Fee of $1,000 (although we reserve the right to increase this fee in our sole discretion). Based on the information and samples you supply to us, we will test the items supplied and review the proposed supplier's business reputation, delivery performance, credit rating and other information. We reserve the right to update our specifications periodically. We may permit you to purchase from alternative suppliers who meet our criteria after they are approved by us. We expect to complete our review and advise you of our decision within 60-90 days after you submit all required information to us.

We may, but are not obligated to, share details with you regarding our criteria for approving suppliers; if we do, the criteria will be set forth in the Manual. We do not issue specifications and standards to you, any subfranchisees, or approved suppliers.

We do not derive revenue or other material consideration for leases by you with your landlords, other than in connection with the lease review fee and any rebates we may receive from our designated third-party real estate company. We reserve the right to derive revenue and other material consideration on account of any and all of your purchases and leases in the future, without limitation. If you choose to offer personal training services, your employees or our designated supplier must supply personal training services. You must obtain our prior written approval before you contract with any third party to provide personal training services in your Retrofitness Outlet. The proposed supplier must meet our then-current standards and specifications.

We and/or our affiliates may derive revenue or material consideration, including but not limited to equipment and or products, from any supplier, including the approved suppliers that you are required to use, including those listed in this Item. Our revenue from such sources in 2022 was $1,872,581, approximately 18.1% of our total revenue of $10,353,419, as reported in our most recent audited financial statements for the period from January 1, 2021 to December 31, 2021. Our revenue from the sale of RETROFITNESS® branded key tags and bracelets and gift cards to franchisees in 2021 was $69,932.

In connection with the offering of products and services through our approved suppliers, depending upon the product or service being purchased, we may provide some or all of the following in consideration for any related revenue or material consideration we may receive from approved suppliers: (1) we may negotiate volume discounts on behalf of our franchisees which we believe could not be obtained by franchisees individually; (2) we may inspect and review suppliers for quality control; (3) we may obtain a designated account representative for our franchisees so that they may receive better customer service from approved suppliers; (4) we may order products and equipment such that all logos have already been appropriately incorporated; (5) we may obtain discounted shipping, set-up, installation and coordination services for our franchisees. While we do currently negotiate purchase arrangements with suppliers for the benefit of franchisees, we are not obligated to do so and may discontinue any and all such negotiations at any time.

Other than the required RETROFITNESS® branded key tags described in Item 5 of this Disclosure Document; gift cards and bracelets (which you are not currently required to purchase, but if you elect to purchase these items, you must buy them from us); and the Lease Review described in Item 5 of this Disclosure Document; neither we nor any of our affiliates are currently approved suppliers or sell or lease products or services to you.

The Lease Review Fee see Item 5 pays the cost for the lease review and (if applicable) negotiations we conduct for our purposes. The lease review and certification are solely for our benefit, are designed to satisfy us that the proposed lease complies with minimum RETROFITNESS® requirements. It is important that you review the lease closely and understand all of the terms and conditions before signing it. You should have your own attorney review the lease on your behalf before signing it.

We estimate that the cost of the equipment, software, forms, supplies, services, and goods for resale that must be purchased from designated or approved suppliers or in accordance with our specifications will represent between 30% and 50% of your total purchases in connection with the establishment of your business, and will represent between 10% and 20% of your ongoing expenses.

We expect to derive revenue and/or other benefits from any and all purchases you make from approved suppliers including, without limitation, through rebates and mark-ups. These amounts are subject to change. Certain approved suppliers rebate a percentage of sales or a flat amount to us. Unaffiliated suppliers currently pay us approximately 0.25% to 20% of their revenue from franchisee purchases of certain items, and approximately $.12 to $3,000 from franchisee purchases of certain items. These suppliers are listed in the Manual.

Currently, there are no purchasing or distribution cooperatives. As stated in this Disclosure Document, Retrofitness, LLC is currently the supplier of branded key tags, which franchisees are required to purchase, and certain other items, including bracelets and gift cards, which franchisees may purchase at their option. One of the officers disclosed in Item 2 of this Disclosure Document owns an interest in Retrofitness, LLC. None of our officers or directors has any interest in any of our other suppliers.

We do not provide any material benefits, such as renewal or granting of additional franchises, to you based on your purchase of a particular product or service or use of particular suppliers.

Insurance

You must, at all times, maintain insurance as prescribed by law, and you must maintain the minimum insurance requires listed below:

A. If you have employees, you must maintain worker's compensation policies which, at a minimum, include Voluntary Compensation, and provide:

$1,000,000	Each Accident
$1,000,000	Disease Per Employee
$1,000,000	Disease Policy Limit

B. Special Form Property Insurance for all equipment, supplies, extended coverage for theft, vandalism and malicious mischief for all equipment, supplies and other property used in the operation of the fitness center (of not less than 100% of the replacement value of the same, except that an appropriate deductible clause will be permitted);

C. Business interruption insurance;

D. Employment Related Practices Insurance (inclusive of 3rd Party Coverage) including, but not limited to, $500,000 per occurrence for each of the following: Sexual Harassment, Wrongful Termination, Discrimination, or Wrongful Failure to Employ or Promote; and

E. Comprehensive general liability insurance and product liability insurance coverage in such amounts and upon such terms as may from time to time be customary for a fitness business located in your Approved Territory, but not less than:

Commercial General Liability*	$1,000,000 per occurrence/ $2,000,000 aggregate
Products/Completed Operation	$1,000,000 per occurrence/ $2,000,000 aggregate
Personal/Advertising Injury	$1,000,000 per occurrence/ $2,000,000 aggregate
Professional Liability	$1,000,000 per occurrence/ $2,000,000 aggregate
Tanning Liability**	$1,000,000 per occurrence/ $2,000,000 aggregate
Sexual abuse/molestation	$100,000 per occurrence/ $200,000 aggregate
Hired/non-owned auto	$1,000,000 per occurrence/ $2,000,000 aggregate

*Your General Liability Insurance must expressly cover athletic participation, nutritional products, nutritional counseling, martial arts, and personal training if done in-house.

** We require that your Tanning Liability Insurance cover eye damage and cancer. If you do not have any tanning booths, this coverage is not needed.

All insurance policies must insure both you and us (including our parents, subsidiaries, affiliates, and their successors and assigns) against all claims, suits, obligations, liabilities, and damage, including attorneys' fees, based upon, or arising out of actual or alleged personal injuries or property damage relating to the use or condition of your RETROFITNESS® Outlet. All insurance policies must be maintained with companies financially rated A- or better. If you are approved to sublease space, you must provide proof of insurance for all of your sublessees to us.

Retrofitness recommends, but does not require, that you obtain Umbrella Policy Coverage as follows:

1 to 3 RETROFITNESS® Outlets	$1,000,000 per occurrence
3 to 4 RETROFITNESS® Outlets	$2,000,000 per occurrence
5 or more RETROFITNESS® Outlets	$5,000,000 per occurrence

You are required to provide us with a copy of your Certificate of Insurance specifically naming Retrofitness, LLC, our parents, affiliates, subsidiaries, successors and assigns, as additional insureds and evidencing your insurance coverage in compliance with these minimums before your facility opens for business, and each year when your policy renews. If we authorize you to permit a third-party service provider to provide services to members of your Outlet (including personal training services, chiropractic services, physical therapy, and massage therapy), you must require the third-party service provider to obtain and maintain, at all times during which the third-party will be providing services at your Outlet, insurance coverage naming both you and Retrofitness, LLC as additional insureds. You must obtain copies of the third-party insurance policies, and certificate of insurances evidencing coverage and naming you and Retrofitness, LLC as additional insureds and you must provide Retrofitness, LLC with copies of this documentation on an annual basis.

Area Development Agreement

Under the Area Development Agreement, you are required to find sites that meet our then-current standards and specification for each of the RETROFITNESS® Outlets you are obligated to open under the Area Development Agreement. You are not permitted to sign any lease agreement before you submit the agreement to us for our review and approval. We have the right to require you to incorporate certain terms and agreements with the lease for the RETROFITNESS® Outlet premises. We have the right to require you to use our designated real estate service providers at any time.

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	SECTION IN THE AREA DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
A. Site Selection and Acquisition/Lease	Section 7.2	2 and 4	Items 11 & 12
B. Pre-Opening Purchase/Leases	Sections 4.2, 5.6 and 7.2	Not applicable	Items 5, 7 & 8
C. Site Development and other Pre-Opening Requirements	Sections 4.2, 5.1, 5.2, 5.6, 7.2, and -7.3.2	1 and 2	Item 11

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	SECTION IN THE AREA DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
D. Initial and Ongoing Training	Sections 5.2, 5.3, 6.6 and 6.7	4	Item 11
E. Opening	Sections -7.3(h) and 7.6.1	2 and 7	Item 11
F. Fees	Section 4.6.2, 6, 7.6.2 and 7.6.3	6,7,9, 17, 20	Items 5, 6 & 7
G. Compliance with Standards and Policies/ Manual	Section -7.3.1	2, 9, 10, 12, 13	Item 11
H. Trademarks and Proprietary Information	Section 7.1	5 and 14	Items 13 & 14
I. Restrictions on Products/Services Offered	Section 5.6 and 7.3.2	Not applicable	Items 8 & 16
J. Warranty and Customer Service Requirements	Sections, 7.3, 7.4	Not applicable	Not Applicable
K. Territorial Development and Sales Quotas	Section 4.3, 4.4	1, 2, and 9	Item 12
L. Ongoing Product/Service Purchases	Sections 5.6	Not applicable	Item 16
M. Maintenance, Appearance and Remodeling Requirements	Sections 5.1 and 7.3.5	Not applicable	Not Applicable
N. Insurance	Section 7.8	Not applicable	Item 8
O. Advertising	Section 7.6	Not applicable	Item 11
P. Indemnification	Section 8.5	Not applicable	Not Applicable
Q. Owner's Participation/Management/ Staffing	Section 7.5	Not applicable	Item 15
R. Records and Reports	Section 7.7	Not applicable	Not Applicable
S. Inspections and Audits	Sections 6.5 and 7.3.3	Not applicable	Not Applicable
T. Transfer	Sections 6.8 and 9	16,17	Item 17
U. Renewal	Section 4.6.2	Not applicable	Item 17
V. Post-Termination Obligations	Section 10.3	10, 14, 15	Item 17

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	SECTION IN THE AREA DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
W. Non-Competition Covenants	Section 8.6	14	Item 17
X. Dispute Resolution	Sections 11.7 and 11.8	20, 21,22, 24	Item 17
Y. Spousal Guarantee Franchisee Behavior/Morals	Section 11.6 and Guarantee attached as Exhibit 5, Section 7.10	Not applicable 7.5, 7.6	Item 15 Not Applicable

ITEM 10 FINANCING

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

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

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

Pre-Opening Obligations

Before you open your RETROFITNESS® Outlet, we will:

1. Approve or disapprove the site you have selected. The site-selection and approval procedures are disclosed below.

2. Designate your Approved Territory. (Franchise Agreement Section 3.3, Exhibit 1)

3. We will oversee a turnkey approach to building out your location. Led by our Construction Manager, we will provide support and manage the design, construction and furnishing of Your Retrofitness® Outlet, including the layout and equipping of your facility; however, You will be directly and solely responsible for all costs incurred during the design, construction and furnishing of Your Retrofitness® Outlet (including but not limited to, those with architects, contractors, equipment vendors and all other assorted vendors required to produce the completed outlet). In exchange for this support, you will pay us a Turnkey Build-Out Service Fee of (a) for a new outlet of less than fifteen thousand (15,000) square feet, Thirty-Five Thousand Dollars ($35,000), (b) for a new outlet of fifteen thousand (15,000) square feet or more, Forty-Five Thousand Dollars ($45,000), or (c) if you are purchasing an existing Retrofitness® Outlet that must (in Retrofitness's sole discretion) be refurbished, Fifteen Thousand Dollars ($15,000). You will also be responsible to pay for all other costs of compliance and permits. (Franchise Agreement Sections 5.1.1 and 6.11.1)

4. Provide you with an initial training program. (Franchise Agreement Section 5.2)

We do not provide any signs, equipment, fixtures, opening inventory, or supplies to you other than RETROFITNESS® branded key tags, bracelets, and gift cards, which you are required to purchase from us, to be used in connection with the operation of your RETROFITNESS® Outlet.

Obligations After Opening

During the operation of the franchised business, we will:

1. At our discretion, develop new services and methods and provide you with information about the development of services and methods. (Franchise Agreement Section 5.2.2)

2. We will loan you one copy of the Manual, which contains mandatory and suggested specifications, standards, operating procedures, and rules prescribed from time to time by us. (Section 5.4 of the Franchise Agreement) When we refer to the "Manual" in this document, we mean our Confidential Operations Brand Standards Manual, and all other manuals and confidential and proprietary information provided to you for the purposes of opening and operating your RETROFITNESS® Outlet. Our Manual also includes a list of our approved suppliers. We may provide the Manual to you in a physical or electronic format; the physical format currently contains 90 pages. If an electronic format is provided, we may provide it via our intranet and you must access it with a password. We may, in our sole discretion, elect to allow You to download the Manual from our intranet; if we prohibit you from downloading the Manual, you will be responsible for regularly consulting with our then-current form of Manual on our intranet in order to ensure you are complying with our current specifications, standards, operating procedures and rules. We will modify and update the Manual from time to time and you will be notified via email (provided by you on your confidential franchise candidate profile) or another form of communication of such modifications and updates. (Franchise Agreement Section 5.4) The Manual, and the information contained therein, is confidential and remains our property. (Franchise Agreement Section 7.3.-1)

3. Before you open your Outlet, we will conduct an initial training program for you and up to twenty (20) members of your management staff. (Franchise Agreement Section 5.2.1)

4. We may hold periodic conferences to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures to improve and develop the franchised business. In the event that such conferences are held, we reserve the right to charge a fee for your attendance at the conference, and you must pay all your travel and living expenses related to your attendance at the conference. We also reserve the right to charge you a penalty fee for failure to attend the conference at our discretion. These conferences will be held at a location chosen by us. Attendance is mandatory. (Franchise Agreement Section 5.2.2, 5.2.3)

5. We may, in our sole discretion, elect to provide a turnkey approach to any required remodeling, refurbishment or improvement of your Retrofitness® Outlet. If we elect to provide turnkey services, we will provide support and manage the process; however, You will be directly and solely responsible for all costs incurred during the remodeling, refurbishment or improvement process. In addition, in exchange for this support, you will pay us a Turnkey Refurbishment Service Fee of up to Fifteen Thousand Dollars ($15,000) for each turnkey service we provide. (Franchise Agreement Sections 5.1.2. 6.11.2, and 7.3.5)

During the operation of the franchised business, we may, in our sole option, elect to control, manage, oversee or assist with the manner in which certain emergencies or crises (including, but not limited to, natural disasters, criminal or terrorist acts, shootings, pandemics, epidemics or any other circumstances affecting the safety or well-being of our members, employees or the public) are handled by our franchisees. In controlling or managing any such crisis, we may take any such action that we find necessary or prudent to protect the health, safety or well-being of any member, employee or the public and/or the reputation and goodwill of your RETROFITNESS® Outlet, the Franchisor and/or the RETROFITNESS® brand, System or Marks. Such actions may include, but are not limited to, temporarily suspending, or closing one or more RETROFITNESS® Outlets, suspending or discontinuing certain service offerings at some or all RETROFITNESS® Outlets and/or taking any remedial measures or making any such other modifications to the RETROFITNESS® System's policies, procedures, processes and operations. You are required to cooperate fully and comply with all such requirements that we may impose in response to any such emergency or crisis. (Franchise Agreement Section 7.-3.9)

We have no binding obligation to: (i) develop new products or services to be offered by you to your customers; (ii) hire or train your employees; (iii) improve or develop the franchised business; (iv) establish prices; (v) establish or use administrative, bookkeeping, accounting, or inventory control procedures; or (vi) resolve operating problems encountered by you in the operation of your Outlet. We need not provide any other assistance or services to you during the term of your Franchise Agreement.

Area Development Agreement

Pre-Opening Assistance

Before you begin your area development business, we will identify (a) the number of RETROFITNESS® Outlets you are required to develop, (b) the geographic area where you will be required to develop them, and (c) the development schedule that you must follow when developing them (ADA Article 1, 2).

Ongoing Assistance

We do not provide any additional ongoing assistance to you under the Area Development Agreement and have no further obligations to you under the Area Development Agreement. Anyongoing assistance will be provided to you under the Franchise Agreements you enter into for outlets in your area.

Site Selection

The RETROFITNESS® Outlet may be operated from a retail strip mall or light industrial/office park type location of approximately 12,000 to 15,000 square feet. The size of your RETROFITNESS® Outlet may vary, but in no event may it be less than 12,000 square feet without our prior written consent. (Franchise Agreement Sections 4.2 and 7.2) We do not currently own sites for lease to you, nor do we select sites for you.

You must locate, obtain, and occupy the site for the RETROFITNESS® Outlet, on your own initiative and at your own expense. If we become aware of any potential sites in your Protected Territory, we may, in our sole discretion, inform you of such prospective sites; however, you are solely responsible for your selection of a site and we shall in no way be responsible for your success or failure at a site even if we introduce you to the potential site. You are responsible for completing and submitting to us for review and approval, a Retrofitness® Site-Review Package containing the information and materials we designate regarding your

proposed site. We will issue our approval or disapproval of your proposed site within 30 days after we receive a completed Retrofitness® Site-Review Package containing all of the information and materials we requested. We may not withhold our approval unreasonably. We will not be deemed to have withheld our approval unreasonably if the proposed site fails to meet our then-current standards and specifications, as we determine in our sole and absolute discretion.

If, after your submission of the Retrofitness® Site-Review Package, we issue an approval of your proposed site, you must submit a site approval form along with a copy of the proposed lease for the approved site before you sign the lease. If we do not approve the proposed lease for the site, the site will be deemed disapproved, and you will not be permitted to open the Outlet at that location.

If you do not secure an approved location and enter into a binding lease agreement that has been approved by us for such location within nine (9) months of signing a franchise agreement, we may terminate the franchise agreement.

From time to time we may, at our discretion, offer guidance or assistance with the site selection process, including demographic, psychographic, and competition information, but we are under no obligation to do so.

Opening

You must begin membership "Pre-Sales" within 9 months of signing your Franchise Agreement, and you must open your RETROFITNESS® Outlet no more than 12 months after the effective date of your Franchise Agreement. "Pre-Sales" is the membership sales drive that occurs before you open your business; it typically begins at the start of the construction of your Outlet and continues for a period of approximately 1-3 months, depending upon how long the construction phase takes. We estimate that you will open your business within 12 months after you sign a Franchise Agreement. The factors that may affect this time are the ability to obtain a location, financing or permits, local ordinances, weather conditions, shortages and delayed installation of equipment and fixtures.

You may not open the RETROFITNESS® Outlet to the public until we issue a written approval authorizing your opening. We will not issue our approval, and you will be prohibited from opening the Outlet until you obtain our written approval, if (a) the construction and equipping of the Outlet is not complete, (b) you failed to successfully complete initial training, (c) in view of our management, we determine you and your employees are not prepared to open, or (d) the Outlet has not been given all the proper governmental approvals by the local authorities. Once we have authorized you to open your RETROFITNESS® Outlet, you may not subsequently, at any time during the term of the Franchise Agreement, modify you RETROFITNESS® Outlet in any way that deviates from the facility layout that we have approved (including, without limitation, modification of the quantity or placement of equipment, adding or removing any walls or similar barriers, modifying bathroom, locker room, front desk or other spaces designated on the initial approved plans). Any such modification to your outlet must be approved in advance by us.

The time to begin Pre-Sales and open a RETROFITNESS® Outlet may vary depending on your ability to secure a location that we must approve. We estimate that your RETROFITNESS® Outlet will typically open for Pre-Sales 1-3 months before opening for operations after a site has been selected and approved. You may not begin pre-sales of the RETROFITNESS® Outlet until we issue a written approval authorizing your start. Assistance with pre-opening and opening activities will be conducted as reasonably determined by us (including immediately prior to and during the first week of the operation of your RETROFITNESS® Outlet).

Payment of royalties will commence on the date you begin Pre-Sales (the "Start Date"). If you do not begin Pre-Sales within nine months of executing the Franchise Agreement, you shall pay to us a Pre-Sales Delay Fee of Two Thousand Five Hundred Dollars ($2,500) per month for each month (beyond the ninth month) that you fail to open. The Pre-Sales Delay Fee shall be in addition to any minimum royalty and advertising fund, or technology fees, that may also be due to us.

Payment of mandatory Ad Fund contributions will commence on the Start Date.

Purchasing Cooperatives

At present, there are no purchasing cooperatives. Retrofitness may require formation of purchasing or distribution cooperatives, and may change, dissolve, or merge such cooperatives at its sole discretion.

Advertising

We may, but are not required, to use television, radio, digital, and/or print media. Media placement may be regional, local or national at our sole discretion. Advertising media, creative concepts, and materials may come from us or from a public relations firm. We may require you to display the advertising materials we designate in our sole discretion at your Retrofitness Outlet.

Subject to applicable law, we have the right to require your participation in any and all national, regional and/or local advertising, promotional and related programs, including loyalty programs and rewards programs, we designate from time to time at your sole cost and expense. This may include participation in programs requiring you to provide loyalty rewards, give aways, incentives, benefits, and consideration to members. We are not required to compensate you for participation in any of these programs. Without limiting this broad right, we may develop digital promotions, social media promotions, customer loyalty programs, gift card programs, coupons and similar promotions and programs for the time period we designate.

Local Advertising

We may provide certain advertising materials and services to you. Materials provided to you may include video and audiotapes, copy-ready print advertising materials, posters, banners, and miscellaneous point-of-sale items, and may be regional or national at our discretion. We may provide you with one sample of certain advertising and marketing materials, as we determine in our sole discretion, in PDF format, or other electronic format, at no charge for you to print at your sole cost and expense. If you want additional copies, you must pay all duplication costs assessed. We may use outside advertising and marketing agencies to create advertising. (Franchise Agreement Section 5.5)

You may develop advertising materials for your own use, at your own cost. Before you are permitted to use any advertising materials you develop, you must obtain our prior written approval of the materials. In July of 2019, Retrofitness created an advertising council that will advise us or you on advertising policies. (Franchise Agreement Section 7.1.3)

Local advertising is your responsibility and done typically by local advertising agencies hired by you or advertising cooperatives. During Pre-Sales, you must spend between $30,000 and $90,000 on local advertising. If your presales period lasts less than 30 days, your required total spend amount on local advertising will be $30,000; in all other cases, your required total spend on local advertising during pre-

sales will be $90,000. Once you open your Outlet to the public, you are obligated to spend at least $5,000 per month or 5% of gross revenues per month, whichever is greater, on local advertising every month and supply copies of receipts for local advertising expenditures to us. (Franchise Agreement Section 7.6.2) Under no circumstances may you attribute more than $750 of internal employee time each month towards your minimum local advertising requirement. In addition, under no circumstances, may you attribute any amounts spent to maintain or operate a wrapped vehicle (including, but not limited to, expenses incurred to pay for gas, repairs or vehicle lease or financing payments) towards your minimum local advertising requirement. If you do not provide proof that you have spent the greater of $5,000 every month on local advertising or 5% of Gross Sales, Retrofitness (or its designee) may collect by electronic funds transfer a Local Advertising Deficiency Fee (the "Local Advertising Deficiency Fee") from you, which, except for the penalty portion described in the next sentence, Retrofitness will spend on local advertising for your Outlet. For your first violation of the Local Advertising Requirements, we will charge you a Local Advertising Deficiency as follows: $2,500 penalty fee plus $5,000 per month for each of the next three months. For your second and each subsequent violation, we will charge you a Local Advertising Deficiency as follows: $5,000 penalty fee plus $5,000 per month for each of the next six months. If we have to do this, you will be considered to be in default of your obligations under the Franchise Agreement and may also be subject to an Increased Royalty Fee (see **Item 6**) (Franchise Agreement Section 7.6.2). In addition to these local advertising requirements, within thirty (30) to forty-five (45) days of the opening your outlet, you are required to spend at least fifteen thousand dollars ($15,000) on grand opening advertising conducted in accordance with the Manual. (Franchise Agreement, Section 7.6.1).

Advertising Fund

We have established a Retrofitness Advertising Fund (the "Ad Fund"). All franchisees are required to contribute to the Ad Fund. You are required to contribute the greater of (a) 2% of monthly gross revenues or (b) Three Hundred Dollars ($400) per month to the Ad Fund for purposes of national advertising. (see Item 6) (Franchise Agreement Section 7.6.3) We are not required to provide a periodic accounting to you of how Ad Fund monies are spent, and the Ad Fund will not be audited; however, an annual unaudited financial statement of the fund is available to you, ninety (90) days after the fiscal year end, upon reasonable request. While we are not obligated to provide you with a periodic accounting of Ad Fund expenditures, we currently post annual summaries of Ad Fund expenditures for viewing by System franchisees.

We or our designee will be responsible for administering the Ad Fund which will be responsible for advertising in any given region. We may engage third-party firms to administer the Ad Fund and/or to assist with these responsibilities. You are required to participate in the Ad Fund. (Franchise Agreement Section 7.6)

We will direct all advertising programs and control the creative concepts, materials and media used, media placement and allocation. The Ad Fund, all contributions thereto, and any earnings thereon, will be used to meet any and all costs of creating, producing, printing, maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities which Retrofitness believes will enhance the image of the System, including, among other things, the costs of preparing and conducting media advertising campaigns (including through the use of television, radio, digital, Internet, mobile applications, magazines, newspapers and other media); search engine optimization; development and/or hosting an Internet webpage or similar activities; conducting market research; on-line Internet advertising and marketing; printing and production costs; direct mail advertising; marketing surveys and other public relations activities; electronic marketing; employing advertising and/or public relations agencies to assist therein; purchasing promotional items, conducting and administering visual merchandising, point of sale, and other merchandising programs; and providing promotional and other marketing materials and services to the Retrofitness® Outlets operated under the System. The advertising may be local, regional or national, in any type of media. The Ad Fund may also

be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by Retrofitness, which products, services, or improvements Retrofitness deems, in its sole discretion, will promote general public awareness and favorable support for the System. The Ad Fund contributions may be used to pay administrative expenses to Retrofitness or its designee, including those incurred to administer the Ad Council. Administrative expenses may include amounts equivalent to salaries, travel, and other expenses of Retrofitness or its designee's employees whose services are provided to further the purposes and efforts of the Advertising Fund. The media, materials and programs prepared using Ad Fund contributions may describe the System, the franchise program, reference the availability of franchises and related information, and to process franchise leads. Retrofitness reserves the right to include a notation in any and all advertising created by the Ad Fund that indicates "Franchises Available." Retrofitness has no obligation to segregate Ad Fund contributions or maintain accounts separate from its other funds. Ad Fund contributions may be commingled with funds in Retrofitness' general accounts.

We have no obligation to make expenditures for you which are equivalent or proportionate to your contributions, or to ensure that advertising impacts or penetrates your Approved Territory. We need not ensure that you benefit directly or proportionally from expenditures by the Ad Fund. The use of the Ad Fund is at our discretion, and the purpose of the Ad Fund is to increase brand awareness and aid in the growth of the System. The Ad Fund is not a trust and that Retrofitness' administration of the Ad Fund does not create any fiduciary relationship between you and Retrofitness.

Any funds not used within the calendar year in which they accrue will automatically roll over into the following calendar year's fund.

Although the Ad Fund is intended to be of perpetual duration, Retrofitness maintains the right to terminate the Ad Fund at any time. The Ad Fund will not be terminated until all monies in the Ad Fund have been expended for advertising and/or promotional purposes. Other System franchisees may be required to contribute to the Ad Fund at different rates. None of the Ad Fund contributions are refundable at any time, including upon termination or expiration of your Franchise Agreement.

During calendar year 2021, the Ad Fund did not spend any advertising funds principally to solicit new franchisees. During calendar year 2021, the Ad Fund spent approximately 2% on production, 69% on media placement/creative, 10% on administrative fees, costs, and expenses, and 19% on professional services.

Other Advertising Information

We do not require you to participate in any other advertising funds at this time, but reserve the right to require you to participate in other advertising funds as they are developed in the future.

There is no obligation for us to maintain any advertising program or to spend any amount on advertising in your area or Approved Territory.

You may develop advertising materials for your own use, at your own cost. As stated above, you must obtain our prior written consent for use of advertising materials. You must submit copies of all advertising materials to us at least two weeks before the first time they are broadcast or published. We will review the materials within a reasonable time and will promptly notify you in writing as to whether we approve or reject them.

You may not use electronic media to advertise your Outlet, including the Internet and a worldwide web page, without first obtaining our written consent and your compliance with any conditions and restrictions we wish to impose. We must first approve all use of any electronic media (including Internet) postings,

including advertisements and/or promotions. You may not promote or sell any products or services, or make any use of our Marks, through the Internet without our prior written approval, which we do not have to provide. As a condition of granting any consent, we will have the right to establish any requirement we deem appropriate, including a requirement that your only presence on the Internet will be through one or more web pages that we establish on our website.

We have the right to establish a website or other electronic system providing private and secure communications between us, our franchisees and other persons and entities that we deem appropriate. If we require, you must establish and maintain access to the intranet in the manner we designate. We may periodically prepare agreements and policies concerning use of any extranet that you must acknowledge and sign.

You are strictly prohibited from promoting or listing your Outlet on any social or networking website, including Facebook®, LinkedIn®, Groupon®, Living Social®, Twitter®, Instagram, TikTok, SnapChat, or any similar sites without our prior written consent in each instance. We may withhold our consent for any reason.

An Advertising Council for Retrofitness franchisees was formed in July of 2019. The Advertising Council will meet quarterly and will be overseen by Retrofitness; we reserve the right, in our sole discretion, to modify the frequency and/or manner in which the Advertising Council will meet or modify and/or eliminate the Advertising Council at any time. Participation is currently voluntary and there is no membership fee to participate; however, we reserve the right to require you to become a member of the Advisory Council in the future and pay any dues that may be assessed.

Electronic Cash Register/Computer/Point of Sale System

You must purchase and use the complete computer software services and electronic cash register system we require from our designated supplier, which we have the right to change at any time. Currently our designated supplier is ABC Financial Services ("ABC"), and the current computer software services and electronic cash register system includes: a cash register, credit card scanner, camera, printer, fingerprint scanner, 2 tablets and one check in computer and ABC's proprietary software. Currently, the total annual cost to you for ABC's ongoing record keeping and support services is $708.00 ($59.00 per month). This fee includes free upgrades and system maintenance, including 24-hour technical support, as described below. This cost is subject to increase by ABC or our then-current vendor at any time.

This system currently includes a one-year warranty on all repairs, which ABC is obligated to provide as needed. In addition, ABC provides software support through its 24-hour technical support help desk, and all software upgrades and patches, all database management, including updates and backups, and all record keeping services that are required by us. You are obligated to install the software upgrades and patches as provided by ABC. We also provide support with using and maintaining the system on an as-needed basis. You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty. There are no contractual limitations on the frequency or cost of this obligation.

The software used by ABC is their proprietary property. No compatible equivalent component or program has been approved by us to perform the same functions. We reserve the right to change our supplier of software services and electronic cash register systems.

ABC Financial maintains customer data on your behalf for purposes of billing the customers' monthly membership fees. We have independent access to this data, via the ABC Financial web interface, however, our access is view only. We use this information to assess monthly royalty fees. There are no contractual

limitations on our right to access this data. Currently, on our behalf, ABC will make automatic withdrawals of royalty fees, Ad Fees, and other payments you are required to pay to us under the Franchise Agreement.

We may also require you to purchase certain security services, including tablets for the DGW System and for Payment Card Industry ("PCI") compliance support services, and system administration and monitoring protection. Your additional costs for these security-related services will vary as requirements or suppliers change over time.

You must, at your own expense, maintain, upgrade, or replace other systems and equipment which you use in connection with the operation of the Outlet, including firewall systems and WiFi systems. There are no contractual limitations on the frequency or cost of your obligation to maintain, upgrade or replace these systems and equipment.

The estimated cost of the computer system is between $5,000 to $7,000, including hardware.

Manual

Included in this Disclosure Document, at Exhibit I, is the Table of Contents of the RETROFITNESS® Manual.

Training

After you purchase your franchise agreement, and before you open your RETROFITNESS® Outlet, you will be required to attend F.I.T(Franchisee Initial Training) training. Trainings will be conducted at the Retrofitness Support Center in West Palm Beach, Florida, a Retrofitness approved training facility, onsite or another location we designate in our sole discretion. Onsite training will be conducted at your RETROFITNESS® Outlet, or another location we designate in our sole discretion. The training program will be conducted quarterly, however, it may change throughout the year. There will be two phases of training, F.I.T (Franchisee Initial Training) and Retro Ready Presale/Operations trainings.

Instructional materials include our Manual and related forms. There will be no additional charge for these items.

Currently, our training staff has more than 106 years of combined experience in various operational capacities relating to the operation of a RETROFITNESS® Outlet. Our training staff includes our Executive Team, Franchise Business Coaches, and Field Operations Managers; however, this staff may change from time to time. The corporate officer in charge of training is Todd Scartozzi. Mr. Scartozzi has 11 years of experience.

We do not charge for the F.I.T. program. This training is mandatory for all new franchisees.

F.I.T. Program		
Subject	**Hours**	**Location**
• Real Estate • Development • Construction	4	West Palm Beach Support Center
Operations Systems, Tools, Resources, and Support	7	West Palm Beach Support Center

Mandatory & Approved Vendors, Internal Systems, Policies, and Procedures	7	West Palm Beach Support Center
Marketing Systems, Tools, Resources, and Support	7	West Palm Beach Support Center
Finance Systems, Tools, Resources, and Support	3.5	West Palm Beach Support Center
Learning & Development Systems, Tools, Resources, and Support	1.5	West Palm Beach Support Center
Shadow a Certified Retro Fitness Outlet	24	Certified Retro Fitness Outlet
TOTAL F.I.T. TRAINING	**54**	

"Retro Ready" Pre-sales and Operations training will take place prior to when your location begins pre-sales. These trainings will take place at a Retrofitness approved training facility, onsite or another location we designate in our sole discretion. Onsite training will be conducted at your RETROFITNESS® Outlet. Franchisee must attend and their Designated Manager must attend and successfully complete all sections. You may have to replace any Designated Manager who does not successfully complete this training. During this training, we will train a group of up to 20 employees for no additional fee. Should we have to retrain franchisee(s) or Designated Manager a second time, we will charge a per diem rate of $500 per day until successful completion of the training.

"Retro Ready" Pre-sales Training	
WHEN: PRIOR TO PRE-SALES **DURATION: 35 Hours, 5 Day Training**	
TOPIC:	**LOCATION:**
Management Operations Training	In-Club – Your Facility or a Retro approved training facility
Member Billing and CRM Training	In-Club – Your Facility or a Retro approved training facility
Retro University Training	Online e-Learning
"Retro Ready" Operations Training	
WHEN: PRE-OPENING **DURATION: 35 Hours, 5-Day Training** **With Franchise Business Coach**	

TOPIC:	LOCATION:
Continued Management & Operations Training	In-Club – Your Facility
Personal Training Overview	In-Club – Your Facility
Staff Training	In-Club – Your Facility
"Retro Ready" Total	**70 Hours**
F.I.T. & Retro Ready Training Total	**124 Hours**

We may require you or your employees to attend additional training programs or refresher courses as necessary for successful development of the franchised business at our discretion.

ITEM 12 TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Your franchise will be located at a single site, which must meet our standards and specifications and must be approved by us in advance. We will designate your Approved Territory which will be based on the area that is within a three (3) mile "drivable distance" from your approved site. The three (3) mile drivable distance will be determined by us, in our sole discretion, using the mapping service, program and/or software selected by us, in our sole discretion, including, without limitation GOOGLE® maps. We may grant you an approved territory of less than a three (3) mile "drivable distance" based on the demographics of the area in which you wish to open your RETROFITNESS® Outlet. You will operate from one location approved by us. You may not, without our express written approval in advance, market or promote any Retrofitness® products or services to customers located outside of your Approved Territory using direct sales or any alternative distribution channels (such as, but not limited to, the internet, catalog sales, telemarketing or mail order); however, you may accept sales from customers from outside of your Approved Territory.

We retain all rights that are not expressly granted to you under the Franchise Agreement. Without limiting this broad retention, and without granting You any rights, we have the right to:

(a) Operate a RETROFITNESS® Outlet at a trade show booth, or similar temporary location within Your Approved Territory for up to fifteen (15) consecutive days;

(b) Offer RETROFITNESS® franchises to others for any site outside Your Approved Territory regardless of how close the site is to Your Approved Location;

(c) Sell, rent and distribute any Proprietary Services, directly or indirectly, and/or license others to sell and distribute any Proprietary Services, directly or indirectly, from any location or to any purchaser (including, but not limited to, sales made to purchasers in the Approved Territory through retail

establishments, mail order, independent distributors, wholesale distribution, phone order, and on the Internet, and/or sales to delivery customers), except that Retrofitness shall not do so from a RETROFITNESS® Outlet located inside the Approved Territory;

(d) Produce, license, distribute and market Proprietary Services and products and services bearing other marks, including food and beverage products, packaged items, books, retail items, and apparel among other things, at any location or any outlet, regardless of proximity to RETROFITNESS® Outlet, through any distribution channel, at wholesale or at retail, including by means of the internet, mail order, direct mail advertising, delivery, catering and other distribution methods;

(e) Develop, operate, and franchise others to operate, any business concept except a RETROFITNESS® Outlet at any place, including within the Approved Territory, and use the Marks or any other trademarks owned, licensed, or developed by Retrofitness or its Affiliates in connection with those concepts, even if such concepts sell products and services that are similar to, the same as, or competitive with, the Proprietary Services;

(f) In its sole discretion approve or disprove other franchisee's requests to purchase local advertising that penetrates Your Approved Territory; and/or

(g) Merge with, acquire or be acquired by any business of any kind under other systems and/or other marks, which business may offer, sell, operate, or distribute and/or license others to offer, sell, operate, and distribute goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside the Approved Territory.

Our reserved right authorizing us to sell Retrofitness branded products in your Approved Territory through other channels of distribution may affect your ability to sell those products. There are no restrictions on our soliciting or accepting orders from consumers inside your Approved Territory. Nothing in the Franchise Agreement prohibits us or our affiliates from selling Approved Products or other products and services through alternative channels of distribution within your Approved Territory except through a RETROFITNESS® Outlet within your Approved Territory. We are not required to pay you any compensation for soliciting or accepting orders from inside your Approved Territory. Neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks or that sells or distributes similar goods or services to those that you will offer.

You may not relocate your RETROFITNESS® Outlet without our prior written approval. We may approve the relocation of your RETROFITNESS® Outlet in our sole discretion. Factors we may consider when evaluating a relocation may include, without limitation, proximity to other locations or demographics of the proposed locations, among other things. You are not granted a right of first refusal related to the sale of other franchises in proximity to your Approved Territory or the right to acquire additional franchises under the Franchise Agreement.

Except as expressly stated in this Item 12, we will not operate permanent outlets or grant franchises for a similar or competitive business within your Approved Territory, but we have the unlimited right to do so anywhere outside your Approved Territory.

Neither Retrofitness nor its affiliates are restricted from establishing other franchises or company-owned outlets, or other channels of distribution, selling or leasing similar products or services under a different trademark.

There is no minimum sales quota within your Approved Territory. However, you must pay a minimum monthly royalty of $1000 per Outlet per month, a minimum monthly advertising fee of $400 per Outlet per month and a monthly Technology Fee of $549.99 per month. If you do not comply with your minimum monthly obligations, your failure to comply will be considered a default under the terms of your Franchise Agreement. If you do not cure the defaults within the time periods required under the Franchise Agreement, we have the right to (a) impose penalty royalty payments; and (b) terminate the Franchise Agreement. Upon termination of the Franchise Agreement, your license to operate the franchised business will terminate and you will lose all Approved Territory rights. There are no circumstances which permit us to modify your Approved Territory without your prior written consent.

Area Development

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

If you are qualified and choose to acquire area development rights under an Area Development Agreement, we may grant you the right to develop multiple outlets in a specified Development Area. During the term of the Area Development Agreement, neither we nor our affiliates will not develop, operate or franchise a RETROFITNESS® Outlet in the DevelopmentArea except as set forth in the next paragraph.

If there are open and operating RETROFITNESS® Outlet(s) owned by someone other than you or your affiliates within the specified Development Area at the time you sign an Area Development Agreement, those business will be specifically excluded from the Development Area ("Excluded Businesses"). An Excluded Business may be relocated to another location in the Development Area as long as (a) the new location is in close proximity to and in the same trade area as the previous location, as determined by us in our reasonable discretion, (b) the new location meets the criteria of our then-current site review process, and (c) you are notified no less than ten (10) days prior to our final approval of the new locationand provided an opportunity to share with us any information you deem relevant before we make a final site approval decision for an Excluded Business. In the event an Excluded Business is relocated to another location in the Development Area, and, in our reasonable discretion, we mutually agree that such relocation willimpair your ability to meet your Development Schedule, we agree to discuss with you whether an amendment to your Development Schedule and/or Development Area is appropriate.

In addition, except for rights expressly granted to you under the Area Development Agreement, we retain all of our rights with respect to the Marks, the System and RETROFITNESS® outlets anywhere in the world, including the right, without compensation to you, to do the following:

1. operate, and grant to others the right to operate, RETROFITNESS® outlets atsuch locations and on such terms as we deem appropriate outside of the Development Area;

2. offer to sell, or sell and distribute, inside and outside the Development Area, any products or services associated with the RETROFITNESS® system (now or in thefuture) or identified by the RETROFITNESS® Marks, or any other tradenames, trademarks or service marks, through any distribution channels or methods, whichmay include retail stores, wholesale, and the Internet (or any other existing or futureform of electronic commerce);

3. operate, and grant to others the right to operate, fitness facilities, gyms, health related establishments, and any other business(es) whatsoever identified by tradenames, trademarks, service marks or trade dress, other than the Trademarks, both inside and outside of the Development Area and pursuant to such terms and conditions as we deem appropriate, which may include locations in close proximityto your RETROFITNESS® outlets (s) and your Development Area;

4. develop or become associated with other concepts (including dual branding or other franchise systems), whether or not using the RETROFITNESS® System, brand or Trademarks, and award franchises under these other concepts or locations anywhere, including into the Development Area;

5. acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere or business conducted anywhere, including in the Development Area. These transactions may include arrangements involving competing businesses or outlets and dual branding or brand conversions. You must participate at your expense in any conversion as instructed by us; and

6. enter into agreements or arrangements with other local, regional, national or international companies or organizations by which we offer memberships or otherproducts and services to the personnel, customers or members of such companies or organizations, inside and outside of the Development Area, on commercially reasonable terms (including, but not limited to, fee structures and reimbursement arrangements) that may be different from our then-current membership offerings. You must participate in and honor the terms of such partnerships upon being notified thereof.

If you acquire area development rights under an Area Development Agreement, you will have a limited right of first offer in the Development Area after the expiration or termination of the Development Agreement. Specifically, if we are proposing or considering development in theDevelopment Area and if (1) you have fully complied with the Development Schedule in the Area Development Agreement and all RETROFITNESS® outlets required by the Area Development Agreement remain open and operating; (2) none of your or your affiliates' agreements with us have been terminated by us; and (3) you and your affiliates are in substantial compliance with all the terms and conditions of your and their Franchise Agreements, we will provide you the right and option, to enter into a development agreement (and/or franchise agreement, as appropriate) with us on the then-current terms (including fees) we are then offeringto new franchisees for our proposed additional development.

All of the territorial protections described above are limited. In the future, we and our affiliates may also acquire or develop additional business concepts that use different trademarks, and those business concepts may also be located within your Approved Territory. We do not have a method to resolve conflicts between you and other franchisees of other systems we control involving territory, customers, or franchisor support.

Except as disclosed above, neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks or that sells or distributes similar goods or services to those that you will offer.

ITEM 13 TRADEMARKS

We grant you the right to operate a business using our System, which is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Marks") as are designated by us in writing for use in connection with the System. Our right to use and license others to use the Marks is exercised pursuant to a ninety-nine (99) year intellectual property license agreement with our affiliate, Retrofitness IP, LLC (the "IP Agreement") which, if not renewed, ends on August 19, 2107, and which can be terminated upon thirty days' notice for a material breach. Under the IP Agreement, we are granted the right to use and to permit others to use the Marks. We have the right to license the use of the registered trademark RETROFITNESS® to you for the term of the Franchise Agreement, including any extensions or renewals.

The following trade names, trademarks, service marks, logotypes and other commercial symbols are registered with the United States Patent and Trademark Office principal register:

Registration/Serial Number	Description	Principal Or Supplemental Register of the U.S. Patent and Trademark Office	Registration Date
3054371 / 78551351	Retrofitness	Principal	January 31, 2006
3222252 / 78854091		Principal	March 27, 2007
3224745 / 78854098		Principal	April 3, 2007
3304486 / 78854402	Retro Blends	Principal	October 2, 2007
3630668 / 77597605		Principal	June 2, 2009
4535707/ 85829735	Retro University	Principal	May 27, 2014
5105826/ 86620642		Principal	December 20, 2016
6100888/88737370	GET REAL	Principal	July 14, 2020
6119866/88296973		Principal	February 11, 2019

All required renewals and affidavits for the registered Marks have been filed. You must follow our rules when you use the Marks. You cannot, under any circumstances, use any Mark with modifying words, designs, or symbols except for those which we license to you or have expressly approved in writing. Without limiting this broad restriction, you are not permitted, under any circumstances, to use any of the Marks, including the mark "RetroFitness", or the term "Retro", as any part of your legal entity name or as part of any email address. You cannot modify a Mark in any way without our express written consent. You may not use any Mark in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

You may not, under any circumstances, use any of the Marks, including "Retrofitness", in any manner, in the name of your corporation, limited liability company, partnership, or other legal entity.

In connection with the establishment of our trademarks, we operate a website for the promotion of the Marks and RETROFITNESS® Outlets. This website lists the location, operating hours, and other facts regarding your facilities. You may not register any domain name nor operate any website that includes the terms "RETROFITNESS®," "Retro" or "RF." You may request the establishment of a web page within the RETROFITNESS® website to include additional information specific to your franchised RETROFITNESS® Outlet. You may not use any electronic media, including the Internet, or any social media, for viewing by the public that contains our registered trademarks without our prior written approval. You may not establish a Facebook®, MySpace®, Instagram, TikTok, SnapChat or similar page, post through Instagram® or on YouTube®, or utilize other similar social media without our prior written approval. You may not establish a Twitter® feed or other similar social media without our prior written approval. In the event that we allow

you to establish any such social media account, you will be required to provide us with your log-in information to such accounts.

The confidentiality provisions of the Franchise Agreement apply to all uses of electronic media.

There is no currently effective determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, or any pending interference, opposition or cancellation proceeding, or any pending material litigation involving the above-described Marks which are relevant to your use of these Marks.

No currently effective material determinations or agreements limit our right to use or license the use of the trademarks listed in this section in a manner material to the franchise.

We do not know of any pending material state or federal court litigation regarding our use or ownership rights in the trademarks.

You must notify us immediately when you learn about an infringement of or challenge to your use of our trademarks. We will take the action we think is appropriate in these situations; we have exclusive control over any settlement or proceeding concerning any Mark. You must take actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks. While we are not required to defend you against a claim arising from your use of our Marks, we will indemnify and hold you harmless from all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark in accordance with the Franchise Agreement and the Manual, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Mark. We will not reimburse you for disputes where we challenge your use of a Mark.

You must promptly notify us in writing of any claim, demand, or suit against you or your principals in connection with your use of the Marks. We have the right to select legal counsel and to control the proceedings. In certain cases, as described in Section 8.5 of the Franchise Agreement, we will indemnify and hold you harmless.

You must modify or discontinue the use of a trademark if we modify or discontinue it at your own cost. You may not directly or indirectly contest our right to our trademarks, trade secrets or business techniques that are part of our business.

We do not know of any superior rights or infringing uses that could materially affect your use of our principal trademarks.

The Area Development Agreement does not grant you any right to use the Marks or to use any of our trade secret and/or confidential information. The Area Development Agreement does not grant you any right to any copyright or patent which we now own or may own in the future. Rights to the Marks, trade secrets, confidential information, copyrights or patents are granted only under the Franchise Agreement to be signed by you and us.

Developer will return to us all manuals and other confidential information described in Article 14 of the Area Development Agreement that it receives from us in the course of operating the Retrofitness® Outlets when Developer leaves the Retrofitness® System.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no current or pending patents that are material to your franchise. There are no pending patent applications that are material to your franchise. Although we have not filed an application for a copyright registration for the Manual, we own and claim a copyright in it.

There are no current material determinations of the United States Patent and Trademark Office, the United States Copyright Office, or any court regarding any patents or copyrights material to the franchised business.

As of the date of this Disclosure Document, we do not know of any patent or copyright infringement that could materially affect the franchised business.

Confidential Information

Because we consider much of the information contained in our Manual to be confidential, we require you, your partners, agents, representatives and your employees to sign confidentiality agreements to protect the Manual's contents and our trade secrets.

When we state we "own" intellectual property, we mean that we own it indirectly, through our affiliate, Retrofitness IP, LLC. (see **Item 1**)

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

We require that you designate a Managing Owner to personally supervise the franchised business. Your Managing Owner is responsible for managing your franchised business. The Managing Owner must have sufficient decision-making authority to make decisions on your behalf that are essential to your RETROFITNESS® Outlet's effective and efficient operation. The Managing Owner must communicate directly withus regarding any franchise-related matters (excluding matters relating to laborrelations and employment practices). Your Managing Owner's decisions will be final and binding on you and We may rely solely on the Managing Owner's decisions without discussing the matter with Your other owners (if any).

In addition to the Managing Owner, You may also hire a manager for your RETROFITNESS® Outlet. Whenever open for business, Your Managing Owner or your designated manager (the "Designated Manager") who has successfully completed our management training program must be available. The Designated Manager cannot have an interest or business relationship with any of our business competitors. The Designated Manager need not have an ownership interest in your corporation, limited liability company, or partnership, as applicable. You must require the Designated Manager and all employees to sign a confidentiality agreement and a non-compete agreement.

Area Development Agreement

If you are approved to enter into an Area Development Agreement, we will also require you to designate one (1) individual to be the Managing Owner for purposes of the Area Development Agreement, which person may be the same person designated as the Managing Owner for purposes of each Franchise Agreement. We reserve the right to approve or reject your proposed Managing Owner in our sole discretion.

The Managing Owner must actively direct your business affairs as they relate to your obligations under the Area Development Agreement and must have the authority to accept all official notices from us and to legally bind you with respect to all contracts and commercial documents related to the Area Development Agreement. The Managing Owner must devote their best efforts to the management and operation of the Retrofitness® Outlets developed under the Area Development Agreement and, absent our express written approval, must not be engaged in any other business or activity, directly or indirectly, that requires such individual to have substantial management responsibility or substantial time commitments or otherwise conflictwith his or her obligations under the Area Development Agreement.

Each of the principals of your entity must sign the Franchise Agreement (and Area Development Agreement, if applicable) assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement (or, if applicable, as the "Area Developer" pursuant to an Area Development Agreement) and must sign a written agreement to maintain confidentiality of the trade secrets described in Item 14 and to comply with the covenants not to compete described in Item 17.

Each of the principals of your entity (including any entity that executes an Area Development Agreement), if any, must sign a Personal Guaranty and Subordination Agreement assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement (or, if applicable, as the "Area Developer" pursuant to an Area Development Agreement). We may, in our sole discretion, if needed to satisfy our standards of creditworthiness or to secure the obligations made under the Franchise Agreement, require your spouse, or the spouse of the principals of your entity to sign the Personal Guaranty and Subordination Agreement.

"Principal" means, for purposes of this Item 15, anyone having an ownership or beneficial interest in your entity(s).

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those goods and services that we have approved in writing (see Item 8). You must offer all goods and services that we designate. We reserve the right, in our sole discretion, to change the types of authorized goods and services. There are no contractual limits on our right to make changes.

If you offer or sell any goods or services that we have not designated or approved, we will assess an Unapproved Product or Vendor Penalty Fee for each violation (see Item 6) that you do not cure your violation within five days of the date of notice from us to do so.

You may only use marketing and promotional materials that we have approved.

You may sell goods and services to any person at your fitness center, so long as that person may lawfully purchase such goods and services.

If we designate a brand name for an Approved Product, you must sell that Approved Product under the brand name we designate.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or other agreement	Summary
a. Length of the franchise term	Section 4.6.1	Ten (10) years from the Effective Date of the Franchise Agreement (the "Term Expiration Date"); provided that, if your initial ten-year lease term extends beyond the Term Expiration Date, then we will agree to extend the Term Expiration Date through the date that is (a) ten years from the date your lease agreement is fully executed, or (b) twenty-four (24) months from the Term Expiration Date, whichever is first to occur.
b. Renewal or extension of the term	Section 4.6.2	If you are in good standing and have met the conditions set forth in row (c) below, you have the right to renew the Franchise Agreement for successive 10-year terms with payment of any franchise extension or renewal fee that is in effect at the time of renewal. The current renewal fee is $20,000 (or $15,000 if you execute a renewal agreement between 12 and 24 months before renewal date).
c. Requirements for franchisee to renew or extend	Section 4.6.2	Good standing, timely advance notice, pay any then-current renewal fee, sign new agreement that may contain materially different terms and conditions than the Franchise Agreement in this Disclosure Document, be current in payments, and sign release; modernize Outlet to meet then-current standards.
d. Termination by franchisee	None	Unless otherwise prescribed by applicable state law.
e. Termination by us without cause	None	
f. Termination by us with cause	Section 10.2	We can terminate only if you default.
g. "Cause" defined – curable defaults	Section 10.2.2; 10.2.3	You have 30 days to cure noticed curable defaults other than non-payment of fees. You have 5 days to cure non-payment of fees.
h. "Cause" defined – non-curable defaults	Section 10.2.1	Non-curable defaults: misuse of trademarks, breach of non-competition, unauthorized assignment, or transfer of any rights the Franchise Agreement, material misrepresentation, lack of prior written consent when required, abandonment, repeated defaults even if cured, threat to public health or safety, uncured defaults under other agreements with Retrofitness or its affiliates, bankruptcy, plead guilty or no contest to or conviction of a felony. *The Franchise Agreement provides for termination upon bankruptcy. This*

Provision	Section in Franchise or other agreement	Summary
		provision may not be enforceable under federal bankruptcy law (11 USC §101 et seq).
i. Franchisees obligations on termination/non-renewal	Section 10.3	Obligations include final accounting, complete de-identification, our option to purchase assets, our option to assume your real estate lease, and payment of amounts due (also see r. below).
j. Assignment of contract by us	Section 9.7	No restriction on our right to assign.
k. "Transfer" by franchisee – definition	Section 3.17	Includes transfer of contract or assets; any ownership change.
l. Our approval of transfer by franchisee	Section 9	We have the right to approve all transfers.
m. Conditions for our approval of transfer	Section 9.4	New franchisee qualifies, payment of all of your outstanding debts to us, cure of any defaults, current agreement signed by new franchisee or assumption of current agreement, transfer fee paid, training completed, modernize Outlet to meet then-current standards, and release signed by you and your Related Parties. The release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law (also see "r." below).
n. Our right of first refusal to acquire franchisee's business	Section 9.3	We or our designee can match any offer for your business.
o. Our option to purchase franchisee's business	Section 10.3(g)-(i)	We or our designee may, but are not required to, purchase your inventory and equipment at the lesser of fair market value or depreciated value if franchise is terminated for any reason.
p. Death or disability of franchisee	Section 9.6	Heirs or beneficiaries must demonstrate, within 90 days, ability to operate franchise. Otherwise, franchise must be assigned by estate to approved buyer within 6 months.
q. Non-competition covenants during the term of the franchise	Section 8.6	No competing business during the Term, subject to applicable state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 8.6	No competing business for 2 years (a) at the Approved Location; (b) within 15 miles of the Approved location; or (c) within 15 miles of another Retrofitness Outlet (including after assignment); subject to applicable state law.
s. Modification of agreement	Section 11.4	No modification generally unless on consent of both parties, but Manual subject to change.
t. Integration/merger clause	Section 11.6	Only the terms of the franchise agreement are binding (subject to this Disclosure Document and applicable state law). Any other promises may not be enforceable. See Note 1.

Provision	Section in Franchise or other agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 11.7 and 11.8	Subject to applicable state law, claims must first be mediated prior to arbitration or litigation. Except for certain claims, all disputes must be arbitrated in Palm Beach County, Florida (or in such other state or county as Retrofitness's headquarters may subsequently be located) . The arbitration will occur with each respective party paying their own costs.
v. Choice of forum	Section 11.2.2	Fifteenth Circuit Court of Florida, Palm Beach County; United States District Court for the Fourth District Florida (or, if Retrofitness's headquarters subsequently move to a location outside of Palm Beach County, Florida, such other United States District Court for the district within which the new headquarters is located, or if such court lacks subject matter jurisdiction, such state court for the district within which the new headquarters is located). (Subject to applicable state law.) See Note 1.
w. Choice of law	Section 11.2.1	Florida law applies (or, if Retrofitness relocates is headquarters to another state, the law of that state shall apply). (Subject to applicable state law.) See Note 1.

Note 1: See State Specific Addenda included as **Exhibit G** of this Disclosure Document.

AREA DEVELOPMENT AGREEMENT

This table lists certain important provisions of the area development agreement. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Agreement	Summary
a. Length of the term of thefranchise	3	The ADA term expires on the earlier of (a) the date the last Outlet mustbe opened under a development schedule (the "Development Schedule"), or (b) the date you open the last Outlet required by the Development Schedule.
b. Renewal or extension ofthe term	N/A	You do not have the right to renew or extend theADA.

c. Requirement for franchiseeto renew or extend	N/A	You do not have the right to renew or extend theADA.
d. Termination by franchisee	N/A	You do not have the right to terminate theADA, unless otherwise prescribed by applicable state law..
e. Termination by franchisorwithout cause	N/A	We will not terminate the Area DevelopmentAgreement without cause.
f. Termination by franchisorwith cause	9	We can terminate the Area Development Agreement if you default or fail to comply withyour obligations.
g. “Cause” defined – curable defaults	9	Where you fail to comply with the terms of the Area Development Agreement or fail to comply with your development schedule obligations (subject to possible extension periods as detailed in the agreement), following our giving you thirty (30) days’ noticeand opportunity to cure, without further recourseto you.

