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FRANCHISE DISCLOSURE DOCUMENT

MAX Franchising, LLC
a New Jersey limited liability company
1030A Campus Drive West
Morganville, New Jersey 07751
Telephone (732) 520-4475
Email info@themaxchallenge com
Home page www themaxchallenge com

The franchisee will provide ten-week fitness programs in a specially designed format

The total investment necessary to begin operation of The Max Challenge® franchised transformation center is $148,847 to $347,571 This includes $54,999 that must be paid to the franchisor or affiliate

The total investment necessary to begin operation under an Area Development Agreement ranges from $218,848 (for an Area Development Agreement requiring the development and operation of 3 Centers), to $457,572 (for an Area Development Agreement requiring the development and operation of 5 Centers) This includes $125,000 to $165,000 (that must be paid to the 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 Bryan Klein, CEO, MAX Franchising, LLC at 1030A Campus Drive West, Morganville, New Jersey 07751 or (732) 520-4475

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 29, 2018, as amended August 22, 2018

STATE COVER PAGE

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

Call the state franchise administrator listed in **Exhibit E** for information about the franchisor, or about franchising in your state

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION AND LITIGATION ONLY IN NEW JERSEY OUT OF STATE MEDIATION, ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH MAX FRANCHISING LLC IN NEW JERSEY THAN IN YOUR HOME STATE

2 THE FRANCHISE AGREEMENT STATES THAT NEW JERSEY LAW GOVERNS THIS AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 YOU MUST MAKE MINIMUM ROYALTY AND 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 YOUR SPOUSE MUST SIGN A DOCUMENT, SUCH AS A GUARANTEE THAT MAKES YOUR SPOUSE LIABILE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN IF YOUR SPOUSE DOES NOT OWN ANY PART OF THE FRANCHSIE BUSINESS BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, INCLUDING YOUR HOUSE, COULD BE LOST IF YOUR FRANCHISE FAILS

5 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM $148,847 to $347,571 THIS AMOUNT EXCEEDS THE FRANCHISOR'S MEMBER S EQUITY AS OF DECEMBER 31, 2017, WHICH IS AN ACCUMULATED DEFICIT OF $55,393

6 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

The effective dates of this Franchise Disclosure Document in the states with franchise registration laws in which we have sought registration appear on the following page

STATE EFFECTIVE DATES

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

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

The effective dates of this Disclosure Document in the states listed below are

STATE	EFFECTIVE DATE	AMENDMENT EFFECTIVE DATE
California	06/18/2018	
Indiana	Pending	
Maryland	Pending	
New York	Pending	
Virginia	Pending	

NOTICE REQUIRED
BY
STATE OF MICHIGAN

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

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

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

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

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

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

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

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

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise Good cause shall include, but is not limited to

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117

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

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EXHIBITS

A	Franchise Agreement	G	Pre-Closing Questionnaire
B	Development Agreement	H	Table of Contents of Operations Manual
C	Financial Statements	I	Form of General Release
D	List of Franchisees	J	State Specific Addenda
E	List of Former Franchisees	K	Receipts
F	State Administrators/Designation of Agent for Service of Process		

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify language in this Disclosure Document, we will refer to MAX FRANCHISING, LLC, as "**we**," "**us**," "**our**," "**Franchisor**", "**The MAX,**" or "**MAX Franchising,**" 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 MAX FRANCHISING, LLC, a New Jersey limited liability company, formed on January 3, 2013 Our principal business address is 1030A Campus Drive West, Morganville, New Jersey 07751

We currently only offer franchises under the trademark "**THE MAX CHALLENGE®**" and do not offer franchises in any other line of business We began offering franchises in 2013 under the mark **TAKE IT TO THE MAX FITNESS FOR THE BODY, MIND AND SPIRIT®** In April 2016, we changed the mark to "**THE MAX CHALLENGE®**" and are now offering franchises under this mark Franchisees who purchased franchises before April 2016 may continue to operate under the prior mark We do business as Max Franchising, LLC, "The MAX Challenge®" and **TAKE IT TO THE MAX FITNESS FOR THE BODY, MIND AND SPIRIT®** We are not engaged in any other type of business and do not conduct business under any other name Our agents for service of process are set forth on **Exhibit F**

Parents, Predecessors and Affiliates

Parents

Max Transformation Holdings, LLC ("MAX Holdings"), a New Jersey Limited Liability Company formed in January 2013, is our immediate parent MAX Holdings shares our principal business address at 1030A Campus Drive West, Morganville, New Jersey 07751

Affiliates

We are party to an intellectual property license agreement with our affiliate, MAX IP, LLC ("**Max IP**"), a New Jersey limited liability company formed on January 3, 2013 solely to be the holder of MAX's intellectual property Max IP's principal business address is 1030A Campus Drive West, Morganville, New Jersey 07751

Our affiliate, EEP Distribution LLC (**EEP Distribution**"), a New Jersey limited liability company formed on December 7, 2016, offers and sells certain designated products, including protein powder, to System franchisees EEP Distribution's principal business address is 1030A Campus Drive West, Morganville, New Jersey 07751

Except as disclosed above, we do not have any (a) parent companies, (b) predecessors or (c) affiliates that offer franchises in any line of business, or affiliates that offer, sell or provide products or services to our franchisees

The Franchise Offered

We offer and grant franchises for the operation of transformation centers providing body renewal through fitness, nutrition, counseling and healthy lifestyle programs in a specially designed format under the mark **The MAX Challenge®** (each a "Transformation Center" or a "Center") Our business model is based on offering exercise/fitness training programs together with motivational coaching, nutritional coaching, and related services to members for a ten-week program, and thereafter on a monthly basis for a monthly fee The concept is all about transforming bodies, minds, and lives through a ten-week program A Transformation Center offers daily group training sessions and nutritional counseling You are currently obligated (unless prohibited by applicable law) to offer a prize or award, which may include which may include free membership for a designated period of time and/or a monetary payment to the winner of each ten-week challenge It is your obligation to ensure compliance with all applicable laws, rules and regulations in connection with the offer, promotion and payment of any and all prizes and awards awarded to each ten-week challenge winner

Area Development Agreement

We may, in our sole discretion, offer opportunities to develop multiple Centers (currently a minimum of three (3) Centers) within a designated geographic area according to a pre-determined development schedule to interested and qualified candidates who meet our then-current criteria for multiple-unit development If you are interested and qualify, and we elect to offer you the opportunity, you will enter into our then-current form of Area Development Agreement for the development of multiple Centers Currently, we do not anticipate granting development rights for the development of less than three Centers, but we reserve the right to do so You and we will mutually agree on an area to be defined in the Area Development Agreement as the "Development Area.' You will be required to develop and open, directly or through affiliated entities that are owned entirely by you (or your owners, if you are a legal entity), a pre-determined number of Centers within the Development Area You (or your approved affiliate) will sign our then-current Franchise Agreement, which may be different from the franchise agreement included in this offering, for each Center you are obligated to open under the Development Agreement You will not be required to pay any initial franchise fee under the Franchise Agreements for the Centers you are obligated open under the Development Agreement

A copy of our current Area Development Agreement is attached to this Disclosure Document as Exhibit B

Market Competition

Your Transformation Center will compete with other health and fitness facilities offering exercise/fitness training programs and related services to members Your Transformation Center 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 A Transformation Center will have to compete with other businesses offering fitness equipment, spa facilities, personal training, nutritional counseling, vitamin/supplement sales and other fitness and health-related products and services The market for your services will be individuals interested in health and fitness and weight loss We conduct research in the markets where Transformation Centers are located, using population demographics compiled by the U S Census We do not run a competition analysis

Industry-Specific Regulations

You must comply with all federal, state, and local laws and regulations pertaining, directly or indirectly, to the operation of a Transformation Center, including, without limitation, regulations pertaining to workers

compensation, equal protection and workplace safety laws and regulations (such as Title VII, the Americans with Disabilities Act and the Affordable Care Act) You must keep current all licenses, permits, bonds, and deposits made to or required by any government agency in connection with the operation of the Transformation Center Certain states may specifically require a bond to operate a health club that sells annual memberships In some states, you may be required to post specific notices to your members regarding activities conducted in your business You should investigate all of these laws It is your responsibility to ensure that you are in compliance with all requirements imposed under all applicable laws, rules and regulations

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ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer Bryan Klein

Mr Bryan Klein became the Chief Executive Officer of MAX Franchising, LLC as of January 3, 2013 Mr Klein served as president of UTA Martial Arts and Fitness, a New Jersey Corporation that operated a Transformation Center in Manalapan, NJ from May 2012 through July 2014 Mr Klein has been the President of Max Transformation Inc a New Jersey corporation which offers fitness services, located at 285 Gordons Corner Road, Manalapan, New Jersey, since December 2011 Mr Klein served as (i) President of Max Transformation of East Brunswick, LLP located in Matawan, New Jersey from July 2012 through February 2013, (ii) President of Max Transformation of East Windsor, LLP located in East Windsor, New Jersey from September 2012 through February 2013, and (iii) President of Max Transformation of Matawan, LLP located in Matawan, New Jersey, from November 2012 through February 2013 Between 1989 and May 2012, Mr Klein was President of United TaeKwonDo Academy, located at 285 Gordons Corner Road, Manalapan, New Jersey, which offered the ten-week fitness program and provided other martial arts and fitness services to individuals in Central New Jersey Mr Klein has been involved in the fitness industry for over thirty years

Director of Franchise Development Scott Ferrari

Mr Scott Ferrari joined us in August 2018 as our Director of Franchise Development Before joining us, Mr Ferrari served as Director of Franchise Development for iLoveKickboxing com out of Merrick, New York from January 2011 through May 2018

Chief Strategy and Marketing Officer Teresa Kroll

Ms Teresa Kroll joined us in January 2017 as our Chief Strategy and Marketing Officer Before joining us, Ms Kroll served as Chief Marketing Officer for Build A Bear Workshop based out of St Louis, Missouri from September 2001 through December 2013

Vice President of Real Estate and Site Development Frank Baeli

Mr Frank Baeli is our Vice President of Real Estate and Site Development and has held this position title since January 2018 Before being designated as Vice President of Real Estate and Site Development, Mr Baeli served as our Chief Operating Officer since September 2013 Mr Baeli assisted in the opening of a Transformation Center in East Brunswick, NJ in June 2012 and acquired ownership of the location in January 2013 From November 2011 through July 2012, Mr Baeli worked as an instructor for the Transformation Center in Manalapan, NJ From September 2002 through June 2012, Mr Baeli worked for Best Buy® in various positions, including store management and local corporate support roles, in the following cities Brick, NJ, Holmdel, NJ, Manalapan, NJ, and Somerset, NJ From April, 2010 through June 2012, Mr Baeli served as a Field Services market Manager for the Best Buy® Geek Squad in Somerset, New Jersey

Director of Sales and Operations Paul Laudermilch

Mr Paul Laudermilch is our Director of Sales and Operations and has held this position title since January 2018 Before being designated as our Director of Sales and Operations, Mr Laudermilch served as our Director of Franchise Operations since January 2017 Before joining us, Mr Laudermilch held the following employment positions during the periods referenced (a) from November 2015 through November 2016, Mr Laudermilch served as Vice President of Work Out World based out of Wall, New Jersey, and (b) from

October 2004 through October 2015, Mr Laudermilch served as Director of Personal Training for Work Out World based out of Wall, New Jersey

Franchise Development Specialist Kari Denton
Ms Denton joined our team as an independent contractor holding the position of Franchise Development Specialist in May 2017 Ms Denton concurrently holds the following positions (a) CEO and owner of Total Franchise Ops (May 2015 to present) based out of Tinton Falls, New Jersey, and (b) Owner and President of Me & The Boys, LLC (September 2014 to present), also based out of Tinton Falls, New Jersey From September 2002 through March 2014, Ms Denton owned and operated a franchise company, Fun Bus USA, Inc , based out of Tinton Falls, New Jersey

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item

ITEM 4

BANKRUPTCY

MAX's Chief Executive Officer, Mr Bryan Klein, filed a voluntary petition under the liquidation provisions of Chapter 7 of the United States Bankruptcy Code on May 31, 2012, in the United States Bankruptcy Court, District of New Jersey, captioned In Re Bryan Matthew Klein and Lori Beth Melzak, Case Number 12-24185-KCF On or about September 14, 2012, the United States Bankruptcy Court, District of New Jersey, entered a discharge under Section 727 of Title 11 of the United States Code

Except as set forth above, no bankruptcy is required to be disclosed in this Item

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay an initial franchise fee in a lump sum of $49,999 upon signing the Franchise Agreement If you sign three separate Franchise Agreements simultaneously for the development and operation of three Centers, you will pay an initial franchise fee of $40,000 per Center, for a total of $120,000 due and payable to us when you sign the three Franchise Agreements If you sign five separate Franchise Agreements simultaneously for the development and operation of five Centers, you will pay an initial franchise fee of $32,000 per Center, for a total of $160,000 due and payable to us when you sign the five Franchise Agreements

All initial franchise fees are payable to us and there are no refunds of any initial franchise fee under any circumstances

The range of initial franchise fees we collected during the 2017 calendar year ranged from $12,500 to $40,000

Training Fee

You must pay a Training Fee in a lump sum of $5,000 upon signing the Franchise Agreement If you sign multiple Franchise Agreements simultaneously, you will only be required to pay one Training Fee in the amount of $5,000 at the time of signing (and not $5,000 per Franchise Agreement signed) The Training Fee is payable to us and there are no refunds of any portion of the Training Fee under any circumstances

Development Fee

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 Area Development Agreement will specify the total number of Centers you are required to open and operate in the Development Area. When you sign the Area Development Agreement, you will pay us a Development Fee equal to $49,999 for your first Center, plus $40,000 for each additional Center up to four Centers, and $32,000 for the fifth and each additional Center you are required to develop under the Development Agreement You will also pay us the Training Fee in the amount of $5,000 at the time you sign the Area Development Agreement You (or your approved affiliate) will sign our then-current Franchise Agreement for each Center you are obligated to open under the Development Agreement You will not be required to pay any initial franchise fee or initial training fee under the Franchise Agreement for the Centers you open under the Development Agreement

Opening Inventory Package & Grand Opening Package

Range $3,500 - $4,500

You must purchase a minimum of 500 MAXAccessPasses, our branded key fobs, from us before you open for a total cost of $250 You must purchase a tent ranging in cost from $400 to $600 from us before you open The fees due for these items are non-refundable upon payment

You must purchase a Grand Opening Package from us or our affiliate, as we designate, before you open for a total cost of $1,595 The Grand Opening Package currently includes a tablecloth, retractable banner and table display, and is subject to modification at any time after the issuance date The fees due for the Grand Opening Package are non-refundable upon payment

You must purchase a minimum of 50 units of our private label protein powder, MAXProtein, from us or our affiliate, as we designate, before you open for a total cost of $1,596, plus shipping costs, including postage and delivery charges, which will vary depending on where in the country your Transformation Center is located The fees due for these items are non-refundable upon payment

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ITEM 6

OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fee *See Note 1*	6% of gross revenues, with a minimum of $500 per month, per location	Payable monthly via EFT (see Remarks for details on payment) based upon the gross revenues for the prior month	Currently, all payments are processed through an electronic funds transfer system ("EFT") Under this system a third party service provider receives all payments made to your franchised business The service provider credits to your bank account all payments made to the service provider, less a total of 8% of gross revenues (6% for the royalty fee and 2% for the Continuing Advertising Fee), on a weekly basis The 8% is retained by the service provider and paid to us at the end of each month If the 6% retained for the royalty fee does not cover your minimum royalty payment requirement of $500 and your minimum advertising fee payment of $200 per month, you must pay us the difference immediately
Local Advertising Deficiency Fee *[Note this fee is only payable if you fail to comply with your local advertising expenditure requirements]*	5% of gross revenues per month or $2,000 per month, whichever is greater, payable to us only if we impose the fee after you fail to meet your local advertising expenditure requirements under your Franchise Agreement	Monthly expenditure required if you fail to meet your required individual local franchise advertising requirements	The Local Advertising Fee will only be imposed if we elect to charge the fee after you fail to comply with the Individual Local Franchise Advertising requirement Local Advertising Fees will be spent on advertising for Your Transformation Center

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Continuing Advertising Fee	2% of gross revenues or $200 per month, whichever is greater, payable as directed	Upon commencement of operations, payable monthly, based on the gross revenues of the preceding month	You must pay a Continuing Advertising Fee equal to the greater of 2% of gross revenues or $200 per month to the Fund, as we designate, in the manner we designate The Continuing Advertising Fee is currently collected and paid as disclosed in the remarks to the royalty fee payment in the first row of this chart If an advertising cooperative is formed in your area and you are required to participate, you may be required to pay up to 2% of gross revenues to the cooperative All payments made to the cooperative will be credited against your Continuing Advertising Fee obligations
Additional Training Fee	$500 per person	One week prior to beginning training Non-refundable, but any unused fees can be applied to future training	Any number can receive additional training in local training facility (mandatory initial training, as described above in **Item 11**, of 30 hours for two persons is included in the initial franchise fee) Fees are uniformly based on the number of trainees All travel and living expenses for your travel to our 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 We reserve the right to hold mandatory training
Annual Mandatory Conferences *See Note 2*	Currently $0, but we reserve the right to charge you a fee equal to our costs plus fifteen percent (15%)	One week prior to attending the annual conference Non-refundable, but any unused fees can be	We reserve the right to hold annual, mandatory conferences and continuing education If we hold an annual conference, or mandate

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
		applied to future conferences	continuing education, you must attend
Custom Training	$100 per hour, or then-current hourly rate, plus reimbursement of direct costs	30 days after billing	Fees and costs payable to us
Transfer Fee	$20,000	Prior to consummation of transfer	If you wish to effectuate a Transfer, you must pay us a transfer fee of $20,000 No fee charged for a one time transfer from individual(s) to a corporate entity wholly owned and controlled by such individual(s) and formed for convenience of ownership during the 8 month period after the date you sign the franchise agreement If the transfer from individual(s) to an entity takes place after the 8 month period, you must pay us an assignment fee of $2,000
Transfer Brokerage Fee	20% of the sale price	Upon sale of the franchise	This fee only applies if we locate a purchaser for your Center
Renewal Fee	Then-current renewal fee, currently $20,000, non-refundable	Upon renewal of franchise	Fee payable to us
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	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

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Interest on Past Due Amounts	12% 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
Costs and Attorneys' Fees	Total amount of our costs and expenses	Upon demand	You are obligated to reimburse us for all costs and expenses, including attorneys' fees, expert witness fees, court costs, discovery costs, and costs on appeal, we incur in obtaining injunctive or other relief for the enforcement of the Franchise Agreement
Alternative Supplier Request Fee	Currently $0, up to $500 plus all costs we incur	Upon submission of alternative supplier request	If you request our permission to use an alternative product or supplier, you must submit an alternative supplier request in writing You must reimburse us for all costs we incur, including but not limited to product and supplier testing, visiting the facility You must pay the alternative supplier fee set forth in the manual, which may be up to $500
Trainer and Designated Manager Assistance Fee	Currently $2,500 for each request you submit to us	Upon submission of request	If you request our assistance in locating potential Designated Managers or a Trainer for your Transformation Center, we will charge you a fee You are not obligated to use this service
Indemnification	Total losses and expenses incurred by us and our affiliates	As incurred	You must indemnify and hold us and our affiliates harmless in any and all actions arising out of or resulting from the development, opening or operation of your Center These amounts include all losses, damages, costs and expenses we incur including but not limited to any