Provision	Section in Agreement	Summary
h. "Cause" defined – non-curable defaults	9	Non-curable defaults include: breach of non-competition, failure to cure three or more defaults under any franchise agreement, threat to public health or safety, committing more than two offenses in violation of your moral and behavioral requirements, bankruptcy, plead guilty or no contest to or conviction of a felony. *The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 USC §101 et seq).*
i. Franchisee obligations on termination/non-renewal	14, 15	All development rights revert to us.
j. Assignment of contract by franchisor	16	No restriction on our right to assign.
k. "Transfer" by franchisee –defined	17	A transfer includes the transfer of the Area Development Agreement, any interest in the AreaDevelopment Agreement, any ownership or other interest in you.
l. Franchisor approval oftransfer by you	17	You may only transfer your rights and interests under the Area Development Agreement if you obtain our prior written consent and transfer equivalent rights and interest under all FranchiseAgreements to the same transferee.

m. Conditions for franchisor'sapproval of transfer	17	If Transferee is (a) one of your owners, (b) a family member of one your owners or an employee of one of the Retrofitness businesses developed under the Area Development Agreement and such transfer is of anon-controlling interest in you, or (c) an entity controlled by one of your owners and for estate planning purposes, Transferee must sign Exhibit C of the Area Development Agreement; you mustpay all amounts owed; provide material terms andconditions of the transfer; disclose any trust that will become an owner; pay our reasonable out-of-pocket expenses; sign a general release; and agreeto be bound by the confidentiality and non- competition covenants. If the transfer is other than as described above, Transferee must meet our character requirements,complete our franchise application and initial training, and sign our then-current version of development agreement; you must pay all amounts owed; provide material terms and conditions of the transfer; disclose any trust that will become an owner; pay a transfer fee of $15,000 for each unmet development obligation (except in the case of a transfer of a five percent(5%) or smaller ownership interest in you) and our reasonable out-of-pocket expenses; sign a general release; and agree to be bound by the confidentiality and non-competition covenants. In addition, unless the transfer is of a non- controlling interest (as we determine), you musthave at least two (2) Outlets (excluding pre-existing Outlets) open and operatingin the Development Area or the closing date of the transfer must be at least two years after the date of the Area Development Agreement. Alternatively, if the Area Development Agreement has been amended to add one (1) or more or Outlets to the Development Schedule, or the Area Development Agreement has been amended and restated, you must have at least one (1) Outlet (excluding pre-existing Outlets) open and operating in the Development Area or the closing date of the transfer must be at least one (1) year after the dateof the amendment or the date of the amended and restated Area Development Agreement, as applicable

Provision	Section in Agreement	Summary
n. Franchisor's right of firstrefusal to acquire franchisee's business	17	For any proposed transfer which would constitutea transfer of a controlling interest in you, we havethe right, by written notice to you, to purchase that interest for the price and terms and conditionscontained in your *bona fide* offer.
o. Franchisor's option topurchase franchisee's business	N/A	Not Applicable.
p. Death or disability offranchisee	17	Upon death of an owner of a controlling interest, the owner's interest must be transferred to a thirdparty within six (6) months.
q. Non-competition covenantsduring the term of the franchise	14	No direct or indirect involvement in the operationof any Competitive Business other than the business authorized in the Area Development Agreement.

Provision	Section in Agreement	Summary
r. Non-competition covenantsafter the franchise is terminated or expires	14	No direct or indirect involvement in a Competitive Business for two (2) years (i) withinthe Development Area, (ii) within fifteen (15) miles of any Retrofitness Outlet developed by you, or (iii) within fifteen (15) miles of any other Retrofitness franchised or company-owned business.
s. Modification of the Agreement	27	Any modification must be in writing and signedby both parties
t. Integration/merger clause	26	Only the terms of the Area Development Agreement are binding (subject to state law). Anyrepresentations or promises made outside the Area Development Agreement and this Disclosure Document may not be enforceable.
u. Dispute resolution by arbitration or mediation	20	All disputes resolved by mediation and arbitrationexcept for actions for actions for declaratory or equitable relief and actions in ejectment or for possession of any interest in real or personal property.
v. Choice of forum	20, 22	West Palm Beach, Florida (or in the city of ourthen current headquarters, if our headquarters is no longer in West Palm Beach, Florida), unless superseded by State law.
w. Choice of law	20	Florida (unless superseded by state law),except for arbitration which is covered by the Federal Arbitration Act.

ITEM 18 PUBLIC FIGURES

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

[***The remainder of this page is intentionally left blank.]***

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.

This is a historic financial performance representation. The representation only relates to the subset of Outlets identified below and does not relate to the performance of all of the System's existing Outlets.

The 90 Franchised Outlets Included in the Representations Displayed in Tables A, B & C:

As of April 2, 2022, there were 92 franchised RETROFITNESS® Outlets open and in operation (each, a "Franchised Outlet"). Of those 92 Franchised Outlets, 90 were open to the public for more than a year. All 90 of these Franchised Outlets were included in the results displayed in Tables A, B and C below (the "ABC Outlets").

[***The remainder of this page is intentionally left blank.]***

TABLE A

Average Gross Sales of ABC Outlets Reported to ABC Financial From March 1, 2021 to February 29, 2022

Average Gross Sales	Percentile	Number of ABC Clubs in the Stated Percentile	Number of ABC Clubs in the Percentile that Attained or Exceeded the Average Gross Sales	Percentage of ABC Clubs in Percentile that Attained or Exceeded the Average Gross Sales
$2,149,622	Top 10%	9	4	44%
$1,703,240	Top 25%	23	8	36%
$ 1,366,736	Top 50%	45	18	40%
$1,162,022	Top 75%	68	25	37%
$998,459	100%	90	33	37%

TABLE B

Average Revenue Per Square Foot for the ABC Outlets as Reported to ABC Financial From March 1, 2021 to February 29, 2022

Average Revenue Per Square Foot	Percentile	Number of ABC Clubs in the Stated Percentile	Number of ABC Clubs in the Percentile that Attained or Exceeded the Average Revenue Per Square Foot	Percentage of ABC Clubs in Percentile that Attained or Exceeded the Average Revenue Per Square Foot
$130	Top 10%	9	4	36%
$109	Top 25%	23	10	35%
$90	Top 50%	45	18	36%
$77	Top 75%	68	29	33%
$66	100%	90	34	43%

TABLE C

Average Membership of ABC Outlets
as of February 29, 2022

Average Number of Members	Top Percentile	Number of ABC Clubs in the Stated Percentile	Number of ABC Clubs in the Percentile that Attained or Exceeded the Average Number of Members	Percentage of ABC Clubs in Percentile that Attained or Exceeded the Average Number of Members
4,848	Top 10%	9	4	36%
4,061	Top 25%	23	10	35%
3,353	Top 50%	45	18	36%
2,894	Top 75%	68	29	33%
2,529	100%	90	34	34%

NOTES TO TABLES A, B & C

Notes to Table A

The highest Gross Sales figure for the top 10% of the ABC Outlets is $2,828,612, the lowest Gross Sales figure in this range is $1,679,574 and the median is $2,093,180. The corresponding bottom 10% of the ABC Outlets averaged $391,377 in Gross Sales. The highest Gross Sales figure for the bottom 10% is $452,921, the lowest Gross Sales figure is $310,852, and the median is $388,420. Fifty-six percent of the bottom 10%, or 5 Outlets, fell below the average of $410,137.

The highest Gross Sales figure for the top 25% of the ABC Outlets is $2,828,612, the lowest Gross Sales figure in this range is $1,212,695, and the median is $1,576,328. The corresponding bottom 25% of the ABC Outlets averaged $499,711 in Gross Sales. The highest Gross Sales figure for the bottom 25% of the ABC Outlets is $649,535, the lowest Gross Sales figure is $310,852, and the median is $506,460. Forty-nine percent of the bottom 25% of the ABC Outlets, or 11 Outlets, fell below the average of $499,711.

The highest Gross Sales figure used to calculate the Average Gross Sales for the top 50% of the ABC Outlets is $2,828,612, the lowest Gross Sales figure in this range is $861,633, and the median is $1,212,695. The corresponding bottom 50% of the ABC Outlets averaged $630,182 in Gross Sales. The highest Gross Sales figure used to calculate the Average Gross Sales for the bottom 50% of the ABC Outlets is $850,943, the lowest Gross Sales figure in this range is $310,852, and the median is $649,535. Forty-seven percent of these ABC Outlets, or 21 Outlets, fell below the average of $630,812.

The highest Gross Sales figure used to calculate the Average Gross Sales for the top 75% of the ABC Outlets is $2,828,612, the lowest Gross Sales figure in this range is $649,535, and the median is $997,424. The corresponding bottom 75% of the ABC Outlets averaged $763,228 in Gross Sales. The highest Gross

Sales figure used to calculate the Average Gross Sales for the bottom 75% of the ABC Outlets is $1,212,695, the lowest Gross Sales figure in this range is $310,852, and the median is $775,233. Forty-six percent of these ABC Outlets, or 31 Outlets, fell below the average of $763,228.

The highest Gross Sales figure used to calculate the Average Gross Sales for 100% of the ABC Outlets is $2,828,612, the lowest Gross Sales figure in this range is $310,852, and the median is $856,288.

Notes to Table B

The highest revenue per square foot figure used to calculate the average for the top 10% of the ABC Outlets is $177 the lowest figure in this range is $113, and the median is $126. The corresponding bottom 10% of the ABC Outlets averaged $27 per square foot. The highest figure in the range is $45, the lowest figure in the range is $21 and the median is $36. Thirty-three percent of these ABC Outlets, or 3 Outlets, fell below the average of $27.

The highest revenue per square foot figure used to calculate the average for the top 25% of the ABC Outlets is $177, the lowest figure in this range is $81, and the median is $106. The corresponding bottom 25% of the ABC Outlets averaged $35 per square foot. The highest figure in the range is $61, the lowest figure in the range is $21 and the median is $45. Forty-nine percent of these ABC Outlets, or 11 Outlets, fell below the average of $35.

The highest revenue per square foot figure used to calculate the average for the top 50% of the ABC Outlets is $177, the lowest figure in this range is $61, and the median is $81.The corresponding bottom 50% of the ABC Outlets averaged $43 per square foot. The highest figure in the range is $60, the lowest figure in the range is $21 and the median is $51. Forty-eight percent of these ABC Outlets, or 29 Outlets, fell below the average of $49.

The highest revenue per square foot figure used to calculate the average for the top 75% of the ABC Outlets is $177, the lowest figure in this range is $45, and the median is $73. The corresponding bottom 75% of the ABC Outlets averaged $53 per square foot. The highest figure in the range is $81, the lowest figure in the range is $21 and the median is $53. Fifty-three percent of these ABC Outlets, or 36 Outlets, fell below the average of $53.

The highest revenue per square foot figure used to calculate the average for 100% of the ABC Outlets is $177, the lowest figure in this range is $21, and the median is $61.

Notes to Table C

The highest number of members figure used to calculate the average for the top 10% of the ABC Outlets is 6,050, the lowest figure in this range is 4,116 and the median is 4,775. The corresponding bottom 10% of the ABC Outlets averaged 1,147 members. The highest figure in the range is 1,396 the lowest figure in the range is 848, and the median was 1,263. Thirty-three percent of these ABC Outlets, or 4 Outlets, fell below the average of 1,147.

The highest number of members figure used to calculate the average for the top 25% of the ABC Outlets is 6,050, the lowest figure in this range is 3,434 , and the median is 4,225. The corresponding bottom 25% of the ABC Outlets averaged 1,417 members, with the highest membership of 1,802 members, a low of 848 members, and a median of 1,427 members. Forty-four percent of these ABC Outlets, or 10 Outlets, fell below the average of 1,417.

The highest number of members figure used to calculate the average for the top 50% of the ABC Outlets is 6,050, the lowest figure in this range is 2,251, and the median is 3,169. The corresponding bottom 50% of the ABC Outlets averaged 1,705 members, with the highest membership of 2,166 members, a low of 848 members, and a median of 1,802 members. Forty-four percent of these ABC Outlets, or 20 Outlets, fell below the average of 1,705.

The highest number of members figure used to calculate the average for the top 75% of the ABC Outlets is 6,050, the lowest figure in this range is 1,802, and the median is 2,526. The corresponding bottom 75% of the ABC Outlets averaged 2,020 members, with the highest membership of 3,169 members, a low of 848 members, and a median of 2,012 members. Fifty percent of these ABC Outlets, or 34 Outlets, fell below the average of 2,234.

The highest number of members figure used to calculate the average for 100% of the ABC Outlets is 6,050, the lowest figure in this range is 848, and the median is 2,209.

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

All information reported in this Item 19 pertains to franchisee-owned Retrofitness Outlets and reflects the membership and sales numbers reported by Franchisees. Retrofitness franchisees are required to report sales and membership data to ABC Financial. Retrofitness franchisees are required to provide us with a copy of their federal tax returns. As such, the figures above are derived from reports generated from computer data reported to ABC Financial by Retrofitness franchisees, maintained by ABC Financial, and reported to Retrofitness.

The financial performance representations do not reflect any other specific costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your RETROFITNESS® Outlet. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

You are strongly advised to conduct, with the assistance of an accountant, an independent investigation of the costs and expenses you will incur in operating your Franchised Outlet. You and your accountant should build a business plan for the opportunity you are pursuing, taking into account such independent information as may be available at the time. While we are not able to review or comment on your plan, the plan should help you in making your investment decision, and in getting underway if you enter our system.

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 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 Chief Financial Officer, Robert Sprechman, Retrofitness, LLC, 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2019 to 2021

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2019	147	137	(-10)
	2020	137	105	(-32)
	2021	105	98	(-7)
Company-Owned	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Total Outlets	2019	147	137	(-10)
	2020	137	105	(-32)
	2021	105	98	(-7)

Table No. 2
Transfers of Outlets From Franchisees
To New Owners (Other Than The Franchisor)
For years 2019 to 2021

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2019	1
	2020	1
	2021	0
Delaware	2019	0
	2020	1
	2021	1
Florida	2019	0
	2020	2
	2021	0
New Jersey	2019	4
	2020	2
	2021	5
New York	2019	3
	2020	2
	2021	2
Michigan	2019	0
	2020	0
	2021	1
Pennsylvania	2019	0
	2020	1
	2021	1
Total	2019	8
	2020	9
	2021	10

Table No. 3
Status of Franchised Outlets
For Years 2019 to 2021

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations- Other Reasons	Column 9 Outlets at End of the Year
California	2019	2	0	1	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	1	0
Delaware	2019	3	0	0	0	0	0	3
	2020	3	0	2	0	0	0	1
	2021	1	0	0	0	0	0	1
Florida	2019	9	0	3	0	0	0	6
	2020	6	0	1	0	0	0	5
	2021	5	1	0	0	0	1	5
Illinois	2019	2	1	1	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	1	1
Maryland	2019	5	0	0	0	0	0	5
	2020	5	1	3	0	0	0	3
	2021	3	0	0	0	0	1	2
Massachusetts	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Michigan	2019	3	0	0	0	0	0	3
	2020	3	0	1	0	0	0	2
	2021	2	0	0	0	0	0	2
Minnesota	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	1	0
New Jersey	2019	62	1	2	0	0	0	61
	2020	61	0	10	0	0	0	51
	2021	51	0	0	0	0	3	48
New York	2019	39	1	6	0	0	0	34
	2020	34	0	6	0	0	0	28
	2021	28	0	0	0	0	0	28
North Carolina	2019	2	0	1	0	0	0	1
	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
Pennsylvania	2019	17	1	1	0	0	0	17
	2020	17	0	9	0	0	0	8
	2021	8	0	0	0	0	0	8
Utah	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Virginia	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Total	2019	147	5	15	0	0	0	137
	2020	137	1	33	0	0	0	105
	2021	105	1	0	0	0	8	98

Table No. 4
Status of Company-Owned Outlets For Years 2019 to 2021

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets sold to franchisees	Column 8 Outlets at End of the year
Total	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2021

Column 1 State	Column 2 Franchise Agreements Signed But Outlets Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company –Owned Outlets in the Next Fiscal Year
Arizona	5	0	0
California	6	0	0
Connecticut	1	0	0
Delaware	1	0	0
Florida	14	5	0
Georgia	5	0	0
Illinois	1	0	0
Maryland	9	0	0
Massachusetts	5	2	0
Michigan	4	0	0
Minnesota	1	0	0
North Carolina	5	0	0
New Jersey	39	2	0
New York	27	2	0
Pennsylvania	10	1	0
Texas	2	10	0
Utah	2	0	0
Virginia	2	0	0
Total	**139**	**22**	**0**

Notes:

All numbers are as of the fiscal year ending on December 31st for each year. These numbers include those outlets in Pre-Sales.

Exhibit D lists the names of all current franchisees and the addresses and telephone numbers of their Outlets as of December 31, 2021.

Exhibit E lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) 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.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Retrofitness. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

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

We do not know of any trademark-specific franchisee organization associated with the Retrofitness system or the franchise being offered. Currently, there are no franchisee organizations we have created, sponsored or endorsed. However, we reserve the right to do so in the future.

ITEM 21 FINANCIAL STATEMENTS

The following documents are attached to this disclosure document as **Exhibit C**:

Audited Financial Statements dated as of April 25, 2022 of our Parent, Fierce Brands, LLC (formerly named "Retrofitness Holdings, LLC") for January 1, 2021 through December 31, 2021, 2020 and 2019.

Our Parent, Fierce Brands, LLC has absolutely and unconditionally guaranteed our performance with you under the Franchise Agreement for franchised Outlets. This Guarantee is attached to this disclosure document as Exhibit K.

Our fiscal year end is December 31st of each year.

ITEM 22 CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in Exhibit A. These include:

Franchise Agreement and the following exhibits:

Exhibit 1 - Approved Territory
Exhibit 2 - Authorization Agreement for Prearranged Payment
Exhibit 3 - Conditional Assignment of Telephone Numbers
Exhibit 4 - Nondisclosure and Noncompetition Agreement
Exhibit 5 - Personal Guaranty and Subordination Agreement
Exhibit 6 - Statement of Ownership Interest in Franchisee
Exhibit 7- State Specific Amendments
Exhibit 8 – Assignment & Assumption Agreement
Exhibit 9 – Lease Rider
Exhibit 10 – Form of General Release

Area Development Agreement and the following exhibits:

Exhibit A – Map of Development Area
Exhibit B – Ownership Addendum
Exhibit C – Nondisclosure and Noncompetition Agreement
Exhibit D – Silent Investors

ITEM 23 RECEIPTS

Attached as Exhibit L of this disclosure document is a list of the State Effective Dates for each registration state. Attached as Exhibit M are duplicate Receipts to be signed by you. You should sign both copies of the Receipt. Keep one for your records and return the other one to us at the following address:

Attention:
Retrofitness, LLC
1601 Belvedere Road, Suite E-500
West Palm Beach, FL 33406Telephone: 800-738-7604

The duplicate is for your records.

Exhibit A

Franchise Agreement and Exhibits

FRANCHISE AGREEMENT

TABLE OF CONTENTS

Section **Page**

1. PARTIES....1
2. RECITALS....1
3. DEFINITIONS....1
4. GRANT OF FRANCHISE....4
5. SERVICES TO FRANCHISEE....8
6. PAYMENTS BY FRANCHISEE....11
7. OBLIGATIONS OF FRANCHISEE....15
8. RELATIONSHIP OF PARTIES.... 33
9. TRANSFER OF FRANCHISE.... 38
10. TERMINATION OF FRANCHISE.... 42
11. MISCELLANEOUS PROVISIONS....49

EXHIBITS

Exhibit 1: Approved Territory
Exhibit 2: Authorization Agreement for Prearranged Payment
Exhibit 3: Conditional Assignment of Telephone Numbers & Listings
Exhibit 4: Nondisclosure and Noncompetition Agreement
Exhibit 5: Personal Guaranty and Subordination Agreement
Exhibit 6: Statement of Ownership Interest in Franchise
Exhibit 7: State Specific Amendments
Exhibit 8: Assignment & Assumption Agreement
Exhibit 9: Lease Rider

RETROFITNESS®

FRANCHISE AGREEMENT

1. PARTIES

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on this _____ day of _____, 20___ (the "Effective Date"), by and between Retrofitness, LLC, a Delaware limited liability company with its principal place of business at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406 ("Retrofitness", "Franchisor", "we", "us" or "our"), and _____ [an individual] [individuals] [a corporation] [a partnership] [a limited liability company], located at _____ _ [or, with its principal place of business at] _____ _____ (collectively, "You" or "Franchisee").

2. RECITALS

2.1 Ownership of System

Retrofitness has the right to license You certain intellectual property rights, trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the "RETROFITNESS" trademarks, the words "Retro Fitness," and "Retro." Retrofitness has spent a considerable amount of time, effort, and money to construct and continues to develop use and control business methods, technical knowledge, marketing concepts, trade secrets, purchasing arrangements, commercial ideas, advertising materials, marketing strategies, information on sources of supply, administrative procedures, business forms, distinctive signs, trade dress, architectural designs and uniforms, and employee training techniques that, taken together, make up a proprietary system for the operation of fitness centers (the "System").

2.2 Objectives of Parties

You desire to enter into the business of operating a RETROFITNESS® Outlet under the System using the Trade Name and Marks (as those terms are defined in Section 3, below), and You wish to obtain from Retrofitness, and Retrofitness wishes to grant to You, a franchise for that purpose.

3. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

3.1 Advertising Fund

"Advertising Fund" or "Ad Fund" means a fund established by Retrofitness for purposes of increasing brand awareness and national advertising.

3.2 Approved Location

"Approved Location" means the street address of the physical location approved in writing by Retrofitness for the operation of the RETROFITNESS® Outlet You will operate under this Agreement, which shall be set forth in Exhibit 1 to this Agreement.

3.3 Approved Territory

"Approved Territory" means the area set forth in Exhibit 1 to this Agreement.

3.4 Designated Manager

"Designated Manager" means the person whom You have appointed as general manager of the RETROFITNESS® Outlet.

3.5 Franchise Network

"Franchise Network" means the interdependent network composed of Retrofitness, all RETROFITNESS® Outlets, all RETROFITNESS® franchisees, Retrofitness' Related Parties, and any other persons or business entities that Retrofitness has licensed to use the Trade Name, Marks, System or any of them.

3.6 Good Standing

"Good Standing" means timely compliance by You and Your Related Parties with all provisions of this Agreement and the Manual, specifically including provisions for timely payment of amounts You owe to Retrofitness or its Related Parties.

3.7 Gross Sales

"Gross Sales" means the total amount of revenue derived from operating the Franchised Business, including, but not limited to, all revenues received by You and Your Related Parties for all services and sales, member dues, and any other goods and services sold during the course of operating the franchise, including, but not limited to cash, check, credit card, coupon, Retro Bucks, barter or trade, in whole or in part, and excluding any amounts collected for state and local sales taxes and including all monies derived from rental/sublet, subcontractors and usage income from the Approved Location or in connection with the Trade Name or Marks, within an accounting period.

3.8 Managing Owner

"Managing Owner" means the individual owner that is designated by Franchisee, and approved by Franchisor, to manage the day-to-day activities and make binding decisions on behalf of Your Franchised Business the person that you designate.

3.9 Manual

"Manual" means the confidential Operations Brand Standards Manual and all other manuals that Retrofitness will lend to You, or authorize You to use, during the term of this Agreement and that contains information, forms and requirements for the establishment and operation of the RETROFITNESS® Outlet and for use of Retrofitness' Trade Name and Marks, along

with communications from Retrofitness to You, including but not limited to bulletins, e-mails, and text messages.

3.10 Marks

"Marks" means selected trademarks, service marks, trade dress, logotypes, slogans and other commercial symbols licensed by Retrofitness to You under this Agreement.

3.11 Pre-Sales

"Pre-Sales" means the membership sales drive that occurs before You open Your business; it typically begins at the start of the construction of Your fitness center and continues for a period of approximately 1-3 months, depending upon how long construction of Your RetroFitness® Outlet takes.

3.12 Proprietary Service

"Proprietary Service" means any product or service that is composed of or in accordance with Retrofitness' specifications or that bears or has been labeled with any of the Marks.

3.13 Related Party

"Related Party" or "Related Parties" means persons and companies affiliated with Retrofitness or You, as the context indicates, including, but not limited to, owners (as defined herein), general partners, limited partners, shareholders, or members, owning an interest in: (i) Retrofitness or in You; (ii) corporations or limited liability companies in which Retrofitness or You have an interest; (iii) corporations or limited liability companies in which any person or entity owning an interest in You also has an interest; or (iv) officers, directors, members or agents of Retrofitness or of You.

3.14 Replacement Managing Owner

"Replacement Managing Owner" means the individual who is designated by Franchisee, and approved by us, to replace the existing Managing Owner.

3.15 RetroFitness® Outlet

"RETROFITNESS® Outlet" or the "Franchised Business" means the single RETROFITNESS® business that Retrofitness has authorized You to conduct under the Trade Name, Marks, and System within the Approved Territory, at the Approved Location, under this Agreement.

3.16 Retrofitness

"Retrofitness" means Retrofitness, LLC, or any person or entity to which Retrofitness allocates all or part of its rights and obligations under this Agreement.

3.17 Transfer

"Transfer" means any direct or indirect transfer, pledge, encumbrance, sale, gift, hypothecation, mortgage, sublicense; transfer through bequest or inheritance; transfer in trust, divorce or by operation of law or by any other means, or disposition of: (i) any of the rights granted under this Agreement, (ii) any part of this Agreement, (iii) any rights or privileges incidental to this

Agreement, (iv) the Outlet or any interest therein, or (v) any ownership interest in you; including, without limitation, any arrangement whereby you sell or pledge accounts receivable or any other assets of the Franchised Business (each a "Transfer"). Without limiting the foregoing, the term "Transfer" includes any sale, resale, pledge, encumbrance, transfer or assignment of (a) any fractional partnership ownership interest if You are a partnership; (b) any membership interest in you if you are a limited liability company; and (c) any beneficial or economic ownership interest in you, any transfer of any fractional portion of your voting stock, or any increase in the number of outstanding shares of your voting stock which results in a change of ownership, if you are a corporation.

3.18 Termination

"Termination" means the expiration of the Term of this Agreement; the non-renewal of this Agreement; or the termination of this Agreement under the circumstances described in Section 10 of this Agreement before the expiration of the Term.

3.19 Trade Name

"Trade Name" means the commercial name "RETROFITNESS."

3.20 You

"You" means the person or entity that is named as "You" in Section 1 of this Agreement. In addition, "You" means all persons or entities that succeed to Your interest by Transfer, other transfer, or operation of law.

NOW, THEREFORE, the parties agree as follows:

4. GRANT OF FRANCHISE

4.1 Granting Clause

Retrofitness grants to You the right, and You hereby undertake the obligation, upon the terms and conditions set forth in this Agreement: (a) to establish and operate the RETROFITNESS® Outlet at the Approved Location that includes the provision of such products and services as designated by Retrofitness, and (b) to use solely in connection therewith the Trade Name, Marks and System as they may be changed, improved, and further developed from time to time. You shall not engage in any other business at the Approved Location without the prior written consent of RetroFitness.

4.2 Location

If you have not secured an Approved Location as of the Effective Date, You shall, at your sole cost and expense, secure an approved site for the RETROFITNESS® Outlet in accordance with Section 7.2 of this Agreement. It is your sole responsibility to locate and purchase and/or lease a suitable site for the RETROFITNESS® Outlet. In no event shall the RETROFITNESS® Outlet be less than 12,000 square feet without the prior written consent of Retrofitness. You may not establish Your business or engage in business activities anywhere but the Approved Location. You may not establish any other business at the Approved Location. You may not sublease space at the Approved Location to any third party without our prior written consent. You may not market to

customers outside of Your Approved Territory, or engage in mail order, Internet, or any other sales except with Retrofitness' approval and as part of Retrofitness' coordinated marketing effort.

4.3 Approved Territory

During the term of this Agreement, and except as otherwise provided in this Agreement, Retrofitness agrees that it shall not establish, nor license any other person to establish, another RETROFITNESS® Outlet at any location within Your Approved Territory. Except as set forth in this Section 4.3, You have no exclusivity. You have no right to exclude development of concepts owned, franchised or licensed by Retrofitness or its Affiliates.

4.4 Rights Reserved

Retrofitness retains all rights that are not expressly granted to you under this Agreement. Without limiting this broad retention, and without granting You any rights therein, Retrofitness shall have the right to:

(a) Operate a RETROFITNESS® Outlet at a trade show booth, or similar temporary location within Your Approved Territory for up to fifteen (15) consecutive days;

(b) Offer RETROFITNESS® franchises to others for any site outside Your Approved Territory regardless of how close the site is to Your Approved Location;

(c) Sell, rent and distribute any Proprietary Services, directly or indirectly, and/or license others to sell and distribute any Proprietary Services, directly or indirectly, from any location or to any purchaser (including, but not limited to, sales made to purchasers in the Approved Territory through retail establishments, mail order, independent distributors, wholesale distribution, phone order, and on the Internet, and/or sales to delivery customers), except that Retrofitness shall not do so from a RETROFITNESS® Outlet located inside the Approved Territory;

(d) Produce, license, distribute and market Proprietary Services and products and services bearing other marks, including food and beverage products, packaged items, books, retail items, and apparel among other things, at any location or any outlet, regardless of proximity to RETROFITNESS® Outlet, through any distribution channel, at wholesale or at retail, including by means of the internet, mail order, direct mail advertising, delivery, catering and other distribution methods;

(e) Develop, operate, and franchise others to operate, any business concept except a RETROFITNESS® Outlet at any place, including within the Approved Territory, and use the Marks or any other trademarks owned, licensed, or developed by Retrofitness or its Affiliates in connection with those concepts, even if such concepts sell products and services that are similar to, the same as, or competitive with, the Proprietary Services;

(f) In its sole discretion approve or disprove other franchisee's requests to purchase local advertising that penetrates Your Approved Territory; and

(g) Merge with, acquire or be acquired by any business of any kind under other systems and/or other marks, which business may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside the Approved Territory.

4.5 Relocation

At Retrofitness' option, You may relocate the RETROFITNESS® Outlet, with Retrofitness' prior written consent, if all of the following conditions are met:

(a) You and Your Related Parties are in Good Standing under this Agreement, any other Agreement between Retrofitness or Retrofitness' Related Party and You, and You and Your Related Parties are in compliance with all provisions of the Manual;

(b) You and any of Your Related Parties that have signed this Agreement have agreed to cancel this Agreement and execute a new Franchise Agreement in the form that is currently effective at the time of relocation (with a term equal to the then remaining term of this Agreement);

(c) You have secured a site that is not located in another RETROFITNESS® franchisee's approved territory, and which meets our then-current size and demographic requirements, and if you are leasing the space, you have submitted the proposed lease agreement for our review and paid a lease review fee;

(d) You agree to equip and furnish Your new RETROFITNESS® Outlet so that the outlet meets the standards of appearance and function applicable to new RETROFITNESS® Outlets at the time of relocation; and

(e) You and Your Related Parties that are parties to this Agreement shall have executed a general release, in a form satisfactory to Retrofitness, of any and all claims against Retrofitness and its Related Parties, affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between You and Retrofitness or its affiliates, and federal, state, and local laws and rules; and

(f) You may cease to operate the RETROFITNESS® Outlet for no more than one (1) day only for the purposes of moving all equipment from the old Approved Location to the new Approved Location for the RETROFITNESS® Outlet.

4.6 Term and Renewal

4.6.1 Initial Term

Except as otherwise provided herein, the initial term of this Agreement shall commence on the Effective Date and shall expire on the date that is ten (10) years from the Effective Date (the "Term Expiration Date"). Notwithstanding the foregoing, if the initial ten (10) year term of the lease agreement for the Approved Location (the "Initial Lease Term") extends beyond the Term Expiration Date, then we will agree to extend the Term Expiration Date through the earlier to occur of: (a) the ten year anniversary of the date on which Your lease agreement was fully executed, or (b) twenty-four (24) months from the Term Expiration Date. In order to obtain this extension, You must, within thirty (30) days of the effective date of your lease, send a written request to us along with a copy of Your fully executed lease agreement for the Approved Location clearly indicating the date on which Your lease agreement was fully executed.

4.6.2 Renewal

You shall have the option to renew this Agreement for unlimited, successive renewal terms (each a "Renewal Term"), with each such Renewal Term being for a period of ten (10) years subject to your satisfaction of the following conditions, all of which shall be met before each renewal:

(a) You and Your Related Parties are in Good Standing under this Agreement, any other Agreement between Retrofitness or Retrofitness' Related Parties and You, and You and Your Related Parties are in compliance with the Manual;

(b) You shall give Retrofitness written notice of Your election to renew not less than six (6) months nor more than twenty-four (24) months prior to the end of the then-current term;

(c) You and any Related Parties that have signed this Agreement shall have signed a copy of the then-current Franchise Agreement (except with respect to the renewal provisions thereof, which shall not supersede this Section 4.6.2) not less than thirty (30) days before the expiration of the then-current term, or thirty (30) days after You receive a signature-ready copy of the then-current Franchise Agreement from Retrofitness, whichever is later;

(d) You shall have paid a renewal fee of Twenty Thousand Dollars ($20,000), or Fifteen Thousand Dollars ($15,000) if you execute the then-current Franchise Agreement between twelve (12) and twenty-four (24) months prior to the expiration of your then-current term, to Retrofitness;

(e) You shall have, before the beginning of the renewal term, at Your own expense, modernized the RETROFITNESS® Outlet, and replaced and modernized the equipment (including purchasing all new strength equipment, dumbbells and free weights), and the signs used in the RETROFITNESS® Outlet as Retrofitness may require, in order for the RETROFITNESS® Outlet to meet the then-current standards of appearance and function at the time of renewal;

(f) You and Your Related Parties that are parties to this Agreement shall have executed a general release, in a form satisfactory to Retrofitness, of any and all claims against Retrofitness and its Related Parties, affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between You and Retrofitness or its affiliates, and federal, state, and local laws and rules; and

(g) You must submit a copy of the proposed lease agreement for the Premises You will occupy during the Renewal Term to Retrofitness for review and approval at least 90 (90) days before the end of the then-current term; You are not required to pay an additional Lease Review Fee.

The provisions of the standard franchise agreement in use by Retrofitness at the time of renewal may be materially different than those contained in this Agreement, including, but not limited to, provisions for increased royalties, advertising, and other fees. You hereby acknowledge and agree that Your right to renew this Agreement shall be contingent upon Your execution of the then-current form of franchise agreement and acceptance of the new provisions.

5. SERVICES TO FRANCHISEE

Retrofitness agrees to perform the following services for You provided that You are, at the time when service is to be rendered, in Good Standing under this Agreement, any other agreement with Retrofitness or Retrofitness' Related Parties, and You are in compliance with the Manual.

5.1 Turnkey Support

5.1.1 Turnkey Build Out Support

Retrofitness shall provide support and manage the design, construction and furnishing of Your Retrofitness® Outlet, including the layout and equipping of your facility. Retrofitness shall have sole control of all decisions relating to the design, construction and furnishing process (including the selection of applicable service providers); however, You shall be directly and solely responsible for all costs incurred during the design, construction and furnishing of Your Retrofitness® Outlet and You shall be solely named on all applicable all contracts and shall bear sole responsibility and liability with respect to all such contracts and contractual relationships entered into during the design, construction and furnishing process (including, but not limited to, those with architects, contractors, equipment vendors and all other assorted vendors required to produce the completed outlet). In exchange for this support, you shall pay us a Turnkey Build-Out Service Fee of (a) for a new outlet of less than fifteen thousand (15,000) square feet, Thirty-Five Thousand Dollars ($35,000), (b) for a new outlet of fifteen thousand (15,000) square feet or more, Forty-Five Thousand Dollars ($45,000), or (c) if you are purchasing an existing Retrofitness® Outlet that must (in Retrofitness's sole discretion) be refurbished Fifteen Thousand Dollars ($15,000).

5.1.2 Turnkey Remodeling, Refurbishment and Improvement Support

Retrofitness may, in its sole and absolute discretion, provide support and manage any remodeling, refurbishing or improvement of Your Retrofitness® Outlet that it requires in accordance with Section 7.3.5 of this Agreement. Retrofitness shall have sole control of all decisions relating to the remodeling, refurbishing or improving process (including the selection of applicable service providers); however, You shall be directly and solely responsible for all costs incurred during the remodeling, refurbishing or improving of Your Retrofitness® Outlet and You shall be solely named on all applicable all contracts and shall bear sole responsibility and liability with respect to all such contracts and contractual relationships entered into during the process. In exchange for our turnkey support, you shall pay us a Turnkey Refurbishment Service Fee in an amount not to exceed Fifteen Thousand Dollars ($15,000) per turnkey event.

5.2 Training

5.2.1 Initial Training

Before the opening of Your RETROFITNESS® Outlet, Retrofitness will conduct an initial training program concerning the operation of the RETROFITNESS® Outlet under the RETROFITNESS® System, which shall include F.I.T. training for You and "Retro Ready" training for a group of up to twenty (20) total members of Your staff (inclusive of You and Your Designated Manager)., at no additional charge. Your Designated Manager shall attend and successfully

complete the initial training program to the satisfaction of Retrofitness before You may open the RETROFITNESS® Outlet. If You or Your Designated Manager fail, in our sole discretion, to successfully complete the Initial Training program, we may require you to repeat all or some of the initial training and we may charge you a per diem rate of $500 per person per day during such training.

5.2.2 Continuing Education

In an effort to maintain brand standards and to protect and enhance the goodwill associated with the System and the Marks, Retrofitness may offer ongoing training or education programs on matters related to the operation or promotion of the RETROFITNESS® Outlet on an optional or mandatory basis, as it deems appropriate in its sole discretion. You shall attend and complete all such continuing education programs Retrofitness requires. You shall be responsible for Your own expenses and those of Your employees who attend any such training or education programs. Retrofitness may also require you to pay a fee for continuing training and education programs of its costs plus an administrative fee. You must complete all education and training programs Retrofitness designates to Retrofitness' satisfaction. In the event that You or Your employee(s) register for a training session and fail to notify us at least twenty-four (24) hours prior to the start of such training session that You or Your employee(s) will be unable to attend, we reserve the right to charge You a no-show fee of $199 per person.

5.2.3 Mandatory Annual Conferences

Retrofitness may, in its sole and absolute discretion, hold an annual conference. If Retrofitness holds a conference, you shall be required to attend. You are responsible for your own expenses and those of your employees who attend any such conferences. Retrofitness may require you to pay a fee to attend each annual conference and may charge you a penalty fee if you fail to attend any such conference.

5.3 Periodic Advisory Assistance

Retrofitness will, as it deems advisable, provide periodic advisory assistance to You concerning the operation and promotion of the RETROFITNESS® Outlet.

5.4 Manual

Retrofitness will lend You a Manual containing explicit instructions for use of the Marks, specifications for goods that will be used in or sold by the RETROFITNESS® Outlet, sample business forms, information on marketing, management, and administration methods developed by Retrofitness for use in the RETROFITNESS® Outlet, names of approved suppliers, and other information that Retrofitness believes may be necessary or helpful to You in Your operation of the RETROFITNESS® Outlet. Retrofitness will revise the Manual periodically, at its discretion, to conform to the changing needs of the Franchise Network and will distribute updated pages containing these revisions to You from time to time. Alternatively, and in lieu of a "hard copy" of the Manual, Retrofitness may, in its sole discretion, elect to make the Manual available to You in an electronic form that is accessible at a password protected portion of Retrofitness' intranet or other computer data system. Retrofitness will notify You of any updates to the Manual. You shall be responsible for immediately reviewing and complying with the revised Manual. In Retrofitness's sole discretion, it may permit or prohibit downloading of the Manual; in the event that downloading is prohibited, You shall be required to consult with the Manual via Retrofitness' intranet or other computer data system as they designate in their sole discretion.

5.5 Advertising

Retrofitness may, but is not required to, provide you with electronic access to certain advertising materials, including in PDF format. These materials may include video and audiotapes, copy-ready print advertising materials, posters, banners and miscellaneous point-of-sale items and may be regional or national at Retrofitness's sole discretion. Printing of any and all such materials shall be at your sole cost and expense. Retrofitness reserves the right to change the format in which it provides these materials to you in the future.

5.6 Approved Suppliers

Retrofitness has the absolute right to limit the suppliers with whom you may deal. Retrofitness will provide to You a list of the names and addresses of the approved suppliers who then currently meet Retrofitness' standards and specifications in the Manual. Retrofitness and its Related Parties reserve the right to act as the only approved supplier for some or all of the Approved Services and products You will purchase for Your RETROFITNESS® Outlet. Retrofitness and its Related Parties reserve the right to charge a mark-up on any product or service sold to You. In advising You of suppliers who meet its standards and specifications, **Retrofitness expressly disclaims any warranties or representations as to the condition of the goods or services sold by the suppliers, including, without limitation, expressed or implied warranties as to merchantability or fitness for any intended purpose. Retrofitness shall not in any event be liable for any direct, indirect, punitive, special, incidental, or consequential damages arising out of, or in any way connected with, your purchases from suppliers or your relationship therewith, whether based on contract, tort, strict liability or otherwise, regardless of such supplier having been designated, required or recommended by Retrofitness.** You agree to look solely to the manufacturer or the supplier of equipment or services for the remedy for any damages incurred and for any defect in the goods or services. Retrofitness reserves the right to change the list of approved suppliers from time to time, in its sole and absolute discretion.

Retrofitness and/or its Related Parties may receive payments and/or other compensation from approved suppliers in any form on account of such suppliers' dealings with You and/or other franchisees; and Retrofitness and/or its Related Parties may use all amounts so received for any purpose Retrofitness and/or its Related Parties deem appropriate. You acknowledge and agree that Retrofitness shall have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments referral fees or benefits (collectively, "**Allowances**") offered by suppliers to You or to Retrofitness or its affiliates based upon Your purchases of Proprietary Services, products and other goods and services. You assign to Retrofitness or its designee all of Your right, title and interest in and to any and all such Allowances and authorize Retrofitness or its designee to collect and retain any or all such Allowances without restriction.

Retrofitness may, from time to time, revoke its approval of particular items, services, products or suppliers if Retrofitness determines, in its sole and absolute discretion. Upon receipt of notice of such revocation, You shall cease to offer, sell or use any disapproved item, products, or services, and You shall immediately cease to purchase from any disapproved supplier.

Without limiting the foregoing, to maintain member records consistent with other RETROFITNESS® Outlets, You shall use the commercial billing service and computer programs Retrofitness designates from time to time.

In the event that you fail to use a required supplier for any product, equipment, supply, service or otherwise (including, without limitation, the commercial billing service we designate), we will notify you that you are in violation of this requirement and will provide you with five days' within which to cure your violation. If you fail to cure your violation, we will assess an Unapproved Product or Vendor Penalty Fee as set forth in Section 6.15 for each violation. The Unapproved Product or Vendor Penalty Fee shall be Twenty Thousand Dollars ($20,000) for the first violation and Fifty Thousand Dollars ($50,000) for the second and each subsequent violation.

6. PAYMENTS BY FRANCHISEE

6.1 Initial Franchise Fee

When You sign this Agreement, You shall pay Retrofitness in cash or another form of payment that will make the funds immediately accessible to Retrofitness, such as cashier's check or wire transfer, an initial franchise fee of twenty-nine thousand dollars ($29,000.00) (the "Initial Franchise Fee"). The Initial Franchise Fee is not refundable.

6.2 Royalties

If You have not had three or more defaults within the most recent twelve-month period, on the fifth (5th) day of each month during the term of this Agreement, You shall pay Retrofitness a continuing monthly royalty fee in the amount of: (a) one thousand dollars ($1000); or (b) five percent (5%) of Gross Sales for the previous month; whichever is greater (the "Standard Royalty Fee"). Franchisor reserves the right, in its sole discretion, upon notice to You, to increase the Standard Royalty Fee by not more than half a percentage point (.5%) each year. If You have had three or more defaults within the most recent twelve-month period, You shall pay Retrofitness an increased continuing monthly royalty fee in the amount of : (a) fifteen hundred dollars ($1500); or (b) seven percent (7%) of Gross Sales for the previous month; whichever is greater (the "Increased Royalty Fee") . If You pay the Increased Royalty Fee for six months, and during those six months You do not default in your performance of this Agreement and remain in Good Standing, You can resume paying the Standard Royalty Fee in lieu of the Increased Royalty Fee. For purposes of this Agreement, all references to "royalty fee(s)", "royalty percentage(s)", "royalty payment(s)", "royalty" or "royalties" (in all cases, without regard to any capitalization differences as may exist), shall include both the Standard Royalty Fee and the Increased Royalty Fee as applicable. In addition to the Royalty Fees set forth herein, Penalty Royalty payments may also be imposed by Retrofitness in its sole discretion if Retrofitness issues you a notice of default and you fail to cure such default before the expiration of the applicable cure period as set forth in Section 10.2.4.

6.3 Method and Application of Payments

You shall pay your continuing monthly royalties, advertising fees, and all other fees you are required to pay to Retrofitness, in accordance with the procedures designated by Retrofitness, which procedures Retrofitness has the discretion to change at any time upon written notice to you. You shall use the commercial billing service and its supplied computer program Retrofitness designates from time to time to process the enrollment of members and membership dues, payments, activity and other fees. You agree to instruct the commercial billing service to credit to a bank account of Retrofitness and debit your account with the billing company the applicable royalty percentage amount of such dues, charges, payments in full, activity and other fees; all credits to Retrofitness for amounts billed or received during each month are to be credited to

Retrofitness on or about the fifth (5th) business day of each following month for the preceding month. Further, You shall require the commercial billing service to allow Retrofitness to access and review all records relating to Your database and receivables. At no time will You sell, encumber or assign any of Your revenue stream, which includes but is not limited to current or future membership dues, charges, and/or activity fees to any other party, without the prior written consent of Retrofitness.

When You sign this Franchise Agreement, You shall also sign an Authorization Agreement for Prearranged Payment, in the form of Exhibit 2 to this Agreement or any other form specified by Retrofitness, to enable Retrofitness to collect Your royalty payments and all other payments and fees due to Retrofitness by electronic funds transfer.

Retrofitness has the right to apply any payment it receives from You to any past due amount You owe to Retrofitness or Retrofitness' Related Parties regardless of how You indicate the payment is to be applied. Retrofitness reserves the right to change the manner in which you pay any and all fees you are required to pay to Retrofitness at any time upon written notice to you.

6.4 When Payments Begin

Your obligation to pay continuing monthly royalties, ad fund, the technology fee, and other fees begins on the earlier of (a) the day Your facility is required to begin Pre-Sales operations as set forth in Section 7.3.(g) or, if you are purchasing an existing outlet, on the Effective Date of this Franchise Agreement (the "Start Date") or (b) the day Your facility actually begins Pre-Sales. If the Start Date is on any day other than the first day of a month, the minimum royalties and advertising fees will be prorated based on the number of days from the Start Date to the last day of the first month under this Agreement.

6.5 Audit

Retrofitness has the right during normal working hours to audit Your books and records, including Your tax returns, with respect to the RETROFITNESS® Outlet. If an audit discloses an underpayment of royalties, advertising, or other fees payable under this Agreement, You shall immediately pay these amounts to Retrofitness together with accrued interest on the amount underpaid in accordance with Section 6.9 of this Agreement. In addition, if the underpayment or underreported amount exceeds two percent (2%) for any period covered under the audit, You shall reimburse Retrofitness for all expenses actually incurred by Retrofitness in connection with the audit, including reasonable attorneys' fees. This requirement to reimburse Retrofitness for all expenses actually incurred in connection with the audit shall apply not only to discrepancies that result in underpayments to Retrofitness, but also to any discrepancies in any amounts required to be reported to Retrofitness.

6.6 Training Fees and Costs

Retrofitness will not charge a fee for the initial training program described in Section 5.2.1. However, if Retrofitness determines that You or Your Designated Manager did not successfully complete the initial training program, Retrofitness may require You or Your Designated Manager to retake the training and Retrofitness may charge a training fee of five hundred dollars ($500) per person per day. If you name a Replacement Managing Owner, the Replacement Managing Owner must complete the initial training program as designated by us and You shall pay Retrofitness a training fee of five hundred dollars ($500) per day. Retrofitness may also charge

a training fee for continuing education programs at cost plus an administrative fee determined by Retrofitness. For all training offered by Retrofitness, You shall pay any costs of travel, lodging, meals and other incidental expenses that You and Your employees incur. You shall also pay for the cost of business class transportation, lodging, meals, and other incidental expenses incurred by Retrofitness in connection with any training conducted at Your site. In the event that a member of your team is registered for training and does not attend, Retrofitness may charge a no-show fee of one hundred and ninety-nine dollars ($199.00) for each person who fails to provide at least 24 hours' notice to Retrofitness prior to the scheduled start of the training.

6.7 Consulting Fees and Costs

In addition to the periodic advisory assistance described in Section 5.3, optional consulting services may be made available to You by Retrofitness on a per hour fee basis at a rate determined by Retrofitness, plus reimbursement of direct costs. You shall promptly pay such consulting fees and reimburse Retrofitness for all incidental expenses incurred by Retrofitness in rendering such consulting services, including, but not limited to, the cost of business class transportation, lodging, meals, and telephone, fax, and courier charges.

6.8 Transfer Fee

You shall pay to Retrofitness a transfer fee of Fifteen Thousand Dollars ($15,000) as a condition of, and prior to, any Transfer.

6.9 Interest on Late Payments

Any payment not received by Retrofitness when due will bear interest at eighteen percent (18%) per year or at the highest rate allowed by applicable law on the date when payment is due, whichever is less. Interest charges on late payments are intended to partially compensate Retrofitness for loss of use of the funds and for internal administrative costs resulting from late payment which would otherwise be difficult to measure precisely. The fact that such charges are imposed shall not be construed as a waiver of Retrofitness' right to timely payment.

6.10 Lease Review Fee

Upon submission of a proposed franchised location for the RETROFITNESS® Outlet, Franchisee shall pay Franchisor or its designated supplier (which may be an affiliate of Franchisor) a lease review fee of two thousand five hundred dollars ($2,500) ("Lease Review Fee"). The Lease Review Fee pays the expenses incurred to review the lease on Franchisor's behalf. Franchisee is not a third-party beneficiary of the lease negotiation or review. Franchisee agrees that Franchisor does not guarantee that the terms, including rent, will represent the most favorable terms available in the market. You acknowledge that Franchisor has the right, and not the obligation to review Your lease. If Franchisor is required to engage in more than one lease review for the proposed franchised location (or a different proposed franchised location), Franchisee shall pay Franchisor or its designated supplier a Lease Review Fee for each lease review Retrofitness undertakes. Upon submission of your request for a Renewal Term, You must submit Your lease for review but we will not charge You an additional lease review fee.

6.11 Turnkey Service Fees

6.11.1 Turnkey Build-Out Service Fee:

Upon executing a lease for your RETROFITNESS® Outlet, you shall pay Franchisor a Turnkey Build-Out Service Fee of (a) for a new outlet of less than fifteen thousand (15,000) square feet, Thirty-Five Thousand Dollars ($35,000), (b) for a new outlet of fifteen thousand (15,000) square feet or more, Forty-Five Thousand Dollars ($45,000), or (c) if you are purchasing an existing Retrofitness® Outlet that must (in Retrofitness's sole discretion) be refurbished, Fifteen Thousand Dollars ($15,000). The Turnkey Build-Out Service Fee pays for the support we will give you during the design, construction and furnishing process that you will undertake as you complete the build out of your RETROFITNESS® Outlet as further set forth in Section 5.1.1.

6.11.2 Turnkey Refurbishment Service Fee

Prior to Franchisor commencing Turnkey Services in connection with any required remodeling, refurbishing or improvement of Your Retrofitness® Outlet, you shall pay Franchisor a Turnkey Refurbishment Service Fee in an amount to be determined by Franchisor which amount shall not exceed Fifteen Thousand Dollars ($15,000) per turnkey event. The Turnkey Build-Out Service Fee pays for the support we will give you during any applicable remodeling, refurbishing or improvement process as further set forth in Section 5.1.2.

6.12 Alternative Supplier Request Fee

If You would like to use alternative supplier for a product or service to be used in or sold at Your RETROFITNESS® Outlet (except in instances where we have designated a sole supplier of any product, item, good, equipment, service, or supplies), You must submit an Alternative Supplier Request Form (as set forth in Section7.3.2(c)) and pay an Alternative Supplier Request Fee. The current Alternative Supplier Request Fee is one thousand dollars ($1,000) for each alternative supplier request You submit to Us. It is due and payable upon submission of an alternative supplier request. It is not refundable under any circumstances. We may grant or deny any such request in our sole and absolute discretion.

6.13 Technology Fee

You shall pay to Franchisor or its designee (which may be an affiliate of Franchisor) a technology fee every month (the "Technology Fee"). The Technology Fee will cover expenses related to Your access to Franchisor's confidential and customized software, a Retrofitness® email account, and technology administration and maintenance as required by the Manual. As of April 30, 2022, the Technology Fee is $549.99 per month and is payable to Franchisor monthly on the date specified by Franchisor. The Technology Fee may increase from time to time, in Franchisor's sole discretion. Franchisor will provide you with written notice of any change to the Technology Fee thirty (30) days prior to any change.

6.14 Website Signup Fee

You shall pay to Franchisor a Web Signup Fee of Five Dollars ($5.00) for each member of Your Retrofitness® Outlet that signs up for membership via the Retrofitness® website.

6.15 Unapproved Product or Vendor Penalty Fee

You shall only offer or sell products and services that have been designated or approved by Franchisor in advance. Further, if Franchisor designates a required vendor for any product, equipment, supply, service or otherwise, you must use only that vendor. If you sell unapproved products or services, or purchase from unapproved vendors, Franchisor shall assess an

Unapproved Product or Vendor Penalty Fee equal to Twenty Thousand Dollars ($20,000) for the first violation and Fifty Thousand Dollars ($50,000) for the second and every subsequent violation. For the avoidance of doubt, violations are cumulative and not calculated separately by product or vendor violations. Accordingly, by way of example, if you first sell an unapproved product and are assessed an Unapproved Product or Vendor Penalty Fee of $20,000, and then subsequently purchase from an Unapproved Vendor, your second Unapproved Product or Vendor Penalty Fee shall be $50,000. Notwithstanding the foregoing, Retrofitness will not impose an Unapproved Product or Vendor Penalty Fee without first providing you notice of your violation and providing you with five days' to cure your default.

6.16 Bookkeeping Services Fee.

You shall pay Franchisor a monthly Bookkeeping Services Fee of $500. You are obligated to utilize the Franchisor's bookkeeping services immediately as of the Effective Date of this Agreement. Notwithstanding the foregoing, your monthly Bookkeeping Services Fee payments shall not commence until You begin pre-sales for Your Retrofitness® Outlet. After paying the required Bookkeeping Services Fee to Franchisor for twelve months, You may, in your sole discretion upon notice to Franchisor, discontinue utilizing Franchisor's bookkeeping services and paying the Bookkeeping Services Fee..

6.17 Call Center Fee.

You shall pay Franchisor a monthly Call Center Fee of $500. You are obligated to utilize the Franchisor's call center services commencing upon the date you begin pre-sales for Your Retrofitness® Outlet. Notwithstanding the foregoing, your monthly payments shall not commence until Your Retrofitness® Outlet is open to the public; You shall not be required to pay Franchisor a Call Center Fee prior to, or during, pre-sales. After paying the required Call Center Service Fee to Franchisor for twelve months, You may, in your sole discretion upon notice to Franchisor, discontinue utilizing Franchisor's call center services and paying the Call Center Fee.

7. OBLIGATIONS OF FRANCHISEE

7.1 Use of Trade Name and Marks

7.1.1 Permitted Use

You may use the Trade Name and Marks only in the operation of the RETROFITNESS® Outlet within the Approved Territory in accordance with the terms and conditions of this Agreement and subject to the limitations specified by Retrofitness in the Manual or otherwise in writing. **You shall not, under any circumstances, use the Trade Name or any of the Marks, including "RETROFITNESS®", in any manner, in the name of your corporation, limited liability company, partnership or other legal entity, or as part of any email address unless the email address is supplied by** Retrofitness**.** You may not license any third party to use Retrofitness' Trade Name and Marks. You may not use the Trade Name or Marks on the internet, in any electronic advertising or social media, including but not limited to on Facebook®, TikTok, SnapChat®, Twitter®, Instagram®, YouTube®, or other similar electronic advertising or social media without our prior written consent. In the event that we provide you permission to establish and maintain a social media account, You will be required to provide us with your log in credentials to each approved site and you acknowledge that we may access such accounts at any time in

our sole discretion. If your login credentials to any approved account changes at any time, You shall promptly provide us with your updated credentials. You may not use any other trade name or marks at the Approved Location, or in connection with the RETROFITNESS® Outlet without the express written consent and direction of Retrofitness. You shall refrain from engaging in any action (or failing to take any action) that causes or could cause damage to the Marks, the System, or the goodwill associated with the Marks.

7.1.2 Changes in Trade Name and Marks

Retrofitness has invested substantial time, energy, and money in the promotion and protection of its Trade Name and Marks as they exist on the Effective Date. However, You and Retrofitness recognize that rights in intangible property such as the Trade Name and Marks are often difficult to establish and defend and that changes in the cultural and economic environment within which the System operates or third-party challenges to Retrofitness' rights in the Marks may make changes in the Trade Name and Marks desirable or necessary. Retrofitness therefore reserves the right to change its Trade Name and Marks (although it has no present intention to do so) and the specifications for each when Retrofitness believes that such changes will benefit the Franchise Network. Retrofitness will do this in a manner that minimizes cost to You. You agree that You shall promptly conform, at Your own expense, to any such changes.

7.1.3 Advertising Materials

You agree to submit to Retrofitness copies of all advertising materials that You propose to use at least two weeks before the first time they are broadcast or published. Retrofitness will review the materials within a reasonable time and will promptly notify You in writing as to whether it approves or rejects them. Retrofitness may not withhold its approval unreasonably. For purposes of this paragraph, advertising materials that differ from previously approved materials only in such variables as date or price will be considered to be previously approved. Even if Retrofitness approves specified materials, it may later withdraw its approval in its sole and absolute discretion, including, without limitation, if it reasonably believes this is necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising, including any misrepresentation in the advertising material.

7.1.4 Legal Protection

You agree to notify Retrofitness immediately in writing if You become aware of any unauthorized use of Retrofitness' Trade Name, Marks, or System. You shall promptly notify Retrofitness in writing of any claim, demand, or suit against You or against Your principals. You shall promptly notify Retrofitness in writing of any claim, demand, or suit against You or against Your principals or Related Parties in connection with Your use of the Trade Name, Marks, or System. In any action or proceeding arising from or in connection with any such claim, demand, or suit, You agree that Retrofitness may select legal counsel and has the right to control the proceedings. In certain cases, as described in Section 8.5 of this agreement, Retrofitness will indemnify and hold You harmless.

7.2 Site Selection & Approval; Lease or Purchase of Location

7.2.1 Site Selection

You shall, on Your own initiative and at Your own expense, locate, obtain and occupy the site for the RETROFITNESS® Outlet. We may, in our sole discretion, advise you of one or more

potential sites within your Territory; however, we are under no obligation to locate a site for your nor shall we in any way be responsible for your success or failure at a site notwithstanding that we may have introduced you to it or approved it. The site shall be a minimum of 12,000 square feet and shall meet minimum demographic/geographic requirements, as described in the Manual, which vary by region. You are responsible for completing and submitting to Retrofitness for review and approval, a Retrofitness® Site-Review Package containing the information and materials designated by Retrofitness regarding your proposed site. Retrofitness will issue its preliminary approval or disapproval of your proposed site within 30 days after Retrofitness receives a completed Retrofitness® Site-Review Package containing all of the information and materials Retrofitness requested. Retrofitness may not withhold its approval unreasonably. Retrofitness will not be deemed to have withheld its approval unreasonably if the proposed site fails to meet Retrofitness's then-current standards and specifications, as Retrofitness determines in its sole and absolute discretion. If, after your submission of the Retrofitness® Site-Review Package, Retrofitness issues an approval of your proposed site (the "Approved Location"), you shall submit a site approval form along with a copy of the proposed lease for the Approved Location before you sign the lease.

You acknowledge and agree that our recommendation or approval of a particular site for the RETROFITNESS® Outlet, and any information communicated to you regarding our site-selection requirements or criteria, do not constitute a representation or warranty of any kind, express or implied, as to the suitability of the location or for any other purpose. By approving a particular site for the RETROFITNESS® Outlet, Retrofitness does not guarantee that the RETROFITNESS® Outlet will be successful. You acknowledge that your selection of the site for the RETROFITNESS® Outlet is based on Your own independent investigation of the suitability of the site.

If you do not locate an Approved Location and enter into a lease or purchase agreement for the Approved Location in accordance with paragraph 7.2.2 below within nine (9) months of the Effective Date, Retrofitness may terminate this Agreement. You hereby acknowledge that Retrofitness will not refund the Initial Franchise Fee to You if You are unable to secure a satisfactory site.

7.2.2 Purchase or Lease of the Location

As stated above, You must lease, sublease or purchase the Approved Location within nine (9) months of the Effective Date. If you fail to do so, we have the right to immediately terminate this Agreement. You shall provide us with a copy of the proposed lease agreement for the Approved Location and pay us or our designee the Lease Review Fee in accordance with Section 6.10 of this Agreement, before You sign the lease. The Lease Review Fee pays the expenses we incur to review the lease on our behalf. You are not a third party beneficiary to the lease review. You agree that we do not guarantee that the terms, including rent, will represent the most favorable terms available in the market. We have the right, but not the obligation, to review the business terms of any lease, sublease, lease renewal or purchase contract for the Approved Location before You sign it. You must include all of the provisions set forth in the Lease Rider attached to this Agreement as Appendix 9, along with any other provision we designate, in the lease agreement for the Approved Location. You shall not execute a lease, sublease, lease renewal or purchase agreement, or any modification to any lease, sublease or lease renewal, without first obtaining our written approval. If we disapprove of Your lease, sublease, lease renewal or purchase agreement, the Approved Location shall be deemed **disapproved** and you shall have no right to open or operate the RETROFITNESS® Outlet at such location. **You acknowledge that our approval of the lease, sublease, lease renewal or purchase contract,**

as applicable, does not constitute a warranty or representation of any kind, express or implied, as to its fairness, suitability, or for any other purpose. You are strongly advised to seek legal counsel to review, negotiate and evaluate the proposed lease for the Approved Location on Your behalf. You shall provide us with a fully executed copy of the lease, sublease, lease renewal or purchase contract within five (5) business days following the date such agreement is fully executed.

7.3 Quality Control

(a) Initial Construction. The construction of Your RETROFITNESS® Outlet (including all exterior and interior carpentry, electrical, painting, and finishing work, and installation of all furniture, fixtures, equipment, and signs) shall be completed at your sole expense. Retrofitness shall oversee the construction of your RETROFITNESS® Outlet as part of its Turnkey Build-Out Support Services. Notwithstanding any assistance we may provide to You as part of our Turnkey Build-Out Support Services, You shall, be solely responsible for all costs and expenses relating to the design, construction, equipping and furnishing of Your RETROFITNESS® Outlet including, but not limited to, the costs of all architects, designers, engineers or others as may be necessary to construct Your RetroFitness® Outlet (notwithstanding the fact that Retrofitness may, in its sole discretion, select such service providers or mandate certain furnishings or equipment as part of its Turnkey Build-Out Support Services).

(b) Renovations/Modifications. Once Retrofitness has authorized you to open your RetroFitness® Outlet to the public, you may not subsequently, at any time during the term of the Franchise Agreement, modify your RETROFITNESS® Outlet in any way that would deviate from the facility layout that we have approved (including, but not limited to, any modification to the quantity or placement of equipment, adding or removing any walls or similar barriers, modifying bathroom, locker room, front desk or other spaces designated on the initial approved plans). If you wish to modify your facility after opening, You must obtain our advance written approval. In the event that we approve you to modify your RETROFITNESS® Outlet, You shall ensure that any modifications comply with all applicable then-current Retrofitness specifications as well as all applicable requirements of any federal, state, or local law, code, or regulation (including, without limitation, those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities). At all times following the completion of our Turnkey Build-Out Support Services, it shall be Your sole and absolute responsibility to ensure that Your RETROFITNESS® Outlet is compliant with all applicable laws, including the ADA and local laws, rules and regulations governing public accommodations. You shall only use licensed general contractors, designers and architects in performing any and all construction work at the RETROFITNESS® Outlet, including in connection with any remodeling or renovations. Retrofitness shall have access to the RETROFITNESS® Outlet at all times during the Term, including while any renovation or remodeling work is in progress, and may require alterations or modifications of the construction, renovation or remodeling of the RETROFITNESS® Outlet that Retrofitness deems necessary to ensure brand uniformity and system standard compliance.

(c) Disclaimer of Warranty. Retrofitness expressly disclaims any warranty of the quality or merchantability of any goods or services provided by architects, contractors, or any other persons or entities to which Retrofitness may refer You at any time during the term of the Agreement. Retrofitness is not responsible for delays in the construction, equipping or decoration of any RETROFITNESS® Outlet or for any loss resulting from the RETROFITNESS® Outlet design or construction. You acknowledge and agree that, notwithstanding the Turnkey Build-Out Support Services that Retrofitness may provide, we have no control over the landlord or developer and

numerous construction and/or related problems that could occur and delay the opening of the RETROFITNESS® Outlet.

(d) Zoning. You shall be responsible, at your expense, for obtaining all zoning classifications, permits, clearances, certificates of occupancy, and RETROFITNESS® Outlet clearances, which may be required by governmental authorities for the RETROFITNESS® Outlet for the initial construction or any subsequent renovations or remodeling. Notwithstanding the foregoing, as part of the Turn Key Build-Out Support Services we provide, we shall assist you with the zoning and permitting process for the construction of your RETROFITNESS® Outlet; however, because the issuance of permits and clearances is within outside of our control and instead vested in applicable state and local authorities, we are unable to guarantee that all necessary permits and clearances will be obtained and shall not be responsible for any failures or delays related thereto.

(e) Insurance Coverage. You shall obtain and maintain in force, during the entire period of such initial or subsequent construction, renovations or remodeling such insurance policies required under Your lease agreement, in addition to such policies and coverage amounts as Retrofitness may designate in its sole discretion.

(f) Installation of Equipment, Furnishings, Fixtures and Signs / Decor.

i. Throughout the term of the Agreement, You shall install and use in and about the RETROFITNESS® Outlet only such equipment, fixtures, furnishings, interior and exterior signage, and other personal property which strictly conforms to the appearance, uniform standards, specifications and procedures of Retrofitness and the System, as may be revised from time to time in Retrofitness's sole discretion. Such items are sometimes referred to herein collectively as "Equipment and Furnishings". You shall purchase and install all Equipment and Furnishings only from those suppliers Retrofitness designates or approves in its sole discretion, including affiliates of Retrofitness. Retrofitness shall have the right to retain any rebates or incentives offered by such vendors or suppliers. Retrofitness reserves the right to be one of, or the sole, supplier of any Equipment and Furnishings and may derive revenue, benefits, or other material consideration from such purchases. As part of its Turnkey Build-Out Support Services, Retrofitness will assist You with the initial equipping and furnishing of your RETROFITNESS® Outlet. At all subsequent times, Retrofitness shall have the right to inspect and approve all Equipment and Furnishings and their installation to ensure your continuing compliance with Retrofitness's System Standards and Specifications.

ii. You agree that all décor of the RETROFITNESS® Outlet must be previously approved by Retrofitness and must comply with Retrofitness's standards as described in the Manual or in other written communications Retrofitness provides to you, which may be periodically revised. Retrofitness shall be deemed to be the owner of all copyrights in and to all forms of art or other visual media displayed in the Outlet including pictures, drawings, photographs and items that Retrofitness directs you to display (the "Art"), as well as all intellectual property rights in and to the Art. You shall not, without Retrofitness's prior written consent, allow any of the Art to become a fixture of Your RETROFITNESS® Outlet and You shall not display or use the Art in any other business. Your failure to maintain your RETROFITNESS® Outlet's décor in compliance with Retrofitness's specifications and standards described in the Manual or otherwise, constitutes a material breach of this Agreement

(g) Pre-Sales. You shall commence Pre-Sales for the RETROFITNESS® Outlet at the earlier to occur of (i) the date you commence construction of the RETROFITNESS® Outlet, or (ii)

nine (9) months after the Effective Date. Prior to beginning pre-sales, you must purchase the Marketing Kit from our designated supplier(s), which depending on the size of your Outlet and the kit selected, will cost between Seven Thousand and Five Hundred Dollars ($7,500) and Ten Thousand Dollars ($10,000). If you require a trailer from which to conduct pre-sales from, you shall also be responsible for procuring and paying for the trailer from our designated supplier. In addition to the expenses you incur for the Marketing Kit and a trailer (if necessary), You shall also expend the amount specified in Section 7.6.2 in connection with your Pre-Sales marketing. You shall conduct your Pre-Sales marketing according to a plan that has been approved by us in advance. We reserve the right to require you to use certain designated public relations programs and/or marketing, media and advertising materials and programs in connection with Your Pre-Sales marketing. If you do not begin pre-sales within nine months of signing the Agreement, you shall pay us a Pre-Sales Delay Fee equal to $2,500 for each month (after the ninth month) that you are not open. The Pre-Sales Delay Fee shall be in addition to any royalty, advertising fund or technology fees that may be owed to Retrofitness.

(h) Opening Requirements. You shall open the RETROFITNESS® Outlet to the public no later than twelve (12) months after the Effective Date (the "Required Opening Date"). Time is of the essence. You may not open the RetroFitness® Outlet to the public until Retrofitness issues a written approval authorizing your opening. Retrofitness will not issue its approval, and you will be prohibited from opening the Outlet, if (a) the construction and equipping of the Outlet is not complete, (b) you failed to successfully complete initial training, or (c) in view of Retrofitness's management, Retrofitness determines you and your employees are not prepared to open.

Opening without Retrofitness' written certification that You are prepared to do so is a material breach of this Agreement and constitutes infringement on Retrofitness' intellectual property rights, justifying injunctive relief and termination of this Agreement. **By certifying that Retrofitness' management believes the fitness center is prepared to commence business, Retrofitness does not guarantee that the RETROFITNESS® Outlet will be successful.** Your success will depend on a number of factors, including general economic conditions and Your skill and hard work, which are not within Retrofitness' control.

7.3.1 Compliance with Manual

You shall operate Your RETROFITNESS® Outlet in complete compliance with the standards and specifications, as set forth in the Manual or otherwise in writing. Retrofitness may make changes in any of these standards and specifications, at any time, in Retrofitness' sole and absolute discretion. Such changes may necessitate the purchase of equipment, supplies, furnishings or other goods, completion of additional training by Your employees, remodeling of the RETROFITNESS® Outlet, or other cost to You. You shall promptly conform to the modified standards and specifications at Your own expense. In the event that Retrofitness provides you with a physical or downloadable copy of the Manual, You shall at all times keep Your copy of the Manual current (by, for example, inserting in it revised pages given to You by Retrofitness and deleting superseded pages, or downloading from Retrofitness' website the current version of the Manual upon notification of any revision to the Manual). In the event that Retrofitness provides access to the Manual via its intranet in such a way that does not permit downloads, You shall be responsible for consulting the electronic form of the Manual regularly to ensure that you are in compliance with its then-current standards and specifications. If there is any dispute as to the requirements of the Manual at any point in time, the terms of the master copy of the Manual maintained by Retrofitness will control.

You shall at all times treat the Manual, any other manuals created for or approved for use in the operation of the RETROFITNESS® Outlet, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Except for those portions of the Manual that Retrofitness designates, in writing, as appropriate for copying and use at the RETROFITNESS® Outlet, You shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any third party without our prior written consent.

7.3.2 Required Products & Services.

You must offer all of the products and services we designate. We have the right to modify these items from time to time, at our sole discretion. You may not offer or sell any other product or service without our prior written consent. If you offer or sell any product or service that has not been designated or approved by us in advance, and you fail to cure your violation within five days' of notice from us requiring you to do so, You shall pay us an Unapproved Product or Vendor Penalty Fee for each violation as set forth in 6.15. You must use the proprietary and non-proprietary techniques, materials, and supplies we designate in the Manual. You must provide all services (including Proprietary Services) in accordance with the standards and specifications set forth in the Manual. You must at all times maintain sufficient staff, materials and supplies to meet reasonably anticipated customer demand.

(a) Approved Suppliers. We have the absolute right to limit the suppliers with whom you may deal. We require you to purchase certain items, products, services, signs, furnishings, supplies, fixtures and equipment from us, or distributors we have approved. Unless we specify otherwise in writing, you must purchase all goods, items, products, equipment and services required for the development and operation of the Outlet from our approved or designated suppliers. We have the right to designate one supplier for any given item or service. We will provide you with a list of suppliers, which list may change over time. While the suppliers included on this list are currently mandated, approved and/or recommended, we reserve the right to change this list from time to time in our sole discretion. Notifications of changes to the approved suppliers list will be communicated to you through changes to the Manual or other written communications, including via electronic mail. We may revoke approval of suppliers in our sole and absolute discretion at any time upon written notice. We may become an approved supplier, and/or the only supplier, for any item, product, good and/or service at any time. We reserve the right to own an interest in any entity that will act as an approved supplier for any or all products and services You will use, offer and/or sell in the Retrofitness® Outlet.

(b) Right to Derive Income. We and/or our Related Parties, may derive income, consideration, payments and other benefits on account of your purchase or lease of any products, services, supplies, equipment and/or other items from us or any supplier, including approved suppliers, and/or designated suppliers. This income may be derived in any form, including as a rebate from various suppliers based on the quantity of System franchisee purchases. We and/or our Related Parties may use these benefits for any purpose we deem appropriate. We are not obligated to remit any benefits to you and reserve the right to retain all such benefits.

(c) Alternative Suppliers. If you want to purchase any item, product, service, goods, equipment or supplies from a supplier or distributor who is not on our approved list, you may request our approval of the supplier or distributor (except in instances where we have designated a sole supplier of any product, item, good, equipment, service or supplies), which we may grant or deny in our sole and absolute discretion. The proposed supplier's or distributor's product or service, as applicable, must conform in every respect to our standards and specifications and the supplier or

distributor must have a good business reputation and be able and willing to provide sufficient quantities of the product and adequate service to you. The supplier or distributor must also provide us with any information we request in order to analyze the supplier's or distributor's suitability, and the composition and conformity of the product to our standards. This evaluation may include a sampling of the product at either the supplier's/distributor's or our place of business, as we may designate. Where appropriate, we require the supplier or distributor to provide us with product liability insurance. All suppliers and distributors must agree to provide us with reports concerning all purchases by you or other franchisees. You must pay us an Alternative Supplier Request Fee of one thousand dollars ($1,000) for each alternative supplier request You submit to Us. We cannot predict with any certainty how long its evaluation will take, however, we attempt to complete our evaluation within 60-90 days. Upon the completion of our evaluation, we inform you of our approval or disapproval of your request. If we approve the supplier or distributor, the supplier or distributor is added to our approved list, however, our approval of a supplier or distributor relates only to the item or product line evaluated and specifically approved by us.

Our standards, specifications and other criteria for supplier or distributor approval have been developed by us, our affiliates, and/or or principals through the expenditure of extensive work and time and are considered confidential information. Therefore, we do not make our standards and specifications or our other criteria for supplier or distributor approval available to you or suppliers.

(d) Modifications. We may modify our specifications and standards for any item or revoke our approval of any supplier or distributor who fails to adhere to our quality standards or other requirements. We may limit the number of potential suppliers that we consider for approval and for some categories of products, we may designate a third party or ourselves as an exclusive supplier.

NEITHER RETROFITNESS, ITS PARENTS OR AFFILIATES MAKE ANY EXPRESS OR IMPLIED WARRANTIES REGARDING ANY ITEM OR SERVICE, AND RETROFITNESS AND ITS AFFILIATES EXCLUDE (AND EXPRESSLY DISCLAIM) ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, except as set forth in a particular written warranty, if any, provided in connection with a particular item or service.

(e) Further Restrictions. You shall not offer or sell any product, item or service we have not designated or expressly approved in writing without our prior written consent, which may be granted or withheld in our sole and absolute discretion. In the event that you fail to comply with this restriction, and fail to cure your violation within five days' from notice from us to do so, we will assess an Unapproved Product or Vendor Penalty Fee a set forth in Section 6.15. You shall purchase from Retrofitness branded key tags before you open and throughout the Term. There are no other approved suppliers for the branded key tags. We reserve the right to sell products and services to you for a profit.

(f) Purchasing Programs; Promotional Programs. We may establish national or regional purchasing programs for the purpose of negotiating purchases of certain products and/or services from approved or designated suppliers. The purchasing programs may (but are not required to) benefit you by reducing prices, increasing reliability in supply, improving distribution, establishing consistent pricing for reasonable periods to avoid market fluctuations. If a national and/or regional purchasing program is established for the region where your Franchised Business is located, you must participate in the program.

(g) Pricing. You must offer all Proprietary Services, products and services that we designate. We reserve the right to prohibit you from charging prices lower or higher than our

published prices for any service or item, to the maximum extent allowed by applicable law. We may also suggest pricing to you from time to time. We may change the types of authorized goods and services, and the prices for authorized goods and services sold by You, in our sole discretion. There are no limitations on our right to make changes.

7.3.3 Inspections

In an effort to advance the protection and enhancement of the RETROFITNESS® brand and the Marks, Retrofitness and/or its designated agents or representatives may conduct periodic quality control and records inspections of the RETROFITNESS® Outlet at any time during the Term. Inspections may be made with or without prior notice. Without limiting the foregoing, you grant Retrofitness and its agents the right to (a) enter upon the RETROFITNESS® Outlet premises for the purpose of conducting inspections and you shall cooperate with Retrofitness' representatives in such inspections by rendering such assistance as they may reasonably request; (b) photograph your RETROFITNESS® Outlet and observe and record video of your Outlet's operation for consecutive or intermittent periods as Retrofitness deems necessary; (c) interview your personnel and customers; and (d) inspect and copy any books, records and documents related to your RETROFITNESS® Outlet's operation. You shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. If any inspection reveals that you are not in compliance with any provision of this Agreement, the Manual or any of Retrofitness's standards and/or specifications, you shall be deemed in breach of your obligations under this Agreement and Retrofitness shall have the right to terminate this Agreement, as provided under Section 10.2 of this Agreement, if you fail to cure the breach before the expiration of all applicable notice and cure periods. You further agree that You will reimburse Retrofitness for its representative's time and travel expenses if an additional inspection at the RETROFITNESS® Outlet is required when a violation has occurred and You have not corrected the violation.

Notwithstanding the foregoing, in an effort to advance the protection and enhancement of the RETROFITNESS® brand and the Marks, Retrofitness shall have the right to, in its sole and absolute discretion, conduct (itself or via its designated agents or representatives) mystery or secret shops of your RETROFITNESS® Outlet at any time during this Agreement to ensure compliance with this Agreement, the Manual and all of Retrofitness's standards and/or specifications. We shall not notify you in advance of the mystery or secret shop. If You fail a secret shop, then You shall be expected to cure the deficiencies immediately and shall be expected to be able to pass Your next secret shop which shall occur within thirty (30) days from the date of Your first failed secret shop. If you fail the second shop, three additional shops will be conducted of Your RETROFITNESS® Outlet in the forty-five (45) days following your second failed shop. If you pass all three of these secret shops, You will return to Good Standing. If you do not pass all three of these secret shops, You will continue to be scheduled for secret shops until such time that you pass three consecutive secret shops. You shall be required to pay us a Secret Shop Failure Fee (currently $100) to reimburse us for the cost of each failed secret shop, as well as the cost of all subsequent remedial secret shops that are required as a result of your failures. The Secret Shop Failure Fee shall be subject to increase in our sole discretion.

7.3.4 Customer Satisfaction Program or NPS (Net Promoter Score)

You must present customers with evaluation cards, forms, emails or surveys as the Franchisor may periodically prescribe, for return either electronically or by standard postal mail by the customers to Retrofitness. If Your scores from the customer responses do not fall within Retrofitness' then-current acceptable NPS scoring range, as described in the Manual, You shall

immediately take steps to improve your operations to bring your scores into the acceptable range. Retrofitness may, in its sole discretion, suggest ways in which You can improve Your scores. If You do not take immediate action to address these deficiencies in an effort to increase your score, Your failure to do so will constitute a material breach of this Agreement, and You shall be subject to termination pursuant to Section 10.

You (the owner or Your Designated Manager) shall respond to all customer complaints, suggestions and the like via e-mail, telephone, or regular mail within 24 hours of submission by the member or prospective member.

7.3.5 Maintenance and Refurbishment Requirements

All equipment repairs shall be completed within seventy-two (72) hours. Any damaged or "worn" equipment shall be repaired (reupholstered, etc.) every three months or sooner as needed or as required by Retrofitness. Interior walls of common areas, including locker rooms, shall be painted or "touched up" every six months, or sooner as needed or as required by Retrofitness Any signage or facility repairs must be made within 30 days. In the event that we notify you that notify you that your RETROFITNESS® Outlet requires damaged/worn equipment repairs, reupholstering, painting or touch ups, signage or facility repairs and you do not repair, repaint or touch up your equipment, signage or RETROFITNESS® Outlet within the time period required by our notice, we reserve the right to perform the required activity and you shall owe an amount of the invoice for the cost of the repair plus an 18% administrative fee. We will take this amount along with your next royalty payment.

You shall maintain the RETROFITNESS® Outlet in accordance with the requirements set forth in the Manual. From time to time Retrofitness may require You to remodel all or part of the RETROFITNESS® Outlet, and purchase new equipment, furniture, fixtures, signs, and other such items as Retrofitness designates in its sole discretion. You must promptly, at Your own cost and expense, remodel, refurbish, and improve the RETROFITNESS® Outlet as instructed by Retrofitness. In the event that we require you to remodel, refurbish and/or improve your RETROFITNESS® Outlet, we reserve the right, in our sole discretion, to provide a turnkey approach to such remodeling, refurbishing or improvement process. If we provide this turnkey service, for each turnkey service that we provide, you shall pay us (or our affiliate) a Turnkey Refurbishment Support Service Fee in an amount not to exceed Fifteen Thousand Dollars ($15,000). Without limiting the foregoing, you shall (a) replace any and all cardio equipment that has been in use for five (5) years with new cardio equipment that meets Retrofitness's then-current standards and specifications, no later than 30 days following the expiration of the fifth (5th) year of use; and (b) within thirty (30) days following the expiration of the fifth (5th) year of the Initial Term and every term thereafter, refresh and refurbish the interior of the RETROFITNESS® Outlet in accordance with Retrofitness's then-current standards and specifications (the "5-Year Refurbishment Requirement"). In connection with the 5-Year Refurbishment Requirement set forth in (b) in the preceding sentence, Retrofitness may also, in its sole and absolute discretion, elect to provide turn-key refurbishment services; if turnkey services are provided, for each turnkey service we provide, You shall pay us (or our affiliate) a Turnkey Refurbishment Support Service Fee in an amount not to exceed Fifteen Thousand Dollars ($15,000). The Turnkey Refurbishment Service Fee pays for the support we will give you during the remodeling, refurbishing or improvement process that you will undertake pursuant to this Section 7.3.5. Notwithstanding the foregoing, in the event that you seek to modify your RETROFITNESS® Outlet in such a way that your outlet will, upon completion of the modifications, deviate from the facility layout as approved by Retrofitness prior to opening (including, without limitation, any modifications of the quantity or placement of equipment, adding or removing any walls or similar barriers, modifying bathroom, locker room,

front desk or other spaces that are designated on the initial plans approved by us), You must obtain our advance written approval.

7.3.6 Notification of Complaints

You shall notify Retrofitness promptly if You are served with a complaint in any legal proceeding that is in any way related to the RETROFITNESS® Outlet or if You become aware that You are the subject of any complaint to or investigation by a governmental agency, governmental licensing authority or consumer protection agency. You shall notify Retrofitness immediately upon receipt of any notice of a breach of the lease agreement for the premises of the RETROFITNESS® Outlet. You must notify Retrofitness of any claim arising from or affecting the financial condition of your RETROFITNESS® Outlet.

7.3.7 Computer System Requirements

You shall purchase and maintain a computer and point of sale system, as designated by Retrofitness, ("POS System") as well as a Daily Guest Waiver System ("DGW System") to be used in the operation of the RETROFITNESS® Outlet and for reporting purposes. You shall comply with the following provisions relating to the POS and DGW Systems:

(a) You shall update and upgrade the POS and DGW Systems as designated by Retrofitness. All such updates and upgrades shall be completed within thirty (30) days after notice from Retrofitness; in the event that you fail to update/upgrade within thirty (30) days, Retrofitness shall have the right to procure any necessary software or hardware on your behalf and at your expense. You shall pay Retrofitness immediately for the cost of all such updates/upgrades in the manner designated by Retrofitness; Retrofitness reserves the right to deduct these costs immediately by EFT.). Retrofitness may require you to enter into a separate maintenance and/or support agreement for your POS or DGW System at any time, at your sole cost and expense.

(b) You shall record all sales at or from the RETROFITNESS® Outlet at the time of sale, in accordance with Retrofitness' procedures and on the POS and DGW System.

(c) You shall comply with such requirements determined by Retrofitness from time to time regarding maintenance, training, storage and safeguarding of data, records, reports, and other matters relative to the POS and DGW Systems. You shall purchase and use accounting software approved or designated by Retrofitness in connection with the operation of the Outlet. As of April 30, 2020, the approved accounting software includes QuickBooks and QuickBooks online.

(d) Retrofitness has the right to independently access any and all information on your POS and DGW System or in the approved accounting software (currently QuickBooks) at any time, without first notifying you. Without limiting the generality of the foregoing, you shall, at your sole cost and expense permit Retrofitness immediate access to your accounting software, POS System and DGW System, electronically or otherwise, at all times without prior notice to you. Retrofitness shall have the right to use the information accessed on the accounting system and POS and DGW Systems in any manner Retrofitness determines, including the right to use any and all such information in Retrofitness's Franchise Disclosure Document, and to share financial statements, including profit and loss statements, with other System franchisees.

RETROFITNESS AND ITS RELATED PARTIES MAKE NO WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, WITH REGARD TO THE POS SYSTEM, DGW SYSTEM OR ANY THIRD PARTY MATERIALS. RETROFITNESS AND ITS RELATED PARTIES DISCLAIM ANY AND ALL WARRANTIES RELATED TO THE POS SYSTEM AND DGW SYSTEM, WHETHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, INTEROPERABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, QUIET ENJOYMENT, OR THOSE ARISING FROM TRADE USAGE OR COURSE OF DEALING. RETROFITNESS AND ITS AFFILIATES DO NOT WARRANT THAT THE POS SYSTEM OR DGW SYSTEM WILL BE FREE FROM DEFECTS OR THAT USE OF THE POS SYSTEM OR DGW SYSTEM WILL BE UNINTERRUPTED OR ERROR FREE.

IN NO EVENT WILL RETROFITNESS OR ITS RELATED PARTIES BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, ANY DAMAGES ASSOCIATED WITH LOSS OF USE, INTERRUPTION OF BUSINESS, LOSS OF DATA OR LOSS OF PROFITS) ARISING OUT OF OR IN ANY WAY RELATED TO THE POS SYSTEM, DGW SYSTEM OR THEIR USE.

7.3.8 Data Security

You shall use your best efforts to protect your members against any and all data breaches and cyber-events, including, without limitation, identity theft or theft of personal information (a "Data Security Breach"). If a Data Security Breach occurs, in the interest of protecting the goodwill associated with the RETROFITNESS® brand and franchise system, Retrofitness hereby reserves the right to (but does not undertake the obligation to) directly or through its designee, perform or control any and all aspects of the response to such Data Security Breach, including, without limitation, the investigation, containment and resolution of the event and all communications with the franchise system, vendors and suppliers, customers, law enforcement agencies, regulatory authorities and the general public. You hereby acknowledge and agree that a Data Security Breach and/or any response to a Data Security Breach may impact operations of the Outlet, including, without limitation, interruption in operations. You hereby acknowledge and agree that neither Retrofitness, nor any of its parents, affiliates, subsidiaries, owners, officers, directors, or employees shall be liable to You for any damages arising out of or resulting from any Data Security Breach or any action or inaction in response to a Data Security Breach. You shall at all times be compliant with all Payment Card Industry Data Security Standards, any and all requirements imposed by all applicable payment processors and payment networks, including credit card and debit card processors, and any and all state and federal laws, rules and regulations relating to data privacy, data security and security breaches. You hereby acknowledge and agree that if Retrofitness engages or designates a third party service provider to administer a data security program, you will be required to comply with the requirements of such service provider. It is your responsibility to ensure that you operate the Outlet at all times in compliance with all aforementioned laws, rules, regulations and requirements and you are strongly encouraged to engage legal and data security professionals, including insurance providers, to ensure your full compliance and adequate protection.

7.3.9 Crisis Management

Upon the occurrence of a Crisis Management Event (as defined below):

(a) Franchisor may, in its sole and absolute discretion, elect to control the manner in which the Crisis Management Event is handled by the parties, including, without limitation, managing and conducting, itself or via its designee, all communication with third parties including the news

media, temporarily suspending or closing one or more RETROFITNESS® Outlets, suspending or discontinuing certain service offerings at some or all RETROFITNESS® Outlets and/or taking any remedial measures or making any such other modifications to the RETROFITNESS® System's policies, procedures, processes and operations as it may deem, in its sole discretion, necessary or prudent in response to the Crisis Management Event. Franchisee and Franchisee's employees shall cooperate fully with Franchisor or its designee in its efforts and activities in this regard and shall be bound by all further Crisis Management Event procedures developed by Franchisor. Franchisee shall not reopen its RETROFITNESS® Outlet or resume suspended or discontinued services until Franchisor provides its express written consent to do so.

(b) Upon learning that a non-System wide Crisis Management Event has occurred in or about a Franchisee's RETROFITNESS® Outlet, Franchisee shall immediately inform Retrofitness by telephone or email (or as otherwise instructed in the Manual) upon becoming aware of such Crisis Management Event. Franchisee acknowledges that, if Franchisor elects to direct the management of any Crisis Management Event, Franchisor or its designee may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as it deems appropriate, and Franchisor may require Franchisee to reimburse Franchisor for all such costs provided, however, that Franchisee shall only be required to reimburse Franchisor for such costs to the extent the Crisis Management Event (i) arises, directly or indirectly, from the actions or inactions of Franchisee or (ii) relates solely to, or solely occurs in or about, the Franchisee's RETROFITNESS® Outlet. The indemnification obligations of the Franchisee as provided in Section 8.5 shall apply to all losses and expenses that may result from the exercise by Franchisor or its designee of the management rights granted in this Section.

(c) Franchisor's rights under this Section 7.3.9 shall be exercised in its sole and absolute discretion and nothing in this Section 7.3.9 shall be deemed to require Franchisor to act, manage or remediate any Crisis Management Event. Franchisor's rights under this Section 7.3.9 shall continue until Franchisor determines that the Crisis Management Event is resolved. Franchisor shall have no liability to Franchisee for any losses arising from Franchisor's actions or inactions under this Section 7.3.9.

(d) "Crisis Management Event" means any event or incident that:

(i) occurs at or about, or impacts, Your RETROFITNESS® Outlet that has or may cause real or perceived harm or injury to member or employees, such as equipment malfunction, food contamination or other food safety issue, matters affecting the health, safety or well-being of any member, employee or the public at the Outlet, epidemics, pandemics or other contagious diseases, natural disasters, criminal or terrorist acts, shootings, or any other circumstances which may have the actual or potential ability to damage the System, the Marks, or the image or reputation of Franchisor or its affiliates; and/or

(ii) occurs at or about, or impacts (or has the ability to impact regardless of whether such impact so occurs) one or more RETROFITNESS® Outlets that (x) has or may cause real or perceived harm or injury to the System, the Marks, or the image or reputation of Franchisor or its affiliates or (y) has or may cause harm or injury to members, employees or the public, including, but not limited to, incidents or events relating to equipment malfunction, food contamination or other food safety issue, matters affecting the health, safety or well-being of any member, employee or the public at the Outlet, epidemics, pandemics or other contagious diseases, natural disasters, criminal or terrorist acts, shootings, or any other circumstances which may damage the System, the Marks, or the image or reputation of Franchisor or its affiliates; and/or

(iii) results in any governmental action, mandate, advisory opinion, declaration of emergency or otherwise that may impact, or may require the suspension, termination, or modification of operations of, Your RETROFITNESS® Outlet.

7.4 Participation in Customer Rewards and Reciprocity Programs

7.4.1 Retro Rewards Programs; Loyalty & Promotional Programs

Retrofitness may establish, from time to time, a customer rewards program for certain members. The rewards program will entitle the member to discounts on certain retail products and smoothie bar purchases, as well as other benefits. You shall honor all such discounts and benefits to any member who participates in the rewards program at Your RETROFITNESS® Outlet. Retrofitness reserves the right to discontinue its customer rewards program(s) at any time. Subject to applicable law, Retrofitness has the right to require your participation in any and all national, regional and/or local advertising, promotional and related programs, including loyalty programs and rewards programs, Retrofitness designates from time to time, including through the Manual, at your sole cost and expense. This may include participation in programs requiring you to provide loyalty rewards, give aways, incentives, benefits and consideration to members. Retrofitness is not required to compensate you for participation in any of these programs. Without limiting this broad right, Retrofitness may develop digital promotions, social media promotions, customer loyalty programs, gift card programs, coupons and similar promotions and programs for the time period Retrofitness designates.

7.4.2 Reciprocity of Membership

Certain membership types in the RETROFITNESS® System entitle members to access and usage of any RETROFITNESS® Outlet they choose to visit; you shall honor the membership cards of all members with those types of memberships, regardless of the RETROFITNESS® Outlet from which they purchased their membership. Without limiting the foregoing, subject to restrictions imposed pursuant to applicable law, You must comply with any and all reciprocal access programs and all other membership programs and policies Retrofitness may develop in its business discretion during the term of this Agreement, including membership and member revenue transfer policies and procedures, as communicated to you in the Manual or otherwise in a written communication from Retrofitness.

7.5 Management and Personnel

7.5.1 Managing Owner

Upon signing this Agreement, you must designate one of your individual owners to serve as your managing owner (the "**Managing Owner**"). At all times during the Term, there must be a Managing Owner meeting the following qualifications and any other standards we set forth from time to time in the Operations Manual or otherwise communicate to you:

We must approve the proposed Managing Owner in writing before the Effective Date. We have the right, in our sole discretion, to approve or disapprove the proposed Managing Owner or any proposed change in the individual designated as the Managing Owner. The Managing Owner is responsible for managing your business. The Managing Owner must have sufficient decision-making authority to make decisions on your behalf that are essential to your RETROFITNESS® Outlet's effective and efficient operation. The Managing Owner must communicate directly with us regarding any franchise-related matters (excluding matters relating to labor relations and

employment practices). Your Managing Owner's decisions will be final and binding on you, we may rely solely on the Managing Owner's decisions without discussing the matter with another party, and we will not be liable for actions we take based on your Managing Owner's decisions or actions.

If you want or need to change the individual designated as the Managing Owner, you must seek a new individual (the "**Replacement Managing Owner**") for that role in order to protect our brand. You must appoint the Replacement Managing Owner within thirty (30) days after the former Managing Owner no longer occupies that position. We must approve in writing the Replacement Managing Owner. The Replacement Managing Owner must attend our initial training program within thirty (30) days after we approve the individual. You are responsiblefor the Replacement Managing Owner's travel-related expenses. You shall pay us the Additional Training Fee of Five Hundred Dollars ($500) per day for all Replacement Managing Owner training.

You are not required to devote a minimum number of hours to the management and operation of Your RETROFITNESS® Outlet. However, You, Your Designated Manager or another employee who has successfully completed Retrofitness' initial training program shall be available whenever the RETROFITNESS® Outlet is open for business. You shall maintain at all times a staff of competent, conscientious and trained employees sufficient to operate the RETROFITNESS® Outlet in compliance with Retrofitness' standards. Retrofitness does not direct or control labor or employment matters for You or Your employees, or for any of Retrofitness's franchisees and/or their employees. Retrofitness may make suggestions and may provide guidance relating to such matters, however it is entirely Your responsibility to determine whether to adopt, follow and/or implement any of our suggestions or guidance. Notwithstanding anything contained in this Agreement to the contrary, mandatory specifications, standards and operating procedures, including as set forth in any manual, do not include the terms or conditions of employment for any of your employees, nor do they include mandated or required personnel policies or procedures.

7.6 Advertising

7.6.1 Grand Opening

You shall spend at least fifteen thousand dollars ($15,000) on a grand opening advertising program conducted in accordance with the guidelines for such a program in the Manual, in addition to Your regular monthly Local Advertising pursuant to Section 7.6.2 of this Agreement. Such grand opening must occur within thirty (30) to forty-five (45) days of the opening of Your RETROFITNESS® Outlet.

7.6.2 Local Advertising

During Pre-Sales You must spend between $30,000 and $90,000 on local advertising. If your Pre-Sales period lasts less than 30 days, You must spend at least $30,000 on local advertising; if your Pre-sales period lasts thirty days or more, You must spend at least $90,000 on local advertising. Once You open Your RETROFITNESS® Outlet to the public, You shall spend a minimum of Five Thousand Dollars ($5,000), or five percent (5%) of Gross Sales per month, whichever is greater, on local advertising and promotion that conforms to the specifications in the Manual. For purposes of this paragraph, "local advertising" means advertising that is primarily directed to persons or entities within Your Approved Territory. You acknowledge and agree that Your costs to obtain, maintain, or operate a vehicle, such as fuel and insurance, and all other vehicle expenses, are not "local advertising" expenditures. Retrofitness has the right to approve or disprove all "local advertising" expenditures You propose at its sole discretion. You

acknowledge and agree that You may not apply more than $750 of internal employee cost towards your monthly local advertising requirement. You shall submit, on or before the fifteenth (15th) day of each month, copies of invoices or receipts to Retrofitness for advertising materials or media or both showing compliance with the provisions of this paragraph during the immediately preceding month. Advertising expenditures in excess of the required minimum in any month may be used to offset shortfalls in any later month, as long as the total advertising expenditures for Your fiscal year to date, on a cumulative basis, equal or exceed the stated minimum at all times.

If You do not provide Retrofitness with proof that You have satisfied the minimum monthly local advertising expenditure upon demand, Retrofitness or its designee may collect a Local Advertising Deficiency Fee which shall be as follows: (a) for your first failure to satisfy the minimum monthly local advertising requirement, $2,500 penalty (to be retained by Retrofitness) plus $5,000 payable to Retrofitness for each of the next three months to be used by Retrofitness for local advertising in its sole discretion and (b) for your second and each subsequent failure to satisfy the minimum monthly local advertising requirement, $5,00 penalty (to be retained by Retrofitness) plus $5,000 payable to Retrofitness for each of the next six months to be used by Retrofitness for local advertising in its sole discretion (the "Local Advertising Deficiency Fee"). Retrofitness will only charge You a Local Advertising Deficiency Fee if You fail to provide proof that You are meeting the minimum monthly local advertising expenditure requirements. If Retrofitness collects the Local Advertising Deficiency Fee from You, with the exception of the penalty portion of the fee noted above, it will spend the funds collected from You on direct mail, digital, or other types of advertising we select at our sole discretion for Your RETROFITNESS® Outlet. Such advertising will be directed towards Your local market. You acknowledge and agree that Retrofitness may select the form and nature of the advertising to be purchased for the RETROFITNESS® Outlet with the Local Advertising Deficiency Fee at its sole discretion. You further acknowledge and agree that the Local Advertising Deficiency Fee does not create any fiduciary relationship between You and Retrofitness, and that Retrofitness has no obligation to account for the Local Advertising Deficiency Fee. In the event that Retrofitness charges you a Local Advertising Deficiency Fee, you shall be considered in default until you begin timely making and timely reporting your own Local Advertising expenditures; further, depending on your history of defaults, you may also be subject to the Increased Royalty Fee. The Advertising Deficiency Fee shall be payable to Retrofitness via electronic funds transfer.

7.6.3 National Advertising

You must display, in the form and manner we designate, all advertising materials we require from time to time. You shall contribute, in the manner prescribed by Retrofitness, the greater of (a) two percent (2%) of Your Gross Sales per month or (b) Four Hundred Dollars ($400.00) to the Advertising Fund to be used for advertising and promotion of the RETROFITNESS® brand.

Retrofitness or its designee shall direct all advertising programs, with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof. You acknowledge and agree that the Advertising Fund is intended to maximize general public recognition, acceptance, and use of the System; and that Retrofitness and its designee are not obligated, in administering the Advertising Fund, to make expenditures for You that are equivalent or proportionate to Your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Advertising Fund. You acknowledge and agree that the Advertising Fund is not a trust and that Retrofitness' administration of the Advertising Fund does not create any fiduciary relationship between You and Retrofitness.

The Advertising Fund, all contributions thereto, and any earnings thereon, shall be used to meet any and all costs of creating, producing, printing, maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities which Retrofitness believes will enhance the image of the System, including, among other things, the costs of preparing and conducting media advertising campaigns (including through the use of television, radio, digital, Internet, mobile applications, magazines, newspapers and other media); search engine optimization; development and/or hosting an Internet webpage or similar activities; conducting market research; on-line Internet advertising and marketing; printing and production costs; direct mail advertising; marketing surveys and other public relations activities; electronic marketing; employing advertising and/or public relations agencies to assist therein; purchasing promotional items, conducting and administering visual merchandising, point of sale, and other merchandising programs; and providing promotional and other marketing materials and services to the RETROFITNESS® Outlets operated under the System. The advertising may be local, regional or national, in any type of media. The Advertising Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by Retrofitness, which products, services, or improvements Retrofitness deems, in its sole discretion, will promote general public awareness and favorable support for the System. You expressly acknowledge that the Advertising Fund contributions may be used to pay administrative expenses to Retrofitness or its designee. Administrative expenses may include amounts equivalent to salaries, travel and other expenses of Retrofitness or its designee's employees whose services are provided to further the purposes and efforts of the Advertising Fund. You expressly acknowledge and agree that media, materials and programs prepared using Advertising Fund contributions may describe the System, the franchise program, reference the availability of franchises and related information, and to process franchise leads. Retrofitness reserves the right to include a notation in any and all advertising created by the Ad Fund that indicates "Franchises Available." Retrofitness has no obligation to segregate Advertising Fund contributions or maintain accounts separate from its other funds. Advertising Fund contributions may be commingled with funds in Retrofitness' general accounts. Retrofitness expects to use an amount equal to all contributions made in any fiscal year, but any monies remaining in any Advertising Fund at the end of any year will carry over to the next year. The Advertising Fund will not be audited, unless Retrofitness elects to require an audit, in which event all expenses for the audit will be paid out of Advertising Fund contributions.

Although the Advertising Fund is intended to be of perpetual duration, Retrofitness maintains the right to terminate the Advertising Fund. The Advertising Fund shall not be terminated, however, until all monies in the Advertising Fund have been expended for advertising and/or promotional purposes. Other System franchisees may be required to contribute to the Advertising Fund at different rates. None of the Advertising Fund contributions paid to us are refundable at any time, including upon termination or expiration of this Agreement.

7.6.4 Signs

You shall permanently display, at Your own expense, on Your RETROFITNESS® Outlet, RETROFITNESS® signs of any nature, form, color, number, location and size, and containing any legends, that Retrofitness has designated in the Manual or otherwise in writing. Retrofitness has the right to require you to change, modify, update, upgrade and/or change any and all signs used in connection with the operation of your RETROFITNESS® Outlet at any time upon written notice to you.

7.7 Financial Information

7.7.1 Records

You shall record all sales and all receipts of revenue. Bank Deposits must validate all receipts. You shall retain daily sales reporting forms and accompanying records for at least three years after the date of sale (or for a longer period if required by state or local law). You shall retain all other records and receipts used in the ordinary course of business. You shall furnish all records to Retrofitness upon request.

7.7.2 Reports

You shall submit to Retrofitness, on or before the twentieth (20th[h]) day following the end of each quarter, financial reports on the income and expenses of the RETROFITNESS® Outlet in the format specified in the Manual. You shall also submit to Retrofitness, at the time of filing, copies of all federal, state and local income tax returns. Retrofitness will use this data to confirm that You are complying with Your obligations under this Agreement and to formulate earnings and expense information for possible disclosure to prospective franchisees. Send all reporting to accounting@retrofitness.com

7.8 Insurance

You must, at all times, maintain insurance from companies financially rated A- or better, as follows:

A. If You have employees, workers' compensation insurance (including Voluntary Compensation) in the amount of such coverage prescribed by law in Your Approved Territory, but not less than: one million dollars ($1,000,000) - Each Accident; one million dollars ($1,000,000) - Disease per Employee; one million dollars ($1,000,000) – Disease Policy Limit;

B. Extended coverage for theft, vandalism and malicious mischief for all equipment, supplies and other property used in the operation of the fitness center (of not less than 100% of the replacement value of the same, except that an appropriate deductible clause will be permitted);

C. Business Interruption Insurance;

D. Employment Related Practices Insurance (inclusive of 3rd Party Coverage) as prescribed by law in Your Approved Territory, but not less than $500,000 per occurrence for each of the following: Sexual Harassment, Wrongful Termination, Discrimination, or Wrongful Failure to Employ or Promote; and

E. Comprehensive general liability insurance and product liability insurance coverage in such amounts and upon such terms as may from time to time be customary for a fitness business located in Your Approved Territory, but not less than: $1,000,000 per occurrence/ $2,000,000 aggregate - Commercial General Liability; $1,000,000 per occurrence/ $2,000,000 aggregate – Products/Completed Operation; $1,000,000 per occurrence/ $2,000,000 aggregate – Personal/Advertising Injury; $1,000,000 per occurrence/ $2,000,000 aggregate – Tanning Liability; $100,000 per occurrence/ $200,000 aggregate – Sexual Abuse/Molestation; $1,000,000 per occurrence/ $2,000,000 aggregate – Hired/Non-Owned Auto; each of which must insure both You and us (including our parents, subsidiaries, affiliates, and their successors, and assigns)

against all claims, suits, obligations, liabilities and damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of Your RETROFITNESS® Outlet. Your general liability insurance policy must expressly include athletic participation, nutritional products, nutritional counseling, personal training, and/or martial arts, and must expressly include eye damage and cancer in the tanning liability coverage.

Retrofitness recommends that you obtain Umbrella Policy Coverage as follows:

1 to 3 RETROFITNESS® Outlets	$1,000,000 per occurrence
3 to 4 RETROFITNESS® Outlets	$2,000,000 per occurrence
5 or more RETROFITNESS® Outlets	$5,000,000 per occurrence

You shall provide Retrofitness with a copy of your Certificate of Insurance (a) specifically naming Retrofitness, LLC and Retrofitness's parents, affiliates, subsidiaries, successors and assigns, as additional insureds and (b) evidencing Your insurance coverage in compliance with these minimums before Your RETROFITNESS® Outlet opens for business, and each year when Your policy renews.

Each insurance policy that is required under this Agreement must contain a provision that the policy cannot be canceled without thirty (30) days' prior written notice to Retrofitness. It must be issued by an insurance company of recognized responsibility, designate Retrofitness as an additional named insured, and be satisfactory to Retrofitness in form, substance and coverage.

You shall deliver all required certificates by the issuing insurance company evidencing each policy to Retrofitness at insurance@retrofitness.com within thirty (30) days after the policy is issued or renewed and upon demand by Retrofitness.

Retrofitness reserves the right to utilize third party auditing services and to require you to use such services, effective immediately upon written notice to you.

If we authorize you to permit a third-party service provider to provide services to members of your Outlet (including personal training services, chiropractic services, physical therapy, and massage therapy), you must require the third-party service provider to obtain and maintain, at all times during which the third-party will be providing services at your Outlet, insurance coverage naming you, Retrofitness, LLC and Fierce Brands, LLC as additional insureds. You must obtain copies of the third-party insurance policies, and certificate of insurances evidencing coverage and naming you, Retrofitness, LLC and Fierce Brands, LLC as additional insureds and you must provide Retrofitness, LLC with copies of this documentation on an annual basis.

7.9 Financial and Legal Responsibility

7.9.1 Compliance with Law

You shall comply with all federal, state, and local laws and regulations pertaining, directly or indirectly, to the RETROFITNESS® Outlet. You shall keep current and legally compliant all licenses, permits, bonds, contracts, member contracts and deposits made to or required by any government agency in connection with the operation of the RETROFITNESS® Outlet. Certain states

may specifically require a bond to operate a fitness center that sells twelve (12) month memberships; You are responsible for compliance with these and all other requirements imposed by applicable law, rule, or regulation.

7.9.2 Payment of Indebtedness

You shall pay promptly when due all taxes and debts that You incur in the conduct of Your business. Except in connection with the financing of the initial development of the Outlet, including your obtainment of SBA financing and/or original equipment financing, the RETROFITNESS® Outlet and all assets and equipment used in connection with the operation of the RETROFITNESS® Outlet shall remain free and clear of any pledge, mortgage, hypothecation, lien, charge, encumbrance, security interest or purchase right or options unless approved by Retrofitness in writing. The Outlet revenues, including Gross Sales and, if You are a partnership, corporation, or limited liability company, each of your Owner's interest in the franchisee entity, shall be and remain free and clear of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options, unless approved by Retrofitness in writing.

7.10 Franchisee Behavior and Morals

Franchisee understands that its behavior, as well as the behavior of Franchisee's Related Parties, managers and employees, has the ability to positively or negatively affect the reputation and good will of Franchisee's RETROFITNESS® OUTLET as well as the reputation and good will of the RETROFITNESS® System and brand.

Franchisee shall at all times conduct itself, and require its Related Parties, managers and employees to conduct themselves, in a manner consistent with all applicable laws and all generally accepted moral conventions and ethical standards. Franchisee shall at all times refrain from, and require its Related Parties, managers and employees to refrain from, all behaviors that would be considered inconsistent with applicable laws or inconsistent with generally acceptable moral conventions and ethical standards. Franchisor may, from time to time, communicate its behavioral standards and expectations to Franchisee, but Franchisor is not obligated to do so and Franchisor's failure to expressly communicate the same to Franchisee shall not eliminate, reduce, or otherwise diminish Franchisee's obligations under this Section 7.10.

Franchisee shall not, and shall not allow its Related Parties, managers or employees to, (i) behave in a manner objectionable to Franchisor, nor commit an offense involving moral turpitude under Federal, state or local laws or ordinances; (ii) do or commit any act or thing that will, in Franchisor's reasonable discretion, tend to degrade Franchisee (or by reference or implication, Franchisor) in society or bring itself into public hatred, public disrepute, contempt, scorn, or ridicule, or that will tend to shock, insult or offend the community or public morals or decency; (iii) do anything that would, in Franchisor's reasonable discretion, prejudice Franchisor (including its employees and Related Parties), the Marks, the System or the fitness industry in general; (iv) harass, bully, demean, disrespect or create a hostile environment for Franchisee's personnel, Franchisor's personnel, the members or otherwise, and/or (v) discriminate, in connection with the operation of your RETROFITNESS® OUTLET, based on any individual's race, color, age, gender, gender identity, pregnancy, religion, national origin, alienage or citizenship status, creed, ancestry, disability, sexual orientation, sex, marital status, veteran/military status, genetic information, predisposition or carrier status, medical condition, family care or medical leave status, or any other unlawful consideration.

If at any time, in the reasonable opinion of Franchisor, Franchisee (or a Related Party, manager or employee of Franchisee) is determined by Franchisor to have committed any act or done anything (whether intentionally or negligently) which might reasonably be considered to negatively affect the reputation or good will of Franchisee, Franchisee's RETROFITNESS® OUTLET, Franchisor (or its Related Parties) or the RETROFITNESS® brand, Marks or System, then Franchisor shall, in addition to any rights it may have hereunder or at law or in equity, also have the immediate right to, upon written notice to Franchisee, to assess a penalty of Ten Thousand Dollars ($10,000) for the first offense and Twenty-Five Thousand Dollars ($25,000) for the second offense; for any offense after the second, Franchisor reserves the right to terminate the Franchise Agreement in its sole discretion.

Notwithstanding the foregoing, the above requirement is not intended to prohibit or restrict any activity that violates your employees' rights to engage in protected concerted activity under the National Labor Relations Act.

7.11 Non-Disparagement

You agree not to (and to use your best efforts to cause your current and former owners, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors, and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates' directors, officers, employees, representatives, or affiliates, current and former franchisees or developers of us or our affiliates, the Retrofitness® brand, the System, any facility or other business using the Marks, any other brand or service-marked or trademarked concept of us or our affiliates, or which would subject the Retrofitness® brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us, the Retrofitness ® brand, or such other brands.

8. RELATIONSHIP OF PARTIES

8.1 Interest in Marks and System

You expressly understand and acknowledge that:

(a) Retrofitness (or its affiliate) is the owner of all right, title, and interest in and to the Marks and the goodwill associated with and symbolized by them.

(b) The Marks are valid and serve to identify the System and those who are authorized to operate under the System.

(c) Neither You nor any principal of You shall directly or indirectly contest the validity or Retrofitness' ownership of the Marks, nor shall You, directly or indirectly, seek to register the Marks with any government agency.

(d) Your use of the Marks does not give You any ownership interest or other interest in or to the Marks, except the license granted by this Agreement.

(e) Any and all goodwill arising from Your use of the Marks shall inure solely and exclusively to Retrofitness' benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Your use of the System or the Marks.

(f) The right and license of the Marks granted hereunder to You is non-exclusive, and Retrofitness thus has and retains the rights, among others:

(i) To use the Marks itself in connection with selling services, products and other items;

(ii) To grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees; and

(iii) To develop and establish other systems using the same or similar Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to You; and

(iv) To, from time to time, modify or delete existing Marks upon notice to You. You have absolutely no right to use any specific, deleted mark owned or controlled by Retrofitness or its Affiliates.

8.2 Independent Status

It is expressly agreed that the parties intend by this Agreement to establish between you and Retrofitness the relationship of franchisee and franchisor. It is further agreed that you have no authority to create or assume in Retrofitness's name or on Retrofitness's behalf, any obligation, express or implied, or to act or purport to act as agent or representative on our behalf for any purpose whatsoever. Neither you nor Retrofitness is the employer, employee, agent, partner, fiduciary or co-venturer of or with the other, each being independent. All employees and agents hired or engaged by or working for you will be only the employees or agents of yours and will not, for any purpose, be deemed employees or agents of Retrofitness, nor subject to Retrofitness's control. Retrofitness has no authority to exercise control over the hiring or termination of your employees, independent contractors, agents or others who work for you, their compensation, working hours or conditions, or their day-to-day activities, except to the extent necessary to protect the brand and the Marks. You shall file your own tax, regulatory and payroll reports with respect to your employees, agents and contractors and you shall save, indemnify and hold Retrofitness and its parents, affiliates, owners, officers, directors and subsidiaries harmless from any and all liability, costs and expenses of any nature that any such party incurs related to these obligations. You shall in all respects be an independent contractor, and nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, joint-employer, partner, employee, or servant of the other for any purpose whatsoever. Without limiting the foregoing, You are an independent legal entity and must make this fact clear in Your dealings with suppliers, lessors, government agencies, employees, customers and others. You and Retrofitness are completely separate entities and are not fiduciaries, partners, joint venturers, or agents of the other in any sense, and neither party has the right to bind the other. No act or assistance by either party to the other pursuant to this Agreement may be construed to alter this relationship. You are solely responsible for compliance with all federal, state, and local laws, rules and regulations, and for complying with Retrofitness' policies, practices, and decisions relating to the operation of the RETROFITNESS® Outlet. You shall rely on Your own knowledge and judgment in making business decisions, subject only to the requirements of this Agreement and the Manual. You may not expressly or implicitly hold Yourself out as an employee, partner, shareholder, member, joint venturer or representative of Retrofitness, nor may You expressly or implicitly state or suggest that You have the right or power to bind Retrofitness or to incur any liability on Retrofitness' behalf. You may not use the Trade Name or Marks as part of Your

corporate name, limited liability company name, or limited partnership name. There is no fiduciary duty between You and Retrofitness.

8.3 Display of Disclaimer

You shall conspicuously display a sign that states that "THIS RETROFITNESS® OUTLET IS AN INDEPENDENTLY OWNED AND OPERATED FRANCHISED BUSINESS" within each fitness center. Business cards, membership agreements, stationery, purchase order forms, invoices, and other documents that You use in Your business dealings with suppliers, government agencies, employees and customers must clearly identify You as an independent legal entity.

8.4 Confidentiality/Member Information

a) Confidentiality. You acknowledge and agree that the information, ideas, forms, marketing plans and other materials disclosed to You under this Agreement, whether or not included in the Manual, are confidential and proprietary information and trade secrets of Retrofitness. Any and all information, knowledge, and techniques which Retrofitness designates as confidential shall be deemed confidential for purposes of this Agreement, except information which You can demonstrate came to Your attention prior to disclosure thereof by Retrofitness or which, at or after the time of disclosure by Retrofitness to You, had become or later becomes a part of the public domain, through publication or communication by others. You agree to maintain the confidentiality of all such material. You may not disclose any such information to any third party, except to Your employees and agents as necessary in the regular conduct of the RETROFITNESS® Outlet and except as authorized in writing by Retrofitness. You further acknowledge and agree that (a) all current and former customer and membership lists, customer information and data is deemed Retrofitness' confidential and proprietary information; and (b) any and all information related to the financial and/or operating results of other RETROFITNESS ® Outlets is deemed Retrofitness' confidential and proprietary information. You shall be responsible for requiring compliance of Your Related Parties and employees with the provisions of this Section. You shall obtain signed Nondisclosure and Noncompetition Agreements, in the form of Exhibit 4 to this Agreement, from Your Related Parties and employees, and send Retrofitness a copy of each such agreement upon demand.

b) Protection of Member Information. You must comply with our System Standards, other directions from us, and all applicable laws regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of member information and, in any event, employ reasonable means to safeguard the confidentiality and security of member information. If there is a suspected or actual breach of security or unauthorized access involving member information, you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which member information was compromised or disclosed. You are responsible for any financial losses you incur or remedial actions that you must take as a result of a breach of security or unauthorized access to member information in your control or possession.

c) Ownership of Member Information. You agree that all member information that you collect in connection with your RETROFITNESS® Outlet is deemed to be owned by us and must be furnished to us at any time that we request it. In addition, we and our Related Parties may, through the POS or DGW system, membership management system or otherwise, have independent access to member information.

d) Use of Member Information. You have the right to use member information while this Agreement or a successor franchise agreement is in effect, but only to market RETROFITNESS® products and services to customers in accordance with the policies that we establish periodically and applicable laws. You may not sell, transfer, or use member information for any purpose other than marketing RETROFITNESS ® products and services. We and our Related Parties may use member information in any manner or for any purpose. You must secure from your actual and prospective customers and others all consents and authorizations, and provide them all disclosures, that applicable laws requires to transmit member information to us and our Related Parties, and for us and our Related Parties to use that member information, in the manner that this Agreement contemplates.