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			judgments against us as a result of any act or omission by you
Technology and Support Services Fee	Then-current fee, Currently $200 per month	EFT payable monthly	You must pay us a Technology and Support Services Fee to be used, at our discretion, for technology and support related purposes as we determine in our discretion Currently, the technology and support services fee includes access to customer service supplier software, photo app access, franchise management software and constant contact This fee is paid one month in advance and payment will begin when you open
Bookkeeping fee	$250 per month	EFT payable monthly	Payable via EFT
Non-Compliance Fees	Up to $500 per incident	Upon demand	If you fail to comply with any of your obligations under the Franchise Agreement, and we issue you a notice of default (each a "Default Notice"), in addition to any other right and remedy we may have under the Franchise Agreement and applicable law, we have the right to assess a Non-Compliance Fee, which, if assessed, will be due and payable to us immediately upon your receipt of the Default Notice
Taxes	You must reimburse us for any taxes, fees or assessments imposed on us for acting as franchisor or licensing the Marks	Within 15 days of receipt of invoice	
Liquidated Damages	An amount equal to the aggregate Royalty Fees and	Upon termination if your Franchise Agreement is	If the Franchise Agreement is terminated as a result of a default

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
	Continuing Advertising Fees due to us during the 36 month period immediately preceding termination	terminated as a result of your default	by you, prior to the expiration of the Term, you must pay us liquidated damages in an amount equal to the aggregate Royalty Fees and Advertising Fees accrued under your Franchise Agreement during the 36 full calendar months during which your Center was open and operating immediately before the termination date If the Center 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 Fees owed under the Franchise Agreement for all months during which the Center was open and operating, multiplied by (y) 36
Relocation/Franchisee Initiated Renovation Support & Approval Fee	$2,500	Immediately upon receipt of our approval of your request	If you wish to relocate your Center (subject to your compliance with the conditions and requirements in your Franchise Agreement), or if you wish to renovate your Center during the term (other than a renovation we are requiring you to complete under your Franchise Agreement), you must pay to us a relocation/franchisee initiated renovation approval fee of $2,500 This fee is assessed and due to us if we approve your request, payable immediately upon your receipt of our approval This fee is non-refundable upon payment

GENERAL Unless otherwise stated, all fees are imposed by, paid to and collected by us and are non-refundable Except as otherwise disclosed in this Item, for all franchises offered pursuant to this disclosure document, all fees described in this Item 6 are uniformly imposed, however, in some circumstances under which we deem appropriate, we reserve the right to waive or reduce some or all of these fees for a particular franchisee We require that all fees payable to us be paid through an electronic funds transfer, including automatic debits from your bank account(s), unless we specify otherwise

Notes

1 "Gross Sales" and "gross revenues" defined herein means the total amount of all 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, including new and legacy member enrollment, 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, barter or trade, in whole or in part, excluding any amounts collected for state and local sales taxes from the Center or in connection with the Trade Name or Marks, within an accounting period

Your obligation to begin paying monthly royalties begins at the earlier to occur of (a) the Start Date specified in the Franchise Agreement, or (b) the day Your Transformation Center begins Enrollment This means royalties may be due before the franchised business begins classes

You must use the commercial billing service and its supplied computer program as we designate to process member enrollment, dues, payments, activity and other fees You must instruct and authorize the commercial billing service to credit to our bank account the applicable royalty percentage and continuing advertising fees All credits to us for amounts billed or received during each month are to be credited to us on or about the 5th day of each month for the preceding month, unless we designate a different day We reserve the right to modify the manner and method through which you must pay your Royalty Fees, Continuing Advertising Fees and other fees due to us under the Franchise Agreement at any time upon notice to you You are required to immediately comply with all changes

You must also allow the commercial billing service to allow us to access and review all of your records relating to your Center operations, including your database and receivables

We reserve the right to, in writing, approve granting franchises with lower royalty fees in certain limited circumstances Before varying from standard fees, we will take into account many factors, including prior experience and financial capabilities We may offer incentives in new or developing markets Incentives may be offered to new and/or existing franchisees We anticipate that any reduced fees will only apply to franchisees who are in compliance with all of our agreements and requirements We are not currently offering an incentive program, but may do so in the future We reserve the right to cancel or modify any future incentive program we may offer You will not be entitled to receive the benefits of any such incentive programs unless agreed by us in writing

2 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

We may, from time to time, require continuing education that is charged at cost plus an administrative fee of up to fifteen percent (15%) of our costs (see Sections 6 6 and 6 7 of the Franchise Agreement for more information on this requirement)

Additionally, we may hold periodic conferences to discuss sales techniques, personal and group training, motivational speaking, nutrition, 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, there is no conference fee at this time, but you must pay all your travel and living expenses related to your attendance at the conference We do, however, reserve the right in our discretion to charge a fee for the conference of up to 15% of the cost of the conference These conferences will be held at a location chosen by us Attendance is mandatory

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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 *Note 1*	$49,999	Lump Sum	Total due upon signing of Franchise Agreement	Us
Training Fee *Note 1*	$5,000	Lump Sum	Total due upon signing of Franchise Agreement	Us
Site Selection Assistance Fee *Note 1*	$1 980	Lump Sum	Total when you engage the designated supplier	Designated Supplier
Opening Advertising-Enrollment /First Three Months Local Advertising Expenditures *Note 2*	$27,000	As Incurred	Before opening, and during the three month period after opening	Approved Third Party Suppliers of advertising materials
Computer Equipment *Note 3*	$1 400 - $3,174	Leased or Financed	Before beginning business	Approved Third Party Computer Equipment providers
MAX Challenge App Set Up Fee, First Monthly Fee *Note 3*	$668	As incurred	Before opening	Third Parties
Pre-Registration Office *Note 2*	$0 to $5,000	As incurred, as required	When premises is secured	Third Parties
Grand Opening Package, MAXAccess Passes & MAX Protein Powder	$3,500 - $4,500	Lump Sum	Before beginning business	Us or our affiliate

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Note 4				
Insurance *Note 5*	$500 - $2,000	As Incurred, as required	Down payment before opening of business, 10 subsequent payments due in monthly installments	Insurance Company, State Agency, Governmental Authorities
Signage	$6,000 - $18,000	Lump Sum	Before beginning business	Approved Third Party Signage Company
Equipment and Furnishings *Note 6*	$23,100 - $38 250	Bank loan or Lease	Before beginning business	Approved Third Party Suppliers
Prepaid Rent and Security Deposit *Note 7*	$4,500 - $20,000	As Incurred	Before beginning business	Per agreement with landlord
Leasehold Improvements/Fit out *Note 7*	$7,500 - $115 000	As Incurred or Amortized	Before beginning business	Various approved contractors/suppliers
Utility Deposits	$1,000 to $2 000	Lump Sum	Before beginning business	Landlord and/or utility companies
Licenses and Permits, Fictitious Name Registration and/or Incorporation and Legal Review *Note 8*	$1 500 to $5,000	Lump Sum	Before beginning business	Attorney and Governmental Authorities as required
Initial Training Travel Lodging, Meals, etc for Initial Training *Note 9*	$200 to $5,000	As Incurred	Before beginning business	Us, Hotels, restaurants airlines, etc (as needed)

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Additional Funds *Note 10*	$15,000 - $45,000	As incurred	As incurred	Utility companies, advertising companies, employees government tax authorities, and various suppliers as needed
TOTAL **Note 11**	**$148,847 to $347,571**			

GENERAL NOTE The above chart lists estimates of the initial investment funds necessary to open a Center These are estimates only, as most costs are not within our control and may change at frequent intervals We cannot, and do not, guarantee that your costs will fall within the stated ranges These estimated ranges are based on market research and our affiliate's experience in developing the affiliate-owned Centers These estimates are likely to vary based on a number of factors, including your specific location and market Costs are constantly changing and your costs may be higher You are strongly advised to diligently investigate all potential costs with a qualified business advisor before proceeding with this investment to gain a better understanding of your expected individual costs and expenses

Notes

1 The Initial Franchise Fee for a Center is $49,999 and the Training Fee is $5,000 The Initial Franchise Fee and Training Fee are due and payable in full when you sign the Franchise Agreement and are non-refundable under any circumstances See Item 5 for more details regarding the Initial Franchise Fee and Training Fee The Site Selection Assistance Fee is $1,980 and is due and payable to our designated third party supplier when you engage the supplier for the services This fee is non-refundable upon payment

2 You are required to expend $15,000 during the period leading up to the opening of your Center to conduct grand opening advertising and marketing (the "Pre-Opening Advertising Expenditure"), including on local search engine optimization During the period leading up to the opening of your Center, you will be required to begin enrolling members for your Center You may conduct pre-opening membership enrollment from a temporary office space located at or near your Center location You may incur rent and other costs associated with pre-opening registration and enrollment activities As disclosed in Item 11, in addition to the Pre-Opening Advertising Expenditure, you are required to expend $36,000 on local advertising, marketing and search engine optimization during your first year of operations (the "First Year Marketing Expenditure") as follows (a) you must spend no less than $24,000 during the first six (6) months of operations, and (b) you must spend no less than $2,000 per month for the seventh through the twelve month of operations The estimate in the above table only includes expenditures through your third month of operation, that is, $4,000 per month for each of the three months

If you acquire an existing Center from a System franchisee, you are not required to expend the Pre-Opening Advertising Expenditure, however, we require you to spend $15,000 in marketing during the 90-day period commencing on the effective date of the transfer of the franchise to you

3 Most Transformation Centers have 2 computers The Computer System includes the components disclosed in Item 11 You must also purchase the MAX Challenge Mobile App from our designed third-party supplier The current fees, which are subject to increase in the future, include an initial set up fee of $499 and an ongoing, monthly fee of $169 per month The range disclosed in the above table includes the initial set up fee and your first monthly fee

4 As of the issuance date of this Disclosure Document, we require you to purchase the Grand Opening Package from us or our affiliate The fees due for the Grand Opening Package are non-refundable upon payment We and our affiliate, EEP Distribution, may derive revenue and other consideration on account of these purchases We reserve the right to modify these arrangements at any time, to stop supplying these items through our affiliate at any time and/or to require you to purchase any or all of these items from designated, approved or other third party suppliers

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

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

$500,000	Per Accident
$500,000	Disease Per Employee
$500,000	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 aggregat
Professional 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, and/or martial arts

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 Transformation Center All insurance policies must be maintained with companies financially rated A- or better If you are using the space for your Transformation Center to conduct another fitness business of any kind, you must provide proof of insurance for all of your other businesses doing business at the Approved Location to us

We recommend, but do not require, that You obtain Umbrella Policy Coverage as follows

1 to 3 Transformation Center Locations	$1,000,000 per occurrence
3 to 4 Transformation Center Locations	$2,000,000 per occurrence
5 or more Transformation Centers	$5,000,000 per occurrence

You must also provide certificates of insurance evidencing your insurance coverage in compliance with these minimums before your facility opens for business, and each year when your policy renews

6 A typical Transformation Center contains soft rubber mat flooring, at least one mirrored wall, 2 ceiling fans, portable fitness equipment such as free weights, medicine balls and other similar equipment, an audio system, an AED device, WaveMasters We recommend pre-ordering equipment 6-8 weeks before the planned opening date to allow sufficient time for delivery and installation A list of the typical equipment you will buy is included in the Operations Manual Other furnishings include basic office furniture and equipment, such as a desk, chairs, a fax machine, telephones, etc , water cooler, merchandise display, TV waiting area, CR Equipment, camera system, and a reception counter

7 You must build-out and construct your purchased or leased space in accordance with our standards and specifications We have the right to require you to use a designated suppliers, including a designated general contractor for construction, build-out and leasehold improvement services The construction, leasehold improvements and real estate rental fees vary depending on a number of factors including the size, location, existing leasehold improvements and costs of construction in the area of your Center These costs will vary based on building size, configuration and condition of the premises, material costs, construction costs, labor costs, installation costs, geographic location, requirements imposed by government and distance from suppliers Payments for building or leasehold improvements are made to third party contractors and suppliers not related to us Payments to these contractors and suppliers are typically made as the services are received or when the stages of work are completed These payments are usually not refundable Real estate/space development costs vary considerably Your costs can be higher depending on the site and code requirements, and other factors The cost of the leasehold improvements is also dependent on the 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, would be as follows

Two handicapped accessible restrooms
Rubber mat flooring throughout exercise areas

Construction of the front desk/reception area
Construction of work out area
Construction of 1 room of at least 100 square feet to be used as an office

The estimated costs of construction and outfitting for a new Transformation Center are based on a model build-out of approximately 2,500 square feet All new sites must be a minimum of 1,700 square feet If you wish to operate your Transformation Center from your existing fitness facility, you must request our prior written consent You may not operate a Transformation Center in a site less than 1,700 square feet without our prior written consent The estimate in the Table includes estimates for mirrors, fans, paint, pole wraps, cubbies/benches/storage for members, architect fees, hard construction costs and soundproofing

8 You are responsible for obtaining all necessary permits required for the development, opening and operation of your Center The costs for permitting vary from location to location You may also incur legal fees and related costs in connection with your investment in the franchised opportunity

9 Training for up to two people is included in the franchise fee Additional persons may attend initial training for a $500 per person fee

10 The 'Additional Funds" category includes estimated start-up costs, such as payroll, utilities and advertising, calculated for a period of three (3) months, with additional operating capital to be available as may be needed during the initial phase 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

11 This chart provides estimates of your initial start-up expenses and does not include ongoing marketing and advertising expenses or percentage rent payable under the terms of your lease Depending on the size of the Center, these estimates may vary These figures are estimates only based upon our affiliate's experience in developing and operating affiliate-owned locations and limited information reported to us from our franchisees We cannot, and do not, guarantee that you will not have different or additional expenses starting your business Your costs will depend on your management skill, experience and business acumen, local economic conditions, the local market for your Center's services, competition, and the sales level reached during the initial period You are strongly advised to review these figures carefully with a business advisor before making any decision to purchase a Center All fees payable to us are non-refundable The terms you negotiate with outside suppliers or third parties govern the refundability of all payments to them We do not provide direct or indirect financing for initial fees You may obtain financing for the fees listed in the Item 7 table from third party lenders depending on the terms and conditions of your financing

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AREA DEVELOPMENT AGREEMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development Fee (Note 1)	$120,000 *[if you sign an Area Development Agreement for three Centers]* To *$160 000 [if you sign an Area Development Agreement for five Centers]*	Lump Sum	At the Signing of the Development Agreement	Us
Training Fee (Note 1)	$5,000 *[if you sign an Area Development Agreement for three Centers]*	Lump	At the Signing of the Development Agreement	Us
Initial Investment for your **first** Center to be developed under the Development Agreement (Note 2)	$93,848 -$292,572 *[The initial investment range disclosed in Table 1 for the **first** Center Developer is obligated to open under the Development Agreement less the $49 999 initial franchise fee and the $5 000 Training Fee disclosed in Table 1]*	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)	$218,848 - $457,572			

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 Centers you are required to open under the Development Agreement (the "Development Area Centers"), with a minimum of three Centers The Development Fee you will pay to us under the Development Agreement will be equal to (a) $40,000 per Center if you sign a Development Agreement for a up to four Centers, and (b) $32,000 per Center if you sign a Development Agreement for five or more Centers You will also pay us Training Fee in the amount of $5,000 at the time you sign the Area Development Agreement You (or your approved affiliate) will sign our then-current Franchise Agreement for each Center you are obligated to open under the Development Agreement You will not be required to pay any initial franchise fee or training fee under the Franchise Agreement for the Centers you are obligated to open under the Development Agreement If you are unable to open the Centers 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 or any training fees

Note 2 The range estimated in the first Table in this Item 7, less the initial franchise fee of $49,999 and the training fee of $5,000, applies for each Center you are obligated to open and operate under the Area Development Agreement The above Table includes the estimated initial investment range for the first Center you are obligated to open You will incur initial investment expenses for each Center you are required to open and operate under the Area Development Agreement These expenses may increase over time

We make no representation that your costs will come within the ranges estimated and cannot guarantee that you will not incur additional expenses entering into an Area Development Agreement Unless otherwise noted, all payments are non-refundable or are refundable only under any agreement between you and the vendor or supplier to whom you have made the payment

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have spent considerable time, effort and financial resources to develop the franchise system (the "System") We have established standards and specifications for most of the services, products and goods used in and offered through the Franchised Business The System is subject to modification, change and improvement going forward You must conform to our System standards, including high standards of service, quality, safety, and cleanliness We anticipate that our standards will change over time You must adhere to these changes You may incur increased costs and expenses to comply with these changes, at your own expense, however, no change will materially alter your fundamental rights under the Franchise Agreement Our requirements are critical to assure the quality, safety and consistency of the services provided by Centers in the System, and to protect and enhance the image of the Marks and the System

Our standards and specifications may be communicated to you through our confidential operations manual and various other confidential manuals and/or written materials relating to operation of Franchised Businesses (collectively, the "Manual"), all of which may be changed by us at any time in the future The Manual may include, among other things, specifications relating to required services, customer service techniques, and issues and procedures related to brand uniformity and brand protection

You must, at your expense, construct, improve and operate your Center under the System and in accordance with our standards and specifications, as set forth in our Manual and other publications or written materials we issue from time to time You must, at your expense, purchase or lease, install and use, among other things, all fixtures, signage, furnishings, improvements, supplies, other products and equipment (including computer equipment, inventory, uniforms, signage, point of sale, and computer hardware and software), decor items, related items and services we require, all of which must conform to the Manual and our standards, specifications and other publications or written materials we issue from time to time You may not install or permit to be installed at the Center any fixtures, furnishings, equipment, decor items, signs, games, or other items that we have not designated without our prior written consent

You must operate the Center in accordance with the Manual and our standards, specifications, and other publications or written materials we issue You must offer all services and products we designate through your Center ("Center Services and Products") You may not offer any service that we have not specifically designated or approved without first obtaining our written consent You must discontinue offering for sale any items, products and/or services we disapprove, which we have the right to do at any time You may not deviate from our standards and specifications in any way without obtaining our written consent first

We have the right to, and expect to, supplement or modify the Manual and our standards, specifications and other publications we issue in our sole discretion, at any time We will provide written notice to you of any changes

System Modifications

We have the right to supplement, improve and otherwise change the System at any time, including in response to the opportunity to offer new services and products to customers of Transformation Centers operating under the System, the experience of franchised and affiliate-operated Centers over time and other factors We will have full control and discretion over any of these developments and you must comply with all such requirements, including offering and selling new or different products or services specified by us

Approved and Designated 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 (collectively, "suppliers") You must purchase all goods, items, products and services required for the development and operation of the Center 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 Operations Manual or other written communications, including via electronic mail Approval of suppliers may be revoked upon written notice

We may become an approved supplier, and/or the only supplier, for any item, product, good and/or service in the future

As of the issuance date of this disclosure document, you must purchase site selection assistance services from our designated, unaffiliated supplier As of the issuance date of this Disclosure Document, you must purchase protein powder, key tags, and the Grand Opening Package (as detailed in Item 7) from us or our affiliate, EEP Distribution We and/or EEP Distribution are currently the only approved suppliers for these items We and EEP Distribution may make a profit and may derive material consideration on the sale of these items to you, including through mark-ups, without limitation You must purchase these items in the quantities we designate You must

also pay us monthly fees for bookkeeping services and our designated software app We may also make a profit on the sale of these items and services to you Except as disclosed in this Item 8, neither we, nor any person affiliated with us, are currently approved suppliers for any other products or services Other than these purchases, as of the issuance date of this Disclosure Document, neither we nor any of our affiliates are currently approved suppliers, or sell or lease products or services to you, but we reserve the right to become an approved or designated supplier for any item, product and/or service at any time in the future

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 90% and 100% of your total purchases in connection with the establishment of your business, and will represent between 5% and 10% of your ongoing expenses

As of the issuance date of this Disclosure Document, except as disclosed above, we do not have any affiliates who offer or sell any products, items or services to System franchisees Our affiliates may sell products, items and/or services to System franchisees in the future, at any time, and they may derive revenue and other material benefits on account of your and/or System franchisee purchases

We may source certain branded services, products and /or items for the Center and we may, but are not required to, develop private label and/or proprietary products, which may or may not bear our trademark If and when they are developed, you must purchase these products from us or an approved or designated supplier

Certain individuals listed in Item 2 of this Disclosure Document own an interest in the franchisor entity, and our affiliate, EEP Distribution, which entities are, as disclosed above, the suppliers of the products and services described above Except as disclosed in this Item, as of the issuance date of this Disclosure Document, there are no approved suppliers in which any of our officers or directors own an interest