8.5 Indemnification

(1) Indemnification by You

You and your Related Parties agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective shareholders, members, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of or related to your act or omission, the act or omission of any of your Related Parties, employees, agents or representatives, the RETROFITNESS® Outlet's operation, the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this paragraph. Without limiting the foregoing, if Retrofitness is made a party to a legal proceeding and/or is required to retain legal counsel in connection with an act or omission by You or any of your Related Parties, employees, agents or representatives, Retrofitness may hire counsel to protect its interests and bill You for all costs and expenses incurred by Retrofitness. You shall promptly reimburse Retrofitness for such costs and expenses.

(2) Indemnification by Retrofitness

You shall notify Retrofitness immediately when you learn about an infringement or challenge to your use of any Mark, including the RETROFITNESS® mark. Retrofitness will take the action Retrofitness deems appropriate in any such situation. Retrofitness has exclusive control over any proceeding or settlement concerning any of the Marks. You must take all actions that, in the opinion of Retrofitness's counsel, may be advisable to protect and maintain Retrofitness's interests in any proceeding or to otherwise protect and maintain Retrofitness's interests in the

Mark. While Retrofitness is not required to defend you against a claim arising from your use of any of the Marks, Retrofitness will indemnify and hold you harmless from all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark; provided that (a) your use is and has been in accordance with the terms of this Agreement and such other terms as may be specified by Retrofitness, and (b) you notify us of the proceeding or alleged infringement in a timely manner and you have complied with Retrofitness's directions regarding the proceeding. Retrofitness has the right to control the defense and settlement of any proceeding. Retrofitness will not reimburse you for your expenses and legal fees for separate, independent legal counsel or for expenses in removing signage or discontinuing your use of any Mark. Retrofitness will not reimburse you for disputes where Retrofitness and/or any of its parents, affiliates, successors or assigns challenges your use of a Mark.

8.6 Covenants

8.6.1 In-Term

(a) During the Term, You shall not, directly, or indirectly for yourself or through, on behalf of, or in conjunction with any person or entity, own, maintain, operate, engage in, consult with, provide any assistance to, or have any interest (direct or indirect) in a Competitive Business (as defined below).

(b) You shall not divert or attempt to divert any business, client, or potential client of the RETROFITNESS® Outlet or any other System Outlet to any competitor, by direct or indirect inducement or otherwise, or to do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System. You acknowledge that the foregoing restriction, among other restrictions and provisions set forth in this Agreement, prohibits you from: (i) disclosing, transferring and/or selling any member or customer information; and (ii) selling, assigning, or transferring any of your member's membership agreements.

The term Competitive Business shall mean any and all businesses that are competitive with RETROFITNESS® Outlets, including, without limitation: any gym; fitness training business; tanning business; any business which offers fitness training facility services, fitness training services, group fitness, group training, health club memberships, and/or physical training programs; any business offering personal training services; any business offering exercise, health, wellness, weight loss and/or weight management services; and/or any business offering or selling any merchandise, products or services offered by RETROFITNESS® Outlets, including, without limitation, smoothie-bar products or services, vitamins, supplements and/or any other health related products or services.

8.6.2 Post-Term

You may not, for a continuous uninterrupted period commencing upon the expiration, transfer or termination of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons (including your spouse or any immediate family member, or the spouse or any immediate family member of any personal guarantor of this Agreement), partnership, limited liability company or corporation, own, maintain, operate, engage in, provide any assistance to, or have any interest in, any Competitive Business that is located: (i) at the Approved Location; (ii) within a fifteen-mile radius of the Approved Location; or (iii) within a radius of fifteen (15) miles of any other System Outlet location then in existence or under construction.

8.6.3 You agree to obtain the individual written agreement of each of Your Related Parties to the provisions of this Section in the form of a Nondisclosure and Noncompetition Agreement, attached as Exhibit 4 to this Agreement within ten (10) days after each Related Party assumes that status with You. You shall provide a copy of each such Agreement to Retrofitness upon demand.

8.6.4 You agree that the length of time in 8.6.2 will be tolled for any period during which you are in breach of the covenant or any other period during which Retrofitness seeks to enforce this Agreement. The parties agree that the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If any court of competent jurisdiction determines that the geographic limits, time period or line of business defined by this Section 8 (inclusive of all subsections) is unreasonable, the parties agree that such a court of competent jurisdiction may determine an appropriate limitation to accomplish the intent and purpose of this Section and the parties, and each of them, agree to be bound by such determination.

8.6.5 You hereby acknowledge and agree that you are expressly prohibited, both during the Term of this Agreement and following the expiration or earlier termination of this Agreement, from: (a) disclosing, transferring and/or selling any member information or customer information, and (b) selling, assigning or transferring any membership agreement; unless You first obtain Retrofitness's prior written consent, which may be granted or withheld in Retrofitness's sole and absolute discretion.

9. TRANSFER OF FRANCHISE

9.1 Purpose of Conditions for Approval of Franchisee

Retrofitness' grant of this franchise is made in reliance upon Your integrity, ability, experience and financial resources. You hereby acknowledge that the rights and duties created by this Agreement are personal to you. Accordingly, you must obtain Retrofitness's prior written consent and comply with the terms and conditions of this Agreement before effectuating any Transfer. Any actual, attempted or purported Transfer occurring without Retrofitness's prior written consent will constitute a material default of this Agreement and shall be deemed null and void. In order to ensure that no Transfer jeopardizes the Trade Name, the Marks, or Retrofitness' interest in the successful operation of the RETROFITNESS® Outlet, Retrofitness will consent to a Transfer only if You comply with the provisions of Sections 9.2 and 9.3 of this Agreement and if all of the conditions described in Section 9.4 are fulfilled.

9.2 Notice of Proposed Transfer

If You would like to effectuate a Transfer (other than pursuant to Section 9.5 of this Agreement, You shall submit to Retrofitness: (a) the form of franchise application currently in use by Retrofitness, completed by the prospective buyer; (b) a written notice, describing all the terms and conditions of the proposed transfer; and (c) the transfer fee described in Section 6.8 of this Agreement. If Retrofitness does not approve the proposed transfer, Retrofitness will return the transfer fee to You after deducting direct costs incurred in connection with the proposed transfer.

9.3 Right of First Refusal

Any party holding any interest in You or in the franchise granted by Retrofitness pursuant to this Agreement and who desires to accept any *bona fide* offer from a third party to purchase such interest or the RETROFITNESS® Outlet (including any sale of substantially all of the assets of the Outlet) shall notify Retrofitness in writing of each such offer, and shall provide such information and documentation relating to the offer as Retrofitness may require. For purposes of this Agreement, the term *bona fide* offer shall mean an executed written offer containing the purchase price denominated in a dollar amount and details regarding payment terms, an earnest money deposit and a complete franchise application from a fully disclosed offeror including detail on the ownership breakdown and structure of the offeror. In addition, the following procedures and provisions shall apply:

9.3.1 Upon Retrofitness's request, Franchisee must provide Retrofitness with any information about the business and operations of the Outlet and the offeror that Retrofitness requests.

9.3.2 Retrofitness shall have the right and option, exercisable within 30 days after receipt of such written notification and all information requested under subsection 9.3.1, to send written notice to the seller that Retrofitness intends to purchase the seller's interest, or the Outlet, as applicable, on the same terms and conditions offered by the third party and at the same price. If Retrofitness does not provide written notice to the seller within the 30-day period, then Retrofitness will be deemed to have not exercised the right of first refusal provided to it under Section 9.3.

9.3.3 If Retrofitness elects to purchase the seller's interest, closing on such purchase must occur within 60 days from the date of notice to the seller of the election to purchase by Retrofitness. If Retrofitness exercises its option, Retrofitness will waive the transfer fee described in Section 9.4(f). Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Retrofitness as in the case of an initial offer.

9.3.4 Failure of Retrofitness to exercise the option afforded by Section 9.3 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 9.4 with respect to a proposed transfer, including, without limitation, the requirement that Franchisee obtains Retrofitness's prior written consent.

9.3.5 If the consideration, terms, or conditions offered by a third party include assets not related directly to the Outlet or otherwise are such that Retrofitness may not reasonably be required to furnish the same consideration, terms, or conditions, then Retrofitness may purchase the interest in the Outlet proposed to be sold for an amount reasonably allocable to that interest, the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, or conditions allocable to the interest in the Outlet, an independent appraiser shall be mutually designated by You and Retrofitness, and such independent appraiser's determination shall be binding.

9.4 Conditions of Transfer.

Retrofitness may condition its approval of any proposed Transfer upon Your satisfaction of certain conditions, including the following:

(a) Satisfaction of Retrofitness that the proposed buyer meets all of the criteria of character, business experience, financial responsibility, net worth and other standards that Retrofitness customarily applies to new franchisees at the time of Transfer;

(b) Your Payment of all outstanding debts to Retrofitness;

(c) Cure of all defaults under the Franchise Agreement, any other agreement(s) between Retrofitness, or its Related Parties and You, and cure of any defaults under the Manual;

(d) At Retrofitness' option, signing by the buyer of the then-current form of franchise agreement, appropriately amended in light of the fact that the business is already operational, and payment of $29,000 (the Initial Franchise Fee) plus training costs to Retrofitness;

(e) Signing by the buyer of an assumption of all liabilities and benefits of the existing franchise agreement;

(f) Your payment of the transfer fee described in Section 6.8 of this Agreement;

(g) Completion by the buyer of the Retrofitness initial training program to Retrofitness' satisfaction;

(h) At Retrofitness option, modernization of the RETROFITNESS® Outlet to meet Retrofitness' then-current standards and specifications, including bringing the Outlet up to current trade dress standards and specifications; and

(i) You and Your Related Parties that are parties to this Agreement shall have executed a general release, in a form satisfactory to Retrofitness, of any and all claims against Retrofitness and its Related Parties, affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between You and Retrofitness or its affiliates, and federal, state, and local laws and rules.

9.5 Transfer from an Individual Owner to a Corporation, Limited Liability Company or other Entity.

If you are an individual, after obtaining our prior written consent, you may transfer and assign all of your rights and obligations under this Agreement to a corporation, limited liability company or other entity that is wholly owned by you (the "Legal Entity"); provided that you satisfy the Assignment to Legal Entity Conditions (as set forth in paragraphs 9.5.1 through 9.5.5 below). Such an assignment to a Legal Entity will not be subject to the Right of First Refusal, as set forth

in Section 9.3 of this Agreement, or to the conditions of transfer set forth in Section 9.4 of this Agreement:

9.5.1 You cause the Legal Entity in its articles of incorporation or operating agreement, as applicable, to provide that its purpose and business activities are to be confined exclusively to the operation of the RetroFitness® Outlet as authorized by, and in accordance with, the terms and conditions of this Agreement;

9.5.2 You and the Legal Entity enter into Retrofitness's then-current form of Assignment and Assumption Agreement and Certification of Ownership Acknowledgment, and each owner in the Legal Entity executes Retrofitness's then-current form of Personal Guaranty and Subordination Agreement;

9.5.3 You are in Good Standing under this Agreement both at the time of your request for the proposed assignment and on the date the assignment to the Legal Entity is to be effectuated;

9.5.4 You and the Legal Entity have executed a general release, in a form satisfactory to us, of any and all claims against us and our members, officers, directors, employees, affiliates and agents;

9.5.5 You pay to us an assignment fee in the amount of $1,000 to compensate us for all of our expenses for the administration of the Transfer, including the preparation, execution and filing of all documentation required by us in connection with the Transfer.

9.6 Assignment Upon Death; Disability

If You die at any time during the term of this Agreement, Your heirs or beneficiaries may have ninety (90) days within which to demonstrate to Retrofitness' satisfaction that they meet all of the criteria of character, business experience, financial responsibility, net worth and other standards that Retrofitness requires of new franchisees at that time. If Retrofitness approves Your heirs or beneficiaries as transferees of the franchise and they meet the other conditions of Transfer, Retrofitness will waive any transfer fee in connection with the transfer. If Retrofitness advises Your heirs or beneficiaries in writing that Retrofitness will not approve them as transferees of the franchise, or if Retrofitness fails to approve or disapprove the transfer within ninety (90) days following Your death, Your heirs or beneficiaries may have one hundred twenty (120) additional days from the date of disapproval of the transfer or the end of the ninety (90)-day period, whichever is first, within which to find and notify Retrofitness of a proposed Transfer to a qualified buyer in conformity with the provisions of Sections 9.2, 9.3, and 9.5 of this Agreement. If Your heirs or beneficiaries do not advise Retrofitness of a qualified buyer within the specified period, the franchise will automatically terminate at the end of the period unless Retrofitness has granted a written extension of time.

Upon Your permanent disability or the permanent disability of any person with a controlling interest in You, Retrofitness may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Section 9 within six (6) months after notice to You. "Permanent disability" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months and from which condition recovery within six consecutive months from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Retrofitness upon examination

of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this Section 9.-6 as of the date of refusal. Retrofitness shall pay the cost of the required examination.

9.7 Assignment by Retrofitness

Retrofitness shall have the right directly or indirectly, to sell, assign, transfer or otherwise dispose of or deal with this Agreement, or any or all of our rights and obligations under this Agreement, to any individual, firm, partnership, association, bank, lending institution, corporation, limited liability company or other person or entity as we may in our sole discretion deem appropriate. In the event of any such transfer, we will be released from any liability under this Agreement for the obligations transferred.

10. TERMINATION OF FRANCHISE

10.1 Termination by Consent of the Parties

This Agreement may be terminated upon the mutual written consent of the parties.

10.2 Termination by Retrofitness

10.2.1 Immediate Termination upon Notice of Default

Upon the occurrence of any of the following defaults, Retrofitness at its option, may terminate this Agreement effective immediately upon written notice to You:

(a) If You misuse the Trade Name, Marks or the System or engage in conduct which reflects materially and unfavorably upon the goodwill associated with them (including as contemplated in Section 7.10) or if You use in the RETROFITNESS® Outlet any names, marks, systems, logotypes or symbols that Retrofitness has not authorized You to use;

(b) If You or any of Your Related Parties has any direct or indirect interest in the ownership or operation of any business other than the RETROFITNESS® Outlet that is confusingly similar to the RETROFITNESS® Outlet or uses the System or the Marks, or if You fail to give Retrofitness a signed copy of the Nondisclosure and Noncompetition Agreement, a form of which is attached hereto as Exhibit 4, for each of Your Related Parties within ten (10) days after Retrofitness requests it;

(c) If You attempt to assign or Transfer Your rights under this Agreement in any manner not authorized by this Agreement;

(d) If You or Your Related Parties have made any material misrepresentations in connection with the acquisition of a RETROFITNESS® Outlet or to induce Retrofitness to enter into this Agreement;

(e) If You act without Retrofitness' prior written approval or consent in regard to any matter for which Retrofitness' prior written approval or consent is expressly required by this Agreement;

(f) If You cease to operate the RETROFITNESS® Outlet, unless: (i) operations are suspended for a period of no more than one hundred eighty (180) days and (ii) the suspension is caused by fire, condemnation, or other act of God;

(g) If You fail to permanently correct a breach of this Agreement or to meet the operational standards stated in the Manual after being twice requested in writing by Retrofitness to correct a similar breach or meet a similar standard in any twelve (12) month period;

(h) If a threat or danger to public health or safety results from the construction, maintenance, or operation of the RETROFITNESS® Outlet;

(i) Except as otherwise required by the United States Bankruptcy Code, if You become insolvent, are adjudicated a bankrupt, or file or have filed against You a petition in bankruptcy, reorganization or similar proceeding;

(j) If You plead guilty to, plead no contest to, or are convicted of, a felony, a crime involving moral turpitude, or any other crime or offense that Retrofitness believes is reasonably likely to have an adverse effect on the System or Marks, the goodwill associated therewith, or Retrofitness' interest therein or You are determined by Us to have committed more than two offenses in violations of Section 7.10 of this Agreement;

(k) If You knowingly maintain false books or records, or submit any false reports to Retrofitness;

(l) If You offer a product or service without Retrofitness' consent or fail to offer any product or service designated by Retrofitness;

(m) If You commit a default under your lease agreement for the Outlet premises and fail to cure the default before the expiration of all applicable notice and cure periods required under your lease agreement;

(n) If any other franchise agreement entered into by and between You or any of your Related Parties, including any of Your affiliates or guarantors (each a "Franchisee Party"), on the one hand, and Retrofitness or any of its Related Parties, on the other hand, is terminated due to a default by a Franchisee Party that remains uncured beyond all applicable notice and cure periods; or

(o) If you transfer, sell or assign, or attempt to transfer, sell or assign any customer lists, membership lists and/or membership agreements in any manner not expressly authorized by this Agreement.

(p) If you fail to attend a Mandatory Annual Conference held by Retrofitness in accordance with Section 5.2.3 of this Agreement.

10.2.2 Termination after Five Days' Notice to Cure

Retrofitness at its option, may terminate this Agreement, effective five (5) days after written notice is given to You, if (a) You fail to make any payment when due under this Agreement or any other agreement between You and Retrofitness or a Related Party of Retrofitness; (b) You fail to

make any payment due to any System vendor, including any vendor of equipment, fixtures or furnishings; or (c) any of your Related Parties, including any of your affiliates or guarantors, fails to make any payment due to Retrofitness or any of its Related Parties.

10.2.3 Termination after Thirty Days' Notice to Cure

Upon the occurrence of any of the following defaults, Retrofitness at its option, may terminate this Agreement after thirty (30) days' notice to cure:

(a) If You fail to submit to Retrofitness in a timely manner any information You are required to submit under this Agreement;

(b) If You fail to begin operation of the RETROFITNESS® Outlet within the time limits as provided in this Agreement or if You fail to operate Your RETROFITNESS® Outlet in accordance with this Agreement and the Manual;

(c) If You or any of your Related Parties, including any of Your affiliates or guarantors, commits a default under any other agreement by and between You or any of your Related Parties, on the one hand, and Retrofitness or any Retrofitness Related Party, on the other hand; or

(d) If You default in the performance of any other obligation under this Agreement or any other agreement with Retrofitness or its Related Party.

Under this Section 10.2.3, Retrofitness may terminate this Agreement only by giving written notice of termination stating the nature of such default to You at least thirty (30) days prior to the effective date of termination; provided, however, that You may avoid termination by immediately initiating a remedy to cure such default, curing it to Retrofitness' satisfaction, and by promptly providing proof thereof to Retrofitness within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to You effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

10.2.4 Penalty Upon Default

In addition to Retrofitness' rights pursuant to Section 10.2.1 through 10.2.3, and any and all other remedies available to Retrofitness, if Retrofitness issues you a notice of default and you fail to cure such default before the expiration of the applicable cure period (each an "Uncured Default"), then Retrofitness may, at its option, require you to pay Uncured Default Royalty Payments as follows:

(a) For each Uncured Default, Franchisee shall pay Retrofitness additional royalty payments as follows ("Uncured Default Royalty Payments"):

(i) one percent (1%) of Gross Sales for the thirty day period beginning on the day after the expiration of the cure period specified in the default notice issued to you for the Uncured Default ("Default Royalty Period 1");

(ii) two percent (2%) of Gross Sales for the thirty day period beginning on the day after the expiration of Default Royalty Period 1 ("Default Royalty Period 2");

(iii) three percent (3%) of Gross Sales for the thirty day period beginning on the day after the expiration of Default Royalty Period 2 ("Default Royalty Period 3");

(iv) four percent (4%) of Gross Sales for the thirty day period beginning on the day after the expiration of Default Royalty Period 3 ("Default Royalty Period 4"); and

(v) five percent (5%) of Gross Sales for the period beginning on the day after the expiration of Default Royalty Period 4 and ending on the date you cure the Uncured Default to Retrofitness' satisfaction in accordance with Section 10.2.4 (b).

(b) If Retrofitness exercises its right to impose the Uncured Default Royalty payment, and you subsequently cure the Uncured Default, You shall provide written notification to Retrofitness identifying the manner in which you cured each such Uncured Default (the "Franchisee Cure Notice"). Retrofitness will have a period of not more than five (5) business days after Retrofitness' receipt of the Franchisee Cure Notice to inform you of whether you cured the Uncured Default to Retrofitness's satisfaction. If Retrofitness notifies you within this five (5) business day period that you cured the Uncured Default to Retrofitness's satisfaction, or if Retrofitness fails to provide any response to the Franchisee Cure Notice before the expiration of the five (5) business day period, your obligation to pay the Uncured Default Penalty in connection with the applicable Uncured Default shall no longer apply, effective on the date of Retrofitness' notification or the expiration of the five (5) business day period, whichever is first to occur.

(c) The Uncured Default Royalty payable by Franchisee to Retrofitness shall not exceed five percent (5%) of Gross Sales. The Uncured Default Royalty Fee is payable in addition to all Royalty payments.

(d) The remedies contained in this Section 10.2 are in addition to, and not in lieu of, any other remedies available to Retrofitness.

10.3 Rights and Obligations After Termination or Expiration

Upon expiration or termination of this Agreement for any reason, the parties will have the following rights and obligations:

(a) Retrofitness will have no further obligations under this Agreement.

(b) You shall give Retrofitness a final accounting for the RETROFITNESS® Outlet, pay Retrofitness within thirty (30) days after termination all payments due to Retrofitness, and return the Manual and any other property belonging to Retrofitness.

(c) You shall immediately and permanently cease to operate the RETROFITNESS® Outlet. You shall immediately and permanently stop using the Marks or any confusingly similar marks, the System, or any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that You are operating a RETROFITNESS® Outlet; You shall refrain from any statement or action that might give others the impression that You are or ever were affiliated with the RETROFITNESS® Franchise Network.

(d) In addition to any procedures required by applicable laws and any instructions that we may provide, you must notify all members of your Retrofitness® Outlet

immediately that your facility will cease to operate under the Marks (using a notice that we have approved in writing) and offer to such members the option to terminate their membership and receive a pro rata refund of all membership fees and other charges which were prepaid by such members related to any period after the effective date of termination or expiration of this Agreement. You are solely responsible for paying such refunds to your members. We may contact and offer such members continued rights to use one or more Retrofitness® facilities on such terms and conditions we deem appropriate, which in no event will include assumption of any then-existing liability arising out of or relating to any membership agreement or act or failure to act by you or your Retrofitness® Outlet. You will cooperate with us to preserve member goodwill.

(e) You shall promptly sign any documents and take any steps that in the judgment of Retrofitness are necessary to delete Your listings from classified telephone directories, disconnect or, at Retrofitness' option, assign to Retrofitness all telephone numbers that have been used in the RETROFITNESS® Outlet, and terminate all other references that indicate You are or ever were affiliated with Retrofitness or a RETROFITNESS® Outlet. By signing this Agreement, You irrevocably appoint Retrofitness as Your attorney-in-fact to take the actions described in this paragraph if You do not do so Yourself within seven (7) days after termination of this Agreement. You further irrevocably assign Your telephone numbers listed on Exhibit 3 to Retrofitness.

(f) You shall maintain all records required by Retrofitness under this Agreement for a period of not less than three (3) years after final payment of any amounts You owe to Retrofitness when this Agreement is terminated (or such longer period as required by applicable law).

(g) Retrofitness, or its designee, has an option to purchase the business from You, including but not limited to, any or all of the physical assets of the RETROFITNESS® Outlet, including its equipment, supplies and inventory, during a period of sixty (60) days following the effective date of termination. If Retrofitness notifies You that it (or its designee) wishes to purchase the assets of the business from You following Termination of the Franchise Agreement, You must immediately surrender possession of the RETROFITNESS® Outlet to Retrofitness or its designee upon demand. Retrofitness or its designee will operate the RETROFITNESS® Outlet at its expense pending determination of the purchase price as set forth below. The equipment, supplies, and inventory will be valued as follows:

1. The lower of depreciated value or fair market value of the equipment, supplies and inventory; and

2. Depreciated value of other tangible personal property calculated on the straight-line method over a five (5) year life, less any liens or encumbrances.

Retrofitness must send written notice to You within thirty (30) days after termination of this Agreement of its (or its designee's) election to exercise the option to purchase. If the parties do not agree on a price within the option period, the option

period may be extended for up to fifteen (15) business days to permit appraisal by an independent appraiser who is mutually satisfactory to the parties. If the parties fail to agree upon an appraiser within the specified period, each will appoint an appraiser and the two appraisers thus appointed must agree on a third appraiser within ninety (90) days after termination who must determine the price for the physical assets of the RETROFITNESS® Outlet in accordance with the standards specified above. This determination will be final and binding upon both Retrofitness, or Retrofitness's designee, as applicable, and You.

Retrofitness or its designee may exclude from the assets appraised any signs, equipment, inventory, and materials that are not reasonably necessary (in function or quality) to the operation of the RETROFITNESS® Outlet or that Retrofitness has not approved as meeting Retrofitness' then current standards; the purchase price determined by the appraisal will reflect such exclusions (the "Purchase Price).

The Purchase Price shall be paid at a closing date not later than ninety (90) days after Determination. Retrofitness has the right to offset against the Purchase Price any and all amounts that You or Your Related Parties owe Retrofitness and/or its Related Parties.

At closing, You agree to deliver instruments transferring: (i) good and marketable title to the assets purchased, free and clear of all liens and encumbrances, with all sales and transfer taxes paid by You; (ii) all licenses and permits related to the business which can be assigned; (iii) the leasehold interest in the Approved Location; (iv) a release agreement signed by You and Your Related Parties in a form and substance acceptable to Retrofitness; and (v) such other documentation as we may reasonably request.

(h) Retrofitness (or its designee) has an option to replace You as lessee under any equipment lease or note for equipment that is used in connection with the RETROFITNESS® Outlet. Upon request by Retrofitness, You shall give Retrofitness or its designee copies of the leases for all equipment used in the RETROFITNESS® Outlet immediately upon termination. Upon request by Retrofitness, You shall allow Retrofitness and/or its designee the opportunity, at a mutually satisfactory time, to inspect the leased equipment. Retrofitness must request the information and access described in this paragraph within fifteen (15) days after termination; it must advise You of its (or its designee's) intention to exercise the option within fifteen (15) days after it has received the information and/or inspected the equipment. Retrofitness or its designee may assume any equipment lease in consideration of its assumption of future obligations under the lease. Upon exercise of this option by Retrofitness or its designees, You shall be fully released and discharged from future rents and other future liabilities under the lease if the terms of the lease permit it, but not from any debts to the lessor that already exist on the date when the option is exercised.

(i) If Retrofitness declines to exercise the option purchase or assume the lease on Your equipment, You may sell it to either another RETROFITNESS® franchisee or, with Retrofitness prior written approval You may de-brand the equipment and sell it to a non-franchisee.

(j) You may not sell, or in any way divulge, the client list of Your RETROFITNESS® Outlet. You acknowledge and agree that the foregoing restriction prohibits you from selling, transferring or otherwise assigning any of your membership agreements or member data. At Retrofitness's option, you shall transfer any and all membership agreements to Retrofitness or its designee, as specified by Retrofitness. Retrofitness may, in its sole option, transfer or assign any or all of your membership agreements to another Retrofitness location.

(k) If the premises are leased from a third party, and if Retrofitness elects, you shall immediately assign your interest in the lease to Retrofitness or its designee and immediately surrender possession of the premises to the Retrofitness. You are and shall remain liable for all of your obligations accruing up to the effective date of any lease assignment.

(l) Franchisee and its Related Parties shall abide by the post-termination non-compete covenant in Section 8.6 of this Agreement.

10.4 Liquidated Damages

The parties agree that, if this Agreement is terminated as a result of a default by Franchisee, it would be impossible to calculate with reasonable precision the losses that would be incurred by Retrofitness because of the unpredictability of future business conditions, inflationary prices, the impact on Retrofitness's reputation from having a closed location, the ability of Retrofitness to replace the Outlet in the same market, and other factors. Accordingly, if this Agreement is terminated as a result of any default by Franchisee, Retrofitness shall be entitled to recover as liquidated damages, and not as a penalty, an amount equal to the aggregate Royalty fees and Advertising Fund contributions due to Retrofitness during the 36 full calendar months during which the Outlet was open and operating immediately before the termination date. If the Outlet has not been open and operating for 36 months before the termination date, liquidated damages shall be equal to the average monthly Royalty fees and Advertising Fund contributions due to Retrofitness for all months during which the Outlet was open and operating multiplied by 36.

10.5 No Limitation of Remedies

No right or remedy conferred upon or reserved to Retrofitness (including as set forth in Section 10.3 above) is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. Nothing herein shall be construed to deprive Retrofitness of the right to recover damages as compensation for lost future profits. Termination of this Agreement will not end any obligation of either party that has come into existence before termination. All obligations of the parties, which by their terms or by reasonable implication are to be performed in whole or in part after termination, shall survive termination.

11. MISCELLANEOUS PROVISIONS

11.1 Construction of Contract

Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires.

11.2 Governing Law, Venue and Jurisdiction

11.2.1. This Agreement shall take effect upon its acceptance and execution by Retrofitness. Except to the extent governed by the United States Arbitration Act (9 U.S.C.§§ 1, et. seq.) and the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. §1050 et seq.), this Agreement, the franchise and all claims arising from or in any way related to the relationship between Retrofitness, and/or any of its Related Parties, on the one hand, and you, and any of your owners, guarantors and/or affiliates, on the other hand, shall be interpreted and construed under the laws of the state of Florida (or such other state where Franchisor's headquarters may hereafter be located), which laws shall prevail in the event of any conflict of law, except that any law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless jurisdictional requirements are met independently without reference to this paragraph.

11.2.2. In the event the arbitration clause set forth in Section 11.8 is inapplicable or unenforceable, and subject to Retrofitness's right to obtain injunctive relief in any court of competent jurisdiction, the following provision shall govern: The parties hereby expressly agree that the United States District Court for Fourth District of Florida, or if such court lacks subject matter jurisdiction, the State of Florida's Fifteenth Circuit Court in Palm Beach County, shall be the exclusive venue and exclusive proper forum in which to adjudicate any case or controversy arising out of or related to, either directly or indirectly, this Agreement, ancillary agreements, or the business relationship between the parties. The parties further agree that, in the event of such litigation, they will not contest or challenge the jurisdiction or venue of these courts. You acknowledge that this Agreement has been entered into in the State of Florida and that you are to receive valuable and continuing services emanating from Retrofitness's headquarters in Palm Beach County, Florida. In the event that Retrofitness's headquarters move to a location outside of Palm Beach County, Florida, the parties hereby expressly agree that the United States District Court for the district within which the new headquarters is located, or if such court lacks subject matter jurisdiction, the state court for the district within which the new headquarters is located, shall be the exclusive venue and exclusive proper forum in which to adjudicate any case or controversy arising out of or related to, either directly or indirectly, this Agreement, ancillary agreements, or the business relationship between the parties. Without limiting the generality of the foregoing, the parties waive all questions of jurisdiction or venue for the purposes of carrying out this provision.

11.3 Notices

The parties to this Agreement shall direct any notices to the other party at the Delivery Address specified below that party's name on the final page of this Agreement or at another address if advised in writing that the address has been changed. The parties shall notify each other in writing if the Delivery Address changes. As of the day You begin Pre-Sales, as defined above, Your Delivery Address will be Your Approved Location. Notice may be delivered by facsimile (with simultaneous mailing of a copy by first class mail), by electronic mail (with simultaneous mailing of a copy by first class mail), courier, federal express, or first class mail. Notice by facsimile will be considered delivered upon transmission; by courier, upon delivery; and by first class mail, three days after posting. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

11.4 Amendments

This Agreement may be amended only by a document signed by all of the parties to this Agreement or by their authorized agents.

11.5 No Waivers

No delay, waiver, omission, or forbearance on the part of Retrofitness to exercise any right, option, duty, or power arising out of any breach or default by You under any of the terms, provisions, covenants, or conditions hereof, shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against You, or as to subsequent breach or default by You. Subsequent acceptance by Retrofitness of any payments due to it hereunder shall not be deemed to be a waiver by Retrofitness of any preceding breach by You of any terms, provisions, covenants, or conditions of this Agreement.

11.6 Integration

This Agreement and all exhibits to this Agreement, constitute the entire agreement between the parties. This Agreement supersedes any and all prior negotiations, understandings, representations and agreements. No representations have induced You to execute this Agreement with Retrofitness. Except for those permitted to be made unilaterally by Retrofitness hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require You to waive reliance on any representation that Retrofitness made in the most recent disclosure document (including its exhibits and amendments) (the "FDD") that Retrofitness delivered to You or Your representative, subject to any agreed-upon changes to the contract terms and conditions described in that disclosure document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement).

You acknowledge that you are entering into this Agreement as a result of your own independent investigation, and not as a result of any representations (with the exception of those representations made in the FDD) made by Retrofitness, its members, managers, officers, directors, employees, agents, representatives, or independent contractors that are contrary to the terms set forth in this Agreement. You acknowledge that the FDD you received contained a copy of this Franchise Agreement and that you reviewed the FDD and Franchise Agreement before you signed this Agreement. You further understand, acknowledge and agree that any information you obtain from any RetroFitness® franchisee, including relating to their sales, profit, cash flows, and/or expenses, does not constitute information obtained from Retrofitness, nor does Retrofitness make any representation as to the accuracy of any such information.

11.7 Negotiation and Mediation

11.7.1 Agreement to Use Procedure

The parties have reached this Agreement in good faith and in the belief that it is mutually advantageous to them. In the same spirit of cooperation, they pledge to try to resolve any dispute without litigation or arbitration. Other than an action by Retrofitness under Section 11.9 of this Agreement, the parties agree that if any dispute arises between them, before beginning any legal

action or arbitration to interpret or enforce this Agreement, they will first follow the procedures described in this section. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any legal action or arbitration to interpret or enforce this Agreement.

11.7.2 Initiation of Procedures

The party that initiates these procedures ("Initiating Party") must give written notice to the other party, describing in general terms the nature of the dispute, specifying the Initiating Party's claim for relief, including the damages sought, and identifying one or more persons with authority to settle the dispute for him, her, or it. The party receiving the notice ("Responding Party") has seven (7) days within which to designate by written notice to the Initiating Party one or more persons with authority to settle the dispute on the Responding Party's behalf (the "Authorized Persons").

11.7.3 Direct Negotiations

The Authorized Persons may investigate the dispute as they consider appropriate, but agree to meet in person at a location designated by Retrofitness within seven (7) days from the date of the designation of Authorized Persons to discuss resolution of the dispute. The Authorized Persons may meet at any times and places and as often as they agree. If the dispute has not been resolved within ten (10) days after their initial meeting, either party may begin mediation procedures by giving written notice to the other party that it is doing so.

11.7.4 Selection of Mediator

The Authorized Persons will have seven (7) days from the date on which one party gives notice that he, she, or it is beginning mediation within which to submit to one another written lists of acceptable mediators who are not associated with either of the parties. Within seven (7) days from the date of receipt of any list, the Authorized Persons must rank all the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest ranking one of these will be designated the mediator. If this process does not result in selection of a mediator, the parties agree jointly to request the arbitral organization designated in Section 11.8 to supply a list of qualified potential mediators. Within seven (7) days after receipt of the list, the parties must again rank the proposed mediators in numerical order of preference and must simultaneously exchange their lists. The mediator having the highest combined ranking shall be appointed as mediator. If the highest ranking mediator is not available to serve, the parties must go on to contact the mediator who was next highest in ranking until they are able to select a mediator.

11.7.5 Time and Place for Mediation

Mediation shall take place in Palm Beach County, Florida or in such other county as Franchisor's headquarters may hereafter be located. In consultation with the parties, the mediator shall promptly designate a mutually acceptable time and place for the mediation. Unless circumstances make it impossible, the time may not be later than thirty (30) days after selection of the mediator.

11.7.6 Exchange of Information

If either party to this Agreement believes he, she, or it needs information in the possession of another party to this Agreement to prepare for the mediation, all parties must attempt in good faith to agree on procedures for an exchange of information, with the help of the mediator if required.

11.7.7 Summary of Views

At least seven (7) days before the first scheduled mediation session, each party must deliver to the mediator and to the other party a concise written summary of its views on the matter in dispute and on any other matters that the mediator asks them to include. The mediator may also request that each party submit a confidential paper on relevant legal issues, which may be limited in length by the mediator, to him or her.

11.7.8 Representatives

In the mediation, each party must be represented by an Authorized Person and may be represented by counsel. In addition, each party may, with permission of the mediator, bring with him, her, or it any additional persons who are needed to respond to questions, contribute information, and participate in the negotiations.

11.7.9 Conduct of Mediation

The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it will be useful after reviewing the position papers, the mediator shall give both himself or herself and the Authorized Persons an opportunity to hear an oral presentation of each party's views on the matter in dispute. The mediator shall assist the Authorized Persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties.

All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party. The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible.

11.7.10 Termination of Procedure

The parties agree to participate in the mediation procedure to its conclusion, as set forth in this section. The mediation may be concluded (1) by the signing of a settlement agreement by the parties, (2) by the mediator's declaration that the mediation is terminated, or (3) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

11.7.11 Fees of Mediator; Disqualification

The fees and expenses of the mediator must be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved.

11.7.12 Confidentiality

The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct, statement, promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible will not be excluded from discovery or made inadmissible simply because of its use in the mediation.

11.8 Arbitration

Except as provided in Section 11.9, and if not resolved by the negotiation and mediation procedures described in Section 11.7 above, any dispute, controversy, or claim between you and/or any of your Related Parties, on the one hand, and Retrofitness and/or any of Retrofitness's Related Parties, on the other hand, including, without limitation, any dispute, controversy, or claim arising under, out of, in connection with or related to: (a) this Agreement; (b) the relationship of the parties; (c) the events leading up to the execution of this Agreement; (d) any loan or other finance arrangement between you and Retrofitness or its Related Parties; (e) the parties' relationship; (f) any System Standard; (g) any claim based in tort or any theory of negligence; and/or (j) the scope or validity of the arbitration obligation under this Agreement; shall be determined in Palm Beach County, Florida (or such other location where Retrofitness's headquarters may hereafter be located) by the American Arbitration Association ("AAA"). This arbitration clause will not deprive Retrofitness of any right it may otherwise have to seek provisional injunctive relief from a court of competent jurisdiction.

11.8.1 The arbitration will be administered by the AAA pursuant to its Commercial Arbitration Rules then in effect by one arbitrator. The arbitrator shall be an attorney with substantial experience in franchise law. If proper notice of any hearing has been given, the arbitrator will have full power to proceed to take evidence or to perform any other acts necessary to arbitrate the matter in the absence of any party who fails to appear.

11.8.2 In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be forever barred.

11.8.3 Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action, associational action, or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties. If a court or arbitrator determines that this limitation on joinder of, or class action certification of, claims is unenforceable, then the agreement to arbitrate the dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts, in accordance

with Section 11.8. The arbitration must take place in West Palm Beach, Florida, or at such other location as Retrofitness designates.

11.8.4 The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or Retrofitness. The arbitrator may not under any circumstance (a) stay the effectiveness of any pending termination of this Agreement, (b) assess punitive or exemplary damages, (c) certify a class or a consolidated action, or (d) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. The arbitrator will have the right to make a determination as to any procedural matters as would a court of competent jurisdiction be permitted to make in the state in which the main office of Retrofitness is located. The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the dispute between the parties, including, but not limited to: any decision as to whether Section 11.8 is applicable and enforceable as against the parties, subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement.

11.8.5 The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction.

11.8.6 The arbitrator will have subpoena powers limited only by the laws of the state of Florida (or the laws of such other state where Retrofitness's headquarters may hereafter be located).

11.8.7 The parties ask that the arbitrator limit discovery to the greatest extent possible consistent with basic fairness in order to minimize the time and expense of arbitration. The parties to the dispute will otherwise have the same discovery rights as are available in civil actions under the laws of the state of Florida (or the laws of such other state where Retrofitness's headquarters may hereafter be located).

11.8.8 All other procedural matters will be determined by applying the statutory, common laws, and rules of procedure that control a court of competent jurisdiction in the state of Florida (or the laws of such other state where Retrofitness's headquarters may hereafter be located).

11.8.9 Other than as may be required by law, the entire arbitration proceedings (including, but not limited to, any rulings, decisions or orders of the arbitrator), will remain confidential and will not be disclosed to anyone other than the parties to this Agreement.

11.8.10 The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction.

11.8.11 Retrofitness reserves the right, but has no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished Retrofitness's right to seek recovery of those costs against you.

11.8.12 The party against whom the arbitrator renders a decision shall pay all expenses of arbitration.

11.9 Exceptions to Arbitration & Mediation

11.9.1 Notwithstanding the provisions of Sections 11.7 and 11.8 of this Agreement, Retrofitness shall be entitled, without bond, to the entry of temporary, preliminary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement in any court of competent jurisdiction relating to: (a) your, and/or any of your Related Party's use of the Marks; (b) your confidentiality and non-competition covenants (Section 8); (c) your obligations upon termination or expiration of the franchise; or (d) Transfer or assignment by you. If Retrofitness secures any such injunction or order of specific performance, you agree to pay to Retrofitness an amount equal to the aggregate of Retrofitness's costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses and any damages incurred by Retrofitness as a result of the breach of any such provision.

11.9.2 Further, at the election of Retrofitness, or its affiliate, the mediation and arbitration provisions of Sections 11.7 and 11.8, inclusive of all subparts, shall not apply to: (a) any claim by Retrofitness relating to your failure to pay any fee due to Retrofitness under this Agreement; and/or (b) any claim by Retrofitness or its affiliate relating to use of the Proprietary Marks and/or the System, including, without limitation, claims for violations of the Lanham Act; and/or (c) any claim by Retrofitness relating to a breach of your confidentiality and/or non-competition obligations under this Agreement.

11.10 Injunctive Remedy for Breach

You recognize that You are a member of a Franchise Network and that Your acts and omissions may have a positive or negative effect on the success of other businesses operating under Retrofitness' Trade Name and in association with its Marks. Failure on the part of a single franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to Retrofitness and to some or all of the other franchisees of Retrofitness. For this reason, You agree that if Retrofitness can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of Your breach or threatened breach of any of the terms of this Agreement, Retrofitness will be entitled to an injunction restraining the breach or to a decree of specific performance, without showing or proving any actual damage and without the necessity of positing bond or other security; any bond or other security being waived hereby. Franchisor has the exclusive right to seek relief pursuant to this section in a court of competent jurisdiction as defined in section 11.2.2 of this Agreement or any other court of competent jurisdiction.

11.11 Limitation of Actions

You may not maintain an arbitration against the Franchisor or its Related Parties unless (a) You deliver written notice of any claim to the other party within one hundred eighty (180) days after the event complained of becomes known to You, (b) thereafter You must follow the negotiation and mediation procedures described above, and (c) You file an arbitration within one (1) year after the notice is delivered.

11.12 Attorney Fees and Costs

If legal action or arbitration is necessary, including any motion to compel arbitration, or action on appeal, to enforce the terms and conditions of this Agreement or for violation of this Agreement, Retrofitness will be entitled to recover reasonable compensation for preparation, investigation costs, court costs, arbitral costs, and reasonable accountants', attorneys', attorneys' assistants', and expert witness fees incurred by Retrofitness. Further, if Retrofitness engages legal counsel in connection with any failure by You to comply or in connection with any legal action with this Agreement, You shall reimburse Retrofitness for any and all of the above-listed costs and expenses incurred by Retrofitness. Retrofitness reserves the right, in its sole discretion, to deduct these costs and expenses directly from your bank account in the same manner it deducts other royalties or fees You may owe to Retrofitness.

11.13 Severability

Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

11.14 Individual Dispute Resolution – No Class Action or Multi Party Actions

Any legal action between or among the parties to this Agreement and any of their Related Parties shall be conducted on an individual basis and not on a consolidated or class-wide basis.

11.15 Waiver of Rights

THE PARTIES HERETO AND EACH OF THEM KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREE AS FOLLOWS:

11.15.1 Jury Trial

The parties hereto and each of them EXPRESSLY WAIVE(S) THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN ANY ARBITRATION, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, FOR ANY CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, THE EVENTS LEADING UP TO THE SIGNING OF THIS AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT OR THE FRANCHISE, WHETHER BROUGHT IN STATE OR FEDERAL COURT, WHETHER BASED IN CONTRACT THEORY, NEGLIGENCE OR TORT, AND REGARDLESS OF WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING. This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in Section 11.8 is unenforceable. Each party acknowledges that it has had full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.

11.15.2 Damage Waiver.

The parties hereto and each of them EXPRESSLY WAIVE(S) ANY CLAIM FOR PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES; ***except that*** this waiver and limitation shall not apply with respect to (a) your obligation to indemnify Retrofitness pursuant to any provision of this Agreement, and/or (b) any claims Retrofitness brings against you and/or your guarantors for unauthorized use of the Marks, unauthorized use or disclosure of any Confidential Information, unfair competition, breach of the non-competition covenant and any other cause of action under the Lanham Act, and Retrofitness shall be entitled to receive an award of multiple damages, attorneys' fees and all damages as provided by law.

11.15.3 The parties hereto and each of them EXPRESSLY AGREE(S) THAT IN THE EVENT OF ANY FINAL DETERMINATION, ADJUDICATION OR APPLICABLE ENACTMENT OF LAW THAT PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES MAY NOT BE WAIVED, ANY RECOVERY BY ANY PARTY IN ANY ARBITRATION OR OTHER FORUM SHALL NEVER EXCEED TWO (2) TIMES ACTUAL DAMAGES, except that RETROFITNESS may recover more than two (2) times its actual damages if you commit acts of willful trademark infringement or otherwise violate the Lanham Act, as provided by law.

11.15.4 You hereby expressly waive any and all rights, actions or claims for relief under the Federal Act entitled "Racketeer Influenced and Corrupt Organizations", 18 U.S.C. Section 1961, *et seq.*

11.16 Approval and Guaranty Provision

If You are a corporation, all officers and shareholders, or, if You are a partnership, all Your general partners, or, if You are a limited liability company, all Your members, shall approve this Agreement, permit You to furnish the financial information required by Retrofitness, and agree to the restrictions placed on them, including restrictions on the transferability of their interests in the franchise and the RETROFITNESS® Outlet and limitations on their rights to compete, and sign separately a Personal Guaranty and Subordination Agreement, guaranteeing Your payments and performance. Where required to satisfy our standards of creditworthiness, or to secure the obligations made under this Agreement, Your spouse, or the spouses of Your Related Parties, may be asked to sign the Personal Guaranty and Subordination Agreement. Our form of Personal Guaranty and Subordination Agreement appears as Exhibit 5 to this Agreement.

11.17 Acceptance by Retrofitness

This Agreement will not be binding on Retrofitness unless and until an authorized officer of Retrofitness has signed it.

11.18 Disclaimer of Representations

NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE US EXCEPT OUR AUTHORIZED OFFICER BY A WRITTEN DOCUMENT. YOU ACKNOWLEDGE THAT NO REPRESENTATIONS, PROMISES, INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY US OR ON OUR BEHALF WHICH HAVE LED YOU TO ENTER INTO THIS AGREEMENT. YOU UNDERSTAND THAT WHETHER YOU SUCCEED AS A FRANCHISEE IS DEPENDENT UPON YOUR EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF YOUR EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND OUR CONTROL OR

INFLUENCE. YOU FURTHER UNDERSTAND THAT SOME FRANCHISEES ARE MORE OR LESS SUCCESSFUL THAN OTHER FRANCHISEES AND THAT WE HAVE MADE NO REPRESENTATION THAT YOU WILL DO AS WELL AS ANY OTHER FRANCHISEE. YOU UNDERSTAND THAT RETROFITNESS IS NOT A FIDUCIARY AND HAS NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION.

11.19 Receipt

The undersigned acknowledges receipt of this Agreement and the Franchise Disclosure Document, with any amendments and exhibits, at least fourteen (14) calendar days (unless otherwise required by applicable law) before execution of this Agreement or Your payment of any monies to us, refundable or otherwise.

11.20 Opportunity for Review by Your Advisors

You acknowledge that we have recommended, and that You have had the opportunity to obtain, review of this Agreement and our Franchise Disclosure Document by Your lawyer, accountant or other business advisor before execution hereof.

11.21 Execution of Agreement

Each of the undersigned parties warrants that it has the full authority to sign this Agreement. If You are a partnership, limited liability company or corporation, the person executing this agreement on behalf of such partnership, limited liability company or corporation warrants to us, both individually and in his capacity as partner, member, manager or officer, that all of the partners of the partnership, all of the members or managers of the limited liability company, or all of the shareholders of the corporation, as applicable, have read and approved this Agreement, including any restrictions which this Agreement places upon rights to transfer their interest in the partnership, limited liability company or corporation.

11.22 Independent Investigation

You acknowledge that You have conducted an independent investigation of the franchised business contemplated by this Agreement and recognize that it involves business risks which make the success of the venture largely dependent upon Your business abilities and efforts. You acknowledge that You have been given the opportunity to clarify any provision of this Agreement that You may not have initially understood and that we have advised You to have this Agreement reviewed by an attorney.

11.23 No Guarantees of Earnings

You understand that neither Retrofitness nor any of our representatives and/or agents with whom You have met have made and are not making any guarantees, express or implied, as to the extent of Your success in Your franchised business, and have not and are not in any way representing or promising any specific amounts of earnings or profits in association with Your franchised business.

11.24 No Personal Liability

You agree that fulfillment of any and all of our obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Retrofitness' sole responsibility and none of its agents, representatives, nor any individuals associated with it shall be personally liable to You for any reason.

11.25 Non-Uniform Agreements

Retrofitness makes no representations or warranties that all other agreements with Retrofitness System franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. You recognize, acknowledge and agree that Retrofitness may waive or modify comparable provisions of other franchise agreements granted to other System franchisees in a non-uniform manner.

11.26 Managing Owner Appointment

You hereby acknowledge and agree that _____ shall serve as the Managing Owner of Franchisee as contemplated in Section 3.8 of this Agreement.

IN WITNESS TO THE PROVISIONS OF THIS AGREEMENT, the undersigned have signed this Agreement on the date set forth in Section 1 hereof.

FRANCHISOR
RETROFITNESS, LLC

By

Delivery Address: Retrofitness, LLC
1601 Belvedere Road, Suite E-500
West Palm Beach, FL 33406

FRANCHISEE

By:_____

Title:_____

Signature:_____

Address:

_____

_____

FRANCHISEE

By:_____

Title:_____

Signature: _____

Address:

_____

_____

FRANCHISEE

By: _____

Title: _____

Signature: _____

Address:

_____

_____

FRANCHISEE

By: _____

Title: _____

Signature: _____

Address:

_____

_____

Delivery Address for Notices (pending determination of the Approved Location):

_____

_____

APPROVED LOCATION / APPROVED TERRITORY

1. **Approved Location:**

☐ **(a)** _____
(Street Address, City, State and Zip Code)

☐ **(b)** The Approved Location has not been determined as of the Effective Date of this Agreement. Franchisee shall secure the Approved Location for the Outlet in accordance with the terms and conditions of the Franchise Agreement within the general area described as follows (the "Designated Area"):

_____
(Indicate City, County or Area within which the Outlet shall be located.)

If (b) above is selected, once the Approved Location is secured by Franchisee in accordance with the terms of the Franchise Agreement, Retrofitness, LLC will issue an updated copy of Exhibit 1 to reflect: (a) the address of the Approved Location secured by Franchisee in accordance with the terms of the Franchise Agreement, and (b) the Approved Territory, as designated by Retrofitness, LLC, once the Approved Location is secured by Franchisee in accordance with the terms of the Franchise Agreement.

2. **Approved Territory**. The Approved Territory shall be comprised of the following area: An area that is within a _____ (_____) mile "drivable distance" from your approved site. We will determine Your Approved Territory using the mapping service, program and/or software we select (in our sole discretion), including, without limitation, GOOGLE® maps.

Initial: _____ **Date:** _____
Franchisee

Initial: _____ **Date:** _____
Retrofitness, LLC

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENT

(ELECTRONIC FUNDS TRANSFER/DIRECT DEBITS)

The undersigned depositor ("Depositor") authorizes Retrofitness, LLC ("Retrofitness") to request debit entries and/or credit correction entries to the Depositor's checking and/or savings account(s) indicated below and the depository ("Depository") to debit the account according to Retrofitness instructions.

Depository	Branch
Street Address, City, State, Zip Code	
Bank Transit/ABA Number	Account Number

This authorization is to remain in full force and effect until Depository has received joint written notification from Retrofitness and Depositor of the Depositor's termination of the authorization in a time and manner that will give Depository a reasonable opportunity to act on it. In spite of the foregoing, Depository will give Retrofitness and Depositor thirty (30) days' prior written notice of the termination of this authorization. If an erroneous debit entry is made to Depositor's account, Depositor will have the right to have the amount of the entry credited to the account by Depository, if within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to the entry or forty-five (45) days after posting, whichever occurs first, Depositor has sent Depository a written notice identifying the entry, stating that the entry was in error, and requesting Depository to credit the amount of it to the account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

Depositor	Depository
By:_____	By:_____
Title	Title
Date	Date

Please attach a voided check for the account from which funds will be withdrawn. If the account is not established at the time of signing, a check will be required prior to the commencement of pre-sale operations.

Initial: _____ **Date:** _____
Franchisee

Initial: _____ **Date:** _____
Retrofitness, LLC

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

This Conditional Assignment of Telephone Numbers and Listings (the "Assignment") is entered into this _____ day of _____, 20___ ("Effective Date") in accordance with the terms of the Franchise Agreement ("Franchise Agreement") between Retrofitness, LLC ("Franchisor") and _____ ("Franchisee"), executed concurrently with this Assignment and under which Franchisor granted Franchisee the right to own and operate a RETROFITNESS® franchised outlet located at _____ (the "Outlet").

FOR VALUE RECEIVED, receipt of which is hereby acknowledged, Franchisee hereby agrees as follows:

1. Conditional Assignment of Listings. Franchisee hereby conditionally assigns to Franchisor all of Franchisee's right, title and interest in and to (a) all telephone numbers and regular yellow pages, special, classified and other telephone directory listings used at any time in connection with the operation of the Outlet; and (b) any and all website and social media addresses and accounts, including, without limitation, Facebook®, Twitter®; LinkedIn®, and any other account that contains any term or any mark the same as or similar to any of Franchisor's trademarks (individually and collectively, the "Listings"). The Listings shall include the following telephone numbers:

_____

2. No Liability. This Assignment is for collateral purposes only, and except as expressly provided herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless and until Franchisor notifies the telephone company, listing agency and/or webmaster/webhost (each a "Listing Agency"), as applicable.

3. Effectiveness of Assignment. This Assignment will become effective automatically upon expiration (provided that Franchisee has not obtained a renewal of the Franchise Agreement) or the earlier termination of the Franchise Agreement. Upon the occurrence of that condition, Franchisee must do all things required by the applicable Listing Agency to assure the effectiveness of the assignment set forth herein as if the Franchisor had been originally issued the Listings, and the usage thereof.

4. Responsibility of Franchisee. Franchisee agrees to pay the Listing Agencies on or before the effective date of assignment all amounts owed for the use of Listing(s). Franchisee further agrees to indemnify Franchisor for any sums Franchisor must pay any Listing Agency to effectuate this assignment, and agrees to fully cooperate with the Listing Agency and Franchisor in effectuating this assignment.

5. Franchisee Acknowledgments. Franchisee agrees and acknowledges that as between Franchisor and Franchisee, Franchisor shall have the sole right to and interest in and to the Listings upon termination or expiration of the Franchise Agreement. Franchisee appoints Franchisor as Franchisee's true and lawful attorney-in-fact to direct the Listing Agency to assign same to Franchisor and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event Franchisee shall immediately instruct the applicable Listing Agency to assign the applicable Listing to Franchisor, and /or to assign the Listing account

to Franchisor. If Franchisee fails to promptly do so, Franchisor shall direct the appropriate parties to effectuate the assignment contemplated hereunder to Franchisor.

6. Attorney in Fact. The parties agree that the Listing Agency may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Listings and that such assignment shall be made automatically and effective immediately upon the Listing Agency's receipt of notice from Franchisor or Franchisee. The parties further agree that if the Listing Agency requires that the parties execute an assignment form or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this Assignment as of the date of the Franchise Agreement.

ASSIGNOR:

By:_____

Title:_____

Signature:_____

ASSIGNEE:
RETROFITNESS, LLC

By:_____

Title:_____

Signature:_____

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

In return for 1) his or her training by Retrofitness, LLC ("Retrofitness") to operate a RETROFITNESS® Outlet, 2) the grant of a franchise by Retrofitness to a company in which he or she has an ownership interest, or 3) his or her employment by Retrofitness or one of its franchisees, _____
_____
_____
("Confidant") agrees as follows:

1. Nondisclosure of Trade Secrets and Confidential Information

Confidant agrees, during the term of the Franchise Agreement and following termination, expiration or assignments of the Agreement, not to disclose, duplicate, sell, reveal, divulge, publish, furnish or communicate, either directly or indirectly, any Trade Secret or other Confidential Information of Retrofitness to any other person or entity unless authorized in writing by Retrofitness. Confidant agrees not to use any Trade Secrets or Confidential Information for his or her personal gain or for purposes of others, whether or not the Trade Secret or Confidential Information has been conceived, originated, discovered or developed, in whole or in part, by Confidant or represents Confidant's work product. If Confidant has assisted in the preparation of any information that Retrofitness considers to be a Trade Secret or Confidential Information or has himself or herself prepared or created the information, Confidant assigns any rights that he or she may have in the information as its creator to Retrofitness, including all ideas made or conceived by Confidant.

2. Definition of Trade Secrets and Confidential Information

For purposes of this Agreement, the terms "Trade Secrets" and "Confidential Information" mean any knowledge, techniques, processes or information made known or available to Confidant that Retrofitness treats as confidential, whether existing now or created in the future, including but not limited to information about the cost of materials and supplies; supplier lists or sources of supplies; internal business forms, orders, customer accounts, member lists, member contracts, manuals and instructional materials describing Retrofitness' methods of operation, including Retrofitness' Brand Standards Manual; products; drawings, designs, plans, proposals, and marketing plans; all concepts or ideas in, or reasonably related to Retrofitness' business that have not previously been publicly released by Retrofitness; and any other information or property of any kind of Retrofitness that may be protected by law as a Trade Secret, confidential or proprietary. The Trade Secrets and Confidential Information described in this Agreement are the sole property of Retrofitness.

3. Return of Proprietary Material

Upon termination of franchise ownership or employment by Retrofitness or a RETROFITNESS® franchisee, Confidant shall surrender to Retrofitness all materials considered proprietary by Retrofitness, technical or non-technical, whether or not copyrighted, which relate to Trade Secrets, Confidential Information or conduct of the operations of Retrofitness.

Confidant expressly acknowledges that any such materials of any kind given to him or her are and will remain the sole property of Retrofitness.

4. Solicitation of Employees

Confidant further agrees that he or she will not furnish to or for the benefit of any competitor of Retrofitness, or the competitor's franchisees, or the competitor's subsidiaries, the name of any person who is employed by Retrofitness or by any franchisee of Retrofitness.

5. Noncompetition

Confidant agrees and covenants that because of the confidential and sensitive nature of the Confidential Information and because the use of the Confidential Information in certain circumstances may cause irrevocable damage to Retrofitness, Confidant will not, until the expiration of two (2) years after the termination of the employment relationship between Confidant and Retrofitness or the Retrofitness franchisee that employs him or her, or termination of the ownership interest of Confidant in a RETROFITNESS® franchise, engage, directly or indirectly, or through any corporations or Related Parties, in any business, enterprise or employment that is directly competitive with the Retrofitness franchise and is located within fifteen (15) miles of the Outlet or any other RETROFITNESS® Outlet.

6. Saving Provision

Confidant agrees and stipulates that the agreements and covenants not to compete contained in the preceding paragraph are fair and reasonable in light of all the facts and circumstances of the relationship between Confidant and Retrofitness. However, Confidant and Retrofitness are aware that in certain circumstances courts have refused to enforce certain agreements not to compete. Therefore, in furtherance of the provisions of the preceding paragraph, Confidant and Retrofitness agree that if a court or arbitrator declines to enforce the provisions of the preceding paragraph, that paragraph shall be considered modified to restrict Confidant's competition with Retrofitness to the maximum extent, in both time and geography, which the court or arbitrator finds enforceable.

7. Irreparable Harm to Retrofitness

Confidant understands and agrees that Retrofitness will suffer irreparable injury that cannot be precisely measured in monetary damages to its Trade Secrets if Confidential Information or proprietary information is obtained by any person, firm or corporation and is used in competition with Retrofitness. Accordingly, Confidant agrees that it is reasonable and for the protection of the business and goodwill of Retrofitness for Confidant to enter into this Agreement. Thus, if there is a breach of this Agreement by Confidant, Confidant consents to entry of a temporary restraining order or other injunctive relief and to any other relief that may be granted by a court having proper jurisdiction.

8. Binding Effect

This Agreement will be binding on Confidant's heirs, executors, successors and assignees as though originally signed by these persons.

9. Applicable Law

The laws of the state where Confidant lives will govern the validity of this Agreement. If any provision of this Agreement is void or unenforceable in that State, the remainder of the Agreement will be fully enforceable according to its terms.

CONFIDANT

_____

[Name of Confidant]

By: _____

[Confidant's signature]

CONFIDANT

_____

[Name of Confidant]

By: _____

[Confidant's signature]

CONFIDANT

_____

[Name of Confidant]

By: _____

[Confidant's signature]

CONFIDANT

_____

[Name of Confidant]

By: _____

[Confidant's signature]

IF FRANCHISEE IS AN INDIVIDUAL, FRANCHISEE AND FRANCHISEE'S SPOUSE MUST SIGN THE FOLLOWING AGREEMENT. IF FRANCHISEE IS A CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY COMPANY, EACH OFFICER, SHAREHOLDER, GENERAL PARTNER, OR MEMBER (AS APPLICABLE), AND THEIR SPOUSES (AS APPLICABLE) MUST SIGN THE FOLLOWING AGREEMENT:

PERSONAL GUARANTY AND SUBORDINATION AGREEMENT

The following persons:_____ (individually and collectively, the "undersigned" or "Guarantor"), to induce Retrofitness, LLC ("Retrofitness" or "Franchisor") to enter into or permit assignment of a certain RETROFITNESS® Franchise Agreement, dated _____ (the "Franchise Agreement"), with _____ _____("Franchisee"), hereby unconditionally, personally, jointly and severally, agrees to be bound by all of the obligations of Franchisee under the Franchise Agreement, including any amendments thereto or renewals thereof, whenever made, and absolutely, irrevocably and unconditionally guarantees to Retrofitness and its successors and assigns that all of Franchisee's obligations under the Franchise Agreement will be punctually paid and performed. The undersigned acknowledges and agrees that Franchisor has entered into the Franchise Agreement with Franchisee solely on the condition that each owner of Franchisee, and each owner's spouse, be personally obligated and jointly and severally liable with Franchisee (and with each other owner of Franchisee) for the performance of each and every obligation of Franchisee (and its owners) under: (i) the Franchise Agreement, including any amendments thereto or extensions or renewals thereof, and (ii) each and every other agreement entered into by Franchisee in connection with the Franchise Agreement (the Franchise Agreement and all aforementioned agreements are collectively referred to as the "Retro Agreements"). Without limiting the generality of the foregoing, the undersigned acknowledge and agree that each individual is personally bound by the confidentiality restrictions, the covenant against competition, and the indemnification obligations set forth in the Franchise Agreement.

The undersigned expressly waives notice of the acceptance by Retrofitness to or for the benefit of Franchisee, of the purchase of inventory and goods by Franchisee, the maturing of bills and the failure to pay the same, the incurring by Franchisee of any additional future obligations and liability to Retrofitness, and any other notices and demands.

This Personal Guaranty will not be affected by the modification, extension, or renewal of any agreement between Retrofitness and Franchisee, the taking of a note or other obligation from Franchisee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Franchisee of bankruptcy, insolvency, reorganization or other debtor relief afforded Franchisee under the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Personal Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals.

The obligations of the undersigned will be absolute and unconditional in spite of any defect in the validity of the Franchisee's obligations or liability to Retrofitness, or any other circumstances whether or not referred to in this Personal Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

This is an irrevocable, unconditional and absolute guaranty of payment and performance and the undersigned agrees that his, her, or their liability under this Personal Guaranty will be immediate and will not be contingent upon the exercise or enforcement by Retrofitness of

whatever remedies it may have against the Franchisee or others, or the enforcement of any lien or realization upon any security Retrofitness may at any time possess. Without limiting the foregoing, upon default by Franchisee or notice from Franchisor, the undersigned will immediately make each payment and perform each obligation required of Franchisee under the Retro Agreements. The undersigned acknowledges that Franchisor is not required to proceed first against the Franchisee, but may proceed first against the undersigned or any of them alone or concurrent with proceeding against Franchisee.

The undersigned hereby waives the following: (i) notice of amendment of the Retro Agreements and notice of demand for payment or performance by Franchisee of any obligation under the Retro Agreements; (ii) presentment or protest of any instrument and notice thereof, and notice of default or intent to accelerate with respect to the indebtedness or nonperformance of any of Franchisee's obligations under the Retro Agreements; (iii) any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; (iv) the defense of statute of limitations in any action hereunder or for the collection or performance of any obligation; (v) any and all rights to payments, indemnities and claims for reimbursement or subrogation that the undersigned may have against Franchisee arising from the undersigned's execution of and performance under this Personal Guaranty; (vi) any defense based on any irregularity or defect in the creation of any of the obligations or modification of the terms and conditions of performance thereof; (vii) any defense based on the failure of Franchisor or any other party to take, protect, perfect or preserve any right against and/or security granted by Franchisee or any other party; and (viii) any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned agree that any current or future indebtedness by Franchisee to the undersigned will always be subordinate to any indebtedness owed by Franchisee to Retrofitness. The undersigned will promptly modify any financing statements on file with state agencies to specify that Retrofitness' rights are senior to those of Guarantor.

The undersigned further agree that as long as Franchisee owes any money to Retrofitness (other than royalty and advertising fund payments that are not past due) Franchisee may not pay and the undersigned may not accept payment of any part of any indebtedness owed by Franchisee to any of the undersigned, either directly or indirectly, without the consent of Retrofitness.

In connection with any litigation or arbitration to determine the undersigned's liability under this Personal Guaranty, the undersigned expressly waives his, her, or its right to trial by jury and agrees to pay costs and reasonable attorney fees as fixed by the court or arbitrator.

The undersigned jointly and severally agree to pay all attorneys' fees, costs and expenses (including any and all Royalty Fees, Technology Fees and Advertising Fees and associated interest on such amounts, that are determined to be owing to Franchisor due to underreporting by Franchisee) incurred by Franchisor in enforcing this Personal Guaranty, whether or not suit or arbitration action is filed, and if suit or arbitration action is filed, then through trial or arbitration, as applicable, and all appeals, and also in any proceedings or matter in Bankruptcy Court, and to assume all liability for all losses, costs, attorneys' fees, and expenses that Franchisor incurs as a result of a default by Franchisee, including those fees and expenses incurred in a bankruptcy proceeding involving Franchisee.

The undersigned hereby waive any right to trial by jury that they may have in any action brought by Franchisor related, directly or indirectly, to this Personal Guaranty and/or the Retro

Agreements, or the negotiation of the Personal Guaranty and/or the Retro Agreements. The undersigned hereby acknowledge that this Personal Guaranty does not grant or create in the undersigned any interests, rights or privileges in the Retro Agreements, or any other franchise or franchise agreement.

If this Personal Guaranty is signed by more than one individual, each person signing this Personal Guaranty will be jointly and severally liable for the obligations created in it.

This Personal Guaranty will remain in full force and effect until all obligations arising out of and under the Retro Agreements, including all renewals and extensions, are fully paid and satisfied.

Dated: _____

IN WITNESS TO THE FOREGOING, the undersigned have signed this Personal Guaranty.

GUARANTORS:

By:_____
Print Name:_____, individually

By:_____
Print Name:_____, individually

Exhibit 6

STATEMENT OF OWNERSHIP INTEREST IN FRANCHISEE

[*TO BE COMPLETED IF THE FRANCHISEE IS A LEGAL ENTITY]*

Franchisee is a (circle /underline one):

Partnership Corporation Limited Liability Company

Please complete the following table by listing the name, principal address, title, and percentage ownership interest of all parties who have an interest in Franchisee:

Name	Address	Title	Percentage Ownership Interest

Franchisee's Principal Place of Business is located at: _____

_____

Franchisee was formed on _____, 20____ in the State of _____.

Initial: _____ **Date:** _____
Franchisee

Initial: _____ **Date:** _____
Retrofitness, LLC

Exhibit 7

STATE SPECIFIC ADDENDA

Exhibit 8

New York Franchise Agreement Amendment

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Retrofitness, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Under Section 4.6 of the Agreement, under the heading "Term And Renewal," the subsection 4.6.2 (f) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 4.6.2 (f) You and any Related Parties that are parties to this Agreement have signed a mutual general release of claims in a form satisfactory to Retrofitness, LLC with respect to past dealings with Retrofitness, LLC and its Related Parties; provided, however, that all rights enjoyed by you and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied; and

2. Under Section 9 of the Agreement, under the heading "Conditions of Transfer," the subsection 9.4(i) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 9.4 (i) You and your Related Parties' signing if a mutual general release of claims with Retrofitness LLC and its Related Parties; provided, however, that all rights enjoyed by the you/transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

3. Section 11 of the Agreement, shall be supplemented by the addition of the following new subsection 11.26:

> 11.26 Nothing in this Agreement should be considered a waiver of any right conferred upon you by New York General Business Law, Sections 680-695.

4. There are circumstances in which an offering made by Retrofitness LLC would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if you are domiciled in New York or the Outlet will be opening in New York. Retrofitness LLC is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York amendment to the [Franchise/License/Development] Agreement on the same date as the Franchise Agreement was executed.

FRANCHISOR:

RETROFITNESS, LLC

By: _____

Title: _____

Signature: _____

Delivery Address: Retrofitness, LLC

1601 Belvedere Road, Suite E-500

West Palm Beach, FL 33406

FRANCHISEE:

By: _____

Title: _____

Signature: _____

Address:

_____

_____

Maryland Franchise Agreement Amendment

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg., §§ 14-201 through 14-233, the parties to the attached Retrofitness, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Under Section 4.6 of the Agreement, under the heading "Term And Renewal," the subsection 4.6.2 (f) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 4.6.2 (f) You and any Related Parties that are parties to this Agreement have signed a mutual general release of claims in a form satisfactory to Retrofitness, LLC with respect to past dealings with Retrofitness, LLC and its Related Parties; excluding only such claims as you may have under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233);

2.2. Under Section 6 of the Agreement, under the heading "Payments by Franchisee", subsection 6.1, "Initial Franchise Fee" shall be supplemented by adding the following:

"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. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens."

3. Under Section 9 of the Agreement, under the heading "Resale of Franchise," the subsection 9.4 (i) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 9.4 (i) You and your Related Parties' signing of a mutual general release of claims with Retrofitness LLC and its Related Parties; excluding only such claims as the you/transferor may have under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233);

4. Sections 11.2.1 and 11.2.2, and 11.11 of the Agreement, each under the heading "Miscellaneous Provisions," shall be amended by the following statement at the end of the last sentence of each provision, respectively:

11.2.1 ; except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law.

11.2.2 ; except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law.

11.11 ; except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233) shall be commenced within three (3) years from the grant of the franchise.

5. Section 11 of the Agreement, under the heading "Miscellaneous Provisions," shall be supplemented by the following new subsection 11.26:

"11.26 Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law."

6. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233) are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland Franchise Agreement Amendment on the same date as the Franchise Agreement was executed.

FRANCHISOR:

RETROFITNESS, LLC

By: _____

Title: _____

Signature: _____

FRANCHISEE:

By: _____

Title: _____

Signature: _____

Address:

_____

_____

Minnesota

Franchise Agreement Amendment

In recognition of the requirements of the Minnesota Statutes, Chapter 80C. and Minnesota Franchise Rules, Chapter 2860, the parties to the attached Retrofitness, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Under Section 4.6 of the Agreement, **Term And Renewal**, the subsection 4.6.2 (f) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 4.6.2 (f) You and any Related Parties that are parties to this Agreement have signed a mutual general release of claims in a form satisfactory to Retrofitness, LLC with respect to past dealings with Retrofitness, LLC and its Related Parties; provided, however, that all rights enjoyed by you and any causes of action arising in its favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and
>
> Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given one hundred eighty (180) days notice of nonrenewal of this Agreement by Franchisor.

2. Under Section 7.1.4, **Legal Protection**, the following is added:

> Franchisor agrees to protect Franchisee, to the extent required by the Minnesota Franchise Act, against claims of infringement or unfair competition with respect to Franchisee's use of the Marks when, in the opinion of Franchisor's counsel, Franchisee's rights warrant protection pursuant to Section 8.5 of this Agreement.

3. Under Section 9.3, **Consent by Retrofitness; Right of First Refusal**, the following is added:

> Franchisor shall not unreasonably withhold consent to transfer the franchise agreement.

4. Under Section 9, **Transfer of Franchise**, the subsection 9.4 (i) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 9.4 (i) You and your Related Parties' signing if a mutual general release of claims with Retrofitness LLC and its Related Parties; provided, however, that all rights enjoyed by the you/transferor and any causes of action arising in its favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of Minnesota Rules 2860.4400(D) be satisfied;

5. Under Section 10.2.1, **Immediate Termination upon Notice of Default**, the following is added:

Section 10.2.1 will not be enforced to the extent prohibited by applicable law.

6. Under Section 10.2.2, **Termination after Five Days' Notice to Cure**, the following is added:

Section 10.2.2 will not be enforced to the extent prohibited by applicable law.

7. Section 10.2.3, **Termination after Thirty Days' Notice to Cure**, will be amended to replace thirty (30) days with sixty (60) days and the following will be added:

Minnesota law provides a franchisee with certain termination rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given ninety (90) days notice of termination (with sixty days to cure) of this Agreement.

8. Under Section 11.2.1, the following is added:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

9. Under Section 11.2.2, the following is added:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

10. Under Section 11.8, **Arbitration**, the following is added:

; except as otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

11. Under Section 11.8, **Arbitration**, the following is deleted:

WAIVER OF JURY TRIAL. RETROFITNESS AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO ANY CLAIM, INCLUDING ANY COUNTERCLAIMS, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

12. Under Section 11.11, **Limitation of Actions**, the following is added:

Under the Minnesota Franchise Act, any claims between the parties must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim shall be barred.

13. Section 11 of the Agreement, **Miscellaneous Provisions**, shall be supplemented by the addition of the following new subsection11.26:

> 11.26 Nothing in this Agreement should be considered a waiver of any right conferred upon you by Minnesota Franchise Act.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota amendment to the [Franchise/License/Development] Agreement on the same date as the Franchise Agreement was executed.

FRANCHISOR:

RETROFITNESS, LLC

By: _____

Title: _____

Signature: _____

Delivery Address: Retrofitness, LLC

1601 Belvedere Road, Suite E-500

West Palm Beach, FL 33406

FRANCHISEE:

By: _____

Title: _____

Signature: _____

Address:

_____

_____

Illinois Franchise Agreement Amendment

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705/1 to 705/45, and Ill. Admin. Code tit. 15, §200.100 et seq., the parties to the attached Retrofitness, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Under Section 4.6 of the Agreement, under the heading "Term And Renewal," the subsection 4.6.2 (f) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 4.6.2 (f) You and any Related Parties that are parties to this Agreement have signed a mutual general release of claims in a form satisfactory to Retrofitness, LLC with respect to past dealings with Retrofitness, LLC and its Related Parties; excluding only such claims as you may have and are timely under the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45);

2. Under Section 6 of the Agreement, under the heading "Payments by Franchisee", subsection 6.1, "Initial Franchise Fee" shall be supplemented by adding the following:

"All initial payments by You to Retrofitness, including the Initial Franchise Fee, will be paid into an escrow account with United Bank in the State of Illinois and released to Retrofitness upon written authorization of the Illinois Attorney General's Office."

3. Under Section 9 of the Agreement, under the heading "Transfer of Franchise," the subsection 9.4 (i) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 9.4 (i) You and your Related Parties' signing if a mutual general release of claims with Retrofitness LLC and its Related Parties; excluding only such claims as the you/transferor may have and are timely under the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45);

4. Sections 11.2.1 and 11.2.2, and 11.10 of the Agreement, each under the heading "Miscellaneous Provisions," shall be amended by the following statement at the end of the last sentence of each provision, respectively:

> 11.2.1 ; except with respect to claims arising under Illinois Law.
>
> 11.2.2 ; except with respect to claims arising under Illinois Law.
>
> 11.10 ; except that any and all claims arising under Illinois Law shall be commenced within three (3) years from the grant of the franchise.

5. Section 11 of the Agreement, under the heading "Arbitration", subsection 11.8, shall be supplemented by the addition of the following statement at the end of the second paragraph beginning "Waiver of Jury Trial":

> ; except that nothing in this Agreement should be considered a waiver of any right conferred upon you by Illinois Franchise Disclosure Act.

6. Section 11 of the Agreement, under the heading “Miscellaneous Provisions,” shall be supplemented by the following new subsection 11.26:

> 11.26 Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Illinois Franchise Disclosure Act.

7. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45) are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Illinois Franchise Agreement Amendment on the same date as the Franchise Agreement was executed.

FRANCHISOR:

RETROFITNESS, LLC

By: _____

Title: _____

Signature: _____

Delivery Address: Retrofitness, LLC

1601 Belvedere Road, Suite E-500

West Palm Beach, FL 33406

FRANCHISEE:

By: _____

Title: _____

Signature: _____

Address:

_____

_____

Washington Addendum to the Franchise Disclosure Document, Pre-Closing Questionnaire, and Related Agreements

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, is by and between Retrofitness, LLC and _____ (collectively, the "Parties").

In recognition of the requirements of the Washington Franchise Investment Protection Act Washington Rev. Code (RCW) §§19.100.010 – 19.100.940, the Franchise Agreement ("Agreement") between the aforementioned Parties is amended as follows:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or 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.

2. Section 6.1 of the Franchise Agreement (entitled "Initial Franchise Fee") shall be supplemented by adding the following:

> "In lieu of an impound of the franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all initial training that it is entitled to under the franchise agreement or offering circular, and (b) is open for business."

3. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act RCW 19.100.180, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington Franchise Agreement Amendment on the same date as the Franchise Agreement was executed.

FRANCHISOR:
RETROFITNESS, LLC

By: _____
Title: _____
Signature: _____

Delivery Address: Retrofitness, LLC
1601 Belvedere Road, Suite E-500
West Palm Beach, FL 33406

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Address:

_____
_____

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Address:

_____
_____

ASSIGNMENT & ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into this _____ day of _____, _____, by and between Retrofitness, LLC ("Retrofitness" or "Franchisor");_____, ("Assignor"); and _____ _____ ("Assignee").

BACKGROUND

A. On _____, Franchisor and Assignor entered into a RETROFITNESS® Franchise Agreement (the "Franchise Agreement"), pursuant to which Assignor was granted the right to operate a RETROFITNESS® franchised business (the "Franchised Business") at the following location: _____;

B. Assignor formed Assignee, a _____ company owned by Assignor, for the purpose of operating the Franchised Business;

C. Assignor desires to assign its rights and obligations under the Franchise Agreement to Assignee pursuant to, and in accordance with, the provisions of the Franchise Agreement; and

D. Franchisor is willing to consent to the assignment of the Franchise Agreement to Assignee, subject to the terms and conditions of this Assignment.

AGREEMENT

In consideration of the mutual covenants contained in this Assignment, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Consent to Transfer. Subject to the terms and conditions contained in this Assignment, Franchisor hereby consents to Assignor's assignment of all of their right, title and interest in and to the Franchise Agreement to Assignee, effective upon satisfaction of the following conditions:

(i) Assignee's completion of the Acknowledgment of Ownership in the form attached hereto as Exhibit A; and

(ii) The execution of the Personal Guaranty and Subordination Agreement by ___ _____.

2. Assignment. Assignor hereby assigns and transfers over to Assignee all of its right, title and interest in and to the Franchise Agreement, effective as of the date of this Assignment. Assignee hereby acknowledges having received and fully reviewed the Franchise Agreement prior to entering into this Assignment.

3. Assumption of Obligations. Assignee hereby assumes all of Assignor's obligations, assignments, commitments, covenants, duties and liabilities under the Franchise Agreement, and

agrees to be bound by and observe and faithfully perform all of the obligations, assignments, commitments, covenants and duties of the franchisee under the Franchise Agreement with the same force and effect as if the Franchise Agreement were originally written with Assignee as franchisee.

4. Continued Obligation. Assignor agrees that Assignor shall continue to be bound by all of the terms and conditions of the Franchise Agreement, including, without limitation, all non-competition, confidentiality and indemnification obligations, and that nothing contained in this Assignment herein shall be deemed to relieve Assignor of any of Assignor's obligations contained in the Franchise Agreement. Assignor further agrees to, and by this instrument does hereby, guarantee the performance by Assignee of all of its obligations, commitments, duties and liabilities under the Franchise Agreement. Without limiting the foregoing, Assignor irrevocably and unconditionally guarantees to Franchisor (i) that Assignee will pay all amounts to be paid and otherwise comply with all provisions of the Franchise Agreement and any other agreement between Assignor and Franchisor or its affiliates concerning the operation of the Franchised Business, and (ii) that if Assignee defaults in making any such payments or complying with any such provisions, Assignor shall pay forthwith upon demand all amounts due and owing Franchisor and all damages that may arise as a result of any such non-compliance.

5. Enforcement. In the enforcement of any of its rights against Assignor, Franchisor may proceed as if Assignor was the primary obligor under the Franchise Agreement. Assignor waives any right to require Franchisor to first proceed against Assignee or to proceed against or exhaust any security (if any) held by Franchisor or to pursue any other remedy available to it before proceeding against Assignor. No dealing between Franchisor and Assignee shall exonerate, release, discharge or in any way reduce the obligations of Assignor hereunder, in whole or in part, and in particular and without limiting the generality of the foregoing, Franchisor may modify or amend the Franchise Agreement, grant any indulgence, release, postponement or extension of time, waive any term or condition of the Franchise Agreement, or any obligation of Assignee, take or release any securities or other guarantees for the performance by Assignee of any of its obligations, and otherwise deal with Assignee as Franchisor may see fit without affecting, lessening or limiting in any way the liability of Assignor. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or other act of insolvency by Assignee and notwithstanding any rejection, disaffirmance or disclaimer of this Assignment or the Franchise Agreement, Assignor shall continue to be fully liable.

6. Acknowledgment of Ownership. All ownership interest of Assignee shall be as set forth on Exhibit A attached hereto and incorporated herein by reference. Assignee and its principals shall submit evidence of its registration to do business in the state of _____ _____, including Certificate of Formation.

7. Agreement of Assignor Regarding Trademarks and Proprietary Information. Upon the execution of this Assignment, Assignor hereby waives and relinquishes any and all right to use the name RETROFITNESS®, together with such other insignia, symbols and trademarks which have been approved and authorized by Franchisor or its predecessors from time to time, including the "Marks" as defined in the Franchise Agreement (the "Franchisor Marks"), as well as any other right to use any trade names, trademarks, service marks, trade secrets and designs, and any other printed products or items which bear any of the names, marks or designs which are proprietary to Franchisor, and /or its affiliates.

8. Release of Franchisor Parties. In further consideration of Franchisor's execution of this Assignment, Assignor and Assignee jointly and severally, for themselves, their successors,

assigns, heirs, personal representatives and affiliates (individually and collectively, the "Releasing Parties"), remise, release, acquit, satisfy and forever discharge Franchisor, its successors, predecessors, counsel, insurers, assigns, officers, directors, employees, parent company, affiliates, subsidiaries and agents, past and present (individually and collectively the "Franchisor Released Parties") from and against all claims, actions, causes of action, demands, damages, costs, suits, debts, covenants, controversies, and any other liabilities whatsoever, whether known or unknown, liquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal or equitable (hereinafter "Claims"), which the Releasing Parties ever had, now have, can, shall or may have, against any or all of the Franchisor Released Parties for, upon or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the date of this Assignment, including any claims related in any way to the Franchise Agreement, or the development, opening, or operation of the Franchised Business. Notwithstanding the foregoing, nothing in this Release shall be interpreted to release Franchisor from its obligations under the Franchise Agreement which arise following the Effective Date.

9. Indemnification by Assignor.

9.1 General. Assignor agrees to indemnify and hold Franchisor harmless from any claims or liabilities resulting from the development, ownership and/or operation of the Franchised Business as follows: Assignor is responsible for all losses, damages and contractual liabilities to third persons arising out of or in connection with possession, ownership or operation of the Franchised Business prior to the Effective Date and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom. Assignor also agrees to defend, indemnify and save Franchisor and its subsidiaries, its affiliated and parent companies harmless of, from and with respect to any such claims, demands, losses, obligations, costs, expenses, liabilities, debts or damages. This obligation to indemnify and defend Franchisor shall apply even in the event of the negligence of or claim of negligence against Franchisor and regardless of whether the negligence or claim of negligence against Franchisor is as a result of the acts or omissions of Franchisor or that of Assignor; provided, however, that Franchisor's right to indemnification shall not apply if it is determined that any losses are due to the gross negligence or willful misconduct on the part of Franchisor. Franchisor's right to indemnity under this Assignment shall arise and be valid notwithstanding that joint or concurrent liability may be imposed on Franchisor by statute, ordinance, regulation or other law.

9.2 Employment Claims. Assignor also agrees to indemnify and hold Franchisor harmless from claims in any way related to the employees or contractors of Assignor or its owners. This obligation to indemnify and defend Franchisor is separate and distinct from any indemnity obligations and obligation to maintain insurance under the provisions of the Franchise Agreement.

10. Additional Documents. Assignor and Assignee agree to execute such additional documents as may be necessary to complete the assignment as contemplated by this Assignment and as required by Franchisor.

11. Entire Agreement. The Franchise Agreement and this Assignment shall constitute the entire integrated agreement and understanding between Franchisor, Assignor and Assignee, and supersedes all prior agreements and understandings related to the subject matter hereof (except as set forth herein). Except as set forth specifically herein, the Franchise Agreement shall remain in full force and effect. This Assignment shall not be subject to change, modification, amendment or addition without the express written consent of all the parties.

12. Governing Law; Dispute Resolution. This Assignment is entered into in the State of Florida and shall be construed and interpreted in accordance with its laws, which laws shall control in the event of any conflict of law. Assignor and Assignee further agree that any and all disputes relating to, arising out of, or in any way connected to this Assignment and Assumption Agreement shall be subject to and determined in accordance with the dispute resolution provisions of the Franchise Agreement, which provisions are specifically incorporated herein by reference. The Parties intend that the provisions of this Assignment be enforced to the fullest extent permitted by applicable law. Accordingly, if any provisions are deemed not enforceable, they shall be deemed modified to the extent necessary to make them enforceable. The Parties agree that, in entering into this Assignment, they are relying upon advice of counsel and their own judgment, belief, and knowledge as to any claims and further acknowledge that no promise, inducement or agreement or any representations and warranties not expressed herein have been made to procure their agreement hereto. The Parties further acknowledge that they have read, understand, and fully agreed to the terms of this Assignment. This Assignment may be executed in any number of counterparts and sent via facsimile, each of which shall be deemed an original, but all of which taken together shall constitute one in the same instrument.

13. Attorneys' Fees. Each Party shall be responsible for paying its own costs and expenses incurred in the preparation of this Assignment. In the event that it becomes necessary for Franchisor to retain the services of legal counsel to enforce the terms of this Assignment, Franchisor shall be entitled to recover all costs and expenses, including reasonable attorneys', expert and investigative fees, incurred in enforcing the terms of this Assignment.

14. Acknowledgement. The Parties agree that, in entering into this Assignment, they are relying upon their own judgment, belief, and knowledge as to all phases of any claims and further acknowledge that no promise, inducement or agreement or any representations and warranties not expressed herein have been made to procure their agreement hereto. The Parties further acknowledge that they have read, understand, and fully agree to the terms of this Assignment. The Parties acknowledge that they have had the time and opportunity to review this Assignment with counsel of their choice. Except as explicitly modified herein, the Franchise Agreement shall remain in full force and effect. The obligations of Assignor and Assignee under this Assignment are joint and several.

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

[The next page is the signature page.]

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto as of the day and date first above written.

ASSIGNOR:

By: _____

Title: _____

Signature: _____

Address: _____

ASSIGNEE:

By: _____

Title: _____

Signature: _____

Address: _____

RETROFITNESS, LLC:

By: _____

Title: _____

Signature: _____

Address: _____

RIDER TO LEASE

THIS RIDER TO LEASE ("**Rider**") is made as of _____, 20_, by and among _____, a _____ ("**Landlord**"), _____, a _____ ("**Tenant**") and RETROFITNESS LLC, a Delaware Limited Liability Company, with its principal offices at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406 ("**Franchisor**").

This Rider supplements and forms a part of that certain lease between Landlord and Tenant, dated _____, 20_, (the "**Lease**"; any and all references to the Lease shall be deemed to include this Rider) for the leased premises located at _____ (the "**Leased Premises**"). This Rider is entered into in connection with Franchisor's grant of a franchise to Tenant to operate a franchised business at the Leased Premises, and is intended to provide Tenant the right to assign the Lease to Franchisor and to provide Franchisor the opportunity to preserve the Leased Premises as a fitness center operated under Franchisor's brand in the event of any termination of the Lease or any franchise agreement between Franchisor and Tenant. Landlord agrees that Franchisor will have the right, but not the obligation, to assume the Lease on the terms, covenants and conditions hereinafter set forth.

ARTICLE - I ASSIGNMENT OF LEASE

Tenant shall have the right to assign the Lease to Franchisor, or to a parent, subsidiary or affiliate of Franchisor (a "**Franchisor Party**"), at any time during the term of the Lease without further consent of Landlord.

ARTICLE - II DEFAULT BY TENANT UNDER THE LEASE

SECTION 2.01. Landlord will send Franchisor copies of all notices of default that it gives to Tenant at the same time Landlord gives such notices to Tenant.

SECTION 2.02. If Tenant fails to cure a Tenant default under the Lease after the giving of any required default notice and passage of any applicable cure period, then Landlord shall so notify Franchisor and Franchisor or any Franchisor Party will have the right and the option (but not the obligation) to either (a) cure any such default on behalf of Tenant or (b) unilaterally assume the Lease by giving written notice to Landlord and Tenant, within thirty-five (35) days after the date of receipt of Landlord's notice that Tenant is in default under the Lease and has failed to cure the default within the applicable cure period set forth in the Lease.

ARTICLE - III TERMINATION OF TENANT'S FRANCHISE AGREEMENT

In the event of the termination of Tenant's franchise agreement for the Leased Premises as a result of Tenant's breach thereof, Franchisor or any Franchisor Party shall have the right to unilaterally assume the Lease by giving written notice to Landlord and Tenant of its election to so succeed to Tenant's interest under the Lease, within twenty (20) days after the date of the termination of such franchise agreement. A party, whether Franchisor or any Franchisor Party, that assumes the Lease pursuant to Section 2.02(b) above or this Article III is sometimes referred to herein as an "**Assuming Franchisor Party**".

ARTICLE - IV OBTAINING POSSESSION OF THE LEASED PREMISES

Landlord will cooperate and assist with any Assuming Franchisor Party in gaining possession of the Leased Premises promptly after Landlord receives written notice from such Assuming Franchisor Party that it is exercising its option to assume the Lease pursuant to Section 2.02(b) above or Article III above. If any Assuming Franchisor Party is unable to obtain possession of the Leased Premises to Franchisor within three (3) months after the date of such Assuming Franchisor Party's exercise of its option to assume the Lease, such Assuming Franchisor Party will have the right at any time until Landlord delivers possession of the Leased Premises, to rescind its exercise of the option to assume the Lease, by written notice to Landlord, whereupon such Assuming Franchisor Party shall be released from all liability as tenant under the Lease.

ARTICLE - V ADDITIONAL PROVISIONS

SECTION 5.01. Tenant shall remain liable to Landlord for all of its obligations under the Lease, notwithstanding any assignment of the Lease to an Assuming Franchisor Party. Such Assuming Franchisor Party shall be entitled to recover from Tenant all amounts it pays to Landlord to cure Tenant's defaults under the Lease, including interest and reasonable collection costs.

SECTION 5.02. After an Assuming Franchisor Party assumes Tenant's interest in the Lease, unless otherwise agreed to in writing, such Assuming Franchisor Party will pay, perform and be bound by all of the duties and obligations of the Lease applicable to Tenant that accrue after such assumption, except that such Assuming Franchisor Party shall not be required to assume or be bound by the terms of any amendment to the Lease executed by Tenant without obtaining Franchisor's prior written approval, which approval shall not be unreasonably withheld by Franchisor.

SECTION 5.03. After an Assuming Franchisor Party assumes Tenant's interest in the Lease, Franchisor or such Franchisor Party will not be subject to any provision of the Lease that requires the Tenant to (a) continuously operate a business in the Leased Premises during any period that the business in the Leased Premises is closed for remodeling or while Franchisor or the applicable Franchisor Party is seeking to obtain and train a new franchisee to operate a franchised business in the Leased Premises, or (b) make any payment to Landlord for any excess rent or other consideration that is greater than the rent payable under the Lease.

SECTION 5.04. After an Assuming Franchisor Party assumes Tenant's interest in the Lease, such Assuming Franchisor Party may, without Landlord's consent, sublet or assign the Leased Premises to a franchisee of Franchisor who meets Franchisor's financial qualifications and requirements (a "**Replacement Franchisee**"). In the event of such a sublease or assignment, Franchisor shall deliver to Landlord (a) a copy of such Replacement Franchisee's application for the franchise, including but not limited to personal and financial information that Landlord customarily requires from all of its tenants, (b) as applicable, a copy of the sublease or a copy of the assumption agreement pursuant to which such Replacement Franchisee assumes the Lease and agrees to observe the terms, conditions and agreements on the part of tenant to be performed under the Lease (a "**Replacement Franchisee Assumption Agreement**") and (c) a Rider To Lease in the same form as this Rider, to be executed among Landlord, Franchisor and the applicable Replacement Franchisee (a "**New Rider**"). Upon Landlord's receipt of a Replacement Franchisee Assumption Agreement, the applicable Assuming Franchisor Party shall be released from all liability as tenant under the Lease accruing after the effective date of the assignment. Within fifteen (15) days following Landlord's receipt of a New Rider, Landlord shall execute and deliver the same to Franchisor.

SECTION 5.05. If the Lease is terminated and neither Franchisor nor any Franchisor Party exercises its option to assume the Lease, Tenant agrees, upon receipt of written demand from Franchisor to promptly remove signs decor and other items which Franchisor reasonably requests to be removed as being distinctive and indicative of Franchisor's trademarks and trade dress. Franchisor may enter upon the Leased Premises without being guilty of trespass or tort to effect such de-identification if Tenant fails to do so within (10) days after receipt of written demand from Franchisor. Tenant shall pay Franchisor for its reasonable costs and expenses in effecting de-identification. Franchisor shall defend, indemnify and hold Landlord harmless from and against any claims arising from Franchisor's de-identification of the Leased Premises.

SECTION 5.06. BY EXECUTING THIS RIDER, FRANCHISOR DOES NOT HEREBY ASSUME ANY LIABILITY WITH RESPECT TO THE LEASED PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE, UNLESS AND UNTIL FRANCHISOR EXPRESSLY ASSUMES SUCH LIABILITY AND/OR OBLIGATION AS HEREIN ABOVE DESCRIBED.

SECTION 5.07. All notices hereunder shall be delivered by certified mail to the addresses described in the Lease or to such other addresses as any party hereto may, by written notice, instruct that notices be given. In the case of Franchisor, notices shall be sent to 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406 with a copy to Marks & Klein LLP, 63 Riverside Avenue, Red Bank, New Jersey 07701, attention: Justin Klein until further notice.

SECTION 5.08. Landlord and Tenant agree that each of them shall provide written notice to Franchisor in the event of any change in their respective addresses. Franchisor shall provide written notice to Landlord and Tenant in the event of any change in Franchisor's address.

IN WITNESS WHEREOF, the parties have duly executed this Rider as of the date first written above.

TENANT:

By: _____

Title: _____

Signature: _____

LANDLORD:

By: _____

Title: _____

Signature: _____

FRANCHISOR:

RETROFITNESS LLC

By: _____

Title: _____

Signature: _____

Exhibit B

Area Development Agreement and Exhibits

AREA DEVELOPMENT

AGREEMENT

TABLE OF CONTENTS

		Page
1	Development Area	1
2	Grant of Development Rights	2
3	Term	3
4	Initial Services and Ongoing Obligations	3
5	Our Reservation of Rights	3
6	Area Development Fee	4
7	Execution of Franchise Agreements	4
8	Ownership Group; Managing Owner	4
9	Default, Termination, Extensions and Modifications	6
10	Franchise Agreements May Not be Affected	8
11	Future Development	8
12	Annual Business Plan	9
13	Compliance with Applicable Laws	9
14	Your Non-Competition Obligations	9
15	Development in Development Area Upon Termination or Expiration	11
16	Assignment by Us	11
17	Transfer by You	11
18	Severability	16
19	Waivers	16
20	Dispute Resolution	16
21	Governing Law	18
22	Consent to Jurisdiction	18
23	Notices	19
24	Waiver of Punitive Damages, Jury Trial and Class Actions	19
25	Multiple Copies and Electronic Records	19
26	Entire Agreement	19
27	Modification	19
28	Administrative Costs	20
29	Other Franchisees/Area Developers	20
30	Binding Effect	20

EXHIBIT A	MAP OF DEVELOPMENT AREA
EXHIBIT B	OWNERSHIP ADDENDUM
EXHIBIT C	NONDISCLOSURE AND NONCOMPETITION AGREEMENT
EXHIBIT D	SILENT INVESTORS

Retrofitness, LLC
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into as of the Effective Date (as defined herein) by and between Retrofitness, LLC, a limited liability company formed under Delaware law, with its principal business address at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406 (referred to in this Agreement as "Franchisor", "we," "us" or "our"), and the Area Developer listed on the signature page hereto (referred to in this Agreement as "Area Developer", "you" or "your").

We and our affiliates, as the result of the expenditure of time, skill, effort, and money, have developed, and continue to develop, a distinctive system relating to the development and operation of Retrofitness® fitness facilities ("Retrofitness® Outlets"), which includes building design and layouts, equipment, training, and certain operating and business standards and policies, all of which we may improve, further develop or otherwise modify from time to time (collectively, the "System"). The System is identified by the current and future tradenames, trademarks, service marks and trade dress that we designate to identify the services and/or products offered by Retrofitness® Outlets including the mark "Retrofitness" and the distinctive building design and color scheme of Retrofitness® Outlets (collectively, the "Marks").

You desire to develop, own and operate, through yourself or an affiliate in which your Ownership Group (as defined in Article 8 below) owns at least 51% or more of an interest, Retrofitness® Outlets using the System and the Marks in the Development Area defined below.

You have provided us with any and all financial and other information we request about your shareholders, partners, officers, directors, managers, members, guarantors, investors and other persons who will have an ownership interest in your Retrofitness® Outlet.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby mutually agree as follows:

1. Development Area. The development area is the geographical area described as follows, and illustrated on the map attached hereto as Exhibit A (map provided for illustrative purposes only, description controls) (the "Development Area"):

_____
_____
_____
_____
_____
_____
_____

The addresses and protected territories of the following open and operating Retrofitness® Outlet(s) ("Excluded Businesses") are specifically excluded from the Development Area, unless or until you or your affiliates acquire such Excluded Businesses:

_____
_____
_____
_____
_____

Political and street boundaries described above shall be considered fixed as of the Effective Date of this Agreement and shall not change for the purpose hereof, notwithstanding a political reorganization or change to such streets, boundaries or regions. All street boundaries shall be deemed to end at the street center line unless otherwise specifiedabove.

2. Grant of Development Rights.

2.1 We grant you, subject to the terms and conditions of this Agreement, the right and license to establish and operate for your own account or for an affiliated entity (which is at least 51% owned by your Ownership Group (as provided in Article 8 below)), a specified number of Retrofitness® Outlets in compliance with our standards. This personal license granted to you is limited to the right to operate the Retrofitness® Outlets at locations only within the Development Area and may not be used elsewhere or in any other manner. You have no right to sublicense any of the rights granted to you herein. You must open and maintain in continuous operation in the Development Area, pursuant to Franchise Agreements, the number of Retrofitness® Outlets set forth below during each of the following periods ("Development Schedule"):

- At least [*insert number ( )*] Retrofitness® Outlet[es] open and operating in the Development Area by [*insert date*];

- [Etc. as needed]

You must also meet the following interim milestones (collectively, "Development Milestones") for each development obligation listed above.

- At least six (6) months prior to the date of the development obligation, you must have a fully executed lease for an approved location for the development of the Retrofitness® Outlet;

Failure to meet the Development Milestones set forth above shall constitute a Development Default as defined in Article 9.1.12 hereof.

[**AS APPLICABLE:** *The following Retrofitness® Outlets currently owned and operated by you or your affiliates as of the Effective Date ("Existing Businesses") shall count toward the Development Schedule for so long as each is open and in operation:*]

Franchisee Entity	Club Address	Date Opened

You represent that you conducted your own independent investigation and analysis of the prospects for the establishment of Retrofitness® Outlets within the Development Area, approve the Development Scheduleas being reasonable and viable, and recognize that failure to achieve the results described in the Development Schedule and, if applicable, Development Milestones, will constitute a material breach of this Agreement.

2.2 During the term of this Agreement and provided that you are in compliance with the Development Schedule and, if applicable, the Development Milestones set forth above, we, our parents, subsidiaries, and our affiliates will not operate or license or franchise third parties to operate a Retrofitness® Outlet physically located within the Development Area, except as provided below.

2.2.1 An Excluded Business may be relocated to another location in the Development Area as long as (a) the new location is in close proximity to and in the same trade area as the previous location, as determined by us in our reasonable discretion, (b) the new location meets the criteria of our then-current site review process, and (c) you are notified no less than ten (10) days prior to our final approval of the new location and provided an opportunity to share with us any information you deem relevant before we make a final site approval decision for an Excluded Business. In the event an Excluded Business is relocated to another location in the Development Area, and, in our reasonable discretion, we mutually agree that such relocation will impair your ability to meet your Development Schedule, we agree to discuss with you whether an amendment to your Development Schedule and/or Development Area is appropriate.

3. Term. Except as otherwise provided under Articles 9 and 14 hereof, the term of this Agreement and all rights granted hereunder will expire on the earlier of: (a) the last date specified in the Development Schedule above; or (b) the date when you have open and in operation all of the Retrofitness® Outlets required by the Development Schedule pursuant to the terms of this Agreement.

4. Initial Services and Ongoing Obligations. You acknowledge and agree that our initial services under this Agreement are limited to identifying the Development Area and Development Schedule and that we have no ongoing obligations such as providing training or operational assistance to you under this Agreement. All ongoing and further obligations to you in opening your locations shall be provided pursuant to the applicable Franchise Agreement.

5. Our Reservation of Rights. Except as otherwise provided in Article 2.2, we, our parents, subsidiaries and our affiliates (and our and their respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all rights with respect to the Marks, the System and Retrofitness® Outlets anywhere in the world, and the right to engage in any business whatsoever, including the right to:

5.1 operate, and grant to others the right to operate, Retrofitness® Outlets at such locations and on such terms as we deem appropriate outside of the Development Area;

5.2 offer to sell, sell and distribute, inside and outside the Development Area, any products or services associated with the System (now or in the future) or identified by the Marks, or any other trademarks, service marks or trade names, through any distribution channels or methods, without compensation to any franchisees or area developers including you. These distribution channels or methods include, without limitation, retail stores, wholesale and the Internet (or any other existing or future form of electronic commerce);

5.3 operate, and grant to others the right to operate, fitness facilities, gyms, and health related establishments identified by tradenames, trademarks, service marks or trade dress, other than the Marks, inside and outside of the Development Area and pursuant to such terms and conditions as we deem appropriate, which may include locations in close proximity to your Retrofitness® Outlet locations;

5.4 develop or become associated with other concepts (including dual branding or other franchise systems), whether or not using the Retrofitness System, brand or Marks, and award franchises under these other concepts or locations anywhere, including in the Development Area;

5.5 acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere or business conducted anywhere, including in the Development Area. These transactions may include arrangements

involving competing businesses or outlets and dual branding or brand conversions. You must participate at your expense in any conversion as instructed by us; and

5.6 enter into agreements or arrangements with other local, regional, national or international companies or organizations by which we offer memberships or other products and services to the personnel, customers or members of such companies or organizations, inside and outside of the Development Area, on commercially reasonable terms. Such terms may include fees, pricing structures and reimbursement arrangements (including, but not limited to, an administrative fee collected by us) that may be different from our then-current membership offerings. You must participate in and honor the terms of such partnerships upon being notified thereof.

6. Area Development Fee. Upon execution of this Agreement, you agree to pay us an Area Development Fee of Ten Thousand U.S. Dollars ($10,000.00) for each Retrofitness® location you are granted the opportunity to develop as set forth in the Development Schedule in this Agreement. Upon our receipt of the Area Development Fee, you will receive all of the rights to develop, and will be obligated to develop, the number of locations set forth in the Development Schedule. The Area Development Fee is fully earned by us when due and is not refundable for any reason and is not credited against any other obligation or fee you or any affiliate owe us.

7. Execution of Franchise Agreements.

7.1 You (or an affiliate which is at least 51% owned by your Ownership Group, as described in Article 8 below) must execute a separate Franchise Agreement in our then-current form (each, a "Franchise Agreement") for each Retrofitness® Outlet to be established by you in the Development Area. You acknowledge and agree that Franchise Agreements are granted by us only after submission of a formal application on our then-current application form supplying all information requested thereon and our approval of (i) any proposed owners not in your Ownership Group, pursuant to Article 8 hereof and, (ii) the site submitted, in our sole discretion. We agree that, provided you are not in default of your obligations under this Agreement,:

7.1.1 the initial franchise fee under each Franchise Agreement shall be Twenty-Nine Thousand U.S. Dollars ($29,000); and

7.1.2 the standard royalty fee under each Franchise Agreement shall be equal to the then-current standard royalty rate in effect at the time you execute each Franchise Agreement; however, in the event that the Franchise Agreement allows for annual royalty rate increases, the standard royalty rate for your Retrofitness® Outlet shall not be subject to annual increase and shall not, for the duration of your Franchise Agreement term, exceed the then-current rate (notwithstanding any royalty rate increases (Penalty Royalty Rate) that may be appliable as a result of default).

7.2 You must pay us the initial franchise fee at least seven (7) days prior to executing a lease for each approved Retrofitness® Outlet that you are required to develop.

7.3 If you fail to pay us the required initial franchise fee and/or provide us with an executed then-current form of Franchise Agreement (as modified consistent with Article 7.1) for a particular location as set forth in the Development Schedule above, your failure will be deemed a material breach of this Agreement and we will have the right to terminate this Agreement as provided herein.

8. Ownership Group; Managing Owner. Any person holding a direct or indirect ownership interest in you is an "Owner" for purposes of this Agreement. We have granted the rights in Article 1 above to you, based on the experience and qualifications of you, your Owner or the group of Owners submitted to us for approval of this Agreement and described in Exhibit B hereof ("Ownership Group"). The Ownership Group must own and have voting control of at least 51% of

you and of any franchisee entity executing a Franchise Agreement pursuant hereto and eachOwner in the Ownership Group must have the opportunity to have an ownership interest in each such franchisee entity.You shall provide us with the ownership structure of any such franchisee entity to the individual or trust level, unlesswe otherwise approve, prior to the execution by us of a Franchise Agreement pursuant hereto. Such franchisee ownership structure is subject to our approval, (a) in our sole discretion, with respect to the Owners included and (b) inour reasonable discretion, with respect to the structuring of such Owners' ownership interests.

8.1 You acknowledge and agree that any person who holds an ownership interest in you but is not partof the Ownership Group is not required to be an owner under any Franchise Agreement executed pursuant hereto andthat we shall have no responsibility, liability or obligation to ensure that any person who holds an ownership interest in you but is not part of the Ownership Group is an owner under any Franchise Agreement executed pursuant hereto.

8.2 You must designate one (1) individual approved by us, who shall be set forth in Exhibit B hereto, who has the authority to, and does in fact, actively direct your business affairs related to your obligations under this Agreement and has authority to accept all official notices from us, and, when signing on your behalf, to legally bind you with respect to all contracts and commercial documents related to this Agreement (the "Managing Owner"). Your Managing Owner must have completed our training program under a Franchise Agreement to our satisfaction. You must notify us of any proposed change of the Managing Owner and receive our written approval prior to such change. If such change results from death or incapacitation, you must submit a proposed Replacement Managing Owner, as applicable, within thirty (30) days after such death or incapacitation. Neither you nor your Owners will, directly or indirectly, take any actions to avoid or restrict the authority requirement for the Managing Owner.

8.3 Your Managing Owner and other Owners are identified in Exhibit B and Exhibit D to this Agreement. You represent, warrant and agree that the attached Exhibit B and Exhibit D are each current, complete and accurate, and you agree that any changes to Exhibit B and Exhibit D will be communicated promptly to us, so that such exhibits (as so amended and signed by you and us) are at all times current, complete andaccurate. Unless otherwise approved, your Managing Owner shall be the Managing Owner for each Franchise Agreement executed pursuant hereto.

8.4 You and your Managing Owner shall exert your and their best efforts in the development of your Retrofitness® Outlets; and absent our prior approval may not engage in any other business or activity, directly or indirectly, which requires you or such individual to have substantial management responsibility or substantial time commitments or otherwise may conflict with your obligations hereunder.

8.5 You, Your Managing Owner and other Owners shall at all times conduct themselves in a manner consistent with our values respect, transparency and integrity and good stewardship of the Retrofitness brand, as well as with all applicable laws and all generally accepted moral conventions and ethical standards. You, Your Managing Owner and other Owners shall at all times refrain from all behaviors that would be considered inconsistent with applicable laws or inconsistent with generally acceptable moral conventions and ethical standards. We may, from time to time, communicate its behavioral standards and expectations to You, but we are not obligated to do so and our failure to expressly communicate the same to You shall not eliminate, reduce, or otherwise diminish Your, Your Managing Owner's or other Owners' obligations under this Section 8.5.

8.6 You, Your Managing Owner and other Owners shall not, and shall not allow your Related Parties or employees to, (i) behave in a manner objectionable to us, nor commit an offense

involving moral turpitude under Federal, state or local laws or ordinances; (ii) do or commit any act or thing that will, in our reasonable discretion, tend to degrade You (or by reference or implication, Us) in society or bring itself into public hatred, public disrepute, contempt, scorn, or ridicule, or that will tend to shock, insult or offend the community or public morals or decency; (iii) do anything that would, in our reasonable discretion, prejudice Us (including our Related Parties), the Marks, the System or the fitness industry in general; (iv) harass, bully, demean, disrespect or create a hostile environment for Your or Your Related Parties personnel, Our personnel, the members or otherwise, and/or (v) discriminate, in connection with the operation of your Retrofitness® Outlets, based on any individual's race, color, age, gender, gender identity, pregnancy, religion, national origin, alienage or citizenship status, creed, ancestry, disability, sexual orientation, sex, marital status, veteran/military status, genetic information, predisposition or carrier status, medical condition, family care or medical leave status, or any other unlawful consideration.

8.7 You, Your Managing Owner and other Owners shall not disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates' directors, officers, employees, representatives, or affiliates, current and former franchisees or developers of us or our affiliates, the Retrofitness® brand, the System, any facility or other business using the Marks, any other brand or service-marked or trademarked concept of us or our affiliates, or which would subject the Retrofitness® brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us, the Retrofitness ® brand, or such other brands.

8.8 Notwithstanding anything to the contrary contained herein, no requirement in this Agreement is intended, nor shall be interpreted, to prohibit or restrict any activity that violates your employees' rights to engage in protected concerted activity under the National Labor Relations Act.

9. Default, Termination, Extensions and Modifications.

9.1 Defaults. You have materially breached this Agreement if you:

9.1.1 become insolvent by reason of your inability to pay your debts as they mature, or aninsolvency proceeding is initiated by or against you and/or any of your principal owners;

9.1.2 are adjudicated bankrupt or insolvent;

9.1.3 file a bankruptcy, reorganization or similar proceeding under applicable bankruptcy lawsor have such a proceeding filed against you which is not discharged within thirty (30) days;

9.1.4 have a receiver or other custodian, permanent or temporary, appointed for your business,assets or property;

9.1.5 request the appointment of a receiver or make a general assignment for the benefit of creditors;

9.1.6 have any of your assets, including your bank accounts or accounts receivable, attached;

9.1.7 have an execution levied against your business or property;

9.1.8 have suit filed to foreclose any lien or mortgage against any of your assets and such suit isnot dismissed within thirty (30) days;

9.1.9 voluntarily dissolve or liquidate or have a petition filed for corporate or partnership dissolution if such petition is not dismissed within thirty (30) days;

9.1.10 You, Your Managing Owner or other Owners plead guilty to, plead no contest to, or are convicted of, a felony, a crime involving moral turpitude, or any other crime or offense that Retrofitness believes is reasonably likely to have an adverse effect on the System or Marks, the goodwill associated therewith, or Retrofitness' interest therein or You are determined by Us to have committed more than two offenses, in the aggregate, in violation of Section 8.5, 8.6 or 8.7 of this Agreement;

9.1.11 fail to comply with the non-competition requirements set forth in Article 14.1 hereof;

9.1.12 fail on three (3) separate occasions to cure, to our reasonable satisfaction, a noticed default related to any Franchise Agreement (for the avoidance of doubt, such three (3) separate occasions do not have to relate to the same Franchise Agreement) with us to which you or a related entity have an interest;

9.1.13 fail to comply with the Development Schedule or to achieve a Development Milestone (a "Development Default");

9.1.14 fail to pay us promptly when due any monies payable to us;

9.1.15 fail to comply with Article 14 hereof; or

9.1.16 fail to comply with any other term of this Agreement.

9.2 Cure Periods. The defaults set forth in Articles 9.1.1-9.1.12 are by their nature incurable and have no associated cure period. A Development Default pursuant to Article 9.1.13 shall have a cure period of thirty (30) days. T The defaults set forth in Article 9.1.14 and 9.1.15 shall have a cure period of seven 7) days. The default set forth in Article 9.1.16 shall have a cure period of thirty (30) days. A cure period shall commence upon our delivery to you of a written notice of default, setting forth a description of the default and the applicable cure period.

9.2.1 Notwithstanding the cure period set forth above for a Development Default (9.1.13) or failure to achieve a Development Milestone (9.1.14), for every two outlets you are required to develop pursuant to Article 2.1, we shall permit you to purchase one Development Extension Period (e.g., if you are required to develop ten outlets, you shall have the option to exercise five Development Extension Periods). If you wish to exercise your right to purchase a Development Extension Period, you shall pay us Two Thousand Five Hundred Dollars ($2,500) per month (the "Development Extension Period Fee"). A Development Extension Period shall not exceed three months; for the avoidance of doubt, you may not use more than one Development Extension Period per outlet. You must pay the Development Extension Period Fee for the three month periodin advance. If you sign your lease before the end of the three month Development Extension Period, we will give you a prorated refund of the Development Extension Period Fee based on number of days.

9.2.2 If you purchase a Development Extension Period, during the Development Extension Period, you shall be required to achieve all applicable development milestones and comply with the Development Schedule (as extended in accordance with the length of the Development Extension Period you have purchased). In the event that you fail to do so, we shall have the right to terminate this Agreement immediately without further notice to you or an opportunity to cure. For the avoidance of doubt, in the event that we terminate, you shall not be entitled to a refund of any fees you have paid pursuant to this Agreement, including but not limited to any Development Extension Period Fees.

9.3 Defaulting Owners. If any of your Owners commits a default (each a "Defaulting Owner") or multiple defaults under an agreement between the Defaulting Owner and us or our affiliate(s) and such defaults cause a default of this Agreement, the default(s) may be cured by the

Defaulting Owner relinquishing or otherwise disposing of the Defaulting Owner's interest in you (pursuant to Article 17 of this Agreement) within the later of (i) the applicable cure period or (ii) thirty (30) days from our delivery to you of a written notice of default. For clarity, in such case, we expressly reserve all rights and remedies we may have directly against such Defaulting Owner. In our sole discretion, we may also refrain from terminating this Agreement in the case of an uncured breach of Article 14 hereof, while expressly reserving all other rights and remedies hereunder, if such Defaulting Owner agrees to limit such Defaulting Owner's communication with our personnel, the personnel of any designated suppliers, and Retrofitness members at your Retrofitness® Outlets in such manner and for such time period as we may designate. If the Defaulting Owner's breach is ongoing, you must fully cooperate with efforts we undertake to cause the Defaulting Owner to cease any prohibited conduct. Such cooperation may include, but shall not be limited to, providing documents and information and, when reasonably appropriate to do so (if the breach is also a violation of a reasonably enforceable obligation the Defaulting Owner owes to you, for example), commencing and/or joining litigation.

9.4 Remedies. For any default set forth in Article 9.1 (including any Development Default for which you exercise a Development Extension Period pursuant to Article 9.2 and fail to comply), we shall have the remedies set forth below:

9.4.1 Termination. We have the right to terminate this Agreement, without further recourse to you.

9.4.2 Alternatives to Termination. Without waiving our right to terminate this Agreement (or any other rights), we have the right, in our sole discretion, to take one or more of the following actions:

9.4.2.1 reduce the size of the Development Area;

9.4.2.2 modify the Development Schedule (in terms of timing and/or number of units to be opened);

9.4.2.3 require you to execute our then-current form of general release;

9.4.2.4 require you to execute our then-current form of Area Development Agreement, which shall replace this Agreement and which may contain materially different terms and conditions; and/or

9.4.2.5 remove the territorial protection described in Article 5;

9.4.3 Effect of Alternative Remedies. You shall hold us and our representatives harmless with respect to any action we take pursuant to Article 9.4.2; and you agree that we shall not be liable for any loss, expense, or damage you incur because of any action we take pursuant to Article 9.4.2. You agree that our exercise of our rights pursuant to Article 9.4.2 shall not be deemed an actual or constructive termination of this Agreement or of any other agreement between us and you and shall not be deemed a breach of any provision of this Agreement. If we exercise our rights in Article 9.4.2, you acknowledge that we are not obligated to grant you any subsequent or additional extensions on the Development Schedule or the Development Milestones, and that any extension granted by us shall be in our sole discretion and shall not affect any other Development Schedule obligations or Development Milestones (i.e., all other development obligations and milestones shall remain unchanged).