Derived Revenue

We and/or our affiliates, may derive income, consideration, payments and other benefits on account of your purchase or lease of any products, services, supplies 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 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

We or our Affiliates may charge a mark-up on products and/or services sold to you by us and/or our affiliates

We and our affiliates may derive rebates and other benefits from certain purchases you make from approved suppliers These amounts are subject to change without restriction Certain designated suppliers rebate a percentage of sales or a flat amount to us You are currently obligated to pay us a monthly fee in the amount of $200 for certain services related to technology services (currently

including member satisfaction, franchise management system, survey services and the Photo App) We remit payment directly to the vendor and we currently impose a markup of approximately $36 00 per month on the charge assessed by this vendor These fees are subject to change and may increase or decrease in the future

As of the issuance date of this Disclosure Document, unaffiliated suppliers pay us rebates ranging anywhere from (a) 5% to 25% of their revenue from franchisee purchases of certain items and services (including equipment, signage, flooring, apparel, telephone and payroll services), (b) referral fees of $1,000 per franchisee that engages the supplier to use certain of the supplier's services, and (c) $1 50 per meal ordered from our approved supplier of MAX Meals These amounts are subject to change The designated suppliers are listed in the Manual As of the issuance date of this disclosure document, if a franchised center meets certain minimum meal sales, we have elected to remit a portion of the rebate paid to us on account of such meal sales to the franchisee that owns and operates the applicable Center We are not contractually obligated to pay any amounts to any franchisee on account of these purchases and may discontinue this practice at any time

During our most recently concluded fiscal year ended December 31, 2017, we derived $353,417, or 18 73% of our total revenue of $1,923,765 on account of required franchisee purchases Our affiliate derived revenue amounting to $327,381 on account of required franchisee purchases Except as disclosed in this Item, none of our affiliated entities derived revenue on account of required franchisee purchases during our fiscal year ended December 31, 2017

Except as disclosed in this Item, as of the issuance date of this Disclosure Document, we have not established any purchasing arrangements with designated suppliers and do not currently receive any payments on the basis of required franchisee purchases

Purchases from Other Suppliers

If you want to purchase any products, services, 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 designated standards and specifications, which may include the ability of the supplier to provide sufficient quantities of the product to the System 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 or the supplier will be responsible for all costs and expenses we incur in the testing and approval process There are no fees currently associated with seeking approval for alternative suppliers, however, we reserve the right to charge a fee We cannot predict with any certainty how long its evaluation will take, however, we attempt to complete our evaluation within 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 our franchisees or suppliers

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

Purchasing 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 Center is located, you must participate in the program In the future, we intend to negotiate purchase arrangements with suppliers of products for the benefit of franchisees

We do not guarantee the availability of independent sources of supply for any particular product or service required to establish or operate your Center We do not provide any material special benefits to franchisees for particular products or services or using designated suppliers

Currently, there are no purchasing or distribution cooperatives

Computer/POS System/Telephone Services

You must use our designated supplier for telephone services You must also purchase the MAX Challenge mobile app from our designated supplier The current fees for the MAX Challenge mobile app are disclosed in Item 7 You must purchase the computer and POS System we require You must make reasonable upgrades or updates to your computer system at our request and at your own expense See Item 11 for more details regarding computer hardware and software requirements

Advertising

You are also required to expend certain amounts on your grand opening advertising and ongoing local advertising All advertisements must be approved by us in writing before use You must provide us with proof of these expenditures

Insurance

You must, at all times, maintain insurance as prescribed by law, and you must maintain the minimum insurance requirements set forth in the Manual As of the issuance date of this disclosure document, the minimum requirements are as follows

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

$500,000	Each Accident
$500,000	Disease Per Employee
$500,000	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
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, and/or martial arts

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 Transformation Center All insurance policies must be maintained with companies financially rated A- or better If you are using the space for your Transformation Center to conduct another fitness business of any kind, you must provide proof of insurance for all of your other businesses doing business at the Approved Location to us

We recommend, but do not require, that You obtain Umbrella Policy Coverage as follows

1 to 3 Transformation Center Locations	$1,000,000 per occurrence
3 to 4 Transformation Center Locations	$2,000,000 per occurrence
5 or more Transformation Centers	$5,000,000 per occurrence

You must also provide certificates of insurance evidencing your insurance coverage in compliance with these minimums before your facility opens for business, and each year when your policy renews

Pricing and Promotion Requirements

We reserve the right to require Centers in the System to offer certain services and/or products at prices not to exceed the prices we publish from time to time, subject to applicable laws We also reserve the right to require Centers to offer all promotions we specify from time to time We currently do not prohibit our franchisees from charging prices lower than our published prices for any service or item, however, we reserve the right to do so in the future, to the maximum extent allowed by applicable law You may be required to promote and offer one or more awards, which may include free membership for a designated period of time and/or monetary awards, to winners of each ten-week challenge in accordance with the System specifications as communicated to you through the Manual or through other written communications we may issue from time to time It is your obligation to ensure compliance with all applicable laws, rules and regulations in connection with the promotion, offer and issuance of each such award in connection with the operation of your Center

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

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 Centers 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 Center premises We have the right to require you to use our designated site selection and real estate service providers at any time

Except as stated in this Item 8, there are no goods, services, supplies, equipment, computer hardware and software or real estate which you must purchase or lease from us or our designee or from suppliers approved by us at this 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 AGREEMENT	DISCLOSURE DOCUMENT ITEM
A Site Selection and Acquisition/Lease	Sections 4 2, 4 3, 7 2	Items 11 & 12
B Pre-Opening Purchase/Leases	Sections 4 2, 5, 7 2, 7 3	Items 5, 7 & 8
C Site Development and other Pre-Opening Requirements	Sections 5 1, 5 2, 7 3	Item 11
D Initial and Ongoing Training	Section 5 2, 5 3	Item 11
E Opening	Section 7 3	Item 11
F Fees	Section 6	Items 5, 6 & 7
G Compliance with Standards and Policies/ Operations Manual	Section 5 4, 7 2, 7 3	Item 11
H Trademarks and Proprietary Information	Section 7 1, 8 1, 8 4	Items 13 & 14
I Restrictions on Products/Services Offered	Section 7 3 3	Items 8 & 16
J Warranty and Customer Service Requirements	Section, 7 3 5	Not Applicable
K Territorial Development and Sales Quotas	Section 3 2, 4 3	Item 12
L Ongoing Product/Service Purchases	Section 5 6, 6 11	Item 16
M Maintenance, Appearance and Remodeling Requirements	Section 4 6 2(e),7 3 1,7 3 6	Not Applicable
N Insurance	Section 7 8	Item 8
O Advertising	Section 5 5,6 10,7 1 3, 7 6	Item 11

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
P Indemnification	Section 7 1 4, 8 5	Not Applicable
Q Owner's Participation/Management/ Staffing	Section 7 5	Item 15
R Records and Reports	Section 7 3 1(i), 7 3 4, 7 7 1,7 7 2	Not Applicable
S Inspections and Audits	Section 6 5,7 3 1(i),7 3 4, 7 6 3, ,	Not Applicable
T Transfer	Section 9,10 2 1	Item 17
U Renewal	Section 4 6 2	Item 17
V Post-Termination Obligations	Section 8 6 2, 10 3	Item 17
W Non-Competition Covenants	Section 7 5,8 6,10 2 1(d)	Item 17
X Dispute Resolution	Sections 11 7, 11 8, 11 9, 11 10	Item 17
Y Guarantee of Franchisee Obligations	Section 12 2, See Guaranty attached as Exhibit 5	Item 15

DEVELOPMENT AGREEMENT

OBLIGATION	SECTION IN DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
A Site Selection and Acquisition/Lease	Section 3	Items 11 & 12
B Pre-Opening Purchase/Leases	Section 3 2	Items 5, 7 & 8
C Site Development and other Pre-Opening Requirements	Sections 1 2 3	Item 11
D Initial and Ongoing Training	Not Applicable	Item 11
E Opening	Section 1 2 and Exhibit A	Item 11
F Fees	Section 2 1	Items 5, 6 & 7

OBLIGATION	SECTION IN DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
G Compliance with Standards and Policies/ Operations Manual	Background B	Item 11
H Trademarks and Proprietary Information	1 4	Items 13 & 14
I Restrictions on Products/Services Offered	Background B	Items 8 & 16
J Warranty and Customer Service Requirements	Not Applicable	Not Applicable
K Territorial Development and Sales Quotas	Section 1 1 and Exhibit A	Item 12
L Ongoing Product/Service Purchases	Not Applicable	Item 16
M Maintenance, Appearance and Remodeling Requirements	Not Applicable	Not Applicable
N Insurance	Not Applicable	Item 8
O Advertising	Not Applicable	Item 11
P Indemnification	Section 9 4	Not Applicable
Q Owner's Participation/Management/ Staffing	Section 1 2 2	Item 15
R Records and Reports	Not Applicable	Not Applicable
S Inspections and Audits	Not Applicable	Not Applicable
T Transfer	Section 6 2	Item 17
U Renewal	Not Applicable	Item 17
V Post-Termination Obligations	Section 7 1 2, Section 7 2, Section 7 3	Item 17
W Non-Competition Covenants	Section 7 1	Item 17
X Dispute Resolution	Section 8	Item 17
Y Guarantee of Franchisee Obligations	See Guaranty	Item 15

ITEM 10

FINANCING

We do not offer direct or indirect financing We do not guarantee your note, lease or any other obligation We do not have any agents or affiliates who offer financing directly or indirectly to you

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ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Area Development Agreement

We have no obligation under the Area Development Agreement other than to (a) designate your Development Area, which is the area within which you must open and operate the designated number of Centers you are required to open under the Area Development Agreement, and (b) approve or disapprove of your proposed sites for each Center you are required to open and operate under the Area Development Agreement within the thirty (30) day period after you provide to us the site report, application and all materials and information we require relating to the proposed site

Pre-Opening Obligations

Before you open your Transformation Center, we will

1 Designate your Approved Territory (Franchise Agreement 4 3)

2 Approve or disapprove the site you have selected for your Transformation Center You are responsible for compiling the information necessary for us to evaluate your site Approval of any proposed site is based on the information you submit in a form sufficient to assess the location We must approve or disapprove your site within 30 days after we receive notice of the location from you and a copy of the lease (if you are leasing new space) We may not withhold our approval unreasonably The franchise may be operated from a retail/strip mall type location of approximately 2,500 square feet The size of your Transformation Center may vary, but a typical Transformation Center may not be less than 1,700 square feet or larger than 3,500 square feet without our prior written consent (Franchise Agreement Section 4 2) We do not currently own sites for lease to you, nor do we select sites for you We currently offer guidance and assistance with the site selection and construction process, but we are under no contractual obligation to do so

3 We will provide you with password-restricted access to our confidential Operations Manual online (Section 5 4 of the Franchise Agreement) Our Operations Manual also includes a list of our approved suppliers In addition, you may be provided with a password that will enable you to update your copy of the Operations Manual by downloading updates from our website We expect to modify and update the Operations Manual from time to time, and, if updated or modified, you will be notified via email (provided by you on your potential franchise candidate profile) or another form of communication of such modifications and updates (Franchise Agreement Section 5 4) The Operations Manual, and the information contained therein, is confidential and remains our property (Franchise Agreement Section 7 3 2)

4 Provide you access to a sample layout and specifications for an existing Transformation Center to guide you in furnishing and equipping your Transformation Center You will, at your own expense, tailor the plans and specifications provided by us for your individual use and will then submit the customized plans and specifications to us for written approval, which may not be unreasonably

withheld You pay for the re-fitting and all other costs of compliance and permits (Franchise Agreement Sections 5 1, 7 3 1)

5 Train you and one other person as follows in the **Item 11** Training Program Table (Franchise Agreement Section 5 2)

We may, but are not contractually required to provide any assistance to you in establishing pricing We do not provide any signs, equipment, fixtures, opening inventory, or supplies other than MAXProtein Powder, MaxAccessPasses and grand opening package items disclosed in Item 5 to be used in connection with the operation of your Transformation Center at this time, but we reserve the right to do so at any time in the future

Area Development Agreement

If you sign an Area Development Agreement, you must (a) find an approved location for each Center you are obligated to open and enter into a valid and binding lease agreement on or before the "Lease Execution Deadline" identified in Exhibit A attached to the Area Development Agreement, and (b) open each Center on or before the Opening Deadline identified in Exhibit A to the Development Agreement If you sign an Area Development Agreement for the development of three (3) Centers, under your Development Schedule, you will be required to open the first Center within twelve (12) months of the Effective Date, the second Center within twenty-one (21) months of the Effective Date, and the third Center within thirty (30) months of the Effective Date As stated under the disclosures applicable to the Franchise Agreement, each proposed site must meet or then-current criteria, standards and specifications We will approve or disapprove of a proposed site within the thirty (30) day period following our receipt of the site application package and all material we require to evaluate the proposed site If we do not approve or disapprove the proposed site before the expiration of this thirty (30) day period, it will be deemed disapproved We also reserve the right to require you to include the lease provisions disclosed under the Franchise Agreement disclosures The site development, build-out and pre-opening obligations, as well as ongoing obligations for each of the Centers you are obligated to open under the Development Agreement are governed by the terms and conditions of the individual Franchise Agreement you sign for each Center

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 3)

2 We may hold periodic conferences to discuss sales techniques, the ten week challenge, classroom management skills, self-improvement, nutrition, motivational speaking, 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, there is no conference fee, but you must pay all your travel and living expenses related to your attendance at the conference We do, however, reserve the right to charge a fee for 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)

We are not obligated to provide any assistance to you during operation of the franchise in establishing prices

Site Selection

You must locate, obtain and occupy the site for the Transformation Center, on your own initiative and at your own expense You must advise us in writing of the proposed Transformation Center location Our prior approval is required in writing We will not unreasonably withhold approval of your site The site must meet minimum demographic/geographic requirements as described in the Operations Manual, which vary by region and typically include the general location and neighborhood, demographic information, traffic patterns, access, visibility, location of competing facilities, size, configuration, appearance and other physical characteristics of the site After we approve your proposed Transformation Center location, you must submit a copy of your lease to us for review If you are leasing additional space for the Transformation Center, we must approve your lease before you may enter into it If you and we cannot agree on a site, or you do not select a site and submit a lease which meets our minimum geographic and demographic requirements as described in the Operations Manual for our review within six (6) months of signing a franchise agreement, we may terminate the franchise agreement The Transformation Center is typically operated from a retail strip mall or light industrial/office park type location of approximately 3,000 square feet The estimated costs of construction and outfitting for Transformation Center are based on a model build-out of approximately 2,500 square feet Your Transformation Center site must be a minimum of 1,700 square feet

Opening

You must begin Membership Enrollment within six (6) months of signing your Franchise Agreement, and you must open your Transformation Center no more than nine (9) months after the effective date of your Franchise Agreement (Enrollment is the membership sales drive that occurs before you open your business, we anticipate that it will begin when you begin building out your Transformation Center and will continue for a period of approximately two (2) months, depending upon how long the construction phase takes) We estimate that you will open your business within nine (9) 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 We recommend allowing fourteen (14) weeks lead time for equipment purchases in order to have it delivered and installed in time for the planned opening date of your Transformation Center

You may not open a Transformation Center to the public until we certify in writing that, in view of our management, you and your employees are prepared to do so

The time to begin Enrollment and open a Transformation Center may vary depending on your ability to secure a location that we must approve We estimate that your Transformation Center will open for Enrollment within six (6) months after you sign a Franchise Agreement

Assistance with pre-opening and opening activities will be conducted as reasonably determined by us (including immediately prior to Enrollment and during the first week of the operation of your Transformation Center)

Payment of bookkeeping fees will begin on the date you begin the Enrollment sales drive Payment of royalties will commence as soon as you begin collecting revenues from Enrollment or the date you are required to begin Enrollment, whichever is earlier

Payment of mandatory Ad Fund contributions will commence as soon as you begin collecting revenues from Enrollment

Purchasing Cooperatives

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

Advertising

We may, but are not required, to use television, radio, 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 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 You will receive one sample of each at no charge 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 5,7 6)

You may develop advertising materials for your own use, at your own cost There is no advertising council that will advise us or you on advertising policies However, you must obtain our prior written approval of the advertising before use (Franchise Agreement Section 7 6)

Grand Opening Marketing / Local Marketing During First Year of Operations

You are required to expend $15,000 (the "Pre-Opening Advertising Expenditure") during the period leading up to the opening of your Center (the "Pre-Opening Period") to conduct grand opening advertising and marketing, including expenditures for local search engine optimization If you acquire an existing Center from a System franchisee, we require you to spend $15,000 (the "Transition Marketing Expenditure") in marketing during the 90-day period (the "Transition Marketing Period") commencing on the effective date of the transfer of the franchise to you During the Transition Marketing Period only, your local advertising expenditure requirement will be waived You must submit to us a written marketing plan detailing how you plan to expend your Pre-Opening Advertising Expenditure or Transition Marketing Expenditure (as applicable), which plan must include the marketing channels you plan to use and all other information we require During the Pre-Opening Period, you will be required to begin enrolling members for your Center You may conduct pre-opening membership enrollment from a temporary office space located at or near your Center location You may incur rent and other costs associated with pre-opening registration and enrollment activities

In addition to the Pre-Opening Advertising Expenditure, you are required to expend $36,000 on local advertising, marketing and search engine optimization during your first year of operations (the "First Year Marketing Expenditure") as follows (a) you must spend no less than $24,000 during the first six (6) months of operations, and (b) you must spend no less than $2,000 per month for the seventh through the twelve month of operations As stated above, during the Transition Marketing Period, your local advertising expenditure obligations shall be suspended You must submit to us a written marketing plan detailing how you plan to expend your First Year Marketing Expenditure, which plan must include the marketing channels you plan to use and all other information we require

After the first year of operations, you must comply with the ongoing local advertising expenditure requirements disclosed below

Ongoing Local Advertising

Local advertising is your responsibility and done typically by local advertising agencies hired by you or advertising cooperatives You are obligated to spend at least $2,000 per month or 5% of gross revenues from the Transformation Center per month, whichever is greater, on local advertising every month and supply copies of receipts for advertising to us (Franchise Agreement Section 7 6 2) In the alternative, we may require you to expend not less than $2,000 promoting the next upcoming ten-week challenge during the forty-five day period leading up to the next upcoming ten-week challenge We reserve the right to require you to spend an amount we designate on search engine optimization (SEO) If you do not provide proof that you have complied with your local advertising expenditure requirements, we (or our designee) may collect by electronic funds transfer a local advertising fee of $2,000 or 5% of your gross revenues per month, whichever is greater (the "Local Advertising Fee") from you, which we will spend on local advertising for your Transformation Center (see **Item 6**)

Advertising Fund

We have established an Advertising Fund (the "**MAX Fund**" or the "Ad Fund") You are required to contribute 2% of monthly gross revenues each month, or $200 per month, whichever is greater, to the MAX Fund for purposes of national advertising or regional advertising (at our sole discretion) (see **Item 6**) (Franchise Agreement Section 7 6 3) We do not provide a periodic accounting to you of how MAX Fund monies are spent, however, an annual unaudited financial statement of the fund is available to you, 180 days after the fiscal year end, upon reasonable request

We may administer the MAX Fund ourselves, or designate or license a third party to do so We may change, dissolve or merge the MAX Fund at any time, in our sole discretion We have the sole discretion over the creative concepts, materials, media, type nature, scope, frequency, place, form, copy, layout and content of all national, regional and local advertising paid out of the MAX Fund, and the MAX Fund will be maintained and administered by us or our designee, as follows

1 The use of the MAX Fund is at our discretion, and the purpose of the MAX Fund is to increase brand awareness Without limiting our broad discretion, the MAX Fund is intended to maximize general public recognition and acceptance of the System and/or the Marks for the benefit of the System, and neither we, nor the MAX Fund, are obligated to make expenditures for you that are equivalent or proportionate to your contributions or that you will otherwise benefit directly or pro rata from the placement of advertising or other MAX Fund expenditures 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