9.4.4 Injunctive Relief. You agree that, with respect to the default listed in Article 9.1.10, damages alone cannot adequately compensate us and injunctive relief is essential for our protection. You therefore agree that in case of any alleged breach or violation of Article 14, we may seek injunctive relief without posting any bond or security, in addition to all other remedies that may be available to us at equity or law.

9.4.5 Exercise of Remedies. We may exercise the remedies set forth in Article 9.4.1 and Article 9.4.2 by written notice to you after the expiration of any applicable cure period (without cure) for a default listed in Article 9.1. Such notice shall specify the applicable default, your failure to cure it, if applicable, and any remedies we are then exercising. With respect to the defaults listed in Article 9.1.1-9.1.9, termination of this Agreement shall be automatically effective immediately upon such default, without the need for prior or concurrent notice to you.

9.5 Development Schedule. Failure to comply with the Development Schedule or the Development Milestones shall not, by itself, be the basis for a default under any Franchise Agreement executed hereunder.

10. Franchise Agreements May Not be Affected. Upon termination of this Agreement, (i) you will continue to pay all required fees and operate the Retrofitness® Outlets that you own in the Development Area in accordance with the terms of the applicable Franchise Agreements that we executed prior to the termination of this Agreement, and (ii) your and our rights and obligations with respect to your existing Retrofitness® Outlets will be governed by the terms of the applicable Franchise Agreements unless there also exists a basis to terminate the applicable Franchise Agreement(s) for your Retrofitness® Outlet(s).

11. Future Development. You recognize and acknowledge that this Agreement requires you to open Retrofitness® Outlets in the future pursuant to the Development Schedule. You further acknowledge that the estimated expenses and investment requirements set forth in Items 6 and 7 of our Franchise Disclosure Document are subject to increase over time, and that future Retrofitness® Outlets likely will involve greater initial investment and operating capital requirements than those stated in the Franchise Disclosure Document provided to you prior to the execution of this Agreement. You must execute all the Franchise Agreements and open all of the Retrofitness® Outlets in accordance with the dates set forth on the Development Schedule, regardless of (i) the requirement of a greater investment, (ii) the financial condition or performance of your prior Retrofitness® Outlets, or (iii) any other circumstances, financial or otherwise. The foregoing will not be interpreted as imposing any obligation upon us to execute the Franchise Agreements under this Agreement if you have not complied with each and every condition necessary to develop the Retrofitness® Outlets, or if you do not meet our then-current requirements for franchisees at the time you are scheduled to execute a Franchise Agreement.

12. Annual Business Plan. By October 31 of each calendar year of the term of this Agreement, you must (except as provided below) present to us for our review a business plan for the Retrofitness® Outlet in the subsequent calendar year (the "Annual Business Plan"). The Annual Business Plan shall include (a) an annual budget, (b) past and projected performance for all Retrofitness® Outlets in the Development Area, (c) an operational update, (d) a real estate and development update, including projected openings, and (e) and such other information related to your performance under this Agreement as we may reasonably require from time to time. During each calendar quarter during the term we may request an opportunity to review with you (either over the phone, via video conference, or at our principal office, as may be mutually agreed upon by you and us) your Annual Business Plan and such other topics pertaining to the development and operation of the Retrofitness® Outlets in the Development Area and your progress toward the Annual Business Plan. You agree to make your personnel (including, at least your Managing Owner and the designated managers of any of your Retrofitness® Outlets) available to participate in such review with our representative(s) during such quarterly meetings to discuss the Annual Business Plan. If you and your affiliates, collectively, under all of your agreements with us and our affiliates, have the right to develop and operate less than twenty-five (25) Retrofitness® Outlets,

you need only provide us with the Annual Business Plan within sixty (60) days of our written request.

13. Compliance with Applicable Laws. You must, at your expense, comply with all federal, state, city, municipal and local laws, ordinances, rules and regulations in the Development Area pertaining to the opening and operation of your Retrofitness® Outlets. You are, at your expense, absolutely and exclusively responsible for determining all licenses and permits required by law for your Retrofitness® Outlets, for qualifying for and obtaining all such licenses and permits, and maintaining all such licenses and permits in full force and effect.

14. Your Non-Competition Obligations.

14.1 During Term. You, Your Managing Owner and other owners will not, during the term of this Agreement, directly, indirectly or through, on behalf of, or in conjunction with any person or legal entity:

14.1.1 Divert or attempt to divert any present or prospective business or customer of any Retrofitness® Outlet to any men's, women's, children's, or co-ed fitness, exercise, athletic, or wellness facility of any kind, including, but not limited to, a health club, gym, physical fitness club, fitness studio, personal training studio, weight loss, weight training or resistance training studio, or aerobics center (other than a Retrofitness® Outlet) (collectively, "Competitive Business"), by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.;

14.1.2 Own, maintain, operate, engage in, be employed by, act as a consultant for, perform services for, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business or any business or other venture offering or selling franchises or licenses for a Competitive Business; or

14.1.3 Solicit for the benefit of any Competitive Business any person employed by You, Your Related Entities, Retrofitness or its Related Entities or Franchisees; or furnish to, or for the benefit of, any Competitive Business, the name of any person who is employed by You, Your Related Entities, Retrofitness or its Related Entities.

14.2 After Term. You covenant that, except as otherwise approved in writing by us, you, Your Managing Owner and your other Owners, except for Silent Investors, shall not, for a continuous, uninterrupted period of two (2) years commencing upon the date of (a) a transfer permitted under Article 17 of this Agreement, (b) expiration of this Agreement, (c) termination of this Agreement (regardless of the cause for termination), or (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Article 14.2, either directly or indirectly, for yourself or your spouse, parent (including step parents), sibling (including half siblings), or child (including step children), whether natural or adopted, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, act as a consultant for, perform services for, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business, or any business or other venture offering or selling franchises or licenses for a Competitive Business, that is, or is intended to be, located or operating within (a) the Development Area, (b) fifteen (15) miles of any Retrofitness® Outlet developed hereunder, or (c) fifteen (15) miles of any Retrofitness® Outlet in operation or under construction as of the date that you are required to comply with this Article 14.2. Further, You shall not furnish to, or for the benefit of any Competitive Business, the name of any person who was employed by You, Retrofitness or either of its Related Parties. You agree and acknowledge that the two (2) year period of this restriction shall be tolled during any time period in

which you are in violation of this restriction. If a former Owner violates this provision, you must fully cooperate with efforts we undertake to cause such Owner to cease and desist from such violation. Such cooperation may include, but shall not be limited to, providing documents and information and, when reasonably appropriate to do so, (if the breach is also a violation of a reasonably enforceable obligation the Owner owes to you, for example) commencing and/or joining litigation.

14.3 Owners and Operators. If you are a business corporation, partnership, limited liability company or other legal entity, each Managing Owner and Owner that has an interest in you, is bound by the restrictions in Articles 14.1 and 14.2, and must sign Exhibit C to this Agreement (Nondisclosure and Noncompetition Agreement) to acknowledge such restriction, with the exception of any Owner designated a Silent Investor pursuant to Exhibit D hereof. If we are entering into this Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any person or entity who directly or indirectly owns you, we have the right to designate that person as an Owner who shall be bound by the restrictions in Articles 14.1 and 14.2 and must sign Exhibit C to this Agreement. In addition, if you are a partnership entity, then eachperson or entity who, now or hereafter is or becomes a general partner is deemed an Owner, shall be bound by the restrictions in Articles 14.1 and 14.2, and must sign Exhibit C, regardless of the percentage ownership interest. We make no representation or warranty with respect to the compliance with local law and enforceability of your third-party beneficiary rights under Exhibit C hereof and you hereby waive any claims you may have against us related thereto. You acknowledge that it may be advisable to obtain additional covenants from your Owners and other personnel in separate agreements with them.

14.4 Exception. The restrictions in Articles 14.1 and 14.2 do not apply to the ownership of shares of a class of securities that are listed on a public stock exchange or traded on the over-the-counter market and that represent less than five percent (5%) of that class of securities.

14.5 Injunctive Relief. You agree that damages alone cannot adequately compensate us if there is a violation of these noncompetition covenants and that injunctive relief is essential for our protection. You therefore agree that in case of any alleged breach or violation of this Article, we may seek injunctive relief without posting anybond or security, in addition to all other remedies that may be available to us at equity or law.

15. Development in Development Area Upon Termination or Expiration.

15.1 You acknowledge and agree that after the expiration or termination of this Agreement for any reason, any and all rights you had in and to the Development Area shall cease and we will have the absolute and unrestricted right to develop the Development Area and to contract with other franchisees for the future development of the Development Area. You acknowledge and agree that such right includes the development of new Retrofitness® Outlets and relocation of existing Retrofitness® Outlets in the same trade area as, and in close proximity to, the locations of Retrofitness® Outlets developed under this Agreement.

15.2 In the event that, after the expiration of this Agreement, we wish (ourselves or through our affiliates)to develop or enter into a development agreement or franchise agreement(s) with a third party to develop any additional Retrofitness® Outlets in the Development Area, we will provide you a right of first offer to develop Retrofitness® Outlets in the Development Area on the terms and conditions described in this Article 15.2. You shall have this right of first offer only (1) if you have fully complied with the Development Schedule in the Development Area as required under Article 2 above and all Retrofitness® Outlets required by the Development Schedule remain open and operating; (2) if none of your or your affiliates' agreements with us have been terminated by us; and (3) if you and your affiliates are in substantial compliance with all the terms

and conditions of your and their Franchise Agreements, provided that we previously communicated to the respective franchisee any defaults thereunder at the time of such default and, if applicable, afforded you and your affiliates the required opportunity to cure**.** In the event of any such proposed development of additional Retrofitness® Outlets in the Development Area, we will provide you the right and option, through written notice, to enter into a development agreement (and/or franchise agreement, as appropriate) with us on the then-current terms (including fees) we are then offering for such agreements to new franchisees. Such agreements shall include such additional terms as may be proposed to us by a third party or, if there is no third party, on such terms as we propose to you, based on our proposed additional development in the Development Area, including without limitation a development schedule. You shall have sixty (60) days from the date of receipt of our notice and proposed terms for such agreement(s) to enter into such development agreement and/or franchise agreement. If you fail to enter into any such agreement, and we enter into an agreement on the same or substantially similar terms with a third party, then any right and option you have under this Article 15.2 shall terminate and this Article 15.2 shall be of no force or effect.

16. Assignment by Us. We have the right to sell or assign, in whole or in part, our interests in this Agreement, and any such sale or assignment shall inure to the benefit of any assignee or other legal successor to our interest.

17. Transfer by You. You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or, if you are a corporation, partnership, or other entity, to your Owners) and that we have granted the development rights and obligations herein to you in reliance upon our perceptions of your (or your Owners') individual or collective character, skill, aptitude, attitude, business ability, acumen and financial capacity. Accordingly, neither you nor any Owners in you may directly or indirectly Transfer (as defined below) any of your rights or obligations under this Agreement, any ownership interest in you, or substantially all the assets of the business operated hereunder, unless you obtain our prior written consent, and Transfer equivalent rights and interests under all Franchise Agreements in the Development Area to the same transferee. Any Transfer without such approval constitutes a breach of this Agreement and is void and of no effect. "Transfer" means the voluntary, involuntary, direct or indirect sale, assignment, transfer, license, sublicense, sublease, collateral assignment, grant of a security, encumbrance, collateral or conditional interest, inter-vivos transfer, testamentary disposition or other disposition of this Agreement, any interest in or right under this Agreement, or any form of ownership interest in you or the assets, revenues or income of any Retrofitness® Outlet including: (1) any transfer, redemption or issuance of a legal or beneficial ownership interest in the capital stock of, or a partnership interest or other ownership interest in, you or of any interest convertible to or exchangeable for capital stock of, or a partnership interest or other ownership interest in, you; (2) any merger or consolidation between you and another entity, whether or not you are the surviving entity; (3) any transfer in, or as a result of, a divorce, insolvency, corporate or partnership dissolution proceeding or otherwise by operation of law; (4) any transfer upon your death or the death of any of your Owners by will, declaration of or transfer in trust or under the laws of intestate succession; or (5) any foreclosure upon any Retrofitness® Outlet or the transfer, surrender or loss by you of possession, control or management of any Retrofitness® Outlet.

17.1 Conditions for Approval of Transfer**.** We will not unreasonably withhold our consent to a proposed Transfer provided all of the conditions set forth below must be met prior to or concurrently with the effective date of the proposed Transfer. Your failure to meet any of such conditions is a reasonable basis for withholding our consent to the Transfer.

17.1.1 *Compliance.* You are in substantial compliance with this Agreement; you and your affiliates have paid all amounts owed to us and our affiliates related to this Agreement or any other agreement entered into between you, your affiliates, or your Owners and us or our affiliates.

17.1.2 *Transferee.* The proposed transferee and its direct and indirect owners must be individuals of good moral character and otherwise meet our then applicable and reasonable standards for Retrofitness area developers. You have disclosed to us all ownership information, including, but not limited to any trust which will become an Owner pursuant to the Transfer, any such trust instrument has been reviewed by us and our external legal counsel at your expense, and the material terms of such trust have been approved by us, which approval shall not be unreasonably withheld, conditioned, or delayed.

17.1.3 *Transfer Terms.* We approve of the material terms of such Transfer as not materially and adversely impacting the transferee's development of Retrofitness® Outlets hereunder, which approval shall not be unreasonably withheld, conditioned or delayed.

17.1.4 *Agreements.* You (and your transferring Owners) have executed (a) a general release, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees and agents and (b) a written affirmation confirming that (i) you and/or any transferring Owner(s) remain bound by the restrictions contained in Article 14.1 and Exhibit C hereof as if this Agreement had terminated and (ii) the provisions of Articles 21 and 22 survive the partial or full Transfer of an Owner's interest in you (although such provisions will continue to apply regardless of whether you and/or any transferring Owner(s) actually execute such written reaffirmation). Except as otherwise provided in Article 17.1.6.3, this Agreement has been amended to reflect the post-transfer ownership and your new Owners have signed Exhibit C hereof. If and to the extent reasonably enforceable under applicable law, your transferring Owners, except for Silent Investors, have executed an agreement with you, of which we are a third-party beneficiary and may independently enforce, providing that for at least two (2) years from the date of the Transfer, with such time period to be tolled by any violation thereof, they will not, either directly or indirectly, compete with you and your affiliates.

17.1.5 *Costs.* You have reimbursed us for any reasonable external (i.e., not in-house) legal and administrative costs we incurred in connection with the Transfer.

17.1.6 *Third-Party Transfers.* If the proposed Transfer is a Third-Party Transfer, the following additional conditions must be reasonably satisfied prior to or concurrently with the effective date of the proposed Transfer. A "Third-Party Transfer" is a proposed Transfer to any party that is not one of your Owners or an entity solely owned by one or more of your Owners. In addition, the following Transfers are not considered Third-Party Transfers: (i) a Transfer to an entity that is controlled by one or more of your Owners solely for estate planning purposes or (ii) a Transfer to an immediate family member of one of your Owners of a non-controlling interest in you, which is not one of a series of proposed Transfers which, in the aggregate, would constitute or result in the transfer of a controlling interest in you. For purposes of this Article 17, "controlling interest" means (a) a direct or indirect ownership interest of fifty percent (50%) or more in you or (b) the power to, directly or indirectly, direct your affairs by reason of ownership of voting securities, by contract, or otherwise.

17.1.7 *Transferee.* We have approved the proposed transferee, based on our reasonable assessment of the proposed transferee and its direct and indirect owners, and the capabilities and characteristics of any acquired business and management team. In connection with our assessment, we may consider:

(i) the proposed transferee's moral character, aptitude, attitude, experience, references, acumen and financial capacity to develop and operate Retrofitness® Outlets hereunder;

(ii) The proposed transferee's business plan for such Retrofitness Businesses;

(iii) the infrastructure in place or to be created to develop and operate the Retrofitness® Outlets hereunder (together with any other Retrofitness® Outlets it may own);

(iv) other investments of the proposed transferee (including, but not limited to competing investments or incompatibility of other investments with our values or brand image); and

(v) if the proposed transferee is an existing Retrofitness franchisee, its and its affiliates' (a) record of acquisition, development and operations (including size of current operations and existing development obligations) and (b) compliance with existing agreements with us and our affiliates.

Unless otherwise approved in writing by us, the transferee may not be an entity, or affiliated with an entity, that is required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended.

17.1.8 *Training.* The transferee (or its Managing Owner) and its managers, shift supervisors and personnel must have completed our initial training program (under a Franchise Agreement) or must be currently certified by us to operate and/or manage a Retrofitness® Outlet to our satisfaction prior to closing.

17.1.9 *Agreements.* If the Transfer is of a non-controlling interest in you, which is not one of a series of proposed Transfers which, in the aggregate, would constitute or result in the transfer of a controlling interest in you, the transferee has agreed to be bound by all of the terms and conditions of this Agreement for the remainder of the term. Otherwise, the transferee shall execute a new area development agreement with us on our then-current form, the terms and conditions of which may differ materially from the terms and conditions of this Agreement, including a different development schedule and different fees for franchise agreements executed thereunder; provided, however, that if the Transfer occurs during the Rate Lock Period, then the new area development agreement shall be modified to provide that, for the development obligations in this Agreement that are unmet as of the date of the Transfer (excluding additional development obligations that are subsequently added to the new area development agreement), the initial fees provided in Article 7.1.1, and royalty rates provided in Article 7.1.2, shall apply to any Franchise Agreement executed prior to the end of the Rate Lock Period.

17.1.10 *Transfer Fees.* You have paid us (i) a transfer fee equal to Fifteen Thousand U.S. Dollars ($15,000) for each unmet development obligation pursuant to the Development Schedule being transferred, unless the proposed Transfer is a transfer of a five percent (5%) or less ownership interest in you (and is not one of a series of Transfers which, in the aggregate with other Transfers to the same or an affiliated transferee, would constitute or result in the transfer of greater than a five percent (5%) interest in you) or we, in our sole discretion, determine that such transfer is de minimis such that a lesser or no transfer fee may apply.

17.1.11 Unless the proposed Transfer is of a non-controlling interest in you, which is not one of a series of proposed Transfers which, in the aggregate, would constitute or result in the transfer of a controlling interest in you, in which case this Article 17.1.6.5 shall not apply, at least one of the following must be satisfied: (i) the Owner(s) of a controlling interest in you (or your affiliates) have been Retrofitness franchisees for at least two (2) years as of the closing date and the closing date of the proposed transfer is at least one (1) year after the Effective Date; (ii) the closing date of the proposed transfer is at least two (2) years after the Effective Date; (iii) if

this Agreement is an amended and restated area development agreement, the closing date of the proposed transfer is at least one (1) year after the Effective Date; or (iv) if this Agreement has been amended to add one (1) or more Retrofitness® Outlets to the Development Schedule, the closing date of the proposed transfer is at least one (1) year after the effective date of such amendment. The conditions set forth in Article 17.1 are intended to be representative and not exhaustive.

17.2 Transfer to a Wholly Owned Entity**.** Notwithstanding Article 17.1, if you are in full compliance with this Agreement, you may Transfer this Agreement to a corporation, business trust, limited liability company or similar entity, which conducts no business other than the business operated hereunder and, if applicable, other Retrofitness® Outlets, in which you maintain management control and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, and further provided that all assets of such business are owned, and all of such business is conducted, by a single entity. Transfers of ownership interest in such entity will be subject to the provisions of Article 17.1. Notwithstanding anything to the contrary herein, you agree to remain personally liable under this Agreement as if the Transfer to such entity had not occurred.

17.3 Transfer Upon your Death or Disability**.** Upon your death or permanent disability or, if you are a corporation, business trust, limited liability company or partnership, the death or permanent disability of the Owner of a controlling interest in you, your or such Owner's executor, administrator, conservator, guardian or other personal representative must Transfer your interest in this Agreement or such Owner's interest in you to a third party. Such disposition of this Agreement or the interest in you (including, without limitation, Transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed six (6) months from the date of death (or if later, such date that such Transfer may be legally completed) or permanent disability, and will be subject to all of the terms and conditions applicable to Transfers contained in this Article. A failure to Transfer your interest in this Agreement or the ownership interest in you within this period of time constitutes a breach of this Agreement. For purposes hereof, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an Owner of a controlling interest in you from managing and operating the business operated hereunder for a period of three (3) months from the onset of such disability, impairment, or condition.

17.4 Bona Fide Offers**.** If you (or any of your Owners) at any time determine to sell, assign or Transfer for consideration an interest in this Agreement, the assets of the business operated hereunder or an ownership interest in you, you (or such Owner) agree to:

17.4.1 disclose to us any broker that you retain for the purpose of marketing your Retrofitness® Outlet for sale;

17.4.2 provide us with such additional information that we may reasonably request from time to time, including, but not limited to, a draft of the offering materials you intend to circulate and a list of offerors or prospective purchasers; and

17.4.3 obtain a *bona fide*, executed written offer and a complete franchise application from a fully disclosed offeror including lists of the owners of record and beneficially of any corporate or limited liability company offeror and all general and limited partners of any partnership and immediately submit to us a true and complete copy of such offer, which includes details of the payment terms of the proposed sale. To be a valid, *bona fide* offer, the proposed purchase price must be denominated in a dollar amount. The offer must apply only to an interest in you or in this Agreement and the assets of the business operated hereunder, and may not include an offer to purchase any of your (or your Owners') other property or rights. However, if the offeror

proposes to buy any other property or rights from you (or your Owners) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your Owners) for the interest in you or in this Agreement and the business operated hereunder must reflect the *bona fide* price offered therefor and not reflect any value for any other property or rights. Any Transfer in violation of our right of first refusal is null and void.

17.5 Our Right of First Refusal**.** For any proposed Third-Party Transfer of: (a) this Agreement; (b) a controlling interest in you (or a series of proposed Third-Party Transfers which in the aggregate would constitute a Third-Party Transfer of a controlling interest in you); or (c) substantially all the assets of your business operated hereunder, we have the right, exercisable by written notice (the "ROFR Notice") delivered to you or your selling Owners within thirty (30) days from the date of the delivery to us of both an exact copy of such *bona fide* offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in such *bona fide* offer, provided that:

17.5.1 we may substitute cash for any form of payment (including, but not limited to, equity in the transferee or one of its affiliates) proposed in such offer;

17.5.2 if the offer is for less than all of the ownership interests in you or less than all of the assetsof the Retrofitness® Outlet, we may purchase, as applicable, either all of the ownership interests in you or all of the assets of the Retrofitness® Outlet, for a price calculated by imputation of the purchase price set forthin the *bona fide* offer across such additional equity or assets;

17.5.3 our credit will be deemed equal to the credit of any proposed purchaser;

17.5.4 we are not required to honor or provide compensation for any post-closing employment arrangement included in the offer for any person that is not an Owner. For post-closing employment arrangement(s) for any Owner, we are not required to honor such arrangement(s), but will substitute cash for any such arrangement(s) to the extent not honored;

17.5.5 any provision in the offer, the effect of which would increase our cost, or otherwise negatively affect the terms imposed on us as a result of our substitution for the prospective purchaser shall be disregarded;

17.5.6 we may make any adjustments we or our advisors deem reasonably necessary or appropriate to comply with the laws, regulations, accounting standards and financing covenants applicable to our affiliates and us;

17.5.7 the closing of our purchase must occur within the later of: (i) sixty (60) days from the dateof the ROFR Notice, or (ii) such period as may have been provided in the offer; and

17.5.8 we are entitled to receive, and you and your Owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock or other ownership interest of an entity, as applicable, including, without limitation, representations and warranties as to:

17.5.8.1 ownership and condition of and title to stock or other forms of ownership interest and/or assets;

17.5.8.2 liens and encumbrances relating to the stock or other ownership interest and/or assets; and

17.5.8.3 validity of contracts and the liabilities, contingent or otherwise, of the corporationwhose stock is being purchased.

17.5.9 If the proposed Transfer is part of a contemporaneous transfer involving one or more Retrofitness® Outlets or one or more area development agreements (collectively, the

"Transfer Group"), then we will refrain from exercising our right of first refusal to selectively purchase less than the entire individual Transfer Group.

17.5.10 The value of any form of payment other than cash as described in Article 17.5.1 hereof shall be fair market value. If such fair market value cannot be calculated by imputation of the purchase price set forthin the *bona fide* offer, and if we and you are unable to agree on fair market value, fair market value will be determinedby an appraiser agreeable to both parties. If we and you are unable to agree on an appraiser, then the fair market value will be determined as follows: We will appoint one appraiser, you will appoint one appraiser and the two (2) party-appointed appraisers will appoint an independent third appraiser. You and we agree to select our respective appraisers within fifteen (15) days after the date we determine that we are unable to agree on the fair market value, and the two (2) appraisers so chosen are obligated to appoint the third appraiser within fifteen (15) days after the date on which the last of the two (2) party-appointed appraisers was appointed. You and we will bear the cost of our own appraisers and share equally the reasonable fees and expenses of the third appraiser chosen by the two (2) party-appointed appraisers. You and we will take reasonable actions to cause the appraisers to complete their appraisalwithin thirty (30) days after the third appraiser's appointment.

17.6 Non-Exercise**.** If we do not exercise our right of first refusal, you or your Owners may complete the sale to such purchaser pursuant to and on the exact terms of such *bona fide* offer, subject to our approval of the transferas provided in Articles 17.1. If the sale to such purchaser is not completed within one hundred twenty (120) days afterdelivery of such *bona fide* offer to us, or if there is a material change in the terms of the sale (which you agree promptlyto communicate to us), the sale will be treated as a new sale subject to our right of first refusal as provided in Article 17.5.

18. Severability. To the extent that this Agreement is judicially determined to be unenforceable by virtue of its scope or in terms of area or length of time, but may be made enforceable by reductions of any or all thereof, the sameshall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction where enforcement is sought.

19. Waivers. Failure of either party to insist, in one or more instances, on performance by the other in strict accordance with the terms and conditions of this Agreement shall not be deemed a waiver or relinquishment of any right granted hereunder or of the future performance of any such term or condition or of any other term or condition ofthis Agreement, unless such waiver is in a writing signed by or on behalf of both parties.

20. Dispute Resolution.

20.1 Mediation. Except as provided in Article 20.3, prior to filing any demand for arbitration, the parties agree to mediate any dispute, controversy or claim between and among the parties and any of our or your affiliates, officers, directors, shareholders, members, guarantors, employees or owners arising under, out of, in connection withor in relation to this Agreement, any lease or sublease for your Retrofitness® Outlets, any loan or other finance arrangement between us or our affiliates and you, the parties' relationship, any of your Retrofitness® Outlets, or any System Standard in accordance with the following procedures:

20.1.1 The party seeking mediation must commence mediation by sending the other party, in accordance with Article 23, a written notice of its request for mediation headed "Notification of Dispute". The Notification of Dispute will specify, to the fullest extent possible, the party's version of the facts surrounding the dispute; the amount of damages and the nature of any injunctive or other relief such party claims. The party (or partiesas the case may be) receiving a Notification of Dispute will respond within twenty (20) days after receipt thereof, in accordance

with Article 23, stating its version of the facts and, if applicable, its position as to damages sought by theparty initiating the dispute procedure; provided, however, that if the dispute has been the subject of a default notice given under Article 9 of this Agreement, the other party will respond within ten (10) business days.

20.1.2 Upon receipt of a Notification of Dispute and response under Article 20.1.1, the parties willendeavor, in good faith, to resolve the dispute outlined in the Notification of Dispute and response. If the parties havebeen unable to resolve a dispute outlined in a Notification of Dispute or a response thereto within twenty (20) days after receipt of the response, either party may initiate a mediation procedure with the American Arbitration Association ("AAA"), pursuant to its Commercial Mediation Procedures (the "Procedures"). The parties must select a mediator either jointly or as provided in the Procedures.

20.1.3 All mediation sessions will occur in West Palm Beach, FL (or in the city of our then-current headquarters, if our headquarters are no longer in West Palm Beach, FL and must be attended by your Managing Owner (and any other persons with authority to settle the dispute on your behalf) and our representative(s) who is/are authorized to settle the dispute. The parties may be represented by counsel at the mediation. The parties agree to participate in the mediation proceedings in good faith and with the intention of resolving the dispute if at all possible within thirty (30) days of the notice from the party seeking to initiate the mediation procedures. If the dispute is not resolved within thirty (30) days, any party may initiate arbitration pursuant to Article 20.2. In addition, if the party receiving notice of mediation has not responded within five (5) days of deliveryof the notice or a party fails to participate in the mediation, this Article 20.1 will no longer be applicable and the other party can pursue arbitration. The parties agree that the costs of the mediator will be split equally between the parties. Each party must pay its own fees and expenses incurred in connection with the mediation. The mediation proceeding and any negotiations and results thereof will be treated as a compromise settlement negotiation and the entire processis confidential, except as otherwise expressly provided by applicable law. At least five (5) days prior to the initial mediation session, each party must deliver a written statement of positions.

20.2 Arbitration. Except as provided in Article 20.3, any dispute, controversy or claim between you andus and any of our or your affiliates, officers, directors, shareholders, members, guarantors, employees or owners arising under, out of, in connection with or in relation to this Agreement, any lease or sublease for your Retrofitness® Outlets, any loan or other finance arrangement between us or our affiliates and you, the parties' relationship, any of your Retrofitness® Outlets, or any System Standard or the scope of validity of the arbitration obligation under this Article not resolved by mediation must be submitted to binding arbitration in accordance with the Federal Arbitration Act. The arbitration will be administered by the AAA pursuant to its Commercial Arbitration Rules then in effect by one arbitrator.

20.2.1 In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim not submitted or filed in such proceeding will be barred.

20.2.2 Subject to Article 20.2.1, any arbitration must be on an individual basis only as to a singledevelopment agreement (and not as or through an association) and the parties and the arbitrator will have no authority or power to proceed with any claim on a class-wide basis or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties. If a court or arbitrator determines that this limitation on joinder of orclass-wide claims is

unenforceable, then the agreement to arbitrate the dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts, in accordance with Article 20.

20.2.3 The arbitration must take place in West Palm Beach, Florida (or in the city of our then-current headquarters, if our headquarters are no longer in West Palm Beach, Florida).

20.2.4 The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. The arbitrator may not under any circumstance (a) stay the effectiveness of any termination of this Agreement, (b) assesspunitive or exemplary damages, (c) certify a class or consolidated action, or (d) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that weset. The arbitrator will decide any factual, procedural, or legal questions relating in any way to the dispute between the parties, including, but not limited to: any decision as to whether Article 20 is applicable and enforceable as against the parties, subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement.

20.2.5 Other than as may be required by law, the entire arbitration proceedings (including, but not limited to, any rulings, decisions or orders of the arbitrator), will remain confidential and will not be disclosed to anyone other than the parties to this Agreement, or as otherwise required by law.

20.2.6 We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek recovery of those costs in accordance with Article 20.4.

20.3 Injunctive Relief/No Waiver of Arbitration. Notwithstanding Articles 20.1 and 20.2 of this Agreement, either party shall have the right to request injunctive relief (without any requirement to post a bond) fromany court of competent jurisdiction, including, without limitation, application for judicial relief to protect against trademark infringement, unauthorized use of trademark, loss of possession of real or personal property, violations of non-competition or confidentiality obligations, termination of this Agreement, or to maintain the efficacy of an ongoing arbitration, and that such request shall not constitute a waiver of the moving party's right to demand arbitration of any dispute pursuant to Article 20and its subparts.

20.4 Costs and Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, inconnection with, or in relation to this Agreement will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrator's fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in connection with the claims on which it prevailed.

20.5 Survival. The provisions of this Article 20are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

20.6 Tolling of Statute of Limitations. All applicable statutes of limitation and defenses based on the passage of time are tolled while the dispute resolution procedures in this Article 20 are pending. The parties will takesuch action, if any, required to effectuate such tolling.

20.7 Performance to Continue. Each party must continue to perform its obligations under this Agreementpending final resolution of any dispute pursuant to this Article 20, unless to do so would be impossible orimpracticable under the circumstances.

21. Governing Law. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 *et. seq.*). Except to the extent governed by the Federal Arbitration

Act as required hereby, the United States Trademark Act OF 1946 (Lanham Act, 15 U.S.C. §§ 1051 *et seq.*) or other federal law, this Agreement, the franchise and all claims arising from the relationship between us and you will be governed by the laws of Florida, without regard to its conflict of laws principles, except that any law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless the jurisdictional requirements of that law are met independently without reference to this Article.

22. Consent to Jurisdiction. Subject to Article 20 hereof, you and your Owners agree that we may institute any action or seek injunctive relief against you or your Owners in any state or federal court of general jurisdiction in Florida or the county in which you are domiciled, or the county in which any Retrofitness® Outlet developed under this Agreement is located, and you (and each Owner) irrevocably submit to the jurisdiction of any such courts and waive any objection you (or he or she) may have to either the jurisdiction of or venue in such courts.

23. Notices. All written notices and reports permitted or required to be delivered by the provisions of this Agreement to us must be addressed to Chief Financial Officer, Robert Sprechman, Retrofitness, LLC, at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406 or at the most current principal business address of which you have been notified. Any required payment or report we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days prior thereto) will be deemed delinquent. All written notices and reports permitted or required to be delivered by the provisions of this Agreement to you shall be addressed to your Managing Owner at your most current principal business address of which we have been notified, or the mailing address listed for your Managing Owner as listed on Exhibit B. Such notices or reports will be deemed so delivered:

23.1 at the time delivered by hand;

23.2 one (1) business day after transmission by telecopy, facsimile or other electronic system, provided there is evidence of delivery and notice is also promptly provided pursuant to the methods set forth in Articles 21.1 and/or 21.3; or

23.3 one (1) business day after being placed in the hands of a commercial courier service for next business day delivery, provided there is evidence of delivery; or five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

24. **WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTIONS. EXCEPT WITH RESPECT TO ANY OBLIGATION TO INDEMNIFY US AND CLAIMS WE BRING AGAINST YOU FOR YOUR UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, WE AND YOU AND YOUR RESPECTIVE OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. WE AND YOU IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US. EACH PARTY ACKNOWLEDGES THAT IT HAS HAD A FULL OPPORTUNITY TO CONSULT WITH COUNSEL CONCERNING THIS WAIVER, AND THAT THIS WAIVER IS INFORMED, VOLUNTARY, INTENTIONAL, AND NOT THE RESULT OF UNEQUAL BARGAINING POWER.**

25. Multiple Copies and Electronic Records. This Agreement may be executed in multiple copies, each of which will be deemed an original, and all of which when taken together shall constitute one and the same document. You expressly consent and agree that we may provide and maintain all disclosures, agreements, amendments, notices, and all other evidence of transactions between us and you in electronic form. You expressly agree that electronic copies of this Agreement and related agreements between us and you are valid. You also expressly agree not to contest the validity of the originals or copies of this Agreement and related agreements, absent proof of altered data or tampering. You also expressly agree to execution of this Agreement and related agreements by electronic means and that such execution shall be legally binding and enforceable as an "electronic signature" and the legal equivalent of your handwritten signature.

26. Entire Agreement. This Agreement together with any exhibits, addenda and appendices hereto, constitute the sole agreement between you and us with respect to the entire subject matter of this Agreement and embodies all prior agreements and negotiations with respect to your Retrofitness® Outlets authorized hereunder. There are no representations or warranties of any kind, express or implied, except as contained herein or in the Franchise Disclosure Document provided to you at least fourteen (14) days before you signed this Agreement or paid us any money in connection with the area development rights hereunder.

27. Modification. This Agreement shall not be modified or amended except by an instrument in writing signed by or on behalf of the parties hereto.

28. Administrative Costs. If you have requested this Agreement at a time when we are actively pursuing, but do not have an active franchise registration in an applicable jurisdiction, if you request a change to this Agreement after signing, or if you request additional documents (amendments, assignments, tri-party agreements, lender consents or comfort letters, etc.), and, in connection with our fulfillment of such request, we incur third-party costs or pay a filing fee, we may require you to pay or reimburse such fees and reasonable third-party costs.

29. Other Franchisees/Area Developers. You acknowledge that other Retrofitness franchisees/area developers have or will be granted franchises or area development rights at different times and in different situations, and further acknowledge that the provisions of such agreements may vary substantially from those contained in this Agreement and that our practices regarding granting and enforcing such agreements may vary. You shall not be entitled to require us to grant to you a like or similar variation thereof.

30. Binding Effect. Except as otherwise provided herein to the contrary, this Agreement shall be binding upon, and shall inure to the benefit of, you and us, and our respective heirs, executors, legal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the Effective Date.

Franchisor: Retrofitness, LLC
By: _____
Name Printed: [NAME]
Title: [TITLE]
EFFECTIVE DATE: _____

EACH OF THE UNDERSIGNED PARTIES REPRESENTS AND WARRANTS THAT THE AREA DEVELOPER HAS NOT RELIED UPON ANY GUARANTEES CONCERNING REVENUE, PROFIT OR THE SUCCESS OF THIS FRANCHISE IN SO SIGNING. AREA DEVELOPER ACKNOWLEDGES AND AGREES THAT IT (1) HAS SPECIFICALLY REVIEWED THE COMPLETED VERSION OF EXHIBITS B (OWNERSHIP ADDENDUM) AND D (SILENT INVESTORS), (2) IS BOUND THEREBY, (3) IS BEST POSITIONED, BETWEEN THE PARTIES, TO VERIFY THE ACCURACY OF THE INFORMATION PROVIDED AND CONTAINED THEREIN AND (4) HAS CAUSED ALL REQUIRED PARTIES TO RECEIVE, REVIEW AND EXECUTE EXHIBIT C (NONDISCLOSURE AND NONCOMPETITION AGREEMENT). AS SUCH, WE ARE ENTITLED TO RELY ON SUCH INFORMATION. AREA DEVELOPER REPRESENTS AND WARRANTS THAT ALL SUCH INFORMATION IS TRUE, CORRECT AND COMPLETE AS OF THE DATE OF AREA DEVELOPER'S EXECUTION OF THIS AGREEMENT, PROVIDED, HOWEVER, THAT AN IMMATERIAL INACCURACY IN SUCH INFORMATION SHALL NOT BE A DEFAULT UNDER THIS AGREEMENT.

Area Developer: [AREA DEVELOPER]
By:_____
(Authorized Representative)
Name Printed: _____
Title:_____
Date:_____

EXHIBIT A
MAP OF DEVELOPMENT AREA

(Attached; if applicable)

EXHIBIT B
OWNERSHIP
ADDENDUM

1. **MANAGING OWNER.** The name, email address and home address of the Managing Owner is asfollows:_____.

2. **FORM OF ENTITY OF AREA DEVELOPER.**

Area Developer was organized as a_____on_____, under the laws ofthe State/Commonwealth of_____. Its Federal Identification Number is
_____. It has not conducted business under any name other than its corporate or company name. Its principal business address is____.

Name of Each Director/Officer/Partner/Governor/Manager/Managing Member	Position(s) Held
_____	_____
_____	_____
_____	_____

3. **OWNERS.**

(a) **Ownership Interests.** Area Developer and each of its Owners represent and warrant that the following isa complete and accurate list of all owners of any direct or indirect ownership interest whatsoever in Area Developer, including the full name, e-mail address, and mailing address of each Owner, and fully describes the nature and extent of each Owner's interest in Area Developer. Area Developer and each Owner, as to hisor her ownership interest, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his or her ownership interest in Area Developer, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

Owner's Name, Email Address & Address	Percentage and Nature of Ownership Interest
_____	_____
_____	_____
_____	_____

(b) **Ownership Group.** You represent and warrant that the following Owner or group of Owners has, directly or indirectly, 51% or more ownership interest in you and voting control over you and constitutes your Ownership Group as described in Article 8 of the Area Development Agreement.

Owner's Name	Percentage and Nature of Ownership Interest	Voting Interest (%)

EXHIBIT C
NONDISCLOSURE AND NONCOMPETITION AGREEMENT

In conjunction with your role in_____("Area Developer"), you ("Owner" or "you"), acknowledge andagree as follows:

1. Area Developer has the rights, pursuant to an Area Development Agreement ("Area Development Agreement") with Retrofitness, LLC ("Franchisor" or "We") to develop multiple Retrofitness® Outlets in a specific territory. The Area Development Agreement requires persons with certainlegal or beneficial ownership interests in Area Developer to be personally bound by confidentiality and noncompetition covenants.

2. You own or intend to own a legal or beneficial ownership interest in Area Developer and acknowledge and agree that your execution of this Personal Covenants Regarding Confidentiality and Non-Competition Agreement ("Agreement") is a condition to such ownership interest, or such designation, as applicable, and that you have received good and valuable consideration for executing this Agreement. We may enforce this Agreement directly against you and Your Owners (as defined below).

3. If you are a corporation, partnership, limited liability company or other entity, all persons who have a legal orbeneficial interest in you ("Your Owners") must also execute this Agreement.

4. We possess (and will continue to develop and acquire), and may disclose to you, certain confidential information (the "Confidential Information") relating to the development and operation of Retrofitness® Outlets, which may include, without limitation: (1) location selection criteria and plans and specification for the development of Retrofitness® Outlets; (2) methods, formats, specifications, standards, systems, procedures, the Operations Manual, any other proprietary materials, the sales and marketing techniques used, and knowledge of and experience in developing and operating Retrofitness® Outlets; (3) sales, marketing and advertising programs and techniques for Retrofitness® Outlets; (4) knowledge of specifications for and suppliers of certain fixtures, furnishings, equipment, products, materials and supplies; (5) knowledge of the operating results and financial performance of Retrofitness® Outlets other than the Retrofitness® Outlets developed pursuant to the Area Development Agreement; (6) methods of training and management relating to Retrofitness® Outlets; (7) computer system and software programs used or useful in Retrofitness® Outlets; and (8) other information related to Retrofitness® Outlets generally that islabeled proprietary or confidential. The Confidential Information includes, without limitation, all customer and membership lists and information for the Retrofitness® Outlets developed pursuant to the Area Development Agreement and Retrofitness® Outlets generally.

5. You and Your Owners may gain access to parts of our Confidential Information as a result of investing in Area Developer. The Confidential Information is proprietary and includes our trade secrets. You and Your Owners hereby agree that while you and they have a management role or legal or beneficial ownership interest in Area Developer and thereafter you and they: (a) will not use the Confidential Information in any other business or capacity, such use being an unfair method of competition; (b) will exert best efforts to maintain the confidentiality of the Confidential Information; and (c) will not make unauthorized copies of any portion of the Confidential Information disclosed in written,

electronic or other form. If you or Your Owners cease to have a management role or legal or beneficial ownership interest in Area Developer, you and Your Owners must deliver to us any such Confidential Information in your or their possession.

6. You specifically acknowledge that you may receive valuable, specialized training, Confidential Information, and other proprietary and specialized information and knowledge that provides a valuable, competitive advantage in operating a men's, women's, children's, or co-ed fitness, exercise, athletic or wellness facility of any kind. You further acknowledge that we would be unable to protect the Confidential Information against unauthorized use or disclosure or to encourage the free exchange of ideas and information among our area developers if you were permitted to hold interests in or perform services for a competitive business, such as any men's, women's, children's, or co-ed fitness, exercise, athletic, or wellness facility of any kind, including, but not limited to, a health club, gym, physical fitness club, fitness studio, personal training studio, weight loss, weight training or resistance training studio, or aerobics center (other than a Retrofitness® Outlet) (each a "Competitive Business"), and we have granted the Area Developer certain rights under the Area Development Agreement in consideration of, and in reliance upon, your agreement to deal exclusively with us. You therefore covenant that during the term of the Area Development Agreement (except as otherwise approved in writing by us), you, Your Owners, and you and their immediate families shall not, either directly, indirectly or through, on behalf of, or in conjunction with any person or legal entity:

   (a) Divert or attempt to divert any present or prospective business or customer of any Retrofitness® Outlet to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System;

   (b) Own, maintain, operate, engage in, be employed by, act as a consultant for, perform services for, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business or any business or other venture offering or selling franchises or licenses for a Competitive Business; or

   (c) Solicit, or furnish to or for the benefit of any competitor of Retrofitness, or the competitor's franchisees, or the competitor's subsidiaries, the name of ,any person who is employed by Retrofitness or by any franchisee of Retrofitness.

7. You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous, uninterrupted period of two (2) years commencing upon the date of (a) a transfer permitted under Article 15 of the Area Development Agreement, (b) expiration of the Area Development Agreement, (c) termination of the Area Development Agreement (regardless of the cause for termination), or (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Paragraph 7, either directly or indirectly, for yourself or your spouse, parent (including step parents), sibling (including half siblings), or child (including step children), whether natural or adopted, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, act as a consultant for, perform services for, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business, or any business or other venture offering or selling franchises or licenses for a

Competitive Business, that is, or is intended to be, located or operating within (a) the Development Area, (b) fifteen (15) miles of any Retrofitness® Outlets developed pursuant to the Area Development Agreement, or (c) fifteen (15) miles of any Retrofitness® Outlet in operation or under construction as of the date that you are required to comply with this Paragraph 7. You agree and acknowledge that the two (2) year period of this restriction shall be tolled during any time period in which you are in violation of this restriction.

The restrictions in this Paragraph 7 do not apply to the ownership of shares of a class of securities that are listed on a public stock exchange or traded on the over-the-counter market and that represent less than five percent (5%) of that class of securities.

8. In addition to the foregoing, as a result of your legal or beneficial ownership interest in Area Developer, you and each of Your Owners acknowledge and agree that you and each of Your Owners may receive: (i) confidential information from Area Developer relating to the development and operation of Retrofitness® Outlets and to Area Developer; and (ii) valuable, specialized training and other proprietary and specialized information and knowledge from, or as a result of your association with, Area Developer, which would enable you and Your Owners to unfairly compete with Area Developer. Area Developer shall have the right, as an express third-party beneficiary and in order to protect Area Developer's legitimate business interests, which include, but are not limited to, protecting the foregoing, to enforce the covenants set forth in Paragraphs 6 and 7 of this Agreement directly against you and Your Owners; provided, however, that such enforcement by Area Developer will be limited to a Competitive Business that is within (a) the Development Area, (b) fifteen (15) miles of any Retrofitness® Outlets developed pursuant to the Area Development Agreement, or (c) fifteen (15) miles of any Retrofitness® Outlet in operation or under construction and owned by Area Developer or one of its affiliates as of the date that you are required to comply with this Paragraph 8. You acknowledge that such right may be in addition to any rights that Area Developer may have to enforce non-competition covenants in Area Developer's agreements with you.

9. You and each of Your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity to exploit such skills in other ways, so that enforcement of the covenants contained in Paragraphs 6 and 7 will not deprive any of you of your personal goodwill or ability to earn a living. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographical area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law and public policy. We and Area Developer may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm. You and each of Your Owners acknowledges that any violation of Paragraphs 6, 7 or 8 hereof would result in irreparable injury for which no adequate remedy at law may be available. If we or Area Developer file a claim to enforce this Agreement and prevail in such proceeding, you agree to reimburse us and/or Area Developer for all its costs and expenses, including reasonable attorneys' fees.

10. This Exhibit C shall be governed by, and construed in accordance with, the law of the State of Florida, without regard to principles of conflicts of law. You agree that any legal proceeding relating to this Exhibit C or the enforcement of any provision of this Exhibit C shall

be brought or otherwise commenced only in the State or Federal courts of the State of Florida. Notwithstanding the foregoing sentence, any legal proceeding relating to this Exhibit C or the enforcement of any provision of this Exhibit C between you and Area Developer in which Franchisor is not a party shall be brought or otherwise commenced only in the State or Federal courts closest to Area Developer's principal place of business, unless you and Area Developer are parties to an agreement designating the forum for the resolution of disputes between you and Area Developer, in which case the forum designated in such agreement shall control. You irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction of or venue in such courts.

11. **YOU HAVE CAREFULLY READ THIS EXHIBIT, HAVE HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL REGARDING ITS CONTENTS AND HAVE HAD THE OPPORTUNITY TO CAREFULLY EVALUATE THE FRANCHISE OFFERING. YOU UNDERSTAND THAT YOU ARE AGREEING TO RESTRICT YOUR COMPETITIVE BUSINESS ACTIVITY BOTH DURING AND AFTER THE TERM OF THE AREA DEVELOPMENT AGREEMENT.**

[This space intentionally left blank; signatures to follow.]

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature effective as of the Effective Date of the Area Development Agreement.

OWNER(S):

[Insert Name], Individually	[Insert Name], Individually
Dated:	Dated:
[Insert Name], Individually	[Insert Name], Individually
Dated:	Dated:
[Insert Name], Individually	[Insert Name], Individually
Dated:	Dated:

EXHIBIT D

SILENT INVESTORS

_____ ("Area Developer") has the rights, pursuant to the Area Development Agreement to develop multiple Retrofitness® Outlets in a specific territory. The Area Development Agreement requires persons with certain legal or beneficial ownership interests in Area Developer to be personally bound by confidentiality and noncompetition covenants, or to be designated as a "Silent Investor" and comply with certain requirements. Capitalized terms not defined herein have the meanings set forth in the Area Development Agreement. In conjunction with your investment in Area Developer, Area Developer and its Owners acknowledge and agree as follows:

1. Silent Investor. As used in the Area Development Agreement and herein, the term "Silent Investor" means and refers to the following individuals and/or entities:

Silent Investor Name and Address	**Percentage Ownership Interest**
Silent Investor:_____ Address:_____	_____%

2. Additional Silent Investors/Franchisor Approval. The addition of Silent Investors, as well as the equity interest of each such Silent Investor, is subject to the Franchisor's prior written approval. Specifically, Area Developer may not add any new Silent Investor unless such person or entity, and any other person or entity that directly or indirectly controls such person or entity, first satisfies, to Franchisor's satisfaction, Franchisor's then-current character and financial requirements applicable to all Retrofitness franchisees at the time including, without limitation, the completion of a satisfactory background check and credit check conducted by (or on behalf of) Franchisor. Area Developer and Managing Owner ("Area Developer Parties") must notify Franchisor within seven (7) calendar days of the date that any Silent Investor ceases having an ownership interest in Area Developer.

3. Silent Investor Prohibitions. Area Developer Parties each agree that no Silent Investor will:

A. Undertake or exercise an active role in the management or operation of any Retrofitness® Outlet;

B. Have or otherwise acquire access to Confidential Information (as defined in Exhibit C) or other operating information, including information set forth in any operations manual (and/or any component thereof); or

C. Disclose his/her/its ownership interest in the Area Developer to any third party, except forprofessional advisors that need to know or as required by law.

4. Covenants of Area Developer Parties. Area Developer Parties each covenant that they will not give, provide, disseminate, create access to, or otherwise release any or all of the following to any Silent Investor: Confidential Information, operating information other than financial statements, marketing techniques or materials that are similar to those used in the System, member rate structures similar to those used in the System, any of Franchisor's procedures or systems, and any other information that Franchisor designates asproprietary or confidential. Area Developer Parties further acknowledge, understand and agree that if a Silent Investor learns Confidential Information or other operating information at any time during or after the term of the Area Development Agreement; Area Developer Parties will be presumed to have disclosed such Confidential Information or other operating information to the Silent Investor(s).

5. Representation and Warranty. Area Developer Parties expressly represent and warrant to Franchisor that the individuals and/or entities identified in Paragraph 1 above constitute all Silent Investors as of the Effective Date, and that no different or additional Silent Investors will acquire or otherwise obtain an interest in Area Developer absent compliance with the conditions described in Article 2 above.

6. Liability for Damages. If any or all of the Area Developer Parties violate the confidentiality or non-competition provisions of the Area Development Agreement and/or Paragraph 4 (above), the Area Developer Parties will be jointly and severally liable for any such breach, including, to the fullest extent possible, all damages and costs resulting from Franchisor's enforcement or attempted enforcement against any or all Area Developer Parties of any provision of this Exhibit or the Area Development Agreement.

7. Cross Default. For the avoidance of doubt, any breach or default under this Exhibit D (including, without limitation, Paragraph 4 above) will be deemed an incurable default under the Area Development Agreement. Area Developer Parties acknowledge that a violation of Paragraphs 3 and/or 4 of this Exhibit would result inirreparable injury for which no adequate remedy at law may be available. If Franchisor files a claim to enforce the terms of this Exhibit D and prevails in such proceeding, Area Developer Parties agree to reimburse Franchisor for all its costs and expenses, including reasonable attorneys' fees.

Exhibit C

Financial Statements

Fierce Brands LLC and Subsidiaries

Consolidated Financial Report
December 31, 2021

Contents

Independent auditor's report	1-2
Financial statements	
Consolidated balance sheets	3
Consolidated statements of income	4
Consolidated statements of changes in members' deficit	5
Consolidated statements of cash flows	6
Notes to consolidated financial statements	7-15

RSM

Independent Auditor's Report

RSM US LLP

Board of Directors
Fierce Brands LLC and Subsidiaries

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Fierce Brands LLC and its Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the related consolidated statements of income, changes in members' deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

RSM US LLP

Chicago, Illinois
April 25, 2022

Fierce Brands LLC and Subsidiaries

Consolidated Balance Sheets
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ **3,498,461**	$ 3,325,511
Accounts receivable	**985,284**	1,032,498
Emolyee retention credit receivable	**88,483**	-
Prepaid expenses and other current assets	**61,695**	131,568
Total current assets	**4,633,923**	4,489,577
Property and equipment, net	**279,018**	240,187
Other assets:		
Goodwill, net	**381,281**	762,561
Intangible asset, net	**118,456**	191,123
Security deposits	**49,045**	41,146
Deferred contract costs	**592,113**	724,740
	1,140,895	1,719,570
Total assets	$ **6,053,836**	$ 6,449,334
Liabilities and Members' Deficit		
Current liabilities:		
Current portion of long-term debt	$ **4,450,593**	$ 1,280,380
Accounts payable and accrued expenses	**1,006,414**	746,613
Current portion of deferred revenue	**646,329**	737,038
Total current liabilities	**6,103,336**	2,764,031
Long-term liabilities:		
Long-term debt, less current portion, net	**-**	5,073,118
Deferred revenue, less current portion	**2,300,190**	2,983,368
Total liabilities	**8,403,526**	10,820,517
Members' deficit:		
Preferred units	**11,500,902**	10,455,366
Common units, less notes receivable, member	**2,067,184**	2,067,184
Accumulated deficit	**(15,917,776)**	(16,893,733)
Total members' deficit	**(2,349,690)**	(4,371,183)
Total liabilities and members' deficit	$ **6,053,836**	$ 6,449,334

See notes to consolidated financial statements.

Fierce Brands LLC and Subsidiaries

Consolidated Statements of Income
Years Ended December 31, 2021 and 2020

	2021	2020
Revenue:		
Franchise revenue	**$ 5,519,459**	$ 3,950,455
Initial franchise fees	**889,387**	1,278,093
Vendor rebates	**1,933,552**	1,454,791
Advertising fund revenue	**2,011,189**	1,150,582
	10,353,587	7,833,921
Operating expenses:		
General and administrative	**7,100,436**	6,311,845
Depreciation and amortization	**564,173**	479,327
Advertising fund expense	**1,977,391**	1,514,161
	9,642,000	8,305,333
Operating income (loss)	**711,587**	(471,412)
Other income (expense):		
PPP loan forgivenss	**1,099,765**	-
Employee retention credit	**600,085**	-
Interest expense	**(383,980)**	(540,368)
Interest income	**-**	4,084
Net income (loss)	**$ 2,027,457**	$ (1,007,696)

See notes to consolidated financial statements.

Fierce Brands LLC and Subsidiaries

Consolidated Statements of Changes in Members' Deficit
Years Ended December 31, 2021 and 2020

	Series A Preferred		Common		Notes Receivable,	Accumulated	
	Units	Amount	Units	Amount	Member	Deficit	Total
Balance, December 31, 2019	12,571	$ 9,504,878	3,856,457	$ 1,304,599	$ (82,305)	$ (14,931,448)	$ (4,204,276)
Accrued deemed distribution on preferred units	-	950,488	-	-	-	(950,488)	-
Issuance of units	-	-	1,528,344	844,890	-	-	844,890
Distributions	-	-	-	-	-	(4,101)	(4,101)
Net loss	-	-	-	-	-	(1,007,696)	(1,007,696)
Balance, December 31, 2020	12,571	10,455,366	5,384,801	2,149,489	(82,305)	(16,893,733)	(4,371,183)
Accrued deemed distribution on preferred units	-	1,045,536	-	-	-	(1,045,536)	-
Distributions	-	-	-	-	-	(5,964)	(5,964)
Net income	-	-	-	-	-	2,027,457	2,027,457
Balance, December 31, 2021	**12,571**	**$ 11,500,902**	**5,384,801**	**$ 2,149,489**	**$ (82,305)**	**$ (15,917,776)**	**$ (2,349,690)**

See notes to consolidated financial statements.

Fierce Brands LLC and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Net income (loss)	**$ 2,027,457**	$ (1,007,696)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization of property and equipment	**110,225**	25,380
Loss on disposal of property and equipment	**-**	18,624
Amortization of intangible assets and goodwill	**453,947**	453,947
Amortization of debt issuance costs	**45,036**	129,596
PPP loan forgiveness	**(1,099,765)**	-
Emolyee retention credit receivable	**(88,483)**	-
Changes in operating assets and liabilities:		
Accounts receivable	**47,214**	761,645
Prepaid expenses and other assets	**69,873**	91,925
Deferred contract costs	**132,627**	169,368
Security deposits	**(7,899)**	335
Accounts payable and accrued expenses	**259,801**	211,958
Deferred revenue	**(773,887)**	(1,008,618)
Net cash provided by (used in) operating activities	**1,176,146**	(153,536)
Cash flows from investing activities:		
Purchases of property and equipment	**(149,056)**	(129,657)
Proceeds from disposal of property and equipment	**-**	300
Net cash used in investing activities	**(149,056)**	(129,357)
Cash flows from financing activities:		
Proceeds from PPP loan	**525,665**	574,100
Repayments on long-term debt	**(1,373,841)**	(367,870)
Proceeds from issuance of common units	**-**	844,890
Distributions paid	**(5,964)**	(4,101)
Net cash (used in) provided by financing activities	**(854,140)**	1,047,019
Net increase in cash	**172,950**	764,126
Cash:		
Beginning	**3,325,511**	2,561,385
Ending	**$ 3,498,461**	$ 3,325,511
Supplemental disclosure of cash flow information:		
Cash payments for interest	**$ 338,944**	$ 410,772

See notes to consolidated financial statements.

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: Fierce Brands LLC, (formerly known as RetroFitness Holdings LLC) formed on July 31, 2008, as a Delaware limited liability company and acquired the assets of Retrofitness, LLC and Retrofitness IP, LLC on August 19, 2008. Fierce Clubs, LLC was formed on May 1, 2017. RetroCobra, LLC was formed on November 20, 2021.

Retrofitness, LLC is a franchising company which sells and grants franchises for the operation of clubs under the trade name Retrofitness. Fierce Clubs, LLC is engaged in the business of opening and running Retrofitness Company-owned clubs. Retrofitness IP, LLC is engaged in licensing its trademarks and intellectual property to Retrofitness, LLC. RetroCobra, LLC sells apparel.

There were 98 and 105 Retrofitness franchise clubs open, including stores in presale, at December 31, 2021 and 2020, respectively.

Principles of consolidation: The consolidated financial statements include the accounts of Fierce Brands LLC and its subsidiaries, Retrofitness, LLC, Retrofitness Clubs, LLC, Retrofitness IP, LLC, RetroCobra, LLC (collectively, the Company). All intercompany balances and transactions have been eliminated in consolidation.

Significant accounting policies are as follows:

Accounting policies: The Company follows accounting standards established by the Financial Accounting Standards Board (FASB) to ensure consistent reporting of financial condition, results of operations and cash flows. References to Generally Accepted Accounting Principles (GAAP) in these footnotes are to the FASB Accounting Standards Codification, sometimes referred to as the Codification or ASC.

Accounting estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents: The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Accounts receivable: Accounts receivable consists of rebate and royalty income earned from vendors and franchisees, respectively. On a periodic basis, the Company evaluates its receivables and establishes an allowance for doubtful accounts based on a history of past write-offs, collections and current conditions. There was no allowance for doubtful accounts recorded as of December 31, 2021 and 2020.

Property and equipment: Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is provided using the straight-line method over the estimated useful lives (3 to 7 years) of the assets. Leasehold improvements are amortized on a straight-line basis over the shorter of their useful life or lease-term.

Intangible asset: Intangible asset consists of the Retrofitness tradename. The tradename is amortized on a straight-line basis over its estimated useful life, which is 15 years.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Goodwill: The Company's goodwill was recorded as a result of the Company's business combinations. The Company follows the FASB Accounting Standards Update (ASU) 2014-02, *Intangibles—Goodwill and Other (Topic 350): Accounting for Goodwill,* which provides an accounting alternative for private companies related to the subsequent accounting for goodwill. As such, the Company amortizes goodwill on a straight-line basis over a period of 10 years. Also pursuant to the accounting alternative, the Company will test its goodwill for impairment only upon the occurrence of an event or circumstance that may indicate the fair value of the entity is less than its carrying amount. For the years ended December 31, 2021 and 2020, the Company determined there were no indicators of impairment.

Accounting for the impairment or disposal of long-lived assets: The Company records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. The Company has evaluated the potential for impairment losses on long-lived assets used in operations and for the years ended December 31, 2021 and 2020, and determined there were no indicators of impairment.

Debt issuance costs: Debt issuance costs are amortized on a straight-line basis over the term of the related debt, which approximates the effective interest method, and are presented net of long-term debt on the consolidated balance sheets. Debt issuance costs were $45,036 at December 31, 2020, (net of accumulated amortization of $509,131 at December 31, 2020) and were fully amortized during the year ended December 31, 2021.

Unit-based compensation: The Company's unit based compensation consists of unit option awards. Compensation costs associated with these awards are based on the estimated fair value at the date of grant and are recognized over the expected service period. Unit-based compensation amounts are included in general and administrative expenses in the consolidated statements of income.

Income taxes: The Company was formed as a limited liability company. Limited liability companies operate under sections of the federal and state income tax laws which provide that, in lieu of company-level income taxes, the members separately account for their pro rata shares, as allocated in accordance with the members' operating agreement, of the Company's items of income, deduction, losses and credits.

The Company follows the provisions of the Accounting for Uncertainty in Income Taxes section of the Income Taxes Topic of the ASC. The Company has not recorded a reserve for any tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Company files tax returns in all appropriate jurisdictions, most notably federal, Florida and New Jersey state tax returns. Tax returns by the entity generally are subject to examination by U.S. and state taxing authorities for years ended after December 31, 2018. As of December 31, 2021 and 2020, the Company has not recorded a liability for unrecognized tax benefits.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Revenue recognition: The Company recognizes revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Company's revenue consists of franchise revenue, vendor rebates and advertising fund revenue. Franchise revenue is derived from fees collected from franchisees operating under a franchise agreement, and include royalty fees, and initial, renewal and transfer fees. The Company markets franchise licenses to applicants in the United States. Results of operations are affected by economic conditions, which can vary significantly by market and can be impacted by consumer disposable income and spending habits.

Franchise revenue: Franchise agreements include the right to use Retrofitness' symbolic intellectual property over the term of the franchise agreement as well as all other services provided under the franchise agreement. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the franchise agreement is satisfied by granting certain rights to use the intellectual property over the term of each franchise agreement.

Execution of a franchise agreement is contingent upon receipt of payment of the initial or renewal franchise fee. Initial and renewal franchise fees are recognized over the term of the respective franchisee life, which is estimated to be the full term of the franchise agreement, on a straight-line basis, beginning when the franchise agreement is executed. Unearned initial and renewal franchise fees are recorded as deferred revenue in the accompanying consolidated balance sheets. Transfer fees are recognized at the point in time the transfer occurs as the successor franchisee enters into a new franchise agreement.

Royalties, which are included in franchise revenue, are calculated at the greater of a set minimum per month or a percentage of the franchisees' monthly revenue in accordance with the franchise agreement. Royalties are considered variable consideration and represent sales-based royalties that are related entirely to the single performance obligation under the franchise agreement. Revenue from royalty is recognized at the end of each month, which is when the franchisee's monthly revenue is reported to the Company.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Advertising fund revenue: Advertising fund revenue is calculated at a percentage of the franchisees' monthly gross revenue in accordance with the franchise agreement. Advertising fund fees are considered variable consideration and are related entirely to the single performance obligation under the franchise agreement. Advertising fund fees is recognized at the end of each month, which is when the franchisee's monthly revenue is reported to the Company.

Vendor rebates: The Company recognizes vendor rebate revenue from its franchisees' use of certain preferred vendor arrangements. Revenue from vendor rebates is recognized when amounts have been earned, which is typically when the control of the goods or services provided have transferred from the vendor to the franchisee, and collectability from the vendor is reasonably assured.

Costs to obtain a contract are accounted for in accordance with subtopic 340-40, *Other Assets and Deferred Costs—Contracts with Customers* related to contract acquisition and fulfillment costs, such as sales commissions, are capitalized as incurred and recorded as deferred contract costs on the accompanying consolidated balance sheets. Contract costs are amortized over the term of the respective franchisee agreement, on a straight-line basis, beginning when the franchise agreement is executed.

The Company excludes from revenue sales taxes and other government-assessed and imposed taxes on revenue-generating activities that are invoiced to customers.

Recent accounting pronouncement: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. In June 2020, the FASB deferred the effective date of ASU 2016-02 for certain companies, making it effective for annual reporting periods beginning after December 15, 2021, with early adoption permitted. In ASU 2019-10, the Board noted that challenges associated with transition to a major update are often magnified for private companies, smaller public companies, and not-for-profit (NFP) entities. Those challenges have been significantly amplified by the current business and capital market disruptions caused by the COVID-19 pandemic. Therefore, the amendments in this update defer the effective date of *Leases* for entities in the "all other" category and public NFP entities that have not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of *Leases*. Therefore, *Leases* is effective for those entities for fiscal years beginning after December 15, 2021. The Company has evaluated the impact of this standard and expects a material increase to assets and liabilities on the consolidated balance sheets, and no material impact to the consolidated statements of income upon adoption in 2022.

Subsequent events: The Company has evaluated subsequent events for potential recognition and/or disclosure through April 25, 2022, the date the consolidated financial statements were available to be issued.

Note 2. Property and Equipment

Property and equipment at December 31, 2021 and 2020, are summarized as follows:

	2021	2020
Office equipment	$ 448,122	$ 226,163
Leasehold improvements	304,245	302,645
Construction in progress	-	74,503
	752,367	603,311
Less accumulated depreciation and amortization	473,349	363,124
	$ 279,018	$ 240,187

For the years ended December 31, 2021 and 2020, depreciation and amortization expense related to property and equipment was approximately $110,000 and $25,000, respectively.

Note 3. Intangible Asset and Goodwill

Intangible asset and goodwill consist of the following at December 31, 2021 and 2020:

	2021		
	Gross Value	Accumulated Amortization	Net Book Value
Tradename	$ 1,090,000	$ 971,544	$ 118,456
Goodwill	$ 3,812,806	$ 3,431,525	$ 381,281

	2020		
	Gross Value	Accumulated Amortization	Net Book Value
Tradename	$ 1,090,000	$ 898,877	$ 191,123
Goodwill	$ 3,812,806	$ 3,050,245	$ 762,561

Amortization expense of the tradename amounted to approximately $73,000 for both of the years ended December 31, 2021 and 2020. Amortization expense of goodwill amounted to approximately $381,000 for both of the years ended December 31, 2021 and 2020.

Note 3. Intangible Asset and Goodwill (Continued)

Estimated future amortization expense for intangible asset and goodwill for the years ending December 31 is as follows:

	Intangible Asset	Goodwill	Total
2022	$ 72,667	$ 381,281	$ 453,948
2023	45,789	-	45,789
	$ 118,456	$ 381,281	$ 499,737

Note 4. Long-Term Debt and Revolving Line of Credit

The Company has a credit agreement with a finance company for a $12,000,000 term loan and a revolving line of credit. The credit agreement was amended on April 19, 2021 to extend maturity to December 31, 2022, reduce available borrowings on the line of credit from $1,000,000 to $500,000 and modify required principal repayments. A prepayment of $500,000 was due upon execution of the amendment, and quarterly payments were modified to be $93,460 on June 30, 2021 and September 30, 2021, $593,460 on December 31, 2021, $125,000 on March 31, 2022 and June 30, 2022, $300,000 on September 30, 2022 and the remaining principal on December 31, 2022. Required principal payments are reduced by voluntary repayments.

The revolving line of credit bears interest at either a base plus an applicable margin of 4.25% or LIBOR, plus an applicable margin of 5.25% for base rate and LIBOR loans, respectively. The revolving line of credit is subject to a credit commitment fee of the unused revolving line of credit, as defined. There was no outstanding balance on the revolving line of credit at December 31, 2021 or 2020.

The term loan bears interest at either the base rate (3.25% at December 31, 2021) plus an applicable margin of 4.25% or LIBOR (1% at December 31, 2021) plus an applicable margin of 5.25% for base rate and LIBOR loans, respectively. The effective interest rate at December 31, 2021, was 6.25%.

The credit agreement contains various financial covenants, including fixed charge coverage ratio, total debt to EBITDA ratio, and maximum capital expenditures as defined. The Company is also required to make annual payments in addition to the quarterly installments, based upon excess cash flows, as defined in the agreement. The requirement is reduced by voluntary repayments. There were no voluntary payments made for the years ended December 31, 2021 and 2020.

On April 20, 2020, the Company received loan proceeds in the amount of $574,100 under the Paycheck Protection Program (PPP). On March 21, 2021, the Company received additional proceeds in the amount of $525,666 under PPP. The PPP, established as part of the Coronavirus Aid, Relief and Economic Securities Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. On January 15, 2021 and September 18, 2021, the Company received notification for forgiveness of each note payable from the Small Business Administration (SBA). As such, the Company has recognized $1,099,765 in other income on the consolidated statements of income for the forgiveness of debt, which is entire principal amount and accrued interest for both loans. The SBA may audit whether the Company qualified for the PPP loan and met the conditions necessary for forgiveness of the loan for up to six years after it forgave the loan. Therefore, it is possible that the Company may have to repay amounts previously forgiven by the SBA.

Note 4. Long-Term Debt and Revolving Line of Credit (Continued)

Long-term debt payable, reflective of the April 19, 2021 amendment to the credit agreement, consisted of the following at December 31, 2021 and 2020:

	2021	2020
Term debt	$ 4,450,593	$ 5,824,434
PPP loan	-	574,100
Less unamortized portion of debt issuance costs	-	(45,036)
Less current maturities	(4,450,593)	(1,280,380)
	$ -	$ 5,073,118

The Company's entire debt obligation is due on December 31, 2022, and is recorded within current liabilities on the accompany consolidated balance sheets at December 31, 2021. The Company is in the process of seeking new financing to refinance its debt obligation on a long-term basis and expects such plans to be finalized in advance of the due date.

Note 5. Members' Equity

The Company's capital structure consists of preferred units and common units. Preferred units are non-voting and consist of Series A preferred units and Series B preferred units, with each series having a stated value of $1,000 per unit and accruing distributions on a daily basis, compounded on the last day of each calendar year, at the rate of 10% per annum on the stated value. Upon declaration of a dividend, the holders of the preferred units will be entitled to be paid an amount equal to the stated value plus all cumulative accrued but unpaid distributions before any distributions are made with respect to the common units. Subject to the rights of the holders of the preferred units, holders of common units shall be entitled to receive distributions declared by the Company's Board of Directors. Members holding common units are entitled to one vote per common unit.

Effective September 17, 2012, the outstanding Series B preferred units were converted to Series A preferred units. The accrued deemed distributions on Series B preferred units were converted into an equal amount of Series A preferred accrued deemed distributions.

Profits Interest Units represent profit interests that the Company accounts for at fair value in accordance with the provisions of the Share-Based Payment topic of the ASC. Profits Interest Units have no voting right. Profits Interest Units generally vest over a four-year period from the date of issuance, unless a sale of the Company occurs, whereby all Profits Interest Units vest. During the year ended December 31, 2020, 521,783 Profits Interest Units were issued. No units were vested as of December 31, 2021. For the years ended December 31, 2021 and 2020, there was no unit-based compensation expense recognized.

Note 6. Related-Party Transactions

The Company has lease agreements with entities owned by a member for office space. (See Note 7).

The Company has a management service agreement with a member. Based on the terms of the management services agreement, the Company pays a $500,000 management fee per year plus reasonable out-of-pocket expenses. The Company incurred approximately $500,000 for both of the years ended December 31, 2021 and 2020, which was included in general and administrative expenses in the consolidated statements of income. Approximately $563,000 of management fees were unpaid in 2021 and are included in accounts payable and accrued expenses on the accompanying consolidated balance sheets as of December 31, 2021.

Note 7. Commitments and Contingencies

The Company has entered into several advertising contracts with third parties. Some of the contracts are non-cancellable or require several months advance notice to terminate.

The Company has office leases with entities owned by a member in New Jersey that expired in May 2021. The total rent expense inclusive of early payoff amounts paid to entities owned by a member for the years ended December 31, 2021 and 2020, was $170,551 and $100,894, respectively.

The Company has a temporary and a primary office lease with third parties in Florida, expiring May 2022 and July 2025, respectively. The Company incurred rent and rent related expenses of $310,973 and $173,003 with these third parties during the years ended December 31, 2021 and 2020, respectively.

Minimum future rental payments under all leases including related party for the years ending December 31 are as follows:

2022	$ 396,944
2023	395,876
2024	407,752
2025	279,307
	$ 1,479,879

Note 8. Employee Benefit Plan

The Company established a 401(k) qualified retirement plan (the Plan) effective January 1, 2009. The Plan is administered through a plan administrator. Employees who are at least 21 years of age are eligible to participate in the Plan effective three months after their date of hire. Participants may make voluntary contributions to the Plan up to the lesser of 96% of their eligible compensation or the limits established under Section 401(k) of the Internal Revenue Code. The Plan requires the Company to make matching contributions up to 4% of the employee's salary. Matching contributions for the years ended December 31, 2021 and 2020, were $81,707 and $57,236, respectively.

Note 9. Employee Retention Credit

As part of the CARES Act discussed in Note 4, the Employee Retention Credit was created and was significantly modified, expanded and extended into the first three quarters of 2021. The goal of the program is to encourage employers to retain and continue paying employees during periods of pandemic-related reductions in business volume, even if those employees are not actually working and therefore are not providing a service to the employer. The Employee Retention Credit is available to all employers (with a few exceptions) regardless of size. To qualify, an employer must have met one of the following two criteria: 1) the employer's business was partially or fully suspended by government order due to the coronavirus pandemic or 2) the employer's gross receipts declined by 80% for 2021 when compared to the same quarter in 2020 (for the period from January 1, 2021 to September 30, 2021). For the year ended December 31, 2021, the amount of the credit was equal to the product of the employer's qualifying wages paid (up to $10,000 of wages per employee paid during each qualifying calendar quarter) multiplied by 70%. The Company applied for credits of $600,085 during the year ended December 31, 2021, of which all but $88,483 have been applied as of December 31, 2021.

The Company has elected to account for the Employee Retention Credit as a government grant under IAS-20. Under IAS-20, government grants are recognized in income as required activities are undertaken. As the Company believes that it complied with all of the conditions required to receive the Employee Retention Credit, it has recognized the credit over the periods of payroll expense for which the tax credit is intended on the accompanying consolidated statements of income. The remaining credit after reducing the employer's share of Social Security payroll taxes is $88,483 and is reflected in the accompanying consolidated balance sheets as of December 31, 2021.

Fierce Brands LLC and Subsidiaries

Consolidated Financial Report
December 31, 2020

Contents

Independent auditor's report	1
Consolidated financial statements	
Consolidated balance sheets	2
Consolidated statements of income	3
Consolidated statements of changes in members' deficit	4
Consolidated statements of cash flows	5
Notes to consolidated financial statements	6-16

RSM

Independent Auditor's Report

RSM US LLP

To the Board of Directors
Fierce Brands LLC and Subsidiaries

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Fierce Brands LLC and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of income, changes in members' deficit and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 policies 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 Fierce Brands LLC and Subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

Chicago, Illinois
April 27, 2021

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Fierce Brands LLC and Subsidiaries

Consolidated Balance Sheets
December 31, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	**$ 3,325,511**	$ 2,561,385
Accounts receivable, net	**1,032,498**	1,794,143
Prepaid expenses and other current assets	**131,568**	223,493
Total current assets	**4,489,577**	4,579,021
Property and equipment, net	**240,187**	154,834
Other assets:		
Goodwill, net	**762,561**	1,143,841
Intangible asset, net	**191,123**	263,790
Security deposits	**41,146**	41,481
Deferred contract costs	**724,740**	894,108
	1,719,570	2,343,220
Total assets	**$ 6,449,334**	$ 7,077,075
Liabilities and Members' Deficit		
Current liabilities:		
Current portion of long-term debt	**$ 1,280,380**	$ 375,291
Accounts payable and accrued expenses	**746,613**	534,655
Current portion of deferred revenue	**737,038**	806,097
Total current liabilities	**2,764,031**	1,716,043
Long-term liabilities:		
Long-term debt, less current portion, net	**5,073,118**	5,642,381
Deferred revenue, less current portion	**2,983,368**	3,922,927
Total liabilities	**10,820,517**	11,281,351
Members' deficit:		
Preferred units	**10,455,366**	9,504,878
Common units, less notes receivable, member	**2,067,184**	1,222,294
Accumulated deficit	**(16,893,733)**	(14,931,448)
Total members' deficit	**(4,371,183)**	(4,204,276)
Total liabilities and members' deficit	**$ 6,449,334**	$ 7,077,075

See notes to consolidated financial statements.

Fierce Brands LLC and Subsidiaries

Consolidated Statements of Income
Years Ended December 31, 2020 and 2019

	2020	2019
Revenue:		
Franchise revenue	$ **3,950,455**	$ 7,924,162
Initial franchise fees	**1,278,093**	1,222,532
Vendor rebates	**1,454,791**	2,977,357
Advertising fund revenue	**1,150,582**	2,775,340
	7,833,921	14,899,391
Operating expenses:		
General and administrative	**6,311,845**	8,474,023
Depreciation and amortization	**479,327**	530,636
Advertising fund expense	**1,514,161**	2,730,182
	8,305,333	11,734,841
Operating (loss) income	**(471,412)**	3,164,550
Other income (expense):		
Interest expense	**(540,368)**	(600,993)
Interest income	**4,084**	15,191
Net (loss) income	$ **(1,007,696)**	$ 2,578,748

See notes to consolidated financial statements.

Fierce Brands LLC and Subsidiaries

Consolidated Statements of Changes in Members' Deficit
Years Ended December 31, 2020 and 2019

	Series A Preferred		Common		Notes Receivable,	Accumulated	
	Units	Amount	Units	Amount	Member	Deficit	Total
Balance, January 1, 2019	12,571	$ 8,640,798	3,856,457	$ 1,304,599	$ (82,305)	$ (10,994,661)	$ (1,131,569)
ASC 606 cumulative transition adjustment (Note 1)	-	-	-	-	-	(3,558,760)	(3,558,760)
Accrued deemed distribution on preferred units	-	864,080	-	-	-	(864,080)	-
Distributions	-	-	-	-	-	(2,092,695)	(2,092,695)
Net income	-	-	-	-	-	2,578,748	2,578,748
Balance, December 31, 2019	12,571	9,504,878	3,856,457	1,304,599	(82,305)	(14,931,448)	(4,204,276)
Accrued deemed distribution on preferred units	-	950,488	-	-	-	(950,488)	-
Issuance of units	-	-	1,528,344	844,890	-	-	844,890
Distributions	-	-	-	-	-	(4,101)	(4,101)
Net loss	-	-	-	-	-	(1,007,696)	(1,007,696)
Balance, December 31, 2020	**12,571**	**$10,455,366**	**5,384,801**	**$ 2,149,489**	**$ (82,305)**	**$ (16,893,733)**	**$ (4,371,183)**

See notes to consolidated financial statements.

Fierce Brands LLC and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Net (loss) income	$ (1,007,696)	$ 2,578,748
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization of property and equipment	25,380	76,689
Loss on disposal of property and equipment	18,624	56,188
Amortization of intangible assets and goodwill	453,947	453,947
Amortization of debt issuance costs	129,596	87,151
Changes in operating assets and liabilities:		
Accounts receivable	761,645	(135,482)
Prepaid expenses and other assets	91,925	62,227
Deferred contract costs	169,368	222,206
Security deposits	335	(39,385)
Accounts payable and accrued expenses	211,958	(161,879)
Deferred revenue	(1,008,618)	(460,565)
Net cash (used in) provided by operating activities	(153,536)	2,739,845
Cash flows from investing activities:		
Purchases of property and equipment	(129,657)	-
Proceeds from disposal of property and equipment	300	-
Net cash used in investing activities	(129,357)	-
Cash flows from financing activities:		
Proceeds from PPP loan	574,100	-
Repayments on long-term debt	(367,870)	(375,292)
Repayments on due from member	-	31,633
Proceeds from issuance of Common units	844,890	-
Distributions paid	(4,101)	(2,092,695)
Net cash provided by (used in) financing activities	1,047,019	(2,436,354)
Net increase in cash	764,126	303,491
Cash:		
Beginning	2,561,385	2,257,894
Ending	$ 3,325,511	$ 2,561,385
Supplemental disclosure of cash flow information:		
Cash payments for interest	$ 410,772	$ 513,842

See notes to consolidated financial statements.

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: Fierce Brands LLC, (formerly known as RetroFitness Holdings LLC) formed on July 31, 2008, as a Delaware limited liability company and acquired the assets of Retrofitness, LLC and Retrofitness IP, LLC on August 19, 2008. Fierce Clubs, LLC was formed on May 1, 2017.

Retrofitness, LLC is a franchising company which sells and grants franchises for the operation of clubs under the trade name Retrofitness. Fierce Clubs, LLC is engaged in the business of opening and running Retrofitness Company-owned clubs. Retrofitness IP, LLC is engaged in licensing its trademarks and intellectual property to Retrofitness, LLC.

There were 105 and 137 Retrofitness franchise clubs open, including stores in presale, at December 31, 2020 and 2019, respectively.

Principles of consolidation: The consolidated financial statements include the accounts of Fierce Brands LLC and its subsidiaries, Retrofitness, LLC, Retrofitness Clubs, LLC, Retrofitness IP, LLC, (collectively, the Company). All intercompany balances and transactions have been eliminated in consolidation.

Significant accounting policies are as follows:

Accounting policies: The Company follows accounting standards established by the Financial Accounting Standards Board (FASB) to ensure consistent reporting of financial condition, results of operations and cash flows. References to Generally Accepted Accounting Principles (GAAP) in these footnotes are to the *FASB Accounting Standards Codification*, sometimes referred to as the Codification or ASC.

Accounting estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents: The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Accounts receivable: Accounts receivable consists of rebate and royalty income earned from vendors and franchisees, respectively. On a periodic basis, the Company evaluates its receivables and establishes an allowance for doubtful accounts based on a history of past write-offs, collections and current conditions. There was no allowance for doubtful accounts recorded as of December 31, 2020 and 2019.

Property and equipment: Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is provided using the straight-line method over the estimated useful lives (3 to 7 years) of the assets. Leasehold improvements are amortized on a straight-line basis over the shorter of their useful life or lease-term.

Intangible asset: Intangible asset consists of the Retrofitness tradename. The tradename is amortized on a straight-line basis over its estimated useful life, which is fifteen years.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Goodwill: The Company's goodwill was recorded as a result of the Company's business combinations. The Company follows the FASB Accounting Standards Update (ASU) 2014-02, *Intangibles – Goodwill and Other (Topic 350): Accounting for Goodwill,* which provides an accounting alternative for private companies related to the subsequent accounting for goodwill. As such, the Company amortizes goodwill on a straight-line basis over a period of 10 years. Also pursuant to the accounting alternative, the Company will test its goodwill for impairment only upon the occurrence of an event or circumstance that may indicate the fair value of the entity is less than its carrying amount. For the years ended December 31, 2020 and 2019, the Company determined there were no indicators of impairment.

Accounting for the impairment or disposal of long-lived assets: The Company records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. The Company has evaluated the potential for impairment losses on long-lived assets used in operations and for the years ended December 31, 2020 and 2019, and determined there were no indicators of impairment.

Debt issuance costs: Debt issuance costs are amortized on a straight-line basis over the term of the related debt, which approximates the effective interest method, and are presented net of long-term debt on the consolidated balance sheets. Debt issuance costs were $45,036 and $174,632 at December 31, 2020 and 2019, respectively (net of accumulated amortization of $509,131 and $379,535 at December 31, 2020 and 2019, respectively).

Unit-based compensation: The Company's unit based compensation consists of unit option awards. Compensation costs associated with these awards are based on the estimated fair value at the date of grant and are recognized over the expected service period. Unit-based compensation amounts are included in general and administrative expenses in the consolidated statements of income.

Income taxes: The Company was formed as a limited liability company. Limited liability companies operate under sections of the federal and state income tax laws which provide that, in lieu of company-level income taxes, the members separately account for their pro rata shares, as allocated in accordance with the members' operating agreement, of the Company's items of income, deduction, losses and credits.

The Company follows the provisions of the Accounting for Uncertainty in Income Taxes section of the Income Taxes Topic of the Accounting Standards Codification (ASC). The Company has not recorded a reserve for any tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Company files tax returns in all appropriate jurisdictions, most notably federal, Florida and New Jersey state tax returns. Tax returns by the entity generally are subject to examination by U.S. and state taxing authorities for years ended after December 31, 2017. As of December 31, 2020 and 2019, the Company has not recorded a liability for unrecognized tax benefits.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Revenue recognition: Effective January 1, 2019, the Company adopted FASB ASC Topic 606, *Revenue from Contracts with Customers*. The Company elected to utilize the modified retrospective transition practical expedient, which allows the Company to evaluate the impact of contract modifications as of the adoption date rather than evaluating the impact of the modifications at the time they occurred prior to the adoption date. The financial statements reflect the application of ASC 606 guidance beginning in 2019, while the financial statements for the prior period were prepared under the guidance of the previous standard. The $3,558,760 cumulative effect of the transition to ASC 606 is reflected as an adjustment to January 1, 2019 accumulated deficit. In connection with the adoption of ASC 606, the Company also adopted Subtopic 340-40, *Other Assets and Deferred Costs – Contracts with Customers* related to contract acquisition and fulfillment costs.

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

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Company's revenue consists of franchise revenue, vendor rebates and advertising fund revenue. Franchise revenue is derived from fees collected from franchisees operating under a franchise agreement, and include royalty fees, and initial, renewal and transfer fees. The Company markets franchise licenses to applicants in the United States. Results of operations are affected by economic conditions, which can vary significantly by market and can be impacted by consumer disposable income and spending habits.

Franchise revenue
Franchise agreements include the right to use Retrofitness' symbolic intellectual property over the term of the franchise agreement as well as all other services provided under the franchise agreement. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the franchise agreement is satisfied by granting certain rights to use the intellectual property over the term of each franchise agreement.

Execution of a franchise agreement is contingent upon receipt of payment of the initial or renewal franchise fee. Initial and renewal franchise fees are recognized over the term of the respective franchisee life, which is estimated to be the full term of the franchise agreement, on a straight-line basis, beginning when the franchise agreement is executed. Unearned initial and renewal franchise fees are recorded as deferred revenue in the accompanying consolidated balance sheets. Transfer fees are recognized at the point in time the transfer occurs as the successor franchisee enters into a new franchise agreement.

Royalties, which are included in franchise revenue, are calculated at the greater of a set minimum per month or a percentage of the franchisees' monthly revenue in accordance with the franchise agreement. Royalties are considered variable consideration and represent sales-based royalties that are related entirely to the single performance obligation under the franchise agreement. Revenue from royalty is recognized at the end of each month, which is when the franchisee's monthly revenue is reported to the Company.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Advertising fund revenue
Advertising fund revenue is calculated at a percentage of the franchisees' monthly gross revenue in accordance with the franchise agreement. Advertising fund fees are considered variable consideration and are related entirely to the single performance obligation under the franchise agreement. Advertising fund fees is recognized at the end of each month, which is when the franchisee's monthly revenue is reported to the Company.

Vendor rebates
The Company recognizes vendor rebate revenue from its franchisees' use of certain preferred vendor arrangements. Revenue from vendor rebates is recognized when amounts have been earned, which is typically when the control of the goods or services provided have transferred from the vendor to the franchisee, and collectability from the vendor is reasonably assured.

Costs to obtain a contract under ASC 340-40, such as sales commissions, are capitalized as incurred and recorded as deferred contract costs on the accompanying consolidated balance sheets. Contract costs are amortized over the term of the respective franchisee agreement, on a straight-line basis, beginning when the franchise agreement is executed.

The Company excludes from revenue sales taxes and other government-assessed and imposed taxes on revenue-generating activities that are invoiced to customers.

Cumulative transition adjustment: The Company adopted ASC 606 on January 1, 2019 utilizing the modified retrospective method. Results for reporting periods beginning January 1, 2019 are presented under Topic 606, while prior-period amounts are not adjusted and continue to be reported under the accounting standards in effect for the prior period. The most significant impacts of adopting the new standard related to the following:

Upfront initial and renewal fees – Franchise agreements are contingent upon the signed franchise agreement and receipt of payment for an upfront fee. Under legacy GAAP, the Company deferred recognizing the revenue from the fees until all material services relating to the sale of a franchise were performed by the Company and the franchisee facility opened or was deemed unable to open.

Sales commissions – Under legacy GAAP, sales commissions resulting directly from securing contracts with customers were expensed as incurred. FASB ASC Topic 340, *Other Assets and Deferred Costs*, requires these costs to be recognized as an asset when incurred and expensed over a period consistent with the period of transfer to the customer of goods or services to which the asset relates.

Advertising fund revenue – Under legacy GAAP, advertising fund fees collected were treated as deposits to a designated advertising fund to be used towards certain advertising expenditures. Advertising fund expenditures exceeding advertising fund fees collected were recorded in other receivables. Advertising fund fees collected exceeding advertising fund expenditures were recorded as a payable. Advertising expenditures not related to the designated advertising fund were expensed as incurred and recorded within general and administrative expenses.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The Company recorded a net decrease to beginning retained earnings of $3,558,760 as of January 1, 2019 due to the cumulative impact of adopting Topic 606, as detailed below.

	January 1, 2019		
	As previously reported	Topic 606 adjustments	As adjusted
Assets			
Accounts receivable, other	$ 1,822,093	$ (1,822,093)	$ -
Deferred contract costs	-	1,116,314	1,116,314
Liabilities			
Deferred revenue	2,336,608	2,852,981	5,189,589
Member's deficit			
Accumulated deficit	$ (10,994,661)	$ (3,558,760)	$ (14,553,421)

In accordance with Topic 606, the disclosure of the impact of adoption to the Company's consolidated statements of income and balance sheets was as follows:

	For the year ended December 31, 2019		
	As reported	Balances without adoption of Topic 606	Effect of change – higher/(lower)
Revenues	$ 14,899,391	$ 11,336,231	$ 3,563,160
Operating expenses	11,734,841	8,782,453	2,952,388
Operating income	$ 3,164,550	$ 2,553,778	$ 610,772

	December 31, 2019		
	As reported	Balances without adoption of Topic 606	Effect of change – higher/(lower)
Assets			
Accounts receivable, other	$ -	$ 1,867,251	$ (1,867,251)
Deferred contract costs	894,108	-	894,108
Liabilities			
Deferred revenues	4,729,024	2,372,196	2,356,828
Member's deficit			
Accumulated deficit	(14,931,448)	(14,320,676)	(610,772)

Adoption of the new revenue standard had no impact to cash from or used in operating, financing or investing activities on the Company's consolidated statements of cash flows.

The Company elected to utilize the modified retrospective transition practical expedient, which allows the Company to evaluate the impact of contract modifications as of the adoption date rather than evaluating the impact of the modifications at the time they occurred prior to the adoption date.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Recent accounting pronouncement: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. In June 2020, the FASB deferred the effective date of ASU 2016-02 for certain companies, making it effective for annual reporting periods beginning after December 15, 2021, with early adoption permitted. In ASU 2019-10, the Board noted that challenges associated with transition to a major update are often magnified for private companies, smaller public companies, and not-for-profit (NFP) entities. Those challenges have been significantly amplified by the current business and capital market disruptions caused by the COVID-19 pandemic. Therefore, the amendments in this update defer the effective date of *Leases* for entities in the "all other" category and public NFP entities that have not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of *Leases*. Therefore, *Leases* is effective for those entities for fiscal years beginning after December 15, 2021. The Company is currently evaluating the impact of this new guidance on its consolidated financial statements.

Subsequent events: The Company has evaluated subsequent events for potential recognition and/or disclosure through April 27, 2021, the date the consolidated financial statements were available to be issued.

Note 2. Property and Equipment

Property and equipment at December 31, 2020 and 2019, are summarized as follows:

	2020	2019
Automobiles	$ -	$ 88,752
Office equipment	226,163	196,956
Leasehold improvements	302,645	276,698
Construction in progress	74,503	-
	603,311	562,406
Less accumulated depreciation and amortization	363,124	407,572
	$ 240,187	$ 154,834

For the years ended December 31, 2020 and 2019, depreciation and amortization expense related to property and equipment was approximately $25,000 and $77,000, respectively. The construction in progress at December 31, 2020 relates to office equipment. The Company expects these assets to be placed in service during 2021 and estimates the remaining costs to complete to approximate $64,000.

Note 3. Intangible Asset and Goodwill

Intangible asset and goodwill consist of the following at December 31, 2020 and 2019:

	2020		
	Gross Value	Accumulated Amortization	Net Book Value
Tradename	$ 1,090,000	$ 898,877	$ 191,123
Goodwill	$ 3,812,806	$ 3,050,245	$ 762,561

	2019		
	Gross Value	Accumulated Amortization	Net Book Value
Tradename	$ 1,090,000	$ 826,210	$ 263,790
Goodwill	$ 3,812,806	$ 2,668,965	$ 1,143,841

Amortization expense of the tradename amounted to approximately $73,000 for both the years ended December 31, 2020 and 2019. Amortization expense of goodwill amounted to approximately $381,000 for both the years ended December 31, 2020 and 2019.

Estimated future amortization expense for intangible asset and goodwill for the years ending December 31 is as follows:

	Intangible Asset	Goodwill	Total
2021	$ 72,667	$ 381,281	$ 453,948
2022	72,667	381,280	453,947
2023	45,789	-	45,789
	$ 191,123	$ 762,561	$ 953,684

Note 4. Long-Term Debt, Revolving Line of Credit and Subsequent Event

The Company has a credit agreement with a finance company for a $12,000,000 term loan and a revolving line of credit. The term loan requires quarterly principal payments in equal installments of $150,000 on the last day of each quarter, with the remaining balance due on the maturity date, June 20, 2021. Required quarterly principal payments are reduced by voluntary repayments.

The revolving line of credit had maximum borrowings up to $1,000,000 and matures on June 20, 2021. The revolving line of credit bore interest at either a base plus an applicable margin of 4.25% or LIBOR, plus an applicable margin of 5.25% for base rate and LIBOR loans, respectively. The revolving line of credit is subject to a credit commitment fee of the unused revolving line of credit, as defined. There was no outstanding balance on the revolving line of credit at December 31, 2020 or 2019.

Note 4. Long-Term Debt, Revolving Line of Credit and Subsequent Event (Continued)

The term loan bears interest at either the base rate (3.25% at December 31, 2020) plus an applicable margin of 4.25% or LIBOR (1% at December 31, 2020) plus an applicable margin of 5.25% for base rate and LIBOR loans, respectively. The effective interest rate at December 31, 2020, was 6.25%.

The credit agreement contains various financial covenants, including fixed charge coverage ratio, total debt to EBITDA ratio, and maximum capital expenditures as defined. The Company was not in compliance with the fixed charge coverage ratio for the period ended June 30, 2020. Effective September 22, 2020, the credit agreement was amended to eliminate the revolving line of credit, implement certain nonfinancial covenants, waive the instance of non-compliance and require $500,000 of contributions to the Company by members.

The Company is also required to make annual payments in addition to the quarterly installments, based upon excess cash flows, as defined in the agreement. The requirement is reduced by voluntary repayments. There were no voluntary payments made for the years ended December 31, 2020 and 2019. A prepayment of $500,000 was made on April 19, 2021 pursuant to the execution of the amendment noted below.

The credit agreement was amended on April 19, 2021, to extend maturity of the term note, modify prepayment obligations and amend financial and non-financial covenants. The term loan maturity date has been extended from June 20, 2021 to December 31, 2021 with the borrower having two options to extend to June 30, 2022 as part of the first option and December 31, 2022 as part of the second option. The maturities schedule reflects amendments to scheduled principal payments.

On April 15, 2020, the Company received unsecured funds under notes and related documents (PPP Loans) from a bank, under the Paycheck Protection Program (the PPP) which was established under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) enacted on March 27, 2020 in response to the COVID-19 pandemic and is administered by the U.S. Small Business Administration (the SBA). The Company received total proceeds of $574,100 from the PPP Loans. Under the terms of the CARES Act, as amended by the Paycheck Protection Program Flexibility Act of 2020 enacted on June 5, 2020 (the Flexibility Act), the PPP Loans, and accrued interest and fees may be forgiven following a period of twenty-four weeks after PPP Loan proceeds are received (the covered period) if they are used for qualifying expenses as described in the CARES Act including payroll costs and benefits (which must equal or exceed 60% of the amount requested to be forgiven), rent, mortgage interest, and utilities, which are subject to certain reductions based on the number of full time equivalent employees and the level of compensation for employees during such covered period. The amount of loan forgiveness will be reduced if the borrower terminates employees or significantly reduces salaries during such period, subject to certain exceptions. Subject to the terms and conditions applicable to loans administered by the SBA under the PPP, as amended by the Flexibility Act, the unforgiven portion of a PPP Loan is payable over a two year period at an interest rate of 1%, with a deferral of payments of principal, interest and fees until the date on which the SBA conveys the loan forgiveness amount to the lender (or notifies the lender that no loan forgiveness is allowed), provided that the borrower applies for forgiveness within 10 months after the last day of the covered period (and if not, payment of principal and interest shall commence 10 months after the last day of the covered period). During January of 2021, the loan was approved for forgiveness by the SBA. The Company has recorded the entire carrying amount of the PPP Loan as long-term debt on the accompanying consolidated balance sheet as of December 31, 2020.

Note 4. Long-Term Debt, Revolving Line of Credit and Subsequent Event (Continued)

Long-term debt payable, reflective of the April 19, 2021 amendment to the credit agreement, consisted of the following at December 31, 2020 and 2019:

	2020	2019
Term debt	$ 5,824,434	$ 6,192,304
PPP loan	574,100	-
Less unamortized portion of debt issuance costs	(45,036)	(174,632)
Less current maturities	(1,280,380)	(375,291)
	$ 5,073,118	$ 5,642,381

Future maturities of long-term debt, reflective of the April 19, 2021 amendment to the credit agreement, are as follows:

Years ending December 31:	
2021	$ 1,280,380
2022	5,118,154
	$ 6,398,534

On March 26, 2021, the Company obtained a second note payable with a bank in the amount of $525,665, under the PPP, authorized under the CARES Act. This is a five-year loan with 1% interest, which may be forgiven under conditions as defined in the CARES Act.

Note 5. Members' Equity

The Company's capital structure consists of preferred units and common units. Preferred units are non-voting and consist of Series A preferred units and Series B preferred units, with each series having a stated value of $1,000 per unit and accruing distributions on a daily basis, compounded on the last day of each calendar year, at the rate of 10% per annum on the stated value. Upon declaration of a dividend, the holders of the preferred units will be entitled to be paid an amount equal to the stated value plus all cumulative accrued but unpaid distributions before any distributions are made with respect to the common units. Subject to the rights of the holders of the preferred units, holders of common units shall be entitled to receive distributions declared by the Company's Board of Directors. Members holding common units are entitled to one vote per common unit.

Effective September 17, 2012, the outstanding Series B preferred units were converted to Series A preferred units. The accrued deemed distributions on Series B preferred units were converted into an equal amount of Series A preferred accrued deemed distributions.

Profits Interest Units represent profit interests that the Company accounts for at fair value in accordance with the provisions of the Share-Based Payment topic of the ASC. Profits Interest Units have no voting right. Profits Interest Units generally vest over a four-year period from the date of issuance, unless a sale of the Company occurs, whereby all Profits Interest Units vest. During the year ended December 31 2020, 521,783 Profits Interest Units were issued. No units were vested as of December 31, 2020. For the years ended December 31, 2020 and 2019, there was no unit-based compensation expense recognized.

Note 6. Related-Party Transactions

The Company has lease agreements with entities owned by a member for office space. (See Note 7).

The Company has a management service agreement with a member. Based on the terms of the management services agreement, the Company pays a $500,000 management fee per year plus reasonable out-of-pocket expenses. The Company incurred approximately $500,000 for the years ended December 31, 2020 and 2019, which was included in general and administrative expenses in the consolidated statements of income. Approximately $375,000 of management fees were unpaid in 2020 and are included in accounts payable and accrued expenses on the accompanying consolidated balance sheet as of December 31, 2020.

Note 7. Commitments and Contingencies

The Company has entered into several advertising contracts with third parties. Some of the contracts are non-cancellable or require several months advance notice to terminate.

The Company has office leases with entities owned by a member in New Jersey and Florida, expiring at various dates through May 2022. The total rent expense paid to entities owned by a member for the years ended December 31, 2020 and 2019, was $100,894 and $159,982, respectively.

The Company has an office lease with a third party in Florida, expiring July 2025. The Company also had rent and rent related expenses of $173,003 and $41,044 with third parties as of December 31, 2020 and 2019, respectively.

Minimum future rental payments under all leases, including related party, for the years ending December 31 are as follows:

2021	$ 542,376
2022	455,294
2023	395,876
2024	407,752
2025	279,307
	$ 2,080,605

Note 8. Employee Benefit Plan

The Company established a 401(k) qualified retirement plan (the Plan) effective January 1, 2009. The Plan is administered through a plan administrator. Employees who are at least 21 years of age are eligible to participate in the Plan effective three months after their date of hire. Participants may make voluntary contributions to the Plan up to the lesser of 96% of their eligible compensation or the limits established under Section 401(k) of the Internal Revenue Code. The Plan requires the Company to make matching contributions up to 4% of the employee's salary. Matching contributions for the years ended December 31, 2020 and 2019, were $57,236 and $65,406, respectively.

Note 9. Contingent Consideration

When the Company previously acquired a business, the purchase agreement included contingent consideration to the seller if certain EBITDA targets (as defined in the agreement) are achieved. The contingent consideration is subject to a minimum of none up to a maximum amount of 395,280 common units over the earnout period, which is September 17, 2012 through December 31, 2019. During the year ended December 31, 2019, it was determined that certain EBITDA targets were not met; therefore, no additional shares were issued.

Note 10. Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States and around the world. The Company is aware of changes in its business as a result of COVID-19 but uncertain of the impacts of those changes on its financial position, results of operations or cash flows. Management believes any disruption, when and if experienced, could be temporary; however, there is uncertainty around when any disruption might occur, the duration and hence the potential impact. As a result, the Company is unable to estimate the potential impact of COVID-19 on its business. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. On December 21, 2020, Congress signed into law an additional coronavirus relief package.

Exhibit D
Franchisee List as of December 31, 2021

Arizona Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Notes**
	Anish Patel	TBD-Arizona	810-656-9649	Outlet #1 not yet open
	Anish Patel	TBD-Arizona	810-656-9649	Outlet #2 not yet open
	Anish Patel	TBD-Arizona	810-656-9649	Outlet #3 not yet open
	Anish Patel	TBD-Arizona	810-656-9649	Outlet #4 not yet open
	Anish Patel	TBD-Arizona	810-656-9649	Outlet #5 not yet open

California Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Notes**
	Gary McCaslin	18045 Magnolia Ave Shafter, CA 93265	661-201-7496	Outlet not yet open
	Gary McCaslin	18045 Magnolia Ave Shafter, CA 93265	661-201-7496	Outlet not yet open
	Johnny D. Mac	2379 35th Ave, San Francisco, CA 94116	415-975-1111	Outlet Not yet Open
	Dennis Zysman	47 RT 303 Tappan, NY 10983	845-848-2391	Outlet not yet open
	Dennis Zysman	47 RT 303 Tappan, NY 10983	845-848-2391	Outlet not yet open
	Dennis Zysman	47 RT 303 Tappan, NY 10983	845-848-2391	Outlet not yet open

Connecticut Franchisees

COMPANY NAME (If Applicable)	CONTACT	ADDRESS	PHONE NUMBER	Notes
	Rajan Desai	TBD-Connecticut	732-735-9117	Outlet not yet open

Delaware Franchisees

COMPANY NAME (If Applicable)	CONTACT	ADDRESS	PHONE NUMBER	Notes
Rocalor 2, LLC.	Karan Amin	5810 Kirkwood Highway Wilmington, DE 19808	302-384-7250	
Louigi Wellness Center, LLC	Luis Henriquez	TBD Delaware	786-541-7500	Outlet Not Yet Open

Florida Franchisees

COMPANY NAME (If Applicable)	CONTACT	ADDRESS	PHONE NUMBER	Notes
	Frank Porretta	5120 SW 13th Ave Cape Coral, FL 33914	239-265-3939	Outlet Not Yet Open
	Scott Plappinger	1071 S. Patrick Drive Satellite Beach, FL 32937	609-890-0409	Outlet Not Yet Open
DMG Business Group, LLC	David Garrard	13475 Atlantic Blvd #8, Jacksonville, FL 32225	(305) 360-3116	Outlet Not Yet Open
Vandelay Fitness, LLC	Wesley Faunce	9521 Via Lago Way, Ft Myers, FL 33912	239-292-3909	Outlet Not Yet Open
	Rob Jennis	TBD- Florida	904-553-8010	Outlet Not Yet Open
	Jeff Saunders	TBD- Florida	954-434-8489	Outlet Not Yet Open

	Jeff Saunders	TBD- Florida	954-434-8489	Outlet Not Yet Open
Sk Fitness, LLC	Cesar Batista	9900 Griffin Rd., Cooper City, FL 33328	954-434-8489	
DEA Enterprises, LLC	Eric Casaburi	480 S. Hunts Blvd, Apopka, FL	407-956-6092	
	Kurt O'Brien	TBD- Florida	407-201-0069	Outlet #1 not yet open
	Kurt O'Brien	TBD- Florida	407-201-0069	Outlet #2 not yet open
CPRF, LLC	Steve Plattner	6918 Gunn Hwy, Tampa, FL 33625	813-676-9246	
Z9 Investments LLC	Joe Liotine	TBD- Florida	813-676-9246	Outlet Not Yet Open
X9 Investments LLC	Joe Liotine	TBD- Florida	813-676-9246	Outlet Not Yet Open
TBRF, LLC	Steve Plattner	10410 Roosevelt Blvd, St. Petersburg, FL 33716	727-325-2111	
Plattner and Wuchko	Steve Plattner	TBD-Florida	727-325-2111	Outlet Not Yet Open
Mike's Tamarac Fitness, LLC	Michael Baney	8129 North Pine Island Road, Tamarac, FL 33321	954-283-0430	
	Ed Jurado	TBD – Florida	561-308-4484	Outlet Not Yet Open
	Cesar Batista	TBD- Florida	954-434-849	Outlet Not Yet Open

Georgia Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Notes**
	Anthony Mallozzi	TBD-Georgia	888-655-2967	Outlet not yet open
	Danielle Sessa	1833 New Hampshire Ave Toms River, NJ 08755	888-655-2967	Outlet not yet open
	Danielle Sessa	1833 New Hampshire Ave Toms River, NJ 08755	888-655-2967	Outlet not yet open
	Danielle Sessa	1833 New Hampshire Ave	888-655-2967	Outlet not yet open

		Toms River, NJ 08755		
	Danielle Sessa	1833 New Hampshire Ave Toms River, NJ 08755	888-655-2967	Outlet not yet open

Illinois Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Notes**
Irving Park Fitness, LLC	Charles Cui	4901 Irving Park Rd Chicago, IL 60641	773-840-7451	
Carol Stream Fitness, LLC		TBD-Illinois	630-518-4819	Outlet not yet open

Maryland Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Notes**
	Vallory Walters	7303 Hawthorne St. Landover, MD 20785	202-262-6760	Outlet not yet open
	Kevin Normoyle	TBD-Maryland	410-252-0777	Outlet not yet open
WEOU Group, LLC	Leigh Bodden	8827 Annapolis Road, Lanham, MD 20706	240-696-4949	Outlet not yet open
WEOU Group, LLC	Leigh Bodden	8827 Annapolis Road, Lanham, MD 20706	240-696-4949	Outlet not yet open
Spahr Fit, Inc.	Todd Spahr	TBD-Maryland	443-371-6563	Outlet not yet open
Catonsville Gym, LLC		6516 Baltimore National Pike, Catonsville, MD	410-744-7618	
	Jameel McClain	TBD-Maryland	410-744-7618	Outlet not yet open
	Jameel McClain	TBD-Maryland	410-744-7618	Outlet not yet open
KIS Fitness, LLC	Jenneill Delp	2505 Annapolis Mall Rd Unit #1330,	410-571-3192	

		Annapolis, MD 21401		
	Jenneill Delp	2505 Annapolis Mall Rd Unit #1330, Annapolis, MD, 21401	410-571-3192	Outlet #2 not yet open
	Jenneill Delp	2505 Annapolis Mall Rd Unit #1330, Annapolis, MD 21401	410-571-3192	Outlet #3 not yet open

Massachusetts Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Notes**
SI&G Health and Fitness Center LLC	Michael Sobon	609 Merrill Road Pittsfield, MA 01201	413-447-3876	
	Claudine Prowse	TBD- MA	646-226-3128	Outlet not yet open
Arena Captial Partners Incorporated	Ryan Debin	TBD- MA	857-272-7509	Outlet #1 not yet open
Arena Captial Partners Incorporated	Ryan Debin	TBD- MA	857-272-7509	Outlet #2 not yet open
Arena Captial Partners Incorporated	Ryan Debin	TBD- MA	857-272-7509	Outlet #3 not yet open
Arena Captial Partners Incorporated	Ryan Debin	TBD- MA	857-272-7509	Outlet #4 not yet open

Michigan Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Notes**
	Rudy Abramov	TBD- Michigan	248-977-1432	Outlet not yet open
SCS Fitness, LLC	Angela Schmuck	637 N. Main Street Rochester, MI	248-650-6200	

New Fitness of Pontiac, LLC	Lajuan Oliver	47 S.Telegraph Rd, Pontiac, MI 48341	248-977-1432	
SCS Fitness, LLC	Angela Schmuck	637 N. Main Street Rochester, MI	248-650-6200	Outlet #2 not yet open
SCS Fitness, LLC	Angela Schmuck	637 N. Main Street Rochester, MI	248-650-6200	Outlet #3 not yet open
	Jeremiah Roy	TBD – Michigan	248-431-1355	Outlet Not Yet Open

Minnesota Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Notes**
	Kimberly Pirlet	TBD-Minnesota	952-562-9721	Outlet not yet open

New Jersey Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Notes**
	Theresa Allen	234 Lanes Pond Road Howell, NJ 07731	718-791-7586	Outlet not yet open
	Scott Appelbaum	63 Middlesex Road Matawan, NJ 07747	732-786-8818	Outlet not yet open
	Fernando Barrese	25 Sullivan Street Westwood, NJ 07675	201-615-0625	Outlet not yet open
	John Benzinger	17 Mullarkey Drive West Orange, NJ 07052	973-419-0756	Outlet not yet open
RF Wallington, LLC	Danny Colon	450 Main Avenue Wallington, NJ 07057	973-614-1900	
	Mario Bermio	63 Arrowhead Court Howell, NJ 07731	732-598-6881	Outlet not yet open
JJJ Futures, LLC	J.Bernard Braycewski	185 State Route 36 West Long Branch, NJ 07764	732-222-3777	
RC Enterprises, LLC	Greg Casaburi	2909 Washington Road Sayreville, NJ 08859	732-952-8747	
DREAM TEAM LLC	Jarred Locasto	119 RT 22 Greenbrook, NJ 08812	908-757-2800	

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Notes**
AJEAJE3, LLC	Eric Lerner	675 US Rt 1 South Woodbridge, NJ 08830	732-855-8888	
	Mark Cotton	1502 Commons at Kinwood Drive East Brunswick, NJ 08816	732-390-0070	Outlet not yet open
North Arlington Health Fitness, LLC	Devi Murali	170 S. Chuyler Ave. N. Arlington, NJ 07031	973-450-9991	
Belleville Health Fitness, LLC	Devi Murali	347 Franklin Ave Belleville, NJ 07109	973-450-9991	
	Michael DeRosa	39 Clement Street Nutley, NJ 07110	973-715-1230	Outlet not yet open
MV Squared, LLC	Devi Murali	292 Terminal Ave Clark, NJ 07066	732-381-0606	
	Karen DiMartini	8 Woodlot Road Bloomingdale, NJ 07043	973-934-9960	Outlet not yet open
RF Wayne, LLC	Danny Colon	60 Owens Dr Wayne, NJ 07470	973-389-9003	
Triple A Fitness, LLC	Alan Gaft	1455 Route 35 Middletown, NJ 07748	732-671-7611	
	George Francis	TBD- New Jersey	201-563-6335	Outlet not yet open
	Mark Gartenfeld	370 Rahway Road Edison, NJ 08820	732-340-9202	Outlet not yet open
Rocalor Fitness LLC	Karan Amin	440 Route 1305 East Windsor, NJ 08520	609-301-8330	
	Jim Hoffman	262 Meadowwood Road Jackson, NJ 08527	732-905-0450	Outlet not yet open
Choice Design Corp	Patrick Kerr	4073 Rt.9 North Howell, NJ 07731	732-886-1008	
TDM Enterprises, LLC	Tom Dalle-Molle	1214 Rte 37 East Toms River, NJ 08753	732-608-7715	
CUSTOM BODY , LLC	William Iovino	223 North Center Drive North Brunswick, NJ 08902	732-297-5213	
CUSTOM BODY SHOP II LLC	William Iovino	649 Rte 206N Hillsborough, NJ 08844	732-297-5213	
PDEC Corporation	Peter Pace	4437 Rt 27 Kingston, NJ 08528	609-683-8960	
JM Firm Fitness, LLC	Joe Formani	3775 Park Ave Edison, NJ 08820	732-549-7387	
KZ Fit Corp.	Bob Kusznikow	712 E. Bay Ave Manahawkin, NJ 08050	609-978-4700	

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Notes**
East Coast Fitness Center Corp.	Matt Lawrence	450 Main Ave Wallington, NJ 07057	973-614-1900	Outlet not yet open
Freehold Fitness, LLC	Steve Parrino	300 Business Park Dr Freehold, NJ 07728	732-863-1111	
La Dolce Vita Fitness, LLC	Stacy McCormack	276 Highway 202/31 Flemington, NJ 08822	908-806-2300	
Grand Pointe Fitness, LLC	Todd Sinforoso	18 Politt Drive, Fairlawn, NJ 07410	201-773-6040	
435 Associates, LLC	Peter Buonocore	435 Broadway, Bayonne, NJ 07002	201-455-5400	
Xtreme Fitness, LLC	Robert Madison	60 Brick Blvd Brick, NJ 08723	732-255-5557	
Shore Fitness Concepts, Inc	Colin Soyer	2101 Atlantic Ave Manasquan, NJ 08736	732-612-3737	
RAP Fitness, LLC	Ron Pheiffer	410 S. Main Street Forked River, NJ 08731	609-488-2439	
Fit 2013 Holdings, LLC	Rob Madison	333 Atlantic City Blvd Bayville, NJ 08721	732-237-8960	
Garfield Ave Associates	Peter Buonocore	2 Garfield Ave, Jersey City, NJ 07305	201-763-7649	
CMN46 Fitness LLC	Michael Marinaccio	10 Knightsbridge Rd Fair Field, NJ 07004	973-808-5558	
Big Dumbell, LLC	Michael Marzarella	701 Route 440 Jersey City, NJ 07304	201-632-3860	
All Jacked Up	Michael Marzarella	130 Washington Street Hoboken, NJ 07030	201-687-9078	
Fit-Nuts, Inc	Bill Frank	1613 Route 38 West Lumberton, NJ 08048	609-265-8938	
PJ's Fitness Express LLC	Pete Mercanti	860 US Highway 206 Bordentown, NJ 08505	609-372-4020	
	Adam Mintz	8 Woodhollow Road Colts Neck, NJ 07722	732-245-9589	Outlet not yet open
	Sabino & Concetta Patruno	10 Opatut Court Monmouth Junction, NJ 07751	908-757-2800	Outlet not yet open
	Clifford Rank	1002 Driftwood Ave Manahawkin NJ 08050	609-661-9812	Outlet not yet open
	Keith Salvaggio	4704 Hamilton Dr Voorhees, NJ 08043	609-217-7731	Outlet not yet open
T&B Fitness, LLC	Todd Sinforoso	706 Newman Springs Road, Lincroft, NJ 07738	732-450-1999	
KVM Fitness Management, LLC	Varun Sharma	419 Rt 34 North Matawan, NJ 07747	732-583-5095	
Harmac Corp.	Joe Sinisi	340 Longview Drive Mountainside, NJ 07092	908-451-5412	Outlet not yet open