2 We will direct all advertising programs and control the creative concepts, materials and media used, media placement and allocation The MAX Fund, all contributions to the MAX Fund, and any earnings by the MAX Fund, may pay for creating, producing, maintaining, administering, directing, conducting, printing and preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System, including the costs of preparing and conducting television, radio, Internet, mobile applications, magazine, newspaper and other media advertising campaigns, search engine optimization, developing and/or hosting an Internet web page or similar activities, conducting market research, providing other marketing materials to

franchisees, direct mail advertising, on-line Internet advertising and marketing including click-through charges paid to search engines, sources of banner advertising and host sites, marketing surveys and other public relations activities, employing advertising and/or public relations agencies, printing and production costs, purchasing promotional items, conducting and administering visual merchandising, promotions and merchandising programs, and providing promotional and other marketing materials and services Advertising may be local, regional or national, in any type of media, including Internet, print, radio and/or television

3 Contributions to the MAX Fund may, in our sole and absolute discretion, also be used to provide rebates or reimbursements to you for local expenditures on products, services or improvements, approved in advance by us, which we believe will promote general public awareness and favorable support for the System

4 We have no obligation to segregate MAX Fund contributions or maintain accounts separate from our other funds MAX Fund contributions may be commingled with funds in our general accounts We expect to use an amount equal to all contributions made in any fiscal year, but any monies remaining in the MAX Fund at the end of any year will carry over to the next year

5 We expect to use any interest or other earnings of the MAX Fund before using current contributions, but are not required to do so

6 We are not required to prepare or provide you with any statements relating to the MAX Fund, or expenditures of the MAX Fund, although we may do so at our option The MAX Fund will not be audited, unless we decide, in our sole discretion, to require an audit If we choose to require an audit, all expenses for the audit will be paid out of MAX Fund contributions We may, but are not required to, create internally prepared, periodic statements of operations for the MAX Fund These statements, if created, may be made available to you, upon your reasonable prior written request

7 We have the right to terminate the MAX Fund at any time If the MAX Fund is terminated, we are not required to return any of your MAX Fund contributions and will expend any retained contributions for the terminated MAX Fund for System advertising purposes None of the MAX Fund contributions paid us are refundable at any time, including upon termination or expiration of the Franchise Agreement

8 We may use the MAX Fund contributions to pay administrative expenses to us or our designees Administrative expenses may include amounts equivalent to the salaries and benefits of personnel who manage, administer and/or work the MAX Fund and its activities, travel expenses, meeting costs, overhead costs and expenses, a management fee payable to us, an affiliate and/or any of our designees or employees whose services are provided to further the purposes and efforts of the MAX Fund and/or Local Marketing Purposes, taxes on MAX Fund contributions, market research, public relations, and the creation, preparation and production of advertising, promotions and marketing materials

9 The MAX Fund is not a trust We have no fiduciary obligation to you for administering the MAX Fund or for any other reason We will not use contributions to the MAX Fund principally to develop materials and programs to solicit franchisees However, media, materials and programs prepared using MAX Fund contributions may describe our franchise program, reference the availability of franchises and related information and process franchise leads

10 We may structure the MAX Fund's organization and administration in any way that we determine We may organize or reorganize the MAX Fund into a separate entity as we deem appropriate

and we may transfer all MAX Fund contributions and assets to the entity We may require you to pay the MAX Fund contributions directly to the entity

11 Company owned or affiliated Centers are not contractually required to contribute to the MAX Fund, however we anticipate that they will contribute to the MAX Fund on an equal basis We anticipate that all franchises offered pursuant to this disclosure document will be required to contribute to the MAX Fund at the same rate, however, we reserve the right to negotiate different rates as we deem necessary or appropriate in our sole and absolute discretion

During the 2017 calendar year, the MAX Fund did not spend any advertising funds principally to solicit new franchisees During the 2017 calendar year, the MAX Fund spent on web development, digital marketing including AdWords and Facebook ads, search engine maximization and collateral materials Specifically, approximately 28% was expended on production, 39% was expended on media placement, and 33% was expended for administrative expenses

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 We may require you to participate in the regional or local cooperative advertising programs we designate from time to time We may require you to contribute up to three percent (3%) of your Gross Sales to additional advertising programs we develop from time to time

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

To date, there is no Advertising Council for our franchisees

Use of Your Own Advertising Material including Electronic Media

You may develop advertising and promotional materials for your own use, however, we must approve all advertising promotional materials before you use them If we do not approve or disapprove your proposed materials within fifteen (15) days of your submission, they will be deemed approved We may require that a 'tag line", stating that franchise and/or career opportunities are available, be included in any advertising

You are prohibited from using the Marks and listing, marketing, advertising, or otherwise promoting your Center on or through the Internet, any social media site, mobile application, networking website, electronic media, or any emerging or future developed media outlet or platform, including facebook®, Twitter®, LinkedIn®, Living Social® Instagram®, Groupon®, MySpace®, YouTube, Pinterest, Foursquare, Yelp, Google, Yahoo, or any similar sites, without our prior written consent in each instance We may withhold our consent for any reason and we may condition our consent on your compliance with our designated methods, procedures, rules and regulations You may not post any content on the Internet, electronic media, mobile applications, social media or any future developed media outlet relating to your Center or the System

without (i) obtaining our prior written consent (which we may grant or refuse in our sole and absolute discretion), and (ii) complying with any and all restrictions, terms and conditions we impose You must comply with any and all policies, terms and conditions we designate, including those related to privacy and security We 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 extranet in the manner we designate We may periodically prepare agreements and policies concerning use of any extranet that you must acknowledge and sign

Electronic Cash Register/Computer/Point of Sale System

You must purchase a computer At a minimum, the computer must have an i3 processor and at least 4 gigabytes of RAM You must purchase Microsoft Office 2010 or newer and Microsoft Windows 7 or newer You must subscribe to QuickBooks Online The annual cost of QuickBooks Online is $480 We will have independent access to the information you enter into QuickBooks Online The cost for Microsoft Office is $342 and the cost for Microsoft Windows is $299 You must purchase a Barcode Scanning device compatible with ClubReady The cost for the scanner is currently $350 You must use the web based management software and electronic cash register system provided by ClubReady ("**ClubReady**"), and ClubReady's proprietary software ClubReady's ongoing record keeping and support services is $ 2,868 ($239 per month) This fee includes free upgrades and system maintenance, and technical support This cost is subject to change You must purchase a credit card processor compliant with ClubReady and associated merchant The current cost for the credit card processor is $235 You will purchase a digital signature pad The current cost for the digital signature pad is $238 You will use ClubReady's credit card processing services, you will pay a fee of approximately 3 70% of all transactions The current cost of the Computer System, as disclosed in Item 7, also includes 1 ipad mini, which you are required to use in the operation of your Center

The equipment you are required to purchase includes limited manufacturers' warranties on hardware repairs In addition, ClubReady provides software support through its help desk and software upgrades and patches, database management, including backups, and other record keeping services that are required by us You are obligated to install the software upgrades and patches as provided by ClubReady We provide support with using or 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 ClubReady 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

ClubReady maintains customer data on your behalf for purposes of billing the customers' enrollment and monthly membership fees We have independent access to this data, via the ClubReady web interface We use this information to assess monthly royalty, advertising, and other fees There are no contractual limitations on our right to access this data

The estimated cost of the computer system is $2,500, including hardware

Operations Manual

Included in this Disclosure Document, at **Exhibit H**, is the Table of Contents of our Operations Manual, which includes the total number of pages in the Manual (currently 4,580 pages)

Training

After you obtain your approved site within your Approved Territory, and before you open your Transformation Center, all training, except onsite training, is conducted at our designated location, currently in New Jersey Onsite training will be conducted at your Transformation Center, or another location we designate The training program will be conducted as often as reasonably necessary to enable you to complete it prior to opening for business

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

Currently, our training staff has more than thirty years of combined experience in various operational capacities relating to the operation of a Transformation Center However, this staff may change from time to time Our trainers are Bryan Klein, Frank Baeli, Teresa Kroll and Paul Laudermilch

Bryan Klein

Mr Klein has owned and operated fitness services businesses for approximately thirty years He has trained others to operate fitness businesses since 1998 and the Transformation Program since September 2011

Frank Baeli

Mr Frank Baeli, our Vice President of Real Estate and Site Development, is an American Academy of Sports Dietitians and Nutritionists Certified Nutrition Specialist Mr Baeli assisted in the opening of a Transformation Center in East Brunswick, NJ in June 2012 and acquired ownership of the location in January 2013 From November 2011 through July 2012, Mr Baeli worked as an instructor for the Transformation Center in Manalapan, NJ and teaches operational aspects of managing a Transformation Center

Teresa Kroll

Ms Teresa Kroll will be teaching Strategic Planning, Brand Development, Marketing Communication and Integration

Paul Laudermilch

Mr Paul Laudermilch, our Director of Sales and Operations, has over 20 years of experience in the fitness industry His experience includes management and development of membership sales, personal training and operations departments Mr Laudermilch has a Master of Science in Sports Performance and Injury Prevention from California University of Pennsylvania and a Bachelor of Science in Sports Behavior from West Virginia University Mr Laudermilch holds the following certifications and specialist designations National Academy of Sports Medicine Performance Enhancement Specialist (NASM – PES), National Academy of Sports Medicine Certified Personal Trainer (NASM-CPT) and a National Strength and Conditioning Association Certified Strength and Conditioning Specialist (NCSA-CSCS)

We do not charge for this thirty-hour training program for two (2) individuals, but you must pay the travel and living expenses for those persons attending training Additionally, when one of our trainers must travel to your location or a location other than our training facility in New Jersey, you are responsible for the

travel and living expenses for the trainer(s) The costs vary depending upon the distance from our training facility in New Jersey to your location

At least one person must complete the training program to our satisfaction Before opening, you must (a) complete our training program, (b) pass our nutrition knowledge exam, (c) attend our designated boot camp, (d) compete a 10-week challenge (which may currently be completed through Skype), and (e) attend our designated kick off meeting The training program must be completed before you begin member pre-sales 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 Currently, training programs are held quarterly at a designated conference center location and Center facility within the state of New Jersey

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Orientation/Business Leadership	4	n/a	Monmouth, Middlesex or Ocean, NJ, or as determined by us
Marketing and Member Recruitment	4	n/a	Monmouth, Middlesex or Ocean, NJ, or as determined by us
Enrollment Procedures / Sales	8		Monmouth, Middlesex or Ocean, NJ, or as determined by us
Instructor & Classroom Skills	3	5	Monmouth, Middlesex or Ocean, NJ, or as determined by us
Instructor Development Program	1	n/a	Monmouth, Middlesex or Ocean, NJ, or as determined by us
Nutrition	1	n/a	Monmouth, Middlesex or Ocean, NJ, or as determined by us
Transformation Center Operations Systems, Daily Routines, Reporting & Support	9	n/a	Monmouth, Middlesex or Ocean, NJ, or as determined by us
Total	30 hours		

We may, from time to time, require you to undergo continuing education that is charged at cost plus an administrative fee of up to fifteen percent (15%) of our costs (see Sections 6 6 and 6 7 of the Franchise Agreement for more information on this requirement) Additionally, we may hold periodic conferences to discuss sales techniques, personal and group training, motivational speaking, nutrition,

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, there is no conference fee at this time, but you must pay all your travel and living expenses related to your attendance at the conference We do, however, reserve the right in our discretion to charge a fee for the conference of up to 15% of the cost of the conference These conferences will be held at a location chosen by us Attendance is mandatory

ITEM 12

TERRITORY

You will operate the Franchised Business at a single approved site We do not select your site, it is your obligation to find and secure a site that meets our standards and specifications and to obtain our approval before signing a lease or other agreement to secure the site

Once you secure an approved location, we will grant you an "Approved Territory " We will not establish or license another to establish a Center within the Approved Territory during the term of your Franchise Agreement, with the exception of Centers located in Special Venues (as defined below) We have the unlimited right to establish Centers anywhere outside of your Approved Territory, regardless of proximity We will describe your Approved Territory in your Franchise Agreement when we approve your proposed site for the Center

We will determine the size and boundaries of your Approved Territory, within our discretion, based upon factors including geographic area, population density, character of neighborhood, location and number of competing business in the surrounding area, and other factors While there is no minimum territory size and the exact size of each territory varies based on the applicable factors, a typical approved territory will cover an area that consists of a two (2) mile driveable distance" from your approved site, which may be determined using the mapping service and/or software designated by us, including GOOGLE® maps, MAPQUEST®, or YAHOO® maps (as we select) as such maps exist on the date that your site is approved We may grant you an approved territory of less than a two-mile "driveable distance" based on the demographics of the area in which you wish to open your Transformation Center and other factors You will operate from one location approved by us

In order to retain the limited rights insofar as it relates to your Approved Territory, you must comply with all obligations set forth in the Franchise Agreement, including, without limitation, payment of all the minimum royalty fees If you do not comply with your payment obligations, subject to the notice and cure periods stated in your Franchise Agreement, we have the right to terminate your Franchise Agreement, which will eliminate all rights, including any territorial protection You are not required to achieve or maintain any given level of sales or to satisfy any other contingency in order to retain your limited exclusivity with respect to your Approved Territory and, provided that you are not otherwise in default under your Franchise Agreement, your limited rights will continue to apply even if the population in your Approved Territory increases, or you choose to sell or transfer your Franchise in accordance with the terms and provisions of the Franchise Agreement Except for this limited protection, your Franchise is non-exclusive You are not granted any options, rights of first refusal or similar rights to acquire additional Centers

You are not permitted to solicit customers or advertise outside of your Approved Territory without our prior written approval We may condition our approval on your agreement to offer other franchisees who are operating Centers in territories encompassed by the circulation base of the proposed advertising, the opportunity to participate in, and share the expense of your solicitation and/or advertising You are not

permitted to use other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales outside of your Approved Territory without our prior written approval We have the right to condition our approval on the terms that we determine necessary, such as requiring that your domain name and home page belong to us and be licensed to you for your use during the term of your agreement

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 therein, we have the right to

(a) establish, own, or operate, and license others to establish, own or operate Centers and any other business under the Marks or any other trademark outside of your Approved Territory,

(b) establish, own or operate, and license others to establish, own or operate, other businesses under other systems using the Marks or any other trademark outside of your Approved Territory,

(c) offer, sell, operate, distribute and/or license others to sell, operate and distribute, through franchised or non-franchised businesses, at wholesale or retail, within and outside the Approved Territory (i) branded goods, (ii) services we have not licensed you to offer or sell through your Center, and/or (iii) goods and services under trademarks other than the Marks,

(d) offer, sell, rent and/or distribute any products or services under the Marks or any other trademark through alternative channels of distribution, including through the Internet, 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 we will not do so from a Transformation Center located inside the Approved Territory, and/or

(e) 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 If we acquire or merge with another system with businesses operating within the Approved Territory, we will not license these businesses to operate under the Marks without your consent

We are not required to pay you any compensation for soliciting or accepting orders inside your territory

Special Venues

We reserve the right to establish and operate, or license others to establish and operate, MAX Centers in "Special Venues', including Special Venues located in your Approved Territory The term "Special Venues" shall mean non-traditional venues, including, without limitation, schools, corporate offices, police departments, fire departments, government institutions and facilities, and military installations

We may also operate a temporary location, trade show booth or similar type location for a limited period of time (not to exceed 15 consecutive days without your written consent) within your Approved Territory Additionally, we reserve the right to sell branded products in your Approved Territory through other channels of distribution, including retail outlets or via the Internet, which may affect your ability to sell those products There are no restrictions on our soliciting or accepting orders from consumers inside 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 However, neither we nor our affiliates are restricted from establishing other franchises or company-owned Transformation Centers, or other channels of distribution, selling or leasing similar products or services under a different trademark

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

Relocation of Your Center

You may not relocate your Transformation Center without our prior written approval We may approve the relocation of your Transformation Center 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 In addition to obtaining our consent, you must also meet certain conditions in order to relocate your Transformation Center Those conditions include the following (a) you must be in good standing under the Franchise Agreement and any other agreement between us (or our affiliate) and you (or your affiliate), (b) you are in compliance with all provisions of the Manual, (c) you must sign an agreement terminating your existing Franchise Agreement and you must sign our then-current franchise agreement (with a term equal to the then-remaining term of the franchise agreement), (d) you must construct the Center at the new location so that it meets our then current standards of appearance and function applicable to new centers at the time of your relocation, (e) you must sign a general release, (f) you may only cease operation of your existing Center for one day to move equipment from the old location to the newly approved location for the Center 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

Development Agreement

If you are interested and qualify, and we elect to offer you the opportunity, you will enter into our then-current form of Area Development Agreement for the development of multiple Centers Currently, we do not anticipate granting development rights for the development of less than three Centers You and we will mutually agree on an area to be defined in the Development Agreement as the "Development Area before you sign the Development Agreement

We expect that a typical Development Area will consist of a list of counties within a designated State, or within an area covered by identified zip codes Your Development Agreement will specify the total number of Centers you are required to develop in the Development Area You must sign lease agreements and open each Center that you are required to open under the Development Area by the deadlines stated in the Agreement If you fail to do so, we have the right to terminate the Area Development Agreement, in which case you will lose all rights granted under the Area Development Agreement

We will not establish or license another to establish a Center within the Development Area during the term of the Area Development Agreement, with the exception of Centers located in Special Venues We, or our affiliate(s), may (i) establish and license others to establish Centers under the System at any location outside of your Development Area, (ii) establish and license others to establish restaurants, kiosks or the like under other systems, using other proprietary marks, which offer or sell other products or services and

are located either within or outside of your Development Area, (iii) market, distribute and sell, directly or indirectly, or license others to market, distribute or sell, directly or indirectly, any products from any location or to any purchaser (whether the purchaser is located within or outside your Development Area) under any proprietary mark, including "*The Max Challenge®* and/or "*Take it to the Max Fitness For the Mind Body & Spirit®*" through alternative channels of distribution, within or outside your Protected Territory, including through the Internet and wholesale distribution centers, (iv) establish or operate and license others to establish or operate a Center at any location outside the Development Area, regardless of the Center's proximity to your Development Area, and (v) acquire, be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not those businesses are competitive), including competing franchise systems with units operating in your Development Area If we acquire a competitive business or a competitive franchise system with units operating in your Development Area, we have the right to operate the business under the Proprietary Marks in your Development Area without affording any rights to you or providing any compensation to you We also reserve the right to establish and operate, and to license others to establish and operate, Centers(s) in "Special Venues", including Special Venues located in your Development Area

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

Except as disclosed in this Item, continuation of your territorial rights under the Area Development Agreement does not depend on your achieving a certain sales volume, market penetration (other than satisfaction of your Development Schedule) or other contingency If the population of the Development Area increases during the term of the Area Development Agreement, we have no right to increase or decrease your development obligations

Except as provided in this Item, you have no options, rights of first refusal or similar rights to acquire additional franchises

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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 an intellectual property license agreement with our affiliate, MAX IP, LLC (the "**IP Agreement**") which, if not renewed, ends on January 2, 2063 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 trademark THE MAX CHALLENGE® and TAKE IT TO THE MAX Fitness For The Mind, Body & Spirit ® to you for the term of the Franchise Agreement, including any extensions or renewals

We or our affiliate(s) have filed applications to register the following trade names, trademarks, service marks, logotypes and other commercial symbols with the United States Patent and Trademark Office principal register

Registration Number	**Description**	**Principal Or Supplemental Register of the U S Patent and Trademark Office**	**Registration/ Filing Date**
Registration No 4448939	TAKE IT TO THE MAX Fitness For The Mind, Body & Spirit®	Principal	Registration Date 12/10/2013
Registration No 4652394		Principal	Registration Date 12/09/2014
Registration No 4652967	**THE MAX CHALLENGE®**	Principal	Registration Date 12/09/2014
Registration No 5,188,188		Principal	Registration Date 04/18/2017

Our affiliate has filed all required affidavits for the above referenced principal marks

You must follow our rules when you use the Marks You cannot use a name or Mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you You cannot modify a Mark in any way without our express written consent You may not use our registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us

In connection with the establishment of our trademarks, we operate a website for the promotion of the Marks and Transformation Centers 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 any of our Marks, or any of the following terms "MAXFITNESS," 10 week fitness", "MAX Challenge" or "MaxFitness " You may request the establishment of a web page within our website to include additional information specific to your franchised Transformation Center 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®, or similar page without our prior written approval You may not establish a Twitter® feed, post on Instagram®, or other similar social media without our prior written approval

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 indemnify and hold you harmless from any expense or liability arising from your use of the Marks in accordance with the Franchise Agreement and the Operations Manual

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 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 the franchise agreement and such other terms as may be specified by us, and (b) you notify us of the proceeding or alleged infringement in a timely manner and you have complied with our directions regarding 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 or for expenses in removing signage or discontinuing your use of any Mark We will not reimburse you for disputes where we and/or any of our parents, affiliates, successors or assigns challenges your use of a Mark

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

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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 Operations 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

We have may developed certain trade secrets and other confidential information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Center We may provide our trade secrets and other confidential information to you during training, in the Manual and as a result of the assistance we furnish you during the term of the franchise You may only use the trade secrets and other confidential information for the purpose of operating your Center You may only divulge trade secrets and other confidential information to employees who must have access to it to operate the Center You are responsible for enforcing the confidentiality provisions as to your employees Certain individuals with access to trade secrets or other confidential information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements in a form the same as or similar to the form of confidentiality and restrictive covenant agreement attached to the Franchise Agreement We and our affiliates will be a third-party beneficiary with the independent right to enforce all such agreements All ideas, concepts, techniques or materials concerning your Center and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System You must also assist us in obtaining intellectual property rights in any concept or development, if requested

Your use of the Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement Further information about termination of the Franchise Agreement following a default is included in Item 17

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We recommend, but do not require, that you personally supervise the franchised business Whenever open for business, the fitness center must be directly supervised on site by a designated manager who has successfully completed our Initial Training program to our satisfaction and is MaxFitness Certified (the "**Designated Manager**") The Designated Manager must be a full-time employee with a minimum of 30 hours per week at the Center location The Designated Manager cannot have an interest in 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 You must require the Designated Manager and all employees to sign a confidentiality agreement and a non-compete agreement

Each of the principals of your entity must sign the Franchise Agreement assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise 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, if any, must sign the Personal Guaranty and Subordination Agreement assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement We may, 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 (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 We may act as sole supplier of goods and services to you We may profit on the sale of goods and services to you Currently, you are obligated to offer the ten week challenge in accordance with our System standards and specifications, including the Manual, and to award a prize or award to the winner of each such challenge (except to the extent prohibited under applicable law) It is your responsibility to ensure that you operate your Center in accordance with all applicable laws, rules and regulations, including those pertaining to any and all products, services, promotions, awards, prizes offered, promoted or provided to your Center s members

You may sell goods and services to any person at your Transformation Center, so long as that person may lawfully purchase such goods and services

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 of the Franchise Agreement (FA")	10 years from the Effective Date
	Section 5 1 of the Area Development Agreement (DA")	The Term under the DA is defined as the period beginning on the Effective Date and ending on the earlier to occur of (i) the date the final Center you are required to develop has opened, or (ii) the Opening Deadline for the final Center you are required to open under the DA
b Renewal or extension of the term	Section 4 6 2 of the FA	If you are in good standing, you can add one additional term of 10 years (or the length of your then-current lease term, whichever is shorter) 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
	Not Applicable to DA	
c Requirements for franchisee to renew or extend	Section 4 6 2 of the FA	Good standing, timely 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 Transformation Center to meet then-current standards
	Not Applicable to DA	
d Termination by franchisee	None	
e Termination by us without cause	None	
f Termination by us with cause	Section 10 2 of the FA	We can terminate only if you default

	Provision	Section in Franchise or other agreement	Summary
		Section 5 2 of the DA	We can terminate if you commit a Material Default
g	"Cause ' defined – curable defaults	Section 10 2 2, 10 2 3 of the FA	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
		Section 5 2 of the DA	If you commit a default under the DA other than failure to meet the Minimum Development Obligations, if a Franchise Agreement entered into between us and you or any of your affiliates is terminated, or if you violate any of your confidentiality or non-competition obligations under the DA (which defaults are not subject to a cure period), we will give you notice and a 15 day cure period
h	"Cause" defined – non-curable defaults	Section 10 2 1 of the FA	Non-curable defaults misuse of trademarks, breach of non-competition, unauthorized transfer, material misrepresentation, lack of prior written consent when required, abandonment, repeated defaults even if cured, threat to public health or safety, bankruptcy plead guilty, repeated defaults, no contest to or conviction of a felony, or engage in conduct which reflects materially and unfavorably on the goodwill associated with the Marks System or Trade Name use of unauthorized marks *The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 USC §101 et seq)*
		Section 5 2 of the DA	Uncurable defaults under the DA include failure to meet the Minimum Development Obligations, if a Franchise Agreement entered into between us and you or any of your affiliates is terminated, or if you violate any of your confidentiality or non-competition obligations under the DA
i	Franchisees obligations on termination/non-renewal	Section 10 3 of the FA	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)
		Sections 5 3, 7 1 2, 7 2, 7 3, 8 and 9 4 of the DA	Non-competition, confidentiality, indemnification covenants Dispute resolution provisions
j	Assignment of contract by us	Section 9 6 of the FA	No restriction on our right to assign

	Provision	Section in Franchise or other agreement	Summary
		Section 6 1 of the DA	There is no restriction on our right to assign You have no right to assign the DA, or any of your rights thereunder
k	"Transfer" by franchisee – definition	Section 3 20, 9 of the FA Section 6 2 of the DA	Includes transfer of contract or assets, any ownership change You have no right to assign the DA or any of your rights thereunder
l	Our approval of transfer by franchisee	Article 9 of the FA Not Applicable to the DA	We have the right to approve all transfers
m	Conditions for our approval of transfer	Section 9 4 and 9 5 of the FA Not Applicable to the DA	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, and release signed by you and your Related Parties
n	Our right of first refusal to acquire franchisee's business	Section 9 3 of the FA Not Applicable to the DA	We or our designee can match any offer for your business
o	Our option to purchase franchisee's business	Section 9 3, of the FA Not Applicable to the DA	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 of the FA Not Applicable to the DA	Heirs or beneficiaries must demonstrate, within 60 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 1 of the FA Section 7 1 1 of the DA	No competing business during the Term No involvement in a competing business

	Provision	Section in Franchise or other agreement	Summary
r	Non-competition covenants after the franchise is terminated or expires	Section 8 6 2 of the FA	No competing business for 2 years (a) at the Center location, (b) within 10 miles of current location, (c) within 10 miles of another Transformation Center or (d) within the state of New Jersey (including after assignment) No involvement with a franchise system that offers or sells franchises for the right to open or operate competing businesses within the United States for a 2-year period
		Section 7 1 2 of the DA	No involvement in a competing business for 2 years within the Development Area, within a 10 mile radius of the Development Area, or within a 10 mile radius of any other Center No involvement with a franchise system that offers or sells franchises for the right to open or operate competing businesses within the United States for a 2-year period
s	Modification of agreement	Section 11 4 of the FA	No modification generally unless on consent of both parties, but Operations Manual subject to change
		Section 9 10 of the DA	No modifications of the DA unless the modifications are in writing and signed by both parties
t	Integration/merger clause	Section 11 6 of the FA	Only the terms of the franchise agreement and other related written agreements are binding (subject to applicable state law) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable See Note 1
		Section 9 10 of the DA	Only the terms of the DA are binding Nothing in the DA is intended to disclaim the representations made in this disclosure document
u	Dispute resolution by arbitration or mediation	Section 11 7 11 8 of the FA	With the exception of certain actions by us, all claims must first be mediated prior to arbitration or litigation Except for certain claims, all disputes must be arbitrated in New Jersey The arbitration will occur with each respective party paying their own costs
		Section 8 of the DA	All claims under the DA (except as set forth in 8 3) must be mediated prior to arbitration or litigation Except for certain claims all claims must be arbitrated in New Jersey

Provision	Section in Franchise or other agreement	Summary
v Choice of forum	Section 11 2 of the FA Section 9 1 of the DA	Superior Court of New Jersey, Monmouth County, United States District Court for the District of New Jersey See Note 1 Arbitration must be in New Jersey Litigation must be in New Jersey
w Choice of law	Section 11 2 of the FA Section 9 1 of the DA	New Jersey law applies See Note 1

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise

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ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rules permit 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 Franchise 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

HISTORICAL FINANCIAL PERFORMANCE REPRESENTATIONS

As of December 31, 2017, there were fifty-five (55) franchised Centers in operation Thirty-five (35) of these fifty-five (55) Centers (a) were stand-alone locations for the entire 2017 calendar year, (b) were open and in operation for the entire 2017 calendar year, and (c) provided their monthly profit and loss statements to us for the entire 2017 calendar year For reference purposes, these thirty-five (35) Centers are referred to in this Item 19 as the "FPR Centers" The historical financial performance representation in this Item 19 includes performance information for the FPR Centers

The financial information used in the preparation of the information provided in this Item (a) was **not audited**, (b) was prepared internally by us based on unaudited information provided to us from the ClubReady member management system used by the FPR Centers in connection with the operation of their respective businesses, and from unaudited profit and loss statements provided to us by the FPR Centers, and (c) is materially in conformity with generally accepted accounting principles Individual franchisees are likely to experience sales volume variations The geographic area within which your Center and Protected Territory is located and the operational skill and management methods employed by a franchisee may significantly affect the sales realized

We have written substantiation for the financial performance representation provided in this Item 19 Written substantiation for the financial performance representation in this Item 19 will be made available to the prospective franchisee upon reasonable request You should carefully analyze the following table with the assistance of your counsel, accountants or other advisors

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TABLE A

ANNUAL AND AVERAGE MONTHLY GROSS SALES FOR THE FPR CENTERS FOR THE 2017 CALENDAR YEAR

Center	Month/Year of Grand Opening	2017 Total Annual Gross Sales	2017 Average Monthly Gross Sales	Monthly Average Gross Sales Breakdown High, Low, Median
1	Sep 14	$558,162 75	$46,513 56	High $76 729 75 Low $37 632 90 Median $42,952
2	Jun 14	$509,556 79	$42,463 07	High $59 153 15 Low $37 304 00 Median $39 982 95
3	Apr 14	$495,136 50	$41,261 38	High $53 729 23 Low $32 228 25 Median $39 446 97
4	Feb 13	$490,419 10	$40,868 26	High $49 745 50 Low $33 841 00 Median $39 913 125
5	Jun 15	$440,385 50	$36,698 79	High $42 197 50 Low $31 227 50 Median $36 527 00
6	Aug 14	$399,465 32	$33,288 78	High $50 314 50 Low $22 835 32 Median $31 395 25
7	Mar 15	$385,530 93	$32,127 58	High $48 323 50 Low $23 242 50 Median $30 857 23
8	May 13	$368,372 42	$30,697 70	High $40 152 40 Low $26 310 96 Median $29 665 71
9	Jul 12	$360,476 97	$30,039 75	High $41 732 94 Low $21 713 40 Median $28 756 58
10	Sep 16	$353,850 05	$29,487 50	High $39 539 90 Low $18 744 10 Median $26 215 60
11	Jun 13	$338,275 33	$28,189 61	High $33 250 86 Low $24 194 28 Median $27 213 96
12	Sep 14	$323,470 34	$26,955 86	High $35 489 48 Low $21 650 40 Median $27 399 19
13	Sep 11	$317,081 37	$26,423 45	High $34 276 45 Low $21 095 00 Median $26 662 73
14	Sep 13	$307,214 00	$25,601 17	High $32 280 00 Low $18 737 00 Median $24 698 75
15	Apr 16	$303,255 83	$25,271 32	High $33 271 00 Low $18 618 25 Median $23 072 78

16	Jan 15	$296,954 64	$24,746 22	High $33 491 60 Low $18 159 59 Median 23 863 73
17	Oct 16	$289,612 86	$24,134 41	High $35 017 21 Low $14 384 98 Median $23 830 06
18	Jun 15	$272,675 70	$22,722 98	High $30 348 50 Low $16 840 25 Median $23 421 50
19	Jun 14	$269,365 91	$22,447 16	High $32 270 49 Low $16 135 00 Median $21 941 00
20	Oct 16	$265,963 80	$22,163 65	High $31 867 50 Low $11 678 00 Median $21 920 15
21	Jan 15	$265,049 87	$22,087 49	High $28,843 98 Low $15 784 98 Median $21 055 74
22	Jul 12	$264,636 97	$22,053 08	High $28 901 00 Low $16 663 34 Median $22 767 18
23	Sep 16	$262,473 45	$21,872 79	High $36 488 56 Low $13 163 57 Median $20 428 32
24	May 13	$258,027 50	$21,502 29	High $30 737 00 Low $16 336 00 Median $20 574 00
25	Sep 14	$256,128 89	$21,344 07	High $29 091 41 Low $16 113 00 Median $20 425 25
26	Nov 15	$252,899 70	$21,074 98	High $35 330 50 Low $14 819 00 Median $18 620 05
27	Apr 14	$240,765 94	$20,063 83	High $29 255 87 Low $13 875 49 Median $18 328 19
28	Jan 14	$224,188 16	$18,682 35	High $23 527 38 Low $15 402 49 Median $18 078 22
29	May 16	$217,368 45	$18,114 04	High $24 607 50 Low $9 634 29 Median $18 076 90
30	Jan 14	$208,581 85	$17,381 82	High $22 019 20 Low $12 968 00 Median $16 898 50
31	Apr 16	$199,540 67	$16,628 39	High $25 743 90 Low $11 595 99 Median $15 939 25
32	Apr 16	$148,656 95	$12,388 08	High $18 593 00 Low $6 534 50 Median $12 545 25
33	Aug 16	$124,503 94	$10,375 33	High $14 567 49 Low $7991 99 Median $10 033 23
34	Oct 16	$117,397 50	$9,783 13	High $14 734 00 Low $5 387 80 Median $9 272 25

35	Aug 15	$91,411 50	$7,617 63	High $10 339 00 Low $5 274 50 Median $7 396 25

TABLE B

AVERAGE MONTHLY RENT, SALARIES, UTILITIES, & FACILITY MAINTENANCE EXPENSES FOR THE FPR CENTERS DURING THE 2017 CALENDAR YEAR

Center #	Rent	Salaries	Utilities	Facility Maintenance
#1	**Average $4,302**	**Average $15,222**	**Average $652**	**Average $567**
	High $4,512	High $24,825	High $ 893	High $1,220
	Low $3,721	Low $ 6,967	Low $296	Low $173
	Median $4,296	Median $14,816	Median $673	Median $489
#2	**Average $4,454**	**Average $ 14,184**	**Average $1,352**	**Average $747**
	High $4,620	High $21,517	High $ 3,628	High $1,136
	Low $4,421	Low $ 7,373	Low $378	Low $636
	Median $4,421	Median $14,086	Median $1,168	Median $680
#3	**Average $5,012**	**Average $15,788**	**Average $890**	**Average $151**
	High $5,123	High $20,959	High $2,854	High $587
	Low $4,990	Low $12,296	Low $265	Low $106
	Median $4,990	Median $14,914	Median $879	Median $183
#4	**Average $6,612**	**Average $14,322**	**Average $1,502**	**Average $1,439**
	High $6,645	High $29,004	High $2,029	High $2,768
	Low $6,545	Low $10,951	Low $993	Low $220
	Median $6,645	Median $12,001	Median $995	Median $1,384
#5	**Average $4,843**	**Average $11,570**	**Average $738**	**Average $394**
	High $4,843	High $15,717	High $1,072	High $1,300
	Low $4,843	Low $9,363	Low $437	Low $
	Median $4,843	Median $10,710	Median $719	Median $414
#6	**Average $6,143**	**Average $14,597**	**Average $449**	**Average $**
	High $9,152	High $18,105	High $ 1,457	High $
	Low $4,000	Low $10,944	Low $296	Low $
	Median $5,582	Median $13,697	Median $402	Median $

Center #	Rent	Salaries	Utilities	Facility Maintenance
#7	**Average $3,272**	**Average $6,588**	**Average $1,205**	**Average $639**
	High $3,296	High $9,876	High $2,455	High $1,770
	Low $3,200	Low $4,991	Low $735	Low $33
	Median $3,296	Median $6,250	Median $1,602	Median $594
#8	**Average $4,145**	**Average $9,629**	**Average $466**	**Average $149**
	High $4,187	High $14,008	High $1,006	High $570
	Low $4,102	Low $7,174	Low $124	Low $66
	Median $4,144	Median $9,561	Median $324	Median $208
#9	**Average $3,408**	**Average $13,271**	**Average $859**	**Average $1,120**
	High $5,843	High $15,755	High $1,714	High $1,790
	Low $4,043	Low $10,909	Low $399	Low $258
	Median $4,328	Median $12,686	Median $773	Median $1,166
#10	**Average $5,005**	**Average $5,817**	**Average $487**	**Average $601**
	High $5,155	High $8,401	High $561	High $1,161
	Low $5,005	Low $3,336	Low $379	Low $574
	Median $5,005	Median $5,865	Median $495	Median $68
#11	**Average $4,233**	**Average $9,789**	**Average $1,159**	**Average $1,191**
	High $4,243	High $17,212	High $1,650	High $2,237
	Low $4,128	Low $6,257	Low $701	Low $
	Median $4,243	Median $9,564	Median $1,181	Median $1,166
#12	**Average $4,719**	**Average $8,907**	**Average $360**	**Average $906**
	High $4,719	High $11,674	High $541	High $2,748
	Low $4,719	Low $6,576	Low $110	Low $652
	Median $4,719	Median $8,916	Median $378	Median $736
#13	**Average $4,500**	**Average $8,970**	**Average $774**	**Average $1,333**
	High $4,500	High $10,688	High $946	High $2,401
	Low $4,500	Low $7,935	Low $562	Low $1,214
	Median $4,500	Median $8,911	Median $789	Median $1,214

Center #	Rent	Salaries	Utilities	Facility Maintenance
#14	**Average $3,244**	**Average $10,080**	**Average $484**	**Average $358**
	High $3,728	High $14,943	High $1,426	High $358
	Low $3,050	Low $6,031	Low $72	Low $358
	Median $3,189	Median $9,499	Median $319	Median $358
#15	**Average $5407**	**Average $7,333**	**Average $594**	**Average $632**
	High $5,452	High $10,524	High $1,084	High $1,125
	Low $5,355	Low $5,121	Low $108	Low $501
	Median $5,428	Median $7,068	Median $538	Median $625
#16	**Average $2,704**	**Average $10,760**	**Average $370**	**Average $545**
	High $4,719	High $15,520	High $714	High $2,544
	Low $1,200	Low $7,985	Low $123	Low $91
	Median $2,567	Median $10,317	Median $368	Median $393
#17	**Average $6,306**	**Average $4,514**	**Average $891**	**Average $217**
	High $6,977	High $6,894	High $1,482	High $795
	Low $6,200	Low $3,196	Low $450	Low $366
	Median $6,200	Median $4,361	Median $886	Median $293
#18	**Average $4,458**	**Average $6,996**	**Average $725**	**Average $1,122**
	High $4,553	High $9,596	High $1,138	High $1 315
	Low $4,410	Low $5,618	Low $412	Low $1,095
	Median $4,481	Median $6,771	Median $753	Median $1,095
#19	**Average $3,501**	**Average $4,525**	**Average $1,186**	**Average $240**
	High $3,625	High $6,119	High $2,693	High $625
	Low $3,440	Low $3,759	Low $179	Low $75
	Median $3,532	Median $4,017	Median $1,033	Median $500
#20	**Average $5,404**	**Average $8,471**	**Average $208**	**Average $501**
	High $8,180	High $10,490	High $323	High $844
	Low $3,940	Low $6,664	Low $55	Low $292
	Median $4,080	Median $8,526	Median $225	Median $422

Center #	Rent	Salaries	Utilities	Facility Maintenance
#21	**Average $2,550**	**Average $5,651**	**Average $450**	**Average $65**
	High $2,550	High $11,403	High $1,002	High $98
	Low $2,550	Low $2,995	Low $89	Low $16
	Median $2,550	Median $5,547	Median $358	Median $81
#22	**Average $3,441**	**Average $6,497**	**Average $620**	**Average $752**
	High $6,995	High $10,497	High $1,044	High $1,164
	Low $651	Low $5,031	Low $109	Low $561
	Median $3,372	Median $11,634	Median $673	Median $631
#23	**Average $9,020**	**Average $3,813**	**Average $336**	**Average $179**
	High $9,938	High $6,146	High $1,512	High $369
	Low $8,600	Low $2,730	Low $50	Low $172
	Median $8,959	Median $3,441	Median $214	Median $68
#24	**Average $3,928**	**Average $1,833**	**Average $785**	**Average $920**
	High $4,362	High $3,203	High $4,151	High $1,373
	Low $4,219	Low $426	Low $156	Low $800
	Median $4,284	Median $1,783	Median $473	Median $855
#25	**Average $2,991**	**Average $6,912**	**Average $631**	**Average $158**
	High $3,301	High $10,071	High $4,389	High $158
	Low $2,841	Low $3,991	Low $19	Low $158
	Median $2,955	Median $7,409	Median $328	Median $158
#26	**Average $4,375**	**Average $4,514**	**Average $566**	**Average $483**
	High $4,375	High $5,625	High $898	High $758
	Low $4,375	Low $3,741	Low $333	Low $379
	Median $4,375	Median $4,326	Median $554	Median $417
#27	**Average $4,249**	**Average $4,219**	**Average $1,145**	**Average $602**
	High $8,250	High $6,794	High $2,138	High $3,600
	Low $745	Low $1,939	Low $407	Low $12
	Median $4,500	Median $4,048	Median $1,098	Median $280

Center #	Rent	Salaries	Utilities	Facility Maintenance
#28	**Average $2,950**	**Average $6,692**	**Average $367**	**Average $43**
	High $4,056	High $10,305	High $757	High $136
	Low $2,800	Low $1,982	Low $225	Low $4
	Median $2,800	Median $7,053	Median $321	Median $32
#29	**Average $6,832**	**Average $7,495**	**Average $820**	**Average $638**
	High $6,849	High $11,580	High $2,099	High $977
	Low $6,650	Low $5,848	Low $294	Low $209
	Median $6,849	Median $7,189	Median $559	Median $628
#30	**Average $3,929**	**Average $5,848**	**Average $375**	**Average $665**
	High $4,604	High $8,326	High $835	High $1,990
	Low $3,750	Low $5,083	Low $160	Low $380
	Median $3,889	Median $5,456	Median $336	Median $427
#31	**Average $4,824**	**Average $5,827**	**Average $559**	**Average $119**
	High $4,824	High $7,787	High $917	High $1,005
	Low $4,824	Low $4,343	Low $315	Low $428
	Median $4,824	Median $5,654	Median $521	Median $717
#32	**Average $4,340**	**Average $3,301**	**Average $504**	**Average $213**
	High $4,371	High $3,716	High $1,665	High $498
	Low $4,187	Low $2,960	Low $124	Low $58
	Median $4,371	Median $3,257	Median $451	Median $300
#33	**Average $4,372**	**Average $6,562**	**Average $394**	**Average $58**
	High $4,375	High $14,390	High $518	High $58
	Low $4,350	Low $3,483	Low $200	Low $58
	Median $4,375	Median $6,037	Median $426	Median $58
#34	**Average $4,879**	**Average $2,762**	**Average $510**	**Average $58**
	High $5,138	High $5,204	High $1,068	High $58
	Low $4,861	Low $1,419	Low $262	Low $58
	Median $4,861	Median $2,692	Median $478	Median $58

Center #	Rent	Salaries	Utilities	Facility Maintenance
#35	**Average $4,435**	**Average $796**	**Average $309**	**Average $**
	High $4,658	High $1,656	High $799	High $
	Low $3,830	Low $217	Low $205	Low $
	Median $4,432	Median $832	Median $245	Median $

Notes to Tables A & B

Note 1 The results reported in Table A were provided to us by ClubReady, the member management system used by the FPR Centers The information presented in this Item 19 was not audited

Note 2 Definitions & Methods of Calculations

a The term "Gross Sales", as used in this Item 19, means the total revenue derived from the sale of goods and services, less sales tax

b The term "Median" means the data point that is in the center of all data points used to calculate the average, and, if the number of data points is an even number, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two

c The "High" means the data point that is the highest of all data points used to calculate the stated average The "Low" means the data point that is the lowest of all data points used to calculate the stated average

d The average monthly rent*, salaries, utilities and facility maintenance expenses for each of the Centers included in Table B were calculated by dividing the total reported expenses for each of the stated categories for the 2017 calendar year, and dividing that number by twelve (12)

Note 3 Center #s 6 and 35 did not disclose facility maintenance expenses as a separate line item and therefore the facility maintenance expenses for these Centers were not included Center #9 experienced three (3) months of free rent during the 2017 calendar year thereby reducing Center #9's average rent expenses Center #s 22 23 and 25 experienced a transfer of ownership in the 2017 calendar year

Note 4

a The term "Rent" means the rental expenses identified as "Rent" on the profit and loss statements the FPR Centers submitted to us

b The term "Salaries" means salaries, payroll and similar related expenses identified as "Salaries" on the profit and loss statements the FPR Centers submitted to us

c The term "Utilities" means the utility expenses identified as "Utilities" on the profit and loss statements the FPR Centers submitted to us

d The FPR Centers engage third party service providers to provide cleaning and maintenance services to their Centers The Facility Maintenance expenses reflected in Table B reflect the cleaning costs and expenses incurred by the FPR Centers during the 2017 calendar year, as reported to us

Note 5 Thirty (30) of the FPR Centers are located in the State of New Jersey The remaining five (5) FPR Centers are located in New York

Note 6 The historical information provided in this Item 19 includes **limited** expense information for the FPR Centers Your Center will incur expenses and costs of operation, including, among other expenses, labor, rent, utilities, facility maintenance, insurance, continuing monthly royalty fees, continuing advertising fees, local advertising expenses, bookkeeping fees, technology and support fees and, among others, those ongoing fees and expenses disclosed in Item 6 and as set forth in your Franchise Agreement

Note 7 Your Center's Gross Sales and operations will be affected, in large part, by your own operational ability and devotion and dedication to the Franchised Business Your Center's performance will be impacted by numerous factors, including your experience in managing a business, your capital and financing (including working capital), operational capabilities of you and your staff, customer service orientation, service quality, your business plan and the use of experts to assist you in your business plan Your Center will also be affected by the demographics of your Protected Territory, competition in your market, and your individual marketing and sales efforts Your Center's gross sales may be negatively impacted by not adhering to our System standards and specifications Other matters affecting your Center's sales and expenses may be inflation, state of the economy, costs of labor, costs of goods sold, applicable laws, rules and regulations, regional differences, seasonal and weather fluctuations and impairments, and fluctuations due to periodic marketing and advertising programs

Note 8 The financial performance information in this Item 19 reflects historical performance information of the FPR Centers, as reported to us There is no assurance that future sales will correspond to historical sales

Note 9 There are a number of factors that may affect sales at your Center The factors listed in this Item are not all-inclusive

Additional Notes

Some outlets have sold this amount Your individual results may differ There is no assurance you will sell as much

You are strongly advised to consult with your financial advisor, personal accountant and other business professionals concerning the financial analysis and due diligence you should make in determining whether to purchase a Center You and your accountant should also 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 The first year of operations may be the most challenging There are numerous factors that affect a Center's sales and costs You should conduct an independent investigation of the costs and expenses you will incur in opening and operating your Center Franchisees or former franchisees listed in this Franchise Disclosure Document may be one source of this information

Other than the preceding financial performance representation, MAX Franchising, LLC does not make any financial performance representations We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting MAX FRANCHISING, LLC, Attn Chief Executive Officer, Bryan Klein, 1030A Campus Drive West, Morganville, New Jersey 07751, Tel (732) 520-4475, the Federal Trade Commission, and the appropriate state regulatory agencies

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ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No 1
Systemwide Outlet Summary
For Years 2015 to 2017

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 Outlets	2015	27	38	+11
	2016	38	47	+9
	2017	47	55	+8
Company-Owned	2015	1	1	0
	2016	1	0	-1
	2017	0	0	0
Total Outlets	2015	28	39	+11
	2016	39	47	+8
	2017	47	55	+8

Table No 2
Transfers of Outlets From Franchisees
To New Owners
(Other Than The Franchisor)
For years 2015 to 2017

Column 1 State	Column 2 Year	Column 3 Number of Transfers
New Jersey	2015	1
	2016	1
	2017	2
New York	2015	0
	2016	0
	2017	1
All Other States	2015	0
	2016	0
	2017	0
Total	2015	1
	2016	1
	2017	3

Table No 3
Status of Franchised Outlets
For Years 2015 to 2017

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	2015	3	2	0	0	0	0	5
	2016	5	0	0	0	0	0	5
	2017	5	1	4	0	0	0	2
Florida	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	3	0	0	0	0	3
New Jersey	2015	22	9	0	0	0	1	30
	2016	30	6	0	0	0	2	34
	2017	34	9	1	0	0	0	42
New York	2015	2	1	0	0	0	0	3
	2016	3	3	0	0	0	0	6
	2017	6	0	0	0	0	0	6
Pennsylvania	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Texas	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	1	0	0	0	0
Total	2015	27	12	0	0	0	1	38
	2016	38	11	0	0	0	1	47
	2017	47	14	6	0	0	0	55

Table No 4
Status of Company-Owned Outlets
For Years 2015 to 2017

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
New Jersey	2015	1	0	0	0	0	1
	2016	1	0	0	0	1	0
	2017	0	0	0	0	0	0
All other states	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
Total	2015	1	0	0	0	0	1
	2016	1	0	0	0	1	0
	2017	0	0	0	0	0	0

Table No 5
Projected Openings as of December 31, 2017

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
California	0	1	0
Delaware	1	1	0
Florida	3	3	0
Georgia	1	1	0
New Jersey	14	16	0
New York	2	1	0
Pennsylvania	0	0	0
Texas	3	0	0
Total	24	34	0

Notes

All numbers are as of the fiscal year ending on December 31st for each year These numbers include those Transformation Centers in Enrollment

Exhibit D lists the names of all current franchisees and the addresses and telephone numbers of their Transformation Centers as of December 31, 2017

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 a Transformation Center 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

During the last three years, some franchisees have signed confidentiality clauses In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with MAX Franchising, LLC 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 franchise system 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**

A Our Audited Financial Statements for our fiscal year ended December 31, 2017,
B Our Audited Financial Statements for our fiscal year ended December 31, 2016,
C Our Audited Financial Statements for our fiscal year ended December 31, 2015

ITEM 22

CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in **Exhibit A and Exhibit B** 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 - Waiver of Two Mile Approved Territory
Exhibit 7 - Statement of Ownership Interest in Franchisee
Exhibit 8 - Amendment to Franchise Agreement
Exhibit 9 – Assignment & Assumption Agreement
Exhibit 10 – Collateral Assignment of Lease

Development Agreement – EXHIBIT B

ITEM 23

RECEIPTS

Two copies of a detachable receipt in **Exhibit K** are located at the very end of this Disclosure Document Please sign one copy of the receipt and return it to us at the following address

Attention
MAX FRANCHISING, LLC
1030A Campus Drive West
Morganville, New Jersey 07751Telephone (732) 520-4475

The duplicate is for your records

Exhibit A

Franchise Agreement and Exhibits

FRANCHISE AGREEMENT

MAX FRANCHISING, LLC CENTER 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 MAX Franchising, LLC, a New Jersey limited liability company with its principal place of business at 1030A Campus Drive West, Morganville, NJ 07751 ("MAX Franchising", "Franchisor", or "we", "us" or "our"), and _____, [an individual] [individuals] [a corporation] [a partnership] [a limited liability company], with an address at _____ _____ (collectively, "You" or "Franchisee")

2 RECITALS

2 1 Ownership of System

MAX Franchising and/or its affiliates is the owner of certain intellectual property rights, trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the following service marks "The MAX Challenge®" and "TAKE IT TO THE MAX FITNESS FOR THE MIND, BODY & SPIRIT®" MAX Franchising 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, and uniforms, and employee training techniques that, taken together, make up a proprietary system (the "System") for the operation of group training transformation centers (each a "Center" or a "Transformation Center")

2 2 Objectives of Parties

You desire to enter into the business of operating a Center under the System using the Trade Name and Marks (as those terms are defined in Section 3, below), and You wish to obtain from Max Franchising, and Max Franchising 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 Approved Location

"Approved Location" means the street address of the physical location approved in writing by Max Franchising for the operation of your single Transformation Center under this Agreement, which shall be set forth in Exhibit 1 to this Agreement

3 2 Approved Territory

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

3 3 Designated Manager

"Designated Manager" means the person whom You have appointed as general manager of the Transformation Center who has successfully completed Initial Training to our satisfaction and is MAX Certified

3 4 Enrollment

"Enrollment" means the TEN WEEK CHALLENGE sales drive that occurs before You open Your business, it typically begins at the start of the construction of Your Transformation Center and continues for a period of approximately 3 months, depending upon how long construction of Your Transformation Center takes "Enrollment" also means any legacy enrollment or subsequent maintenance enrollment in the program by your Members

3 5 Franchise Network

"Franchise Network" means the interdependent network composed of Max Franchising, all Transformation Centers, all of our franchisees, Max Franchising's Related Parties, and any other persons or business entities that Max Franchising or its Related Parties 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 Max Franchising or its Related Parties and full compliance with all requirements for the operation of the Transformation Center set forth in the Manual

3 7 Gross Sales

"Gross Sales" means the total amount of all 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, including new and legacy member enrollment, 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, barter or trade, in whole or in part, excluding any amounts collected for state and local sales taxes from the Center or in connection with the Trade Name or Marks

3 8 Manual

"Manual" or "Operations Manual" means the Confidential Policies and Operations Manual and various other confidential manuals and/or written materials relating to the operation of the Franchised Business that Max Franchising lends to you, or authorizes you to use, during the Term, including but not limited to any supplemental bulletins, e-mails, text messages, notices, revisions, modifications or amendments thereto (collectively, the "Manual"), all of which may be changed by Max Franchising at any time in the future Without limiting the foregoing, the Manual may include specifications relating to use of the Marks, the System, required services, customer service techniques, staffing requirements, forms and requirements for the establishment and operation of the Franchised Business, and administration issues and procedures

3 9 Marks

"Marks" means the marks "The MAX Challenge®", "TAKE IT TO THE MAX, Fitness for the Mind, Body and Spirit®", and such other trademarks, service marks, trade names, logos, trade dress, slogans and commercial symbols, including any modifications, additions and/or replacements thereto, as designated by Max Franchising in writing

3 10 MAX Franchising

"MAX", or "Max Franchising" or "Franchisor" means MAX Franchising, LLC, or any person or entity to which Max Franchising allocates all or part of its rights and obligations under this Agreement

3 11 MAX Fund

"MAX Fund" or the "Fund" means the advertising fund established by Max Franchising for purposes of increasing brand awareness

3 12 MAXFITNESS Certified

"MAX Certified" means that you have successfully completed all training we designate in the Manual, including but not limited to passing the MAX Level 1, Level 2 and Level 3 training exams (as defined in the Manual), and the Max Transformation Success Conditioning program and exam, and you are CPR and AED Certified

3 13 The Transformation Center

The "Center" or the "Transformation Center" means the single franchise business that Max Franchising has authorized You to conduct under the Trade Name, Marks, and System solely at the Approved Location, under and in compliance with this Agreement

3 14 Proprietary Product

"Proprietary Product" means any product that is composed of or in accordance with Max Franchising's specifications or that bears or has been labeled with any of the Marks

3 15 Proprietary Service

"Proprietary Service" means any service that is composed of or in accordance with Max Franchising's specifications or that bears or has been labeled with any of the Marks

3 16 Related Party

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

3 17 Start Date

"Start Date" means the earlier of _____ *[agreed-upon deadline]* or the date when Your Transformation Center begins Enrollment

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 The MAX Challenge®", or such other names as designated by MAX Franchising

3 20 Transfer

"Transfer" means any direct or indirect transfer, pledge, encumbrance, hypothecation, mortgage, sublicense, transfer through bequest or inheritance, transfer in trust, transfer in divorce, transfer by operation of law or by any other means, assignment, sale, gift, or other disposition or change in ownership (i) of all or any part of the rights and obligations of this Agreement or any rights or privileges incidental to this Agreement, (ii) in the Transformation Center, including any fitness or training center operated in connection therewith, or (iii) in You Without limiting the foregoing, if You are a partnership, then one or more transactions (regardless of whether or not they are related) in which there is any change in the rights to Your capital or profits will be considered to be a Transfer, if You are a corporation, limited liability company or other business entity, then one or more transactions (regardless of whether or not they are related) in which there is any change in the economic ownership, control and/or beneficial ownership in You or of Your stock or membership interests, as applicable, will be considered to be a Transfer

3 21 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

Max Franchising 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 a single Transformation Center at the Approved Location from which You shall offer all of the products, services classes and programs designated by Max Franchising, and (b) to use, solely in connection therewith, the Trade Name, Marks and System in strict conformance with this Agreement and Max Franchising's quality control standards and specifications, 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 Max Franchising

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 Transformation Center in accordance with Section 7 2 of this Agreement It is your sole responsibility to locate and purchase and/or lease a site for the Center In no event shall the Center be less than 1,700 square feet without the prior written consent of Max Franchising You may not establish Your Center 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 Max Franchising's prior written approval and, if required by Max Franchising, as part of Max Franchising's coordinated marketing effort

4 3 Approved Territory

During the term of this Agreement, and except as otherwise provided in this Agreement, Max Franchising agrees that it shall not establish, nor license any other person to establish, another Center at any location within Your Approved Territory If you do not have an Approved Location for Your Center when you sign this Agreement, once you secure an Approved Location in accordance with the terms of this Agreement, Max Franchising will designate your Approved Territory and Exhibit 1 to this Agreement will be updated to reflect the Approved Location and Approved Territory

4 4 Rights Reserved

Max Franchising 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, Max Franchising shall have the right to

(a) establish, own, or operate, and license others to establish, own or operate Centers and any other business under the Marks or any other trademark outside of your Approved Territory,

(b) establish, own or operate, and license others to establish, own or operate, other businesses under other systems using the Marks or any other trademark outside of your Approved Territory,

(c) offer, sell, operate, distribute and/or license others to sell, operate and distribute, through franchised or non-franchised businesses, at wholesale or retail, within and outside the Approved Territory (i) branded goods, (ii) services we have not licensed you to offer or sell through your Center, and/or (iii) goods and services under trademarks other than the Marks,

(d) offer, sell, rent and/or distribute any products or services under the Marks or any other trademark through alternative channels of distribution, including through the Internet, 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 Max Franchising shall not do so from a Transformation Center located inside the Approved Territory, and/or

(e) 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 If we acquire or merge with another system with

businesses operating within the Approved Territory, we will not license the businesses operating in your Approved Territory to operate under the Marks without your consent

(f) We and/or our affiliates and licensees, may operate a temporary location, trade show booth or similar type location for a limited period of time (not to exceed 15 consecutive days without your written consent) within your Approved Territory and we are not required to pay you any compensation relating to these activities

(g) Special Venues We reserve the right to establish and operate, or license others to establish and operate, Centers in "Special Venues", including Special Venues located in your Approved Territory The term "Special Venues" shall mean non-traditional venues, including, without limitation, schools, corporate offices, police departments, fire departments, government institutions and facilities, and military installations

4 5 Relocation

At Max Franchising's option, You may relocate the Center, with Max Franchising's 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 Max Franchising or Max Franchising's 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 agree to construct, equip and furnish Your Center so that it meets the standards of appearance and function applicable to new Centers at the time of relocation, and

(d) You and Your Related Parties that are parties to this Agreement shall have executed a general release, in a form satisfactory to Max Franchising, of any and all claims against Max Franchising 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 Max Franchising and its affiliates, and federal, state, and local laws and rules, and

(e) You may cease to operate the Center for no more than one (1) day only for the purposes of moving equipment from the old Approved Location to the new Approved Location for the Center

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 ten (10) years from the Effective Date, unless sooner terminated by Max Franchising in accordance with the terms of this Agreement (the ' Initial Term" or "Term")

4 6 2 Renewal

You shall have the option to renew this Agreement for one (1) additional term of ten (10) years or for Your then-current lease term, whichever is shorter, subject to the following conditions, all of which shall be met before renewal:

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

(b) You shall give Max Franchising written notice of Your election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the initial term,

(c) You and any Related Parties that have signed this Agreement shall sign a copy of the then-current Franchise Agreement (amended to indicate that it is not subject to renewal) not more than thirty (30) days after You receive the signature-ready copy of the then-current Franchise Agreement from Max Franchising, you must sign the then-current Franchise Agreement before this Agreement expires,

(d) You shall have paid Max Franchising's then-current renewal fee to Max Franchising,

(e) You shall, before the beginning of the renewal term, at Your own expense, remodel and modernize the Center, replace the equipment and signs, and purchase such additional signs, furniture, fixtures, and equipment as Max Franchising designates such that the Center meets Max Franchising's then-current standards of appearance and function at the time of renewal, and

(f) You and Your Related Parties that are parties to this Agreement shall execute a general release, in a form satisfactory to Max Franchising, of any and all claims You and Your Related Parties may have against Max Franchising and its Related Parties, subsidiaries, 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 Max Franchising and its affiliates, and federal, state, and local laws and rules

The provisions of the standard franchise agreement in use by Max Franchising 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 fees and obligations, and other fees, reduced territory size, and restrictions on products and services You hereby acknowledge and agree that Your right to renew shall be contingent upon Your acceptance of all provisions of the then-current Franchise Agreement

5 SERVICES TO FRANCHISEE

Max Franchising 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 Max Franchising and Max Franchising's Related Parties, and You are in full compliance with the Manual

5 1 Transformation Center Layout and Interior Decoration

Max Franchising will make available prototype or sample plans and specifications for one or more existing Centers to guide You in designing, furnishing and equipping Your Center You shall, at Your own expense, tailor the plans and specifications provided by Max Franchising for Your individual use and then

submit the customized plans and specifications to Max Franchising for written approval, which will not be unreasonably withheld

Max Franchising's approval shall be limited to conformance with Max Franchising's prototype and sample plans and shall not relate to Franchisee's obligations with respect to any federal, state and local laws, codes and regulations including but not limited to any applicable provisions of the Americans with Disabilities Act (the "**ADA**") regarding the construction, design and/or operation of the Center, which subjects shall be Your sole responsibility

You shall comply with all federal, state and local laws, codes and regulations, including the applicable provisions of the ADA regarding the construction, design and operation of the Center You are responsible for obtaining all zoning permits, classifications and clearances which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to Your location After you obtain all applicable approvals and clearances, You shall obtain all permits and certifications required for the lawful construction and operation of the Center

5 2 Training

5 2 1 Initial Training

Before you open Your Center, Max Franchising will conduct an initial training program concerning the operation of the Center under the System for up to two (2) members of Your staff, at no additional charge If you wish to bring additional persons to initial training, you must pay the Initial Training Fee set forth in Section 6 13 If you fail initial training you must retake initial training and pay the Initial Training Fee

Your Designated Manager shall (1) attend and successfully complete the Ten Week Challenge Program, (2) be MAXCertified, and (3) attend and successfully complete the initial training program to the satisfaction of Max Franchising, before You may open the Center

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, Max Franchising may offer ongoing training and education programs on the operation and promotion of the Center, the development and sale of products and services, and other matters relating to the Center on an optional or mandatory basis, as it deems appropriate in its sole discretion You shall attend and complete all such continuing education programs we require You are responsible for Your own expenses and those of Your employees who attend any training or educational program that we require You must reimburse us for any costs we incur to train you Max Franchising may require you to pay a fee for training and any continuing education program, see Section 6 6 You must complete all education and training programs Max Franchising designates to Max Franchising's satisfaction

5 2 3 Mandatory Annual Conferences

Max Franchising may, in its sole and absolute discretion, require you to attend a mandatory conference once per calendar year during the Term You shall attend all such conferences You are responsible for your own expenses and those of your employees who attend any such conferences Max Franchising may require you to pay a fee to attend each annual conference equal to Max Franchising's costs plus fifteen percent (15%)

5 3 Periodic Advisory Assistance

Max Franchising will, as it deems advisable in its sole and absolute discretion, provide periodic advisory assistance to You concerning the operation and promotion of the Center Max Franchising may, in its sole discretion, develop new products, services, or methods for use or sale by You

5 4 Manual

Before you open your Center, Max Franchising will lend You a copy of the Manual, which may contain explicit instructions for use of the Marks, specifications for goods that will be used in or sold by the Center, sample business forms, information on marketing, management, and administrative methods developed by Max Franchising for use in the Center, names of approved suppliers, and other information that Max Franchising believes may be necessary or helpful to You in Your operation of the Center Max Franchising may revise the Manual periodically, at any time, at its sole discretion, for any reason, including to conform to the changing needs of the Franchise Network Max Franchising will notify you of changes to the Manual in writing In lieu of a "hard copy" of the Manual, Max Franchising may make the Manual available to You in electronic form It may be provided to you through a password protected portion of Max Franchising's intranet or other computer data system, or provided through another electronic format Max Franchising will notify You of any updates to the Manual You are responsible for immediately downloading and complying with the revised Manual

5 5 Advertising

Max Franchising may, but is not required to, provide you with electronic access to certain advertising materials These materials may include video and audiotapes, copy-ready print advertising materials, posters, banners and miscellaneous point-of-sale items Max Franchising reserves the right to change the format in which it provides these materials to you in the future

5 6 Approved Suppliers

Max Franchising has the absolute right to limit the suppliers with whom you may deal Max Franchising will provide You with a list of the names and addresses of the approved suppliers who then currently meet Max Franchising's standards and specifications The current list of approved suppliers may be provided to you in the Manual, or in another written format In advising You of suppliers that meet its standards and specifications, **Max Franchising 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** You agree to look solely to the manufacturer or the supplier of equipment or service for the remedy for any defect in the good or service Max Franchising reserves the right to change the list of approved suppliers in its sole and absolute discretion at any time upon written notice

Max Franchising and/or its affiliates 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 Max Franchising and/or its affiliates may use all amounts it receives for any purpose Max Franchising and/or its affiliate deems appropriate You acknowledge and agree that Max Franchising shall have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments and benefits (collectively, "**Allowances**") offered by suppliers to You or to Max Franchising or its affiliates based upon Your purchases of goods and services You assign to Max Franchising or its designee all of Your right in, title to and interest in any and all such Allowances You authorize Max Franchising or its designee to collect and retain any and all such Allowances without restriction

Max Franchising may, from time to time, revoke its approval of particular items, services, products and suppliers in its sole and absolute discretion Upon receipt of notice of revocation, You shall immediately cease to offer, sell or use any disapproved item, product, or service, and You shall immediately cease to purchase the disapproved item, product or service from the disapproved supplier

Without limiting the foregoing, to maintain member records consistent with other Centers, You shall use the commercial billing service, computer software and programs that Max Franchising designates from time to time

6 PAYMENTS BY FRANCHISEE

6 1 Initial Fees

6 1 1 Initial Franchise Fee

When You sign this Agreement, You shall pay Max Franchising in cash or another form of payment that will make the funds immediately accessible to Max Franchising, such as cashier's check or wire transfer, an initial franchise fee of Forty Nine Thousand Nine Hundred Ninety Nine Dollars ($49,999 00) (the "Initial Franchise Fee") Notwithstanding the foregoing, if you sign three separate Franchise Agreements simultaneously for the development and operation of three Centers, you will pay an initial franchise fee of $40,000 per Center, for a total of $120,000 due and payable to us when you sign the three Franchise Agreements If you sign five separate Franchise Agreements simultaneously for the development and operation of five Centers, you will pay an initial franchise fee of $32,000 per Center, for a total of $160,000 due and payable to us when you sign the five Franchise Agreements The Initial Franchise Fee is not refundable

6 1 2 Training Fee

When You sign this Agreement, You shall pay Max Franchising in cash or another form of payment that will make the funds immediately available to Max Franchising, such as cashier's check or wire transfer, a training fee of Five Thousand Dollars ($5,000 00) (the "Training Fee") The Training Fee is not refundable

6 2 Royalties

You shall pay Max Franchising a continuing monthly royalty fee in amount equal to the greater of (a) five hundred dollars ($500), or (b) six percent (6%) of Gross Sales for the previous month, whichever is greater

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 Max Franchising, in accordance with the procedures designated by Max Franchising, which procedures Max Franchising has the discretion to change at any time upon written notice to you You shall use the commercial billing service and all computer programs and software Max Franchising designates from time to time to process the enrollment of members and legacy enrollment fees, payments, activity and all other fees for all products and services purchased from You Under the current system, Max Franchising's designated third-party commercial billing service provider receives all payments made to you in connection with the operation of the Center The service provider credits to your bank account, on a weekly basis, all payments made to the service provider, less 8% of Gross Sales (which represents the continuing monthly royalty fee percentage of 6% and the continuing advertising fee percentage of 2%) The

8% of Gross Sales retained by the service provider is paid to Max Franchising within 5 days after the expiration of each month If the 6% of Gross Sales retained by the service provider is insufficient to cover your minimum royalty payment requirement of $500 per month and your minimum continuing advertising fee payment of $200 per month, you must pay Max Franchising the difference immediately Without limiting the foregoing, you shall instruct the commercial billing service to credit to a bank account Max Franchising designates, all fees due to Max Franchising under this Agreement, including continuing monthly royalties, advertising fees, Software App Fees, Bookkeeping Service Fees, and all other fees and payments, on a monthly basis on the date designated by Max Franchising Further, You shall require the commercial billing service to allow Max Franchising to access and review all records relating to Your Center and all of your receivables At no time will You sell or assign any current or future enrollment fees, legacy enrollment fees, membership dues, charges, and/or activity fees to any other party, without the prior written consent of Max Franchising

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 Max Franchising, to enable Max Franchising to collect Your royalty payments and all other payments and fees due to Max Franchising by electronic funds transfer

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

6 4 When Payments Begin

Unless expressly stated otherwise, your obligation to pay continuing monthly royalties and other fees begins on the earlier of the Start Date of this Agreement, as defined above, or the day Your Transformation Center begins Enrollment 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

Max Franchising has the right during normal working hours to audit Your books and records, including Your tax returns, with respect to the Center If an audit discloses an underpayment of royalties, advertising fees, or any other fee payable under this Agreement, You shall immediately pay these amounts to Max Franchising together with accrued interest on the amount underpaid in accordance with Section 6 9 of this Agreement In addition, if the underpayment exceeds two percent (2%) of the total royalty, advertising, and other fees payable for any period covered under the audit, You shall reimburse Max Franchising for all expenses actually incurred by Max Franchising in connection with the audit, including reasonable attorneys' fees

6 6 Continuing Education Fees and Costs

Max Franchising may charge a fee for continuing education programs and additional training The Continuing Education Fee will be equal to its costs plus an administrative fee of up to 15% of its costs, in its sole discretion You must reimburse Max Franchising for all costs it incurs to provide you with continuing education and additional training For any training offered by Max Franchising at your Approved Location, You shall pay any costs of travel, lodging, meals and other incidental expenses that You or Your employees incur You shall also pay for the cost of business class transportation, lodging,

meals, and all other incidental expenses incurred by Max Franchising in connection with any training conducted at Your site and any onsite assistance provided to you

6 7 Customized Training Fees and Costs

In addition to the periodic advisory assistance described in Section 5 3, customized training services may be made available to You by Max Franchising on a per hour fee basis at a rate determined by Max Franchising in the Manual, plus reimbursement of direct costs You shall promptly pay such customized training fees and reimburse Max Franchising for all incidental expenses incurred by Max Franchising in rendering such services, including, but not limited to, the cost of business class transportation, lodging, meals, and telephone, fax, and courier charges

6 8 Transfer Fees

You shall pay to Max Franchising a transfer fee of twenty thousand dollars ($20,000) as a condition of, and prior to, any Transfer

If Max Franchising refers a potential purchaser for Your Center (the "Referred Prospect") to You, and You transfer your business to the Referred Prospect (and/or an entity owned or controlled by the Referred Prospect), you shall pay to Max Franchising a supplemental transfer fee (the "Supplemental Transfer Fee") equal to 20% of the purchase price plus any additional consideration due to you under any and all transfer and sale agreements by and between you and the purchaser You must pay the Supplemental Transfer Fee on the date on which you close under the transfer and/or sale agreement

6 9 Interest on Late Payments

Any payment not received by Max Franchising when due will bear interest at twelve percent (12%) 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 Max Franchising 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 Max Franchising's right to timely payment

6 10 Local Advertising Fee

If you do not provide Max Franchising with proof that you have satisfied the minimum monthly local advertising expenditure set forth in Section 7 6 2, upon demand, Max Franchising or its designee may collect the minimum local advertising expenditure from you through electronic funds transfer (the "Local Advertising Fee") Max Franchising will only charge You a Local Advertising Fee if you fail to provide proof that You are meeting the minimum monthly local advertising expenditure requirements If Max Franchising collects the Local Advertising Fee from You, it will spend the funds collected from You on direct mail advertising or other advertising we select at our sole discretion for your Center Such advertising will be directed towards your local market You acknowledge and agree that Max Franchising may select the form and nature of the advertising to be purchased for the Center with the Local Advertising Fee at its sole discretion You acknowledge and agree that the Local Advertising Fee does not create any fiduciary relationship between You and Max Franchising and that Max Franchising has no obligation to account for the Local Advertising Fee

6 11 Alternative Supplier Request Fee

If you want to purchase any products, services, 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 You or the proposed supplier will be responsible for all costs and expenses we incur in the testing and approval process We reserve the right to charge you an Alternative Supplier Request Fee of up to $500 plus all costs we incur, which, if imposed, shall be due and payable at the time you submit your request

6 12 Supplemental /Additional Training Fees

You must pay the Supplemental/Additional Training Fee for every additional person who attends the Initial Training program, and any subsequent Initial Training program, and for every person who fails to successfully complete Initial Training and every person who must be re-trained This fee is due and payable to Max Franchising before the applicable training session begins

6 13 Trainer and Designated Manager Assistance Fees

We are not obligated to provide you with any assistance in locating any employees, including any of your trainers or your Designated Manager If you request our assistance in locating a potential Designated Manager who has attended and successfully completed the Ten Week Challenge, Initial Training, and is MAX Certified, we may, at our sole and absolute discretion, assist you in locating a potential Designated Manager If we provide you with assistance, we will charge you a fee of $2,500 for helping you to locate a potential Designated Manager candidate If you request our assistance with locating a potential Trainer who has attended and successfully completed the Ten Week Challenge, we may, at our sole and absolute discretion, assist you in locating a potential Trainer If we provide you with assistance, we will charge you a fee of $2,500 for helping you locate an individual who has successfully completed the Ten Week Challenge and is MAX Certified or is a Max Fitness Level 1, Level 2 or Level 3 Certified Instructor In connection with providing any such assistance, you hereby acknowledge and agree that we make no representations, guarantees or warranties with respect to any Designated Manager or trainer

6 14 Software App Fee, Customer Service Supplier Fee

6 14 1 You shall pay to us a monthly Software App Fee of $25 per month The Software App Fee shall be paid via EFT in accordance with the procedures set forth in Section 6 3 on the day of the month we specify, unless we designate otherwise

6 14 2 You shall pay us a Customer Service Supplier Fee of $65 per month The Customer Service Supplier Fee shall be paid via EFT in accordance with the procedures set forth in Section 6 3 on the day of the month we specify, unless we designate otherwise We have the right to increase the Customer Service Supplier Fee on thirty (30) days prior notice to you

6 15 Bookkeeping Service Fee

You shall pay to us a monthly Bookkeeping Service Fee of $250 per month, commencing on the date you are required to begin Enrollment The Bookkeeping Service Fee shall be paid via EFT in accordance with the procedures set forth in Section 6 3, on the day of the month we specify, unless we designate otherwise

6 16 Technology and Support Services Fee

You must pay us our designated monthly technology and support services fee on a monthly basis on the day of the month we specify You must begin paying us the monthly technology and support services fee when you open your Center for business The monthly technology and support services fee is currently $200 per month and is subject to increases at any time in the future

6 17 Non-Compliance Fees

If You fail to comply with any of your obligations under this Agreement and we issue You a notice of default (each a "Default Notice"), in addition to any and all other rights and remedies we may have available to us under this Agreement and applicable law, we have the right to assess a Non-Compliance Fee of up to $500 per default against You, which, if assessed, will be due to us and payable by You immediately upon Your receipt of the Default Notice

6 18 Taxes Imposed on Us

If any taxing authority assesses any taxes against us in connection with our provision of services to you under this Agreement or otherwise in connection with licensing you the right to use the Marks pursuant to this Agreement, we reserve the right to require you to pay to us the total amount of any and all such assessed taxes

6 19 Relocation / Franchisee Initiated Renovation Support and Approval Fee

If You wish to relocate your Center (subject to your compliance with the conditions and requirements set forth in this Agreement), or if you wish to renovate your Center at any time during the term (subject to your compliance with the conditions and requirement set forth in this Agreement), you must send us a written request for our prior written approval We will respond with an approval or disapproval within thirty (30) days of our receipt of your written request, provided, however, if you do not receive our response by the expiration of this thirty (30) day period, your request shall be deemed denied If we approve your request, you must, immediately upon your receipt of our approval, pay to us a relocation/franchisee initiated renovation support and approval fee of $2,500 This fee is deemed fully earned and non-refundable upon payment

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 Transformation Center within the Approved Territory in accordance with the terms and conditions of this Agreement and subject to the limitations specified by us in the Manual or otherwise in writing You shall not use the Trade Name or Marks, or the words "MAX Fitness" as part of your legal entity name You may not license any third party to use Max Franchising's Trade Name and Marks You may not use any other trade name or marks at the Approved Location, or in connection with the Transformation Center without the express written consent and direction of Max Franchising

You are prohibited from using the Trade Name and/or Marks and listing, marketing, advertising, or otherwise promoting your Center on or through the Internet, any social media site, mobile application, networking website, electronic media, or any emerging or future developed media outlet or platform, including facebook®, Twitter®, LinkedIn®, Living Social®, Instagram®, Groupon®, MySpace®, YouTube, Pinterest, Foursquare, Yelp, Google, Yahoo, or any similar sites, without Max Franchising's

prior written consent in each instance Max Franchising may withhold its consent for any reason and Max Franchising may condition its consent on your compliance with Max Franchising's designated methods, procedures, rules and regulations You may not post any content on the Internet, electronic media, mobile applications, social media or any future developed media outlet relating to your Center or the System without (i) obtaining Max Franchising's prior written consent (which Max Franchising may grant or refuse in its sole and absolute discretion), and (ii) complying with any and all restrictions, terms and conditions Max Franchising imposes You must comply with any and all policies, terms and conditions Max Franchising designates, including those related to privacy and security Max Franchising has the right to establish any requirement Max Franchising deems appropriate, including a requirement that your only presence on the Internet will be through one or more web pages that Max Franchising establishes on its website

Max Franchising has the right to establish a website or other electronic system providing private and secure communications between Max Franchising, its franchisees and other persons and entities that Max Franchising deems appropriate If Max Franchising requires, you must establish and maintain access to the extranet in the manner Max Franchising designates Max Franchising may periodically prepare agreements and policies concerning use of any extranet that you must acknowledge and sign

7 1 2 Changes in Trade Name and Marks

Max Franchising has invested substantial time, energy, and money in the promotion and protection of its Trade Name and Marks as they exist on the Start Date However, You and Max Franchising 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 Max Franchising's rights in the Marks may make changes in the Trade Name and Marks desirable or necessary Max Franchising therefore reserves the right to change its Trade Name and Marks at any time in its sole and absolute discretion You agree that You shall promptly conform, at Your own expense, to any and all such changes

7 1 3 Advertising Materials

You shall submit to Max Franchising copies of all advertising materials that You propose to use at least two weeks before the first time they are broadcast or published Max Franchising will review the materials within a reasonable time and will promptly notify You in writing as to whether it approves or rejects them 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 Max Franchising approves specified materials, it may later withdraw its approval in its sole and absolute discretion Your advertising materials may not include any trade names, trademarks, symbols or logotypes except for the Max Franchising Trade Name and Marks

7 1 4 Legal Protection

You agree to notify Max Franchising immediately in writing if You become aware of any unauthorized use of Max Franchising's Trade Name, Marks, or System You shall promptly notify Max Franchising in writing of any claim, demand, or suit against You or against Your principals You shall promptly notify Max Franchising 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 Max Franchising may select legal counsel and has the right to control the proceedings In certain cases, as described in Section 8 5 of this agreement, Max Franchising will indemnify and hold You harmless

7 2 Site Selection

You must engage Max Franchising's designated, third party supplier for site selection assistance and you must pay to this supplier its then-current, non-refundable site selection assistance fee As of September 2018, the site selection assistance fee payable to the designated supplier is $1,980 It is your responsibility, at Your own expense, locate, obtain and occupy the site for the Transformation Center You must submit your proposed site and the proposed lease to Max Franchising for its prior review and written approval, which may be granted or withheld in its sole and absolute discretion, before you sign a lease or any binding obligation You acknowledge that Max Franchising has the right, and not the obligation to review your lease on Max Franchising's behalf The site shall be a minimum of 1,700 square feet and shall meet out then-current standards and specifications, which may include minimum demographic and geographic requirements, which may vary by region To seek Max Franchising's approval, You shall advise Max Franchising in writing of the proposed site We will approve or disapprove your site within thirty (30) days after we receive notice of the proposed location and all other information we need to evaluate the proposed location from You It is Your responsibility to secure a site Max Franchising will not refund the Initial Franchise Fee if You are unable to secure a satisfactory site If you are unable to secure an approved site for your Transformation Center before the expiration of the six (6) month period following the Effective Date, we have the right to immediately terminate this Agreement You and the landlord for the approved site shall enter into the Collateral Assignment of Lease in the form required by Max Franchising The current form of this Agreement is attached as Exhibit 10

You acknowledge and agree that Max Franchising's recommendation or approval of a particular site for the Center, and any information communicated to you regarding Max Franchising's 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 Center, Max Franchising does not guarantee that the Center will be successful You acknowledge that your selection of the site for the Center is based on Your own independent investigation of the suitability of the site

By approving a particular site for the Center, Max Franchising does not guarantee that the Center will be successful You further acknowledge that Max Franchising's 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 Max Franchising 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

7 3 1 Center Construction, Pre-Registration Office, Enrollment & Opening

(a) Plans and Specifications Max Franchising or its designee (which may include third party suppliers) will provide you with its then-current generic, prototypical plans for a typical Max Franchising® Center, including a sample layout for the interior of a typical franchised location You acknowledge that such plans and specifications shall not contain the requirements of any federal, state, or local law, code, or regulation (including, without limitation, those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build your Center It shall

be Your sole and absolute responsibility to construct the Center in accordance with all applicable laws, including the ADA and local laws, rules and regulations governing public accommodations

(b) Adaptation of Plans and Specifications You shall, at Your sole cost and expense, employ architects, designers, engineers or others as may be necessary to complete, adapt, modify or substitute the sample plans and specifications to Max Franchising prior to commencing construction of the Center Max Franchising will review such plans and specifications and will approve or provide comments on the plans and specifications to You

(c) Max Franchising's Approval You shall not commence construction of the Center until Max Franchising approves, in writing, the final plans and specifications to be used in constructing the Center Once the final plans are approved, You shall cause the Center to be completed in full accordance therewith

(d) Alterations and Modifications If Max Franchising determines that the Center is not being built, or was not built, in full accordance with the final plans, Max Franchising shall have the right to require You to cause to be made all alterations or modifications of the Center that Max Franchising deems necessary Max Franchising may consult with You, to the extent Max Franchising deems necessary, on the construction and equipping of the Center, but it will be and remain Your sole responsibility to diligently design, construct, equip and otherwise ready and open the Center

(e) Zoning and Permits You shall be responsible, at your expense, for obtaining all zoning classifications, permits, clearances, certificates of occupancy, and clearances, which may be required by governmental authorities for the construction and/or development of the Center

(f) Insurance Coverage You shall obtain and maintain in force, during the entire period of such construction, such insurance policies required under Your lease agreement, in addition to such policies and coverage amounts as Max Franchising may designate in its sole discretion

(g) Licensed Contractors You shall use licensed general contractors, designers and architects in performing any and all construction work at the Center, including in connection with any remodeling or renovations Max Franchising 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 Max Franchising may refer You Max Franchising is not responsible for delays in the construction, equipping or decoration of any Center or for any loss resulting from the Center design or construction Max Franchising has the right to require You to use designated, approved, and/or exclusive suppliers for site development, as well as the construction and build-out of your Center You acknowledge that Max Franchising has no control over the landlord or developer and numerous construction and/or related problems that could occur and delay the opening of the Center

(h) Max Franchising Access to Center and Progress Reports Max Franchising shall have access to the Center at all times during the Term, including while work is in progress, and may require alterations or modifications of the construction of the Center that Max Franchising deems necessary to ensure brand uniformity and system standard compliance

(i) Final Inspection, Approval You shall promptly notify Max Franchising of the date of completion of the construction of the Center and, within 15 business days thereafter, Max Franchising shall have the right to conduct a final inspection of the Center You shall not open the Center for business without the express written authorization of Max Franchising, and Max Franchising's authorization to open may be conditioned upon your strict compliance with the specifications of the approved final plans and with the standards of the System

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

i You shall install and use in and about the Center 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 Max Franchising and the System, as may be revised from time to time in Max Franchising'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 Max Franchising designates or approves in its sole discretion, including affiliates of Max Franchising Max Franchising shall have the right to retain any rebates or incentives offered by such vendors or suppliers Max Franchising 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 Max Franchising shall have the right to inspect and approve all Equipment and Furnishings and their installation to ensure your compliance with Max Franchising's System Standards and Specifications

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

(k) Pre-Registration Office, Enrollment During the period leading up to the opening of your Center, you will be required to begin enrolling members for your Center You may conduct pre-opening membership enrollment from a temporary office space located at or near your Center location You may incur rent and other costs associated with pre-opening registration and enrollment activities You must begin Enrollment within six (6) months of the Effective Date You shall expend the amount specified in Section 7 6 1 in connection with your Enrollment marketing You shall conduct your Enrollment 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 Enrollment marketing

(l) Completion and Opening Requirements You shall complete construction of the Center (including all exterior and interior carpentry, electrical, painting, and finishing work, and installation of all furniture, fixtures, equipment, and signs) in accordance with the plans approved in writing by Max Franchising, at your expense, and open the Center to the public no later than nine (9) months after the Effective Date (the "Required Opening Date") Time is of the essence You may not open the Transformation Center to the public until Max Franchising certifies in writing that, in the view of its management, You are prepared to do so Opening without Max Franchising's written certification is a material breach of this Agreement and constitutes infringement on Max Franchising's intellectual property rights, justifying injunctive relief and termination of this Agreement **By certifying that Max Franchising's management believes the Center is prepared to commence business, Max Franchising does not guarantee that the Center 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 Max Franchising's control

7 3 2 Compliance with Manual

You shall operate Your Center in complete compliance with Max Franchising's standards and specifications, as set forth in the Manual or otherwise in writing Max Franchising may make changes in any of these standards and specifications at any time, in Max Franchising's 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 Center, or other cost to You You shall promptly conform to the modified standards and specifications at Your own expense You shall at all times keep Your copy of the Manual current (by, for example, inserting in it revised pages given to You by Max Franchising and deleting superseded pages, or downloading from Max Franchising's website the current version of the Manual upon notification of any revision to the Manual) 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 Max Franchising will control

You shall at all times treat the Manual, any other manuals created for or approved for use in the operation of the Transformation Center, 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 Max Franchising designates, in writing, as appropriate for copying and use at the Transformation Center, 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 3 Required Services & Products

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 through the Franchised Business without our prior written consent 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 Center 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 in the Franchised Business

(b) Right to Derive Income We and/or our affiliates, 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 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 or the supplier will be responsible for all costs and expenses we incur in the testing and approval process There are no fees currently associated with seeking approval for alternative suppliers, however, we reserve the right to charge a fee We cannot predict with any certainty how long its evaluation will take, however, we attempt to complete our evaluation within 30 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 MAX FRANCHISING NOR ITS AFFILIATES MAKE ANY EXPRESS OR IMPLIED WARRANTIES REGARDING ANY ITEM OR SERVICE, AND MAX FRANCHISING 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 Unless we designate otherwise, you must purchase an "Opening Inventory Package" from us, which may include protein powder in the amount we specify, MAXAccessPasses (our branded key FOBs) in the amount we specify, a tablecloth, a retractable banner, a table display, and such other items and products as we may designate in our sole and absolute discretion We will determine the price for the Opening Inventory Package in our sole and absolute discretion and we may include shipping costs, postage and delivery charges You must purchase MAXProtein from us during the Term of this Agreement unless we specify otherwise in writing 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 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 4 Inspections

In an effort to advance the protection and enhancement of the System, the brand and the Marks, Max Franchising and its designated agents or representatives may conduct periodic quality control and records inspections of the Transformation Center at any time during the Term Inspections may be made with or without prior notice Without limiting the foregoing, you grant Max Franchising and its agents the right to (a) enter upon the Center premises for the purpose of conducting inspections You shall cooperate with Max Franchising's representatives in such inspections by rendering such assistance as they may reasonably request, and (b) photograph your Center and observe and record video of your Center's operation for consecutive or intermittent periods as Max Franchising deems necessary, (c) interview your Franchised Business's personnel and customers, and (d) inspect and copy any books, records and documents related to your Franchised Business's operation You shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection You further agree that You will reimburse Max Franchising for its representative's time and travel expenses if an additional inspection at the Center is required when a violation has occurred and You have not corrected the violation

7 3 5 Customer Satisfaction Program

You must present customers with such evaluation cards or forms as the Franchisor may periodically prescribe, for return by the customers to Max Franchising If Your scores from the customer response forms do not meet Max Franchising's then current standards, as described in the Manual, Max Franchising may suggest ways in which You can improve Your scores Max Franchising has the right to require you to use Max Franchising's designated vendor for certain services relating to customer service and to pay such vendor the fees the vendor requires in connection with the provision of services If You do not take immediate, effective steps to bring Your operation into conformity with Max Franchising's standards, 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 48 hours of submission by the member or prospective member

7 3 6 Maintenance Requirements

All equipment repairs shall be completed within seventy-two (72) hours Any damaged or "worn" equipment or furniture shall be repaired (reupholstered, etc) every three months as needed Interior walls of common areas shall be painted or "touched up" every three months, or sooner as needed You shall

maintain the Center in accordance with our specifications, including the requirements set forth in the Manual

7 3 7 Notification of Complaints

You shall notify Max Franchising promptly if You are served with a complaint in any legal proceeding that is in any way related to the Center 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 Max Franchising immediately upon receipt of any notice of a breach of the lease agreement for the premises of the Center

7 3 8 Computer System Requirements You shall purchase and maintain a computer and point of sale system, as designated by Max Franchising, ("POS System") to be used in the operation of the Franchised Business and for reporting purposes You shall comply with the following provisions relating to the POS System

(a) You shall update and upgrade the POS System as designated by Max Franchising Max Franchising may require you to enter into a separate maintenance and/or support agreement for your POS System at any time, at your sole cost and expense

(b) You shall record all sales at or from the Franchised Business at the time of sale, in accordance with Max Franchising's procedures and on the POS System

(c) You shall comply with such requirements determined by Max Franchising from time to time regarding maintenance, training, storage and safeguarding of data, records, reports and other matters relative to the POS System

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

MAX FRANCHISING AND ITS AFFILIATES MAKE NO WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, WITH REGARD TO THE POS SYSTEM OR ANY THIRD PARTY MATERIALS MAX FRANCHISING AND ITS AFFILIATES DISCLAIM ANY AND ALL WARRANTIES RELATED TO THE POS 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 MAX FRANCHISING AND ITS AFFILIATES DO NOT WARRANT THAT THE POS SYSTEM WILL BE FREE FROM DEFECTS OR THAT USE OF THE POS SYSTEM WILL BE UNINTERRUPTED OR ERROR FREE

IN NO EVENT WILL MAX FRANCHISING OR ITS AFFILIATES 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 OR ITS USE

7 3 9 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 Max Challenge® brand and the System, Max Franchising 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 Center, including, without limitation, interruption in operations You hereby acknowledge and agree that neither Max Franchising, 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 Max Franchising 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 Center 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 4 Participation in Customer Rewards, Max Challenge Winner Awards, and Reciprocity Programs

7 4 1 MaxAccessPass

In addition to use the MaxAccessPass to track member check-ins, Max Franchising may establish, from time to time, a membership rewards program for certain members which may be operated through the MaxAccessPass The rewards program may entitle the member to discounts on certain retail products, as well as other benefits You shall honor all such discounts, promotions, and other benefits we mandate through the Operations Manual Max Franchising reserves the right to discontinue its member rewards program(s) at any time

7 4 2 Reciprocity of Membership

Membership in the System entitles members to access and usage of any Center they choose to visit You shall honor the membership cards of all members, regardless of the Center from which they enrolled 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 Max Franchising may develop in its business discretion during the term of this Agreement

7 4 3 Ten-Week Challenge Winner Award

You shall offer the ten-week challenge program in accordance with Max Franchising's standards and specifications, including in compliance with the specifications set forth in the Manual Unless prohibited by applicable law, you shall be required to promote and offer one or more awards, which may include free membership for a designated period of time and/or monetary awards, to winners of each ten-week challenge in accordance with our specifications as communicated to you through the Manual or through other written communications we may issue from time to time It is your responsibility to ensure that you operate your Center in accordance with all applicable laws, rules and regulations, including those pertaining to any and all products, services, promotions, awards, prizes offered, promoted or provided to your Center's members You are strongly advised to consult with an attorney in your area to determine such compliance

7 5 Management and Personnel

You are not required to devote a minimum number of hours to the management and operation of Your Center However, Your Designated Manager must devote his or her full time (in no event less than 30 hours per week) and best efforts to the operation of the Center Without limiting the foregoing your Designated Manager or another employee who has successfully completed Max Franchising's initial training program shall be present at the transformation center whenever the Center is open for business You shall maintain at all times a staff of competent, conscientious and trained employees sufficient to operate the Center in compliance with Max Franchising's standards and specifications Your Designated Manager and any and all persons who attend our initial training program must sign a confidentiality and non-competition agreement in the form we specify as a condition of employment Max Franchising does not direct or control labor or employment matters for You or Your employees, or for any of Max Franchising's franchisees and/or their employees Max Franchising 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 Enrollment – Grand Opening Advertising

You shall spend at least fifteen thousand dollars ($15,000) on a grand opening advertising program ("Pre-Opening Advertising Expenditure") 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 before you open your Transformation Center within the time period we designate or approve (the "Pre-Opening Period") You must submit to us a written marketing plan detailing how you plan to expend your Pre-Opening Advertising Expenditure, which plan must include the marketing channels you plan to use and all other information we require During the Pre-Opening Period, you will be required to begin enrolling members for your Center You may conduct pre-opening membership enrollment from a temporary office space located at or near your Center location You acknowledge that you may incur rent and other costs associated with pre-opening registration and enrollment activities

You shall purchase a Grand Opening Package, which includes a tablecloth, retractable banner and table display, from Max Franchising or its designee before you open your Center on or before the date we specify Within fifteen (15) days following the expiration of the Pre-Opening Period, you must furnish Max Franchising evidence as Max Franchising may reasonably require to verify your compliance with the Pre-Opening Advertising Expenditure requirements

7 6 2 Local Advertising

In addition to the Pre-Opening Advertising Expenditure, you must expend $36,000 on local advertising, marketing and search engine optimization during your first year of operations (the "First Year Marketing Expenditure") as follows (a) you must spend no less than $24,000 during the first six (6) months of operations, and (b) you must spend no less than $2,000 per month for the seventh (7th) through the twelve (12th) month of operations You must submit to us a written marketing plan detailing how you plan to expend your First Year Marketing Expenditure, which plan must include the marketing channels you plan to use and all other information we require

Commencing with the thirteenth (13th) month of operation and continuing through the end of the Term, you shall spend a minimum of two thousand dollars ($2,000), 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 In the alternative, we may require you to expend not less than $2,000 promoting the next upcoming ten-week challenge during the forty-five day period leading up to the next upcoming ten-week challenge We shall have the right to require you to spend an amount we designate on search engine optimization ("SEO") For purposes of this paragraph, "local advertising" means advertising that is primarily directed to persons or entities within Your Approved Territory You shall submit, on the date designated by Max Franchising, copies of invoices or receipts to Max Franchising for advertising materials or media or both showing compliance with the provisions of this paragraph 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 Max Franchising with proof that you have satisfied the Pre-Opening Expenditure Requirement, the First Year Marketing Expenditure, and/or the minimum monthly local advertising expenditure upon demand, Max Franchising or its designee may collect the Local Advertising Fee as set forth in Section 6 11

7 6 3 National Advertising

You shall contribute, in the manner prescribed by Max Franchising, two percent (2%) of Your Gross Sales per month, or $200 per month, whichever is greater, to the advertising fund (the "Max Fund") to be used for advertising and promotion of the brand

Max Franchising 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 Max Fund is intended to maximize general public recognition, acceptance, and use of the System, and that Max Franchising and its designee are not obligated, in administering the Max 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 Max Fund You acknowledge and agree that Max Franchising's administration of the Max Fund does not create any fiduciary relationship between You and Max Franchising The MAX Fund is not a trust Max Franchising has no fiduciary obligation to you for administering the MAX Fund or for any other reason Max Franchising will not use contributions to the MAX Fund principally to develop materials and programs to solicit franchisees However, media, materials and programs prepared using MAX Fund contributions may describe the System franchise program, reference the availability of franchises and related information and process franchise leads

The Max Fund, all contributions thereto, and any earnings thereon, may be used for creating, producing, maintaining, administering, directing, conducting, printing and preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System, including the costs of preparing and conducting television, radio, Internet, mobile applications, magazine, newspaper and other media advertising campaigns, search engine optimization, developing and/or hosting an Internet web page or similar activities, conducting market research, providing other marketing materials to franchisees, direct mail advertising, on-line Internet advertising and marketing including click-through charges paid to search engines, sources of banner advertising and host sites, marketing surveys and other public relations activities, employing advertising and/or public relations agencies, printing and production costs, purchasing promotional items, conducting and administering visual merchandising, promotions and merchandising programs, and providing promotional and other marketing materials and services Advertising may be local, regional or national, in any type of media, including Internet, print, radio and/or television

The Max Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by Max Franchising, which products, services, or improvements Max Franchising deems, in its sole discretion, will promote general public awareness and favorable support for the System You expressly acknowledge that the Max Fund contributions may be used to pay administrative expenses to Max Franchising or its designee Administrative expenses may include amounts equivalent to salaries, travel and other expenses of Max Franchising or its designee's employees whose services are provided to further the purposes and efforts of the Max Fund Max Franchising 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 Max Franchising's general accounts Max Franchising expects to use an amount equal to all contributions made in any fiscal year, but any monies remaining in any Max Fund at the end of any year will carry over to the next year The Max Fund will not be audited, unless Max Franchising elects to require an audit, in which event all expenses for the audit will be paid out of Max Fund contributions

Max Franchising is not required to prepare or provide you with any statements relating to the MAX Fund, or expenditures of the MAX Fund, although Max Franchising may do so at its option The MAX Fund will not be audited, unless Max Franchising decides, in its sole discretion, to require an audit If Max Franchising chooses to require an audit, all expenses for the audit will be paid out of MAX