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Notes**
MLS Tenafly Fitness, LLC	Mark Shadek	103 N. Summit St Tenafly, NJ 07670	201-569-7387	
Babits, Bras, Steves, LLC	Isabel Steves	20 S. Jefferson Road Whippany, NJ 07981	862-701-6060	
	Greg Sweeney	10 Timber Trail Boonton, NJ 07705	973-335-1277	Outlet not yet open
NICLEX INDUSTRIES, LLC	Gus & Elyse Towli	6825 Tilton Road Egg Harbor, NJ 08234	609-241-0017	
	George Triamarche	35 Journal Square Jersey City, NJ 07306	732-583-5095	Outlet not yet open
	David Volvano	181 Conover Ave Denville, NJ 07110	862-209-1691	Outlet not yet open
	Mark Zalewski	496 Tenent Road Morganville, NJ 07751	908-294-0202	Outlet not yet open
	John Zampetti	91 Las Palmas Ct. Holmdel, NJ 07733	732-299-9191	Outlet not yet open
RF Kenilworth, LLC	Steve Komie	505 N. Michigan Ave Kenilworth, NJ 07033	908-729-9119	
D&S Fitness, LLC	Stephen Craffen	659 Route 46, Kenvil, NJ 07842	973-252-7272	
AMC Business Group, Inc.	Mihir Parikh	184 Columbia Turnpike Florham Park, NJ 07932	973-845-9400	
	John Quinones	33 Old Mill Road, Chester, NJ 07930	848-219-9517	Outlet not yet open
Custom Body Shop III, LLP	Bill Iovino	114 North Main Street Manville NJ 08835	908-526-9400	
J+Z Gym Investors LLC	Kristen Friedman	300 W. Sylvania Ave, Neptune City NJ 07753	732-897-0000	
JEA JEA 2, LLC	Eric Lerner	100 Commerce Way, Hackensack, NJ 07601	201-342-0494	
TBMV, LLC	Mike Villani	295 US-46, Rockaway, NJ 07866	973-625-7777	
Schmell Marinaccio LLC	Michael Marinaccio	TBD- New Jersey	973-808-5558	Outlet not yet open
	Jaffer Panezai	TBD- New Jersey	732-865-0468	Outlet Not yet Open
	Jaffer Panezai	TBD- New Jersey	732-865-0468	Outlet Not yet Open

COMPANY NAME (If Applicable)	CONTACT	ADDRESS	PHONE NUMBER	Notes
	Jaffer Panezai	TBD- New Jersey	732-865-0468	Outlet Not yet Open
JPJ, LLC		TBD- New Jersey	201-773-6040	Outlet Not yet Open
Custom Body Shop IV, LLC	Bill Iovino	45 US 206 South, Raritan, NJ 08869	908-722-1046	
JCH Investments LLC	Justin Houlihan	Toms River, NJ	732-608-7715	Outlet not yet open
	Bruce Wishnia	Rockaway, NJ	973-625-7777	Outlet not yet open
	Stephen Craffen	Kenvil, NJ	973-252-7272	Outlet not yet open
	Mario Mendoza	Greenbrook, NJ	908-447-4660	Outlet not yet open
	Tom Defelice	Hasbrouk Heights, NJ	732-662-5343	Outlet not yet open
Mid Tide Holdings, Inc.	Vlad Belkin	West Orange, NJ	973-325-9200	Outlet not yet open
	Brian Luizza	TBD- New Jersey	908-966-3258	Outlet not yet open
KZ FIT CORP	Bob Kusznikow	161 Main Street Tuckerton, NJ 08087	609-978-4700	
BCDC2, LLC	Dave Chichelo	2 Executive Drive Fort Lee, NJ 07024		
ACGC4, LLC	Scott Pinto	25 Scotch Rd., Store #15 Ewing, NJ 08628	917-428-2710	Outlet not yet open
R2FIT, LLC	Jim Sparling	7 Naughtright Rd. Mount Olive, NJ 07840	908-202-7624	
Custom Body Shop V, LLC	Bill Iovino	45 US 206 South Raritan, NJ 08869	908-722-1046	Outlet not yet open
Fairless Hills Fitness, LLC	Bill Klemens	4 Alexander Drive Flemington, NJ 08822	908-672-6005	Outlet not yet open
Belleville Health Fitness, LLC	Devi Murali	TBD- New Jersey	973-450-9991	Outlet not yet open

New York Franchisees

COMPANY NAME (If Applicable)	CONTACT	ADDRESS	PHONE NUMBER	NOTES
	Laura Auriemmo	17 Oak Ride Lane Albertson, NY 11507	516-484-6513	Outlet not yet open
King of Queens LLC	Warren DeStefano	65-45 Otto Road Glendale, NY 11385	718-417-4600	

Rave Fitness, LLC	Rhandi Lopiccolo	260 Portion Road Ronkonkoma, NY 11774	718-728-1770	
Jericho Fitness, Inc.	Grace Munayurji	165 Eileen Way Syosset, NY 11791	516-496-3333	
JATYLA, LLC.	Jeremy Henegan	133 Sunrise Highway Freeport, NY 15520	516-415-7953	
K&G Fitness Group LLC	Shahid Hashmi	32-32 49th Street Astoria, NY 11101	718-777-0322	
Campbell Fitness NC LLC	Russ Campbell	278 Main St New City, NY 10956	845-634-0600	
Campbell Fitness SI LLC	Russ Campbell	2965 Veterans Rd West Staten Island, NY 10309	718-227-7300	
	Dave Ragosa	23 State Street, Monroe, NJ 08831	732-536-4100	Outlet not yet open
	Dave Ragosa	23 State Street, Monroe, NJ 08831	732-536-4100	Outlet not yet open
	Allen Rothpearl	9 Crabtree Lane Roslyn, NY 11576	516-620-9510	Outlet not yet open
	Scott Sosnick	1 Parker Plaza Fort Lee, NJ 07024	201-461-6464	Outlet not yet open
	Jason Spanakos	14 Bradl Lane Nanuet, NY 10954	845-729-8160	Outlet not yet open
KTN New Springville, LLC	Joe Jaccarino	2385 Richmond Ave Staten Island, NY 10314	718-761-7400	
325 Ave Y Gym, LLC	Ike Tawil	325 Avenue Y Brooklyn, NY 11223	718-336-3250	
	Ike Tawil	2385 Richmond Ave Staten Island, NY 10314	718-761-7400	Outlet not yet open
	Ike Tawil	TBD – Long Island City NY	718-761-7400	Outlet not yet open
Bala Fitness of Third Ave, LLC	Vijay Bala	554 Commack Rd Deer Park, NY 11030	613-254-2001	
Ziss Fitness at Tappan, LLC	Dennis Zysman	47 Rt 303 Tappan, NY 10983	845-848-2391	
BROOKLYN PARK SLOPE FITNESS, LLC	Warren Destefano	25 12th Street, 3rd Floor, Brooklyn, NY 11215	718-788-0123	
	Vito Cardinale	23 South Hope Chapel Rd Jackson, NJ 08627	732-367-7773	Outlet not yet open
	Gianni Perisch	16 Dupont Court, Dix Hills, NY 11746	718-644-7110	Outlet not yet open
JCR Fitness , LLC	Juan Ramirez	3524 3rd Ave, Bronx, NY 11366	929-263-1515	
New Fitness Holdings, LLC	Rudy Abramov	2244 Church Ave, Brooklyn NY 11226	718-7048385	

Atlantic Fitness LLC	Bruce Dansky	3465 Lawson Blvd Oceanside, NY 11592	516-206-3036	
T&D Fitness, LLC	Todd Levine	92-77 Queens Blvd., Rego Park, NY 11374	347-670-1932	
	Eric Lerner	100 Commerce Way, Hackensack, NJ 07601	201-342-0494	Outlet not yet open
HK Fitness, LLC	Ahmer Kazmi	32-34 49th Street, Astoria, NY 11101	718-777-0322	Outlet not yet open
	James Sideris	9017 5th Ave, Brooklyn, NY 11209	718-759-0659	Outlet not yet open
JRA FITNESS, LLC	Ahmer Kazmi	32-34 49th Street, Astoria, NY 11101	718-777-0322	Outlet not yet open
	Eric Philo	54 Woodland Dr Apt 1A, Greenwich, CT 06830	914-715-7919	Outlet not yet open
Gear Fitness, LLC	Richard Sansaricq	1 NY Plaza, Manhattan, NY 10004	646-667-6635	
	Richard Curran	34 Smock Ct, Manalapan, NJ 07726	917-848-2823	Outlet not yet open
Bayshore Fitness and Training, LLC	Grace Munayurji	521-605 Montauk HWY, Bayshore NY 11706	631-647-7741	
Bick Family, Inc.	Deanna Charles	5123 Commercial Drive, Yorkville, NY 13495	315-790-5253	
BalaFitness of Jerome LLC	Vijay Bala	1219-1231 Edward L Grant Hwy, Bronx NY 19452	347-391-0926	
New Fitness of Springfield, LLC	Eliot Agmon	113-09 Springfield Blvd. Queens, NY 11429	347-391-0926	
RJ Capital Holdings	Rudy Abramov	TBD- New York	347-391-0926	Outlet not yet open
MCHU, LLC	Michael Chu	49 North Franklin St., Hempstead, NY 11550	516-833-5586	
Fitbody by JK, Inc.	Jeanette Aditya	1581 U.S. Route 202, Pomona, NY 10970	201-343-4033	
Ziss Fitness at Pearl River, LLC	Dennis Zysman	100 N. Middletown Rd, Pearl River, NY 10965	845-920-1998	
	Engin Sangiray	TBD- New York	516-295-1244	Outlet not yet open
NBF Greenbriar, LLC	Ben Fridman	TBD- New York	917-562-4443	Outlet not yet open
KTN Hylan, LLC	Joe Jaccarino	2590 Hylan Blvd Staten Island, NY 10306	347-201-4451	
Forest Hill Fitness, LLC	Warren Destefano	8989 Union Turnpike Ridgewood, NY 11385	718-509-9003	
3 T Fitness, LLC	Trey Jasenski	1892 Central Ave Albany, NY 12205	518-858-0737	

3 T Fitness, LLC	Trey Jasenski	100 Small Arterial Albany, NY 12242	518-858-0737	
3 T Fitness, LLC	Trey Jasenski	Albany, NY	518-858-0737	Outlet not yet open
3 T Fitness, LLC	Trey Jasenski	Albany, NY	518-858-0737	Outlet not yet open
3 T Fitness, LLC	Trey Jasenski	Albany, NY	518-858-0737	Outlet not yet open
	John Del Giudice	New York	631-615-1378	Outlet not yet open
	Joe Jaccarino	TBD New York	347-201-4451	Outlet not yet open
	Vinod Chand	TBD New York	516-447-1500	Outlet not yet open
	Vinod Chand	TBD New York	516-447-1500	Outlet not yet open
	Paulette Puccio	TBD New York	551-500-1037	Outlet not yet open

North Carolina Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Notes**
	Sonya Singh	800 N. Person St. Raleigh, NC 27604	919-829-5870	Outlet not yet open
	Todd Papora	Novi, MI (location to be determined in NC)	734-591-0343	Outlet not yet open
	Kevin Flanders	Freehold, NJ (location to be determined in NC)	917-658-2349	Outlet not yet open
	Richard Garrison	TBD North Carolina	301-524-3115	Outlet not yet open
	Richard Garrison	TBD North Carolina	301-524-3115	Outlet not yet open

Pennsylvania Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**STATUS**
WSZ Fitness, LLC	Bill Zolnowski	518 Lincoln Hwy Fairless Hills, PA 19030	215-295-2004	
	Joe Cunane	104 Bent Lane Newark, DE 09711	302-559-1428	Outlet not yet open
	William Frank	650 Thiele Rd Brick, NJ 08724	848-333-7402	Outlet not yet open
RKKB Capital Partners Corp	Rakesh Kumar	1121 N 9th Street, Stroudsburg, PA 18360	570-426-9009	

	Chirag Patel	3 Waters Edge dr Delran, NJ 08075	856-266-2853	Outlet not yet open
News Falls Fitness, LLC	Jim McCaffrey IV	4595 New Falls Road, Levittown, PA 19056	215-758-9890	
	Jim McCaffrey IV	4595 New Falls Road, Levittown, PA 19056	215-464-3110	Outlet not yet open
Beach Club One Holdings, LLC	Joe Velli	700 Kenhorst Plaza Kenhorst PA 19607	610-816-0154	
	Robert Kurz	200 Blair Mill Road, Horsham, PA 19044	215-394-8394	Outlet not yet open
La Dolce Vita II, LLC	Stacy McCormack	1856 Stefko Blvd, Bethlehem, PA 18017	610-419-8310	
PDEC Corp	Peter Pace	TBD-Pennsylvania	201-960-3159	Outlet not yet open
Marshalls Creek Fitness, LLC	Rakesh Kumar	900 Business Drive E. Stroudsburg, PA 18301	570-234-0111	
Poly Four LLC	Robert Polizanno	1500 Spring Garden Street Philadelphia, PA	267-519-3799	
	Rakesh Kumar	Stroudsburg, PA	570-426-9000	Outlet not yet open
	Rakesh Kumar	Stroudsburg, PA	570-426-9000	Outlet not yet open
	Rakesh Kumar	Stroudsburg, PA	570-426-9000	Outlet not yet open
	Anthony Szatkowski	Jackson, NJ (location to be determined in PA)	732-928-0757	Outlet not yet open
Louigi Wellness Center, LLC	Luis Henriquez	4845 Westchester Pike, Newtown Square, PA 19073	484-352-4180	

Texas Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**STATUS**
Frog Pond Capital, LLC	Todd Douglas	TBD-Texas	781-791-1023	Outlet not yet open
	George Ragsdale	Woodville, TX	254-220-7511	Outlet not yet open

Utah Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**STATUS**

	William Linsin II	302 S. Main St Centerville, UT 84014	801-620-0998	Outlet not yet open
	William Linsin II	302 S. Main St Centerville, UT 84014	801-620-0998	Outlet not yet open
Forte Corp	Bevan Cox	929 S. Main St. Cedar City, UT	435-383-2881	

Virginia Franchisees

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**STATUS**
	Tom Pacheco	11714 Sudley Manor Dr Manassas, VA 20109	571-208-0737	Outlet not yet open
	Tom Pacheco	11714 Sudley Manor Dr Manassas, VA 20109	571-208-0737	Outlet not yet open
Bull Run, LLC	Tom Pacheco	11714 Sudley Manor Dr Manassas, VA 20109	571-208-0737	

Exhibit E

List of Former Franchisees

This Exhibit E lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, transferred, 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.

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**Comments**
Bumgardner Health Group, LLC	Jason Bumgardner	868 Blossom Hill Rd., San Jose, CA 95123	845-848-2391	
Core Health Fitness, LLC	Devi Murali	21 S. Hope Chapel Rd Jackson, NJ 08527	732-367-7773	Remains an existing franchisee of other outlet
Deepam Fitness, LLC	Dipen Patel	235 Prospect Ave, West Orange, NJ 07052	973-325-9200	
East Coast Fitness, LLC	Rob Madison	80 Kingsbridge Rd. Piscataway, NJ 08854	732-457-9100	Remains an existing franchisee of other outlet
GQ Jam Timonium, LLC	Kevin Normoyle	2125-2131 Greenspring Drive Timonium, MD 21093	410-252-0777	Remains an existing franchisee
Juiced Up, LLC	Brian Jusas	4110 Winter Garden Vineland Rd., Winter Garden, FL 34787	407-347-0549	
Michigan Ave Gym, LLC	Ike Tawil	81 E. Jackson Blvd Chicago, IL 60604	718-761-7400	Remains an existing franchisee of other outlet
Musculi, LLC	Kimberly Pirlet	14121 Aldrich Ave. Burnsville, MN 55337	952-562-9721	

Transfers of Controlling Interest in the Fiscal Year ended 12/ 31/2021

COMPANY NAME (If Applicable)	**CONTACT**	**ADDRESS**	**PHONE NUMBER**	**COMMENTS as of 12/31/2021**
ADMS, INC.	Steve Sciandra	521-605 Montauk HWY, Bayshore NY 11706	631-647-7741	This outlet was sold.
CU Enterprises	Tony Urti	518 Lincoln Hwy, Fairless Hills, PA 19030	215-295-2004	This outlet was sold.
New Fitness of Third Avenue, LLC	Rudy Abromov	3524 3rd Ave, Bronx, NY 11366	347-726-4529	This outlet was sold; Mr. Abromoy remains an existing franchisee of another outlet.
New Fitness of Pontiac, LLC	Rudy Abromov	47 S. Telegraph Rd Pontiac, MI 48341	248-977-1432	This outlet was sold; Mr. Abromoy remains an existing franchisee of another outlet.
RC Enterprises, LLC	Robert Casaburi	2909 Washington Road Sayreville, NJ 08859	732-952-8747	Transferred controlling interest to Greg Casaburi.
Rocalor Fitness LLC	Bob Hahl	440 Route 1305 East Windsor, NJ 08520	609-301-8330	This outlet was sold.
Summit R, LLC	Mark Shadek	103 N. Summit St Tenafly, NJ 07670	201-569-7387	This outlet was sold.
Wilmington DE RF, LLC.	John Gillick	5810 Kirkwood Highway Wilmington, DE 19808	302-384-7250	This outlet was sold.
	Robert Madison	435 Broadway, Bayonne, NJ 07002	201-455-5400	Sold controlling interest; remains franchisee of other outlets.
	Robert Madison	2 Garfield Ave, Jersey City, NJ 07305	201-763-7649	Sold controlling interest; remains franchisee of other outlets.

Exhibit F

State Administrators/Designation of Agent for Service of Process

State Administrators

California
Department of Financial Protection and Innovation
DFPI Main Office - Sacramento
2101 Arena Boulevard
Sacramento, CA 95834
(Toll Free) (866) 275-2677
www.dfpi.ca.gov
Email: Ask.DFPI@dfpi.ca.gov

Hawaii
Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois
Illinois Franchise Development
Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana
Indiana Chief Deputy Commissioner
Secretary of State
Franchise Section - Securities Division
301 W. Washington Street, Room E-111
Indianapolis, IN 46204
(317) 232-6681

Maryland
Office of the Attorney General
Securities Division
200 Saint Paul Place,
Baltimore, MD 21202
(410) 576-7044

State Agents For Service of Process

California
California Corporation Commissioner
DFPI Main Office - Sacramento
2101 Arena Boulevard
Sacramento, CA 95834
(Toll Free) (866) 275-2677
www.dfpi.ca.gov
Email: Ask.DFPI@dfpi.ca.gov

Hawaii
Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, HI 96813

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

Indiana
Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, IN 46204

Maryland
Maryland Securities Commissioner
200 Saint Paul Place
Baltimore, MD 21202-2020

State Administrators
(Continued)

Michigan
Michigan Franchise Administrator
Consumer Protection Division
Attention: Franchise Examiner
670 Law Building
Lansing, MI 48913
(517) 373-7117

Minnesota
Minnesota Franchising Examiner
Minnesota Department of Corporations
133 East Seventh Street
St. Paul, MN 55101
(612) 295-6328

New York

NYS Department of Law
Investor Protection Bureau
28 Liberty St. 21st Fl
New York, NY 10005
212-416-8285

North Dakota
North Dakota Securities Department
600 East Boulevard State Capitol
Fifth Floor Dept 414
Bismarck, ND 58505-0510
(701) 328-4712

Rhode Island
Rhode Island Securities Examiner
Division of Securities
1511 Pontiac Avenue
Cranston, RI 02920
(401) 462-9500

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

State Agents For Service of Process
(Continued)

Michigan
Not Applicable

Minnesota
State of Minnesota
Department of Commerce
Securities Division
133 East Seventh Street
St. Paul, MN 55101

New York

Secretary of State
99 Washington Avenue
Albany, NY 12231

North Dakota
Securities Commissioner
600 East Boulevard State Capitol
Fifth Floor Dept 414
Bismarck, ND 58505-0510

Rhode Island
Rhode Island Department of Business Regulation
1511 Pontiac Avenue
Cranston, RI 02920

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

State Administrators
(Continued)

Virginia
Virginia Chief Examiner
State Corporation Commissioner
Division of Securities and Retail Franchising
1220 Bank Street
Richmond, VA 23219
(804) 786-7751

Washington
Washington Securities Administrator
Securities Division
P. O. Box 9033
Olympia, WA 98507-9033
(360) 902-8760

Wisconsin
Wisconsin Commissioner of Securities
Registration Division
P. O. Box 1768
Madison, WI 53101
(608) 266-8559

State Agents For Service of Process
(Continued)

Virginia
Clerk of the State Corporation Commission
Post Office Box 1197
Richmond, VA 23219

Washington
Director of Licensing
Securities Division
150 Israel Road
Tumwater, WA 98501

Wisconsin
Wisconsin Commissioner of Securities
Office of the Commissioner of Securities
101 East Wilson Street
Madison, WI 53702

Exhibit G

State Addenda to Disclosure Document
and
State-Specific Agreement Amendments

ADDENDUM TO RETROFITNESS®
DISCLOSURE DOCUMENT FOR THE
STATE OF CALIFORNIA

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

a. The franchisor, any person or franchise broker in Item 2 of the FDD is (or not) subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

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

c. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).

d. 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.

e. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

f. The franchise agreement requires binding arbitration. The arbitration will occur in Palm Beach County, Florida with the costs being borne by the prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

h. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

i. Furthermore, if applicable, disclose: You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 Through 31516). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

j. OUR WEBSITE HAS NOT BEEN REIVEWED OR APPROVED BY THE CALIFRONIA 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.

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

L. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

Retrofitness has complied with the terms of Corporations Code Section 31109.1.

Item 5

The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business. For any development agreement, the payment of the development and initial fee attributable to a specific unit is deferred until that unit is open.

Item 17

California Business and Professions Code Sections 2000 to 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 19

Disclosure Required Under California Law

The financial performance representation figure does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your (franchised business). Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

AMENDMENT TO RETROFITNESS®
AREA DEVELOPMENT AGREEMENT FOR THE
STATE OF CALIFORNIA

This Amendment pertains to franchises sold in the State of California and is for the purposeof complying with California statutes and regulations. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

1. Article 14 of the Area Development Agreement contains a covenant not to competewhich may extend beyond the term of the franchise. This provision may not be enforceable under California law.

2. Article 21 of the Area Development Agreement requires the application of the lawsof Florida. This provision may not be enforceable under California law.

3. In all other respects, the Area Development Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Amendment and consents to be bound by all of its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment to the AreaDevelopment Agreement as of the Effective Date of the Area Development Agreement.

FRANCHISOR:
RETROFITNESS, LLC

By: _____
Title: _____
Signature: _____

AREA DEVELOPER:

By: _____
Title: _____
Signature: _____
Address:
_____
_____

ADDENDUM TO RETROFITNESS®
DISCLOSURE DOCUMENT FOR THE
STATE OF MARYLAND

The Franchise Disclosure Document for Retrofitness, LLC for use in the State of Maryland shall be amended as follows:

1. Item 5, "Initial Fees", shall be amended by the addition of the following language:

"Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial payments by You to Retrofitness, including the Initial Franchise Fee, will be paid into an escrow account with United Bank in the State of Maryland and released to Retrofitness upon written authorization of the Maryland Office of the Attorney General. Retrofitness, LLC will provide a copy of the Escrow Agreement entered into by and between Retrofitness, LLC and United Bank dated October 2, 2017 to you before collecting any funds from you."

2. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language:

> The general releases 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.
>
> Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
>
> A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language to the summary of Provision "h":

> Termination upon bankruptcy may not be enforceable under federal bankruptcy law, 11 U.S.C. Section 101 et seq.

4. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language to the summary of Provisions "v" and "w":

> , except for claims arising under the Maryland Franchise Registration and Disclosure Law.

ADDENDUM TO RETROFITNESS®
FRANCHISE AGREEMENT FOR THE
STATE OF MARYLAND

The parties to the attached Retrofitness, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Under Section 4 of the Agreement, under the headings "Relocation" and "Term And Renewal," the subsection 4.5(e) and 4.6.2 (f) shall be deleted in their entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 4.5 (e) You and any Related Parties that are parties to this Agreement have signed a mutual general release of claims in a form satisfactory to Retrofitness, LLC with respect to past dealings with Retrofitness, LLC and its Related Parties; excluding only such claims as you may have under the Maryland Franchise Registration and Disclosure Law; and
>
> 4.6.2 (f) You and any Related Parties that are parties to this Agreement have signed a mutual general release of claims in a form satisfactory to Retrofitness, LLC with respect to past dealings with Retrofitness, LLC and its Related Parties; excluding only such claims as you may have under the Maryland Franchise Registration and Disclosure Law ;

2. Under Section 6 of the Agreement, under the heading "Payments by Franchisee", subsection 6.1, "Initial Franchise Fee" shall be supplemented by adding the following:

"Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial payments by You to Retrofitness, including the Initial Franchise Fee, will be paid into an escrow account with United Bank in the State of Maryland and released to Retrofitness upon written authorization of the Maryland Office of the Attorney General. Retrofitness, LLC will provide a copy of the Escrow Agreement entered into by and between Retrofitness, LLC and United Bank dated October 2, 2017 to you before collecting any funds from you."

3. Under Section 9 of the Agreement, under the heading "Resale of Franchise" and "Transfer from an Individual Owner to a Corporation, Limited Liability Company or Other Entity" the subsection 9.4 and 9.5.4 (i) shall be deleted in their entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 9.4 (i) You and your Related Parties' signing of a mutual general release of claims with Retrofitness LLC and its Related Parties; excluding only such claims as the you/transferor may have under the Maryland Franchise Registration and Disclosure Law;
>
> 9.5.4 You and the Legal Entity's signing of a mutual general release of claims with Retrofitness LLC and its Related Parties; excluding only such claims as the you/transferor may have under the Maryland Franchise Registration and Disclosure Law;

4. Sections 11.2 of the Agreement shall be supplemented by adding a new section 11.2.3:

11.2.3 Notwithstanding the foregoing, a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years from the grant of the franchise.

.

5. Section 11 of the Agreement, under the heading "Miscellaneous Provisions," shall be supplemented by the following new subsection 11.26:

"11.26 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 under the Maryland Franchise Registration and Disclosure Law."

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland Franchise Agreement Amendment on the same date as the Franchise Agreement was executed.

FRANCHISOR:
RETROFITNESS, LLC

By: _____
Title: _____
Signature: _____

FRANCHISEE:

By: _____
Title: _____
Signature: _____
Address:
_____
_____

AMENDMENT TO RETROFITNESS®
AREA DEVELOPMENT AGREEMENT FOR THE
STATE OF MARYLAND

This Amendment pertains to franchises sold in the State of Maryland and is for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended as follows:

1. Articles 6 and 7 are amended to provide the following:

"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. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens."

2. Article 17.1.4 shall be amended to add the following:

Notwithstanding the foregoing, You and your Related Parties' signing of a mutual general release of claims with Retrofitness LLC and its Related Parties shall exclude only those claims as you/transferor may have under the Maryland Franchise Registration and Disclosure Law.

3. Article 22 is amended to provide that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. 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.

5. Any provision in the Agreement that requires you to disclaim the occurrence and/oracknowledge the non-occurrence of acts that would constitute a violation of the MarylandFranchise Registration and Disclosure Law is not intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment to the AreaDevelopment Agreement as of the Effective Date of the Area Development Agreement.

FRANCHISOR:
RETROFITNESS, LLC

By: _____
Title: _____

Signature: _____

AREA DEVELOPER:

By: _____
Title: _____
Signature: _____
Address:
_____
_____

ADDENDUM TO RETROFITNESS®
DISCLOSURE DOCUMENT FOR THE
STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

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

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

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

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

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

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

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

a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

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

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

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

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

4. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if the franchisee is domiciled in New York or the franchise will be opened in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

AMENDMENT TO RETROFITNESS® FRANCHISE AGREEMENT FOR THE STATE OF NEW YORK

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Retrofitness, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Under Section 4.6 of the Agreement, under the heading "Term And Renewal," the subsection 4.6.2 (f) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 4.6.2 (f)You and any Related Parties that are parties to this Agreement have signed a mutual general release of claims in a form satisfactory to Retrofitness, LLC with respect to past dealings with Retrofitness, LLC and its Related Parties; provided, however, that all rights enjoyed by you and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied; and

2. Under Section 9 of the Agreement, under the heading "Conditions of Transfer," the subsection 9.4(i) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 9.4 (i) You and your Related Parties' signing if a mutual general release of claims with Retrofitness LLC and its Related Parties; provided, however, that all rights enjoyed by the you/transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

3. Section 11 of the Agreement, shall be supplemented by the addition of the following new subsection 11.26:

> 11.26 Nothing in this Agreement should be considered a waiver of any right conferred upon you by New York General Business Law, Sections 680-695.

4. There are circumstances in which an offering made by Retrofitness LLC would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if you are domiciled in New York or the Outlet will be opening in New York. Retrofitness LLC is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York amendment to the [Franchise/License/Development] Agreement on the same date as the Franchise Agreement was executed.

FRANCHISOR:
RETROFITNESS, LLC

By: _____
Title: _____
Signature: _____

Delivery Address: Retrofitness, LLC
1601 Belvedere Road, Suite E-500
West Palm Beach, FL 33406

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Address: _____
_____

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Address: _____
_____

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Address: _____
_____

FRANCHISEE:

By: _____
Title: _____

Signature: _____

Address: _____

_____

ADDENDUM TO RETROFITNESS®
DISCLOSURE DOCUMENT FOR THE
STATE OF MINNESOTA

ADDITIONAL RISK FACTORS:

1. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

2. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

1. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

3. 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 Statues, Section 80C.12, Subd. 1(g).

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

5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

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

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

7. **Item 5.** Your initial franchise fee, and lease review fee, and payment for RETROFITNESS® branded key tags, uniforms, and bracelets will be paid into an escrow account in the State of Minnesota and released to Franchisor upon written authorization of the Commissioner of the Minnesota Department of Commerce.

AMENDMENT TO RETROFITNESS®
FRANCHISE AGREEMENT FOR THE
STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Statutes, Chapter 80C. and Minnesota Franchise Rules, Chapter 2860, the parties to the attached Retrofitness, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Under Section 4.6 of the Agreement, **Term And Renewal**, the subsection 4.6.2 (f) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 4.6.2 (f) You and any Related Parties that are parties to this Agreement have signed a mutual general release of claims in a form satisfactory to Retrofitness, LLC with respect to past dealings with Retrofitness, LLC and its Related Parties; provided, however, that all rights enjoyed by you and any causes of action arising in its favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and
>
> Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given one hundred eighty (180) days notice of nonrenewal of this Agreement by Franchisor.

2. Under Section 7.1.4, **Legal Protection**, the following is added:

> Franchisor agrees to protect Franchisee, to the extent required by the Minnesota Franchise Act, against claims of infringement or unfair competition with respect to Franchisee's use of the Marks when, in the opinion of Franchisor's counsel, Franchisee's rights warrant protection pursuant to Section 8.5 of this Agreement.

3. Under Section 9.3, **Consent by Retrofitness; Right of First Refusal**, the following is added:

> Franchisor shall not unreasonably withhold consent to transfer the franchise agreement.

4. Under Section 9, **Transfer of Franchise**, the subsection 9.4 (i) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

> 9.4 (i) You and your Related Parties' signing if a mutual general release of claims with Retrofitness LLC and its Related Parties; provided, however, that all rights enjoyed by the you/transferor and any causes of action arising in its favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of Minnesota Rules 2860.4400(D) be satisfied;

5. Under Section 10.2.1, **Immediate Termination upon Notice of Default**, the following is added:

Section 10.2.1 will not be enforced to the extent prohibited by applicable law.

6. Under Section 10.2.2, **Termination after Five Days' Notice to Cure**, the following is added:

Section 10.2.2 will not be enforced to the extent prohibited by applicable law.

7. Section 10.2.3, **Termination after Thirty Days' Notice to Cure**, will be amended to replace thirty (30) days with sixty (60) days and the following will be added:

Minnesota law provides a franchisee with certain termination rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given ninety (90) days notice of termination (with sixty days to cure) of this Agreement.

8. Under Section 11.2.1, the following is added:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

9. Under Section 11.2.2, the following is added:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

10. Under Section 11.8, **Arbitration**, the following is added:

; except as otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

11. Under Section 11.8, **Arbitration**, the following is deleted:

WAIVER OF JURY TRIAL. RETROFITNESS AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO ANY CLAIM, INCLUDING ANY COUNTERCLAIMS, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

12. Under Section 11.11, **Limitation of Actions**, the following is added:

Under the Minnesota Franchise Act, any claims between the parties must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim shall be barred.

13. Section 11 of the Agreement, **Miscellaneous Provisions**, shall be supplemented by the addition of the following new subsection11.26:

11.26 Nothing in this Agreement should be considered a waiver of any right conferred upon you by Minnesota Franchise Act.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota amendment to the [Franchise/License/Development] Agreement on the same date as the Franchise Agreement was executed.

FRANCHISOR:
RETROFITNESS, LLC

By: _____
Title: _____
Signature: _____

Delivery Address: Retrofitness, LLC
1601 Belvedere Road, Suite E-500
West Palm Beach, FL 33406

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Address: _____
_____

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Address: _____
_____

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Address: _____
_____

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Address: _____
_____

AMENDMENT TO RETROFITNESS®
AREA DEVELOPMENT AGREEMENT FOR THE
STATE OF MINNESOTA

This Amendment pertains to franchises sold in the State of Minnesota and is for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended as follows:

1. Article 9 (Default, Termination, Extensions and Modifications) of the Area Development Agreement is revised to include the following language: Franchisor will comply with Minn. Stat. Sec. 80C.14 which requires, except in certain specified cases, that Franchisor gives you 90 days' notice of termination with 60 days to cure.

2. No release language set forth in the Area Development Agreement will relieve Franchisor or any other person, directly or indirectly from liability imposed by the laws concerningfranchising of the State of Minnesota, provided that this paragraph will not be for the voluntary settlement of disputes.

3. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us 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. Accordingly, Article 22 (Consent to Jurisdiction) is deleted from the Area Development Agreement. In addition, nothing in the Disclosure Document or Area Development Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. Each provision of this Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of Minnesota Statutes Sections 80C.01 to 80C.22 are met independently without reference to this Amendment.

5. Except as amended herein, the Area Development Agreement will be construed and enforced according to its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment to the Area Development Agreement as of the Effective Date of the Area Development Agreement.

FRANCHISOR:
RETROFITNESS, LLC

By: _____
Title: _____
Signature: _____

AREA DEVELOPER:

By: _____
Title: _____
Signature: _____
Address:
_____
_____

ADDENDUM TO RETROFITNESS®
FRANCHISE AGREEMENT FOR THE
STATE OF NORTH DAKOTA

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

The North Dakota Addendum is only applicable if you are a resident of North Dakota or if your Retrofitness® outlet will be located in North Dakota.

1. Section 4 of the Franchise Agreement is hereby amended by the addition of the following language that appears therein:

    i. Provisions requiring North Dakota franchisees to sign a general release upon renewal of the franchise agreement are not enforceable in North Dakota.

2. Section 6 of the Franchise Agreement, under the heading "Payments by Franchisee", subsection 6.1, "Initial Franchise Fee" shall be supplemented by adding the following:

    Based upon the franchisor's financial condition, the State of North Dakota 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.

3. Section 10 of the Franchise Agreement is hereby amended to include the following provision:

    i. Provisions requiring North Dakota Franchisees to consent to termination or liquidated damages are not enforceable in North Dakota.

4. Section 10 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

    i. Covenants not to compete such as those mentioned above are generally considered unenforceable in the state of North Dakota.

5. Section 11 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

    i. Covenants requiring arbitration or mediation at a location that is remote from the site of the franchisee's business may not be enforceable in North Dakota, therefore, with respect to North Dakota franchisees, the site of arbitration or mediation must be agreeable to both parties and may not be remote from the franchisee's place of business.

6. Section 11 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

i. Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota.

7. Section 11 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

i. For North Dakota Franchisees, North Dakota law shall apply.

8. Section 11 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

i. Provisions requiring a franchisee to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

9. Section 11 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

i. Provisions requiring the franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

10. Section 11 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

i. Provisions requiring a franchisee to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisees, the statute of limitations under North Dakota Law will apply.

ADDENDUM TO RETROFITNESS®
FRANCHISE DISCLOSURE DOCUMENT
FOR THE
STATE OF NORTH DAKOTA

For franchises and franchisees subject to the North Dakota Franchise Investment Law, the following information supersedes on supplements, as the case maybe, the corresponding disclosures in the main body of the text of the Retrofitness, LLC Franchise Disclosure Document.

1. Item 5 is amended by the addition of the following language to the original language that appears therein:

   The State of North Dakota requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

2. Item 17 is amended by the addition of the following language to the original language that appears therein;

(a) Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(b) Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(c) Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

(d) Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee's place of business.

(e) Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

(f) Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(g) Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

AMENDMENT TO RETROFITNESS®
AREA DEVELOPMENT AGREEMENT FOR THE
STATE OF NORTH DAKOTA

This Amendment pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

1. Covenants not to compete such as those mentioned in Article 14 of the Area Development Agreement may be subject to Section 9-08-06 of the North Dakota Century Code and unenforceable in the State of North Dakota if contrary to Section 9-08-06.

2. Notwithstanding anything contained in Article 20 of the Area Development Agreement, any arbitration proceeding must take place in the city nearest to the BUSINESS in which AAA maintains an office and facility for arbitration, or at such other location as may be mutually agreed upon by the parties.

3. Article 20 of the Area Development Agreement (Governing Law) is revised by replacing "Florida" with "North Dakota."

4. The North Dakota Securities Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, Article 21 of the Area Development is amended and restated in its entirety as follows:

> 21. Consent to Jurisdiction. Subject to Article 22 hereof, you and your Owners agree that we may institute any action against you or your Owners in any state or federal court of general jurisdiction in North Dakota and you (and each Owner) irrevocably submit to the jurisdiction of such courts and waive any objection you (or he or she) may have to either the jurisdiction of or venue in such courts.

5. Article 24 (Waiver of Punitive Damages, Jury Trial and Class Actions) is hereby deleted from the Area Development Agreement.

6. Each provision of this Amendment is effective only to

the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Laware met independently without reference to this Amendment.

7. The State of North Dakota has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Area Development Agreement, the State of North Dakota will require that the franchise fees be released proportionally with respect to each franchised business.

8. Except as amended herein, the Area Development Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Amendment and consents to be bound by all of its terms.

FRANCHISOR:
RETROFITNESS, LLC

By: _____
Title: _____
Signature: _____

AREA DEVELOPER:

By: _____
Title: _____
Signature: _____
Address:
_____
_____

ADDENDUM TO RETROFITNESS®
FRANCHISE AGREEMENT FOR THE
STATE OF RHODE ISLAND

This Rider (the "Rider") is made and entered into on this _____ day of _____ _____, 202__, by and between Retrofitness, LLC, a Delaware limited liability company with a principal address at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406 ("we," "us," "Retrofitness," or "Franchisor"); and _____("Franchisee" or "You").

1. We and you are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the "**Franchise Agreement**"). This Rider is part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Outlet that you will operate under the Franchise Agreement was made in the State of Rhode Island, and/or (b) you are a resident of Rhode Island and the Outlet will be located in Rhode Island.

2. Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that any provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside of the State of Rhode Island or requiring the application of the laws of another state is void with respect to claims otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Section 19-28.1-15 of the Rhode Island Franchise Investment Act provides that a condition, stipulation or provision requiring a franchisee to waive compliance with or relieving a person of a duty of liability imposed by a right provided by this act or a rule or order under this act is void. An acknowledgment provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentations or actions that would violate this act or a rule or order under this act. This section shall not affect the settlement of disputes, claims or civil lawsuits arising or brought under this act.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Rider the date and year first written above.

FRANCHISOR:
Retrofitness, LLC

By:_____
Print Name & Title:_____

FRANCHISEE:

By: _____
Print Name:_____

ADDENDUM TO RETROFITNESS®
FRANCHISE AGREEMENT FOR THE
STATE OF SOUTH DAKOTA

This Rider (the "Rider") is made and entered into on this _____ day of _____ _____, 20__, by and between Retrofitness, LLC, a Delaware limited liability company with a principal address at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406 ("we," "us," "Retrofitness," or "Franchisor"); and _____("Franchisee" or "You").

1. We and you are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the "**Franchise Agreement**"). This Rider is part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Outlet that you will operate under the Franchise Agreement was made in the State of South Dakota, and/or (b) you are a resident of South Dakota and the Outlet will be located in South Dakota.

2. Item 5 of the FDD and Section 6.1 of the Franchise Agreement (entitled "Initial Franchise Fee") shall be supplemented by adding the following:

"All initial payments by You to Retrofitness, including the Initial Franchise Fee, will be paid into an escrow account with United Bank and released to Retrofitness when Retrofitness completes its pre-opening obligations to you and you first open the Outlet for business."

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Rider the date and year first written above.

FRANCHISOR:
Retrofitness, LLC

By:_____
Print Name & Title:_____

FRANCHISEE:

By: _____
Print Name:_____

ADDENDUM TO RETROFITNESS®
DISCLOSURE DOCUMENT FOR THE
COMMONWEALTH OF VIRGINIA

ADDITIONAL RISK FACTORS:

1. **FIERCE BRANDS, LLC** GUARANTEES **RETROFITNESS, LLC'S** PERFORMANCE UNDER ITS FRANCHISE AGREEMENT. IT IS IMPORTANT TO NOTE THAT **FIERCE BRANDS, LLC'S** LIABILITIES EXCEED ITS TANGIBLE ASSETS. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

Item 5

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Item 21

Our parent, Fierce Brands, LLC has guaranteed Retrofitness LLC 's performance under its Franchise Agreement with you.

ADDENDUM TO RETROFITNESS®
FRANCHISE AGREEMENT, PRE-CLOSING QUESTIONNAIRE
AND RELATED AGREEMENTS FOR THE
STATE OF WASHINGTON

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

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

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Area Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR:
RETROFITNESS, LLC

By: _____
Title: _____
Signature: _____

Delivery Address: Retrofitness, LLC
1601 Belvedere Road, Suite E-500
West Palm Beach, FL 33406

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Address: _____
_____

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Address: _____
_____

ADDENDUM TO RETROFITNESS®
AREA DEVELOPMENT AGREEMENT, PRE-CLOSING QUESTIONNAIRE
AND RELATED AGREEMENTS FOR THE
STATE OF WASHINGTON

This Addendum pertains to franchises sold in the State of Washington and is for the purpose of complying with Washington statutes and regulations. Notwithstanding anything whichmay be contained in the body of the Area Development Agreement to the contrary, the Agreementis amended to include the following:

In the event of a conflict of laws, the provisions of the Washington Franchise InvestmentProtection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also becourt decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection withthe sale of franchises, or a violation of the Washington Franchise Investment Protection Act, inWashington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except whenexecuted pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonablyrestrict 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 reasonableestimated 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 unlessthe 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) solicitingor 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.

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Area Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this Addendum. Except as amended herein, the Area Development Agreement will be construed andenforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum to the Area Development Agreement as of the Effective Date of the Area Development Agreement.

RETROFITNESS, LLC

By: _____
Title: _____
Signature: _____

Delivery Address: Retrofitness, LLC
1601 Belvedere Road, Suite E-500
West Palm Beach, FL 33406

AREA DEVELOPER:

By: _____
Title: _____
Signature: _____
Address:
_____
_____

AMENDMENT TO RETROFITNESS®
FRANCHISE AGREEMENT FOR THE
STATE OF ILLINOIS

Illinois law governs the Franchise Agreement.

Franchisee's payment of Initial Franchise Fees will be held in escrow at a federally-insured bank until Franchisor has met its initial obligations to franchisee and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial status. A copy of the Escrow Agreement is on file with the Office of the ' Illinois Attorney General.

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, arbitration may take place outside of Illinois.

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

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

FRANCHISOR:
RETROFITNESS, LLC

By: _____
Title: _____
Signature: _____

Delivery Address: Retrofitness, LLC
1601 Belvedere Road, Suite E-500
West Palm Beach, FL 33406

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Address: _____
_____

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Address: _____
_____

FRANCHISEE:

By: _____
Title: _____
Signature: _____
Address:
_____
_____

AMENDMENT TO RETROFITNESS®
AREA DEVELOPMENT AGREEMENT FOR THE
STATE OF ILLINOIS

This Amendment pertains to franchises sold in the State of Illinois and is for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a master franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a master franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation of 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.

Your right upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Each of the undersigned hereby acknowledges having read and understood this Amendment and consents to be bound by all of its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment to the Area Development Agreement as of the Effective Date of the Area Development Agreement.

FRANCHISOR:
RETROFITNESS, LLC

By: _____
Title: _____
Signature: _____

Delivery Address:
Retrofitness, LLC,
1601 Belvedere Road, Suite E-500
West Palm Beach, FL 33406

AREA DEVELOPER:

By: _____
Title: _____
Signature: _____
Address:
_____
_____

ADDENDUM TO RETROFITNESS®
DISCLOSURE DOCUMENT FOR THE
STATE OF MICHIGAN

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

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 the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

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

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

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

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

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

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

Any questions regarding this notice should be directed to:
State of Michigan Consumer Protection Division Attn: Franchise 670 G. Mennen Williams Building
525 West Ottawa Lansing, Michigan 48933 Telephone Number: (517) 373-7117

Note: Despite paragraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions.

Exhibit H

Pre-Closing Questionnaire

PRE-CLOSING QUESTIONNAIRE

[*To be completed by Franchisee and all Owners before signing Franchise Agreement*]

As you know, you and Retrofitness, LLC (the "Franchisor") are about to enter into a franchise agreement for the development, opening and operation of a Retrofitness® franchised outlet (the "Outlet"). The purpose of this Questionnaire is to determine if any improper sales practices have occurred, including, whether any statements or promises were made to you Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question. **The answers you provide in this Questionnaire are material to Franchisor and Franchisor is relying on all such answers in agreeing to enter into a franchise relationship with you.**

1. Have you received and personally reviewed Franchisor's Franchise Disclosure Document?

   Yes____ No____

2. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

   Yes____ No____

3. Have you received and personally reviewed the Retrofitness, LLC Franchise Agreement and all accompanying Exhibits?

   Yes____ No____

4. Has any employee or other person speaking on behalf of Franchisor made any statement, representation or promise concerning the revenue, profits or operating costs of a Retrofitness® Outlet operated by Franchisor or any of its affiliates?

   Yes____ No____

5. Has any employee or other person speaking on behalf of Franchisor made any statement, representation (aside from the disclosure provided in Item 19 of the FDD) or promise concerning the revenue, profits or operating costs of a Retrofitness® Outlet operated by a franchisee?

   Yes____ No____

6. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning any Retrofitness® Outlet that is contrary to, different from, or in addition to, the information contained in the Disclosure Document?

   Yes____ No____

7. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the amount of money you may earn or revenue you may derive in operating a Retrofitness® Outlet ?

   Yes____ No____

8. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the amount of revenue a Retrofitness® Outlet will generate?

Yes____ No____

9. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the costs you may incur in operating a Retrofitness® Outlet that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No____

10. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Retrofitness® Outlet?

Yes____ No____

11. Has any employee or other person speaking on behalf of Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No____

12. Do you understand that Franchisor's approval of a location for the Outlet does not constitute an assurance, representation or warranty of any kind as to the successful operation or profitability of the Outlet at the location?

Yes____ No____

13. Do you understand that the approval of Franchisor of a financing plan for operation of the Outlet does not constitute any assurance that such financing plan is favorable, or not unduly burdensome, or that the Outlet will be successful if the financing plan is implemented?

Yes____ No____

14. Do you understand that in all dealings with you, the officers, directors, employees and agents of Franchisor act only in a representative capacity and not in an individual capacity and such dealings are solely between you and Franchisor?

Yes____ No____

If you have answered "Yes" to any of questions 4 through 11, please provide a full explanation by attaching an additional page. You understand that your answers are important to us and that we will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. However, the representations contained herein 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.

California Residents and Franchisees are not required to complete this Certification.

PROSPECTIVE FRANCHISEE/APPLICANT:

By:_____
Print Name:_____
Date:_____

By:_____
Print Name:_____
Date:_____

Exhibit I

Operations Brand Standards Manual Table of Contents

TABLE OF CONTENTS

Chapter 1: General Information 1

1. The Purpose of the Manual 2
2. How to Use This Manual 3
3. The Brand 5
3.1. Mission Statement 5
3.2. Core Values 5

Chapter 2: The Franchise Relationship 1

1. The Franchisee/Franchisor Relationship 2
1.1. Independent Contractor 2
1.2. Independently Owned and Operated 2
1.3. You Are the Owner of This Business 3
2. Our Responsibilities 4
2.1. Pre-opening Obligations 4
2.2. For Continuing Obligations 4
2.3. Training 5
2.3.1. Additional Training 6
2.4. Pricing 6
3. Your Obligations 7
3.1. Participation in the Business 7
3.2. Compliance 7
3.2.1. Retro Fitness Brand Standards 7
3.2.2. Compliance with the Law 7
3.2.3. Products & Services 8
3.2.4. Payment of Fees 8
3.2.5. Taxes 8
3.3. Confidentiality 8
3.4. Site Match 8
3.4.1. Premises 9
3.4.2. Opening 9
3.4.3. Computers, Software & Technology 9
3.5. Training 9
3.6. Use of Marks & Proprietary Information 10
3.7. Insurance 10
3.8. Approved Products, Services & Vendors 12
3.9. Variances 13
3.9.1. How to Request a Variance 13
3.10. Books, Records & Reports 13
3.10.1. Reports 13
3.11. Audits & Inspections 14
3.12. Customer Satisfaction Program 15
3.13. Maintenance, Appearance & Remodeling 15

Chapter 3: Operational Standards 1

1. What is a Brand? 2
1.1. Objectivity & Measurement 2
1.2. Measurement Process 2
2. The Standards 3
2.1. Hours of Operations 3
2.1.1. Holiday Hours 3
2.2. Front Desk Coverage 3
2.3. Programs 3
2.3.1. Personal 1-On-1 Training 3
2.3.2. Small Group Training 4

2.3.3. *Large Group Training* 4
2.3.4. *Group Exercise Classes* 4
2.4. Music, TV & Video 4
2.5. Outlet Cleanliness and Maintenance Standards 5
2.5.1. *Lobby* 5
2.5.2. *Front Desk & Smoothie Bar* 5
2.5.3. *Pro Shop* 6
2.5.4. *Beverage Cooler* 6
2.5.5. *Third Party Signage* 6
2.5.6. *Fans* 7
2.5.7. *Equipment* 7
2.5.8. *Group Exercise Classroom* 7
2.5.9. *Tanning Room* 7
2.5.10. *Flooring* 8
2.5.11. *Walls & Fixtures* 8
2.5.12. *Glass, Mirrors & Windows* 8
2.5.13. *Lighting* 8
2.5.14. *Doors* 8
2.5.15. *Air Vents* 9
2.5.16. *Locker Rooms* 9
2.5.17. *Restrooms* 9
2.5.18. *Child Sitting Center* 10
2.5.19. *Trash Cans* 10
2.5.20. *Exterior Signs* 10
2.5.21. *HVAC & Climate Control* 10
2.6. Interior Signs and Marketing 10
2.7. Holiday Décor 11
2.8. Workplace Attire 11
2.9. Personal Hygiene & Appearance 12
2.10. Behavior Standards 12
3. The Fitness Assessment 13
4. Coach Training 14

Chapter 4: Personnel 1

1. Overview and Disclaimer 2
2. Laws and Requirements 3
2.1. @ Our Franchise 3
3. Job Descriptions 5
3.1. Elements of a Job Description 5
3.2. Suggested *Retro Fitness* Brand Job Descriptions 6
4. Lead Sources for Hiring 8
5. Confidentiality Agreements 9

Chapter 5: Sales 1

1. Introduction 2
2. Pre-Sales 3
3. Prospecting & Prospects 4
3.1. Telephone Inquiries 4
3.2. Guest Passes 4
3.3. Tours 5
4. Membership Management 6
4.1. The Contract 6
4.1.1. *Signing Up* 6
4.1.2. *Paying* 6
4.2. Reciprocity of Membership 6
4.3. Membership Transfer 7
4.4. Member Notes 8
4.5. Customer Service 8

4.6. Payment Issues....8
4.6.1. *Delinquent Payments*....9
4.6.2. *Accounts in Collection*....9
4.7. Membership Freeze....9
4.8. Membership Cancellation....10

Chapter 6: Operations Best Practices....1

1. What are Best Practices?....2
2. Customer Care & Service....3
2.1. Demeanor....3
2.2. Telephone Etiquette....3
2.3. Client Complaints....3
2.4. Greeting....4
2.5. Signing In....4
2.6. Key Tags....4
2.7. Digital Guest Waiver....4
2.8. Fitness Assessment....5
2.9. Farewell & Engagement....5
3. Smoothie Bar....6
4. Daily Best Practices – Operations....7
5. Child Sitting Guidelines....8
5.1. Sexual Abuse Policies....9

Chapter 7: Crisis Management....1

1. Defining a Crisis....2
2. Incident/Accident Reports....3
3. Crisis Communication....4
3.1. First Responders....5
3.2. Spokesperson....5

Chapter 8: Business Administration....1

1. Key Performance Indicators (KPI) & Profitability....2
1.1. Primary Metrics....2
1.1.1. *Revenue*....2
1.1.2. *New Members*....2
1.1.3. *Ultimate Mix*....3
1.1.4. *Active Members*....3
1.1.5. *Canceled Members*....3
1.1.6. *Attrition*....3
1.1.7. *Dollars/Check-in*....3
1.1.8. *Personal Training*....4
1.2. Secondary Metrics....4
1.2.1. *Total Gross Revenue by Category*....4
1.2.2. *Total Clients*....4
1.2.3. *Memberships*....5
1.2.4. *Marketing*....5
1.2.5. *Conversion*....5
1.2.6. *Retention*....5
1.3. Costs....5
1.3.1. *Labor Costs*....5
1.3.2. *COGS (Cost of Goods Sold)*....5
2. Inventory Control....6
3. Risk Management....7
3.1. Crime....7
3.2. Cash on Hand....8
3.3. Security & Alarms....8
3.4. Locked Doors....8

3.5. General Safety....8
3.5.1. *Spills & Water*....8
3.5.2. *Lifting*....9
3.5.3. *Fire, Earthquake & Sever Weather Safety*....9
3.5.4. *Emergency Care*....10
3.5.5. *Incident Reports*....10
4. Data Security....11
4.1. PCI DSS & GDPR Compliance....11

Exhibit J

Form of General Release

General Release

THIS GENERAL RELEASE (the "**Release**") is made and entered into on this _____day of _____, 20___ (the "**Effective Date**"), by and between:

- Retrofitness, LLC a Delaware limited liability company with its principal place of business at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406 ("**Franchisor**"); and

- _____a [resident of] [corporation organized in] [limited liability company organized in] _____and having offices at _____ [("**Franchisee**")] [("**Transferor**")].

BACKGROUND:

A. Franchisor and [Franchisee][Transferor] are parties to a Franchise Agreement dated _____ (the "**Franchise Agreement**"); and

B. Franchisor and Franchisee have agreed, pursuant to the Franchise Agreement, [to renew or extend Franchisee's rights under Section 4.6 the Franchise Agreement (the "**Renewal Transaction**")] [to permit a transfer pursuant to Section 9 of the Franchise Agreement (the "**Transfer Transaction**")] [to permit a relocation pursuant to Section 4.5 of the Franchise Agreement (the "**Relocation Transaction**")], and in connection with the [Renewal Transaction] [Transfer Transaction] [Relocation Transaction], Franchisor and [Franchisee] [Transferor] have agreed to execute this Release, along with such other documents related to the approved [Renewal Transaction] [Transfer Transaction] [Relocation Transaction].

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. Release. [Franchisee] [Transferor], its officers and directors and Principals, and their respective agents, heirs, administrators, successors and assigns (the "**Franchisee Group**"), hereby forever release and discharge, and forever hold harmless Franchisor, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors and assigns (the "**Franchisor Group**") from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which [Franchisee] [Transferor] and/or its Principals had, have or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership or operation of the Retrofitness franchise. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants' and expert witness fees, costs of investigation and proof of facts, court costs and other litigation and travel and living expenses, which any member of the Franchisor

Group may suffer with respect to any claims or causes of action which any customer, creditor or other third party now has, ever had, or hereafter would or could have, as a result of, arising from or relating to the Franchise Agreement or the Retrofitness franchise. The Franchisee Group and its Principals represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements or promises described herein.

2. General Terms.

2.1. This Release shall be binding upon, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

2.2. This Release shall take effect upon its acceptance and execution by each of the parties hereto.

2.3. This Release may be executed in counterparts, and signatures exchanged by fax, and each such counterpart, when taken together with all other identical copies of this Release also signed in counterpart, shall be considered as one Release.

2.4. The captions in this Release are for the sake of convenience only, and shall neither amend nor modify the terms hereof.

2.5. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

2.6. No amendment, change, or variance from this Release shall be binding on either party unless in writing and agreed to by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

Retrofitness, LLC
Franchisor

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

Exhibit K

Guarantee of Performance

GUARANTEE OF PERFORMANCE

For value received, Fierce Brands, LLC, a Delaware limited liability company located at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406, absolutely and unconditionally guarantees to assume the duties and obligations of Retrofitness, LLC located at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406 (the "Franchisor") under its franchise registration in each state where the franchise is registered and under its Franchise Agreement identified in its 2022 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. This Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at West Palm Beach, FL on the ____th day of April, 2021.

Guarantor:
Fierce Brands, LLC

By: _____
Print Name: Robert Sprechman
Title: Chief Financial Officer

Exhibit L

State Effective Dates

STATE EFFECTIVE DATES

The following states have franchise disclosure 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		
New York		
North Dakota		
Maryland		
Virginia		
Minnesota		
Illinois		
Indiana		
Michigan		
Rhode Island		
South Dakota		
Washington		
Wisconsin		

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 M

Receipts

Item 23 – Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Retrofitness offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant. [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 agreement or other agreement or the payment of any consideration that relates to the franchise relationship.]

If Retrofitness does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in **Exhibit F**.

The franchisor is Retrofitness, LLC, located at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406. Its telephone number is (407) 392-0606.

Date of Issuance: April 30, 2022

The franchise seller for this offering is: [*Check all that apply.*]

☐ Name: Mark Andrews
Address: 1601 Belvedere Road, Suite E-500
West Palm Beach, Fl 33406
Telephone: (407) 392-0606

☐ Name: _____
Address: _____
_____
Telephone: _____

☐ Name: _____
Address: 1601 Belvedere Road, Suite E-500
West Palm Beach, Fl 33406
Telephone: (407) 392-0606

☐ Name: _____
Address: _____
_____
Telephone: _____

Retrofitness authorizes the respective state agencies identified on **Exhibit F** to receive service of process for it in the particular state.

I have received a disclosure document dated April 30, 2022 that included the following Exhibits:

A	Franchise Agreement	F	State Addenda to Franchise Disclosure Document
B	Area Development Agreement	G	Pre-Closing Questionnaire
C	Financial Statements	H	Table of Contents of Operations Brand Standards Manual
C	List of Franchisees	I	Form of General Release
D	List of Former Franchisees	J	Guarantees
E	State Administrators/Designation of Agent for Service of Process	K	State Effective Dates & Receipts

Date: _____
(Do not leave blank)

_____
Signature of Prospective Franchisee

_____
Print Name

KEEP THIS COPY FOR YOUR RECORDS.

Item 23 – Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Retrofitness offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant. [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 agreement or other agreement or the payment of any consideration that relates to the franchise relationship.]

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West Palm Beach, Fl 33406
Telephone (407) 392-0606

☐ Name: _____
Address: _____
_____
Telephone: _____

☐ Name: _____
Address: 1601 Belvedere Road, Suite E-500
West Palm Beach, Fl 33406
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_____
Telephone: _____

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D	List of Former Franchisees	J	Guarantees
E	State Administrators/Designation of Agent for Service of Process	K	State Effective Dates & Receipts

Date: _____
(Do not leave blank)

_____
Signature of Prospective Franchisee

_____
Print Name

Please sign this copy of the receipt, date your signature, and return it to Retrofitness, LLC at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406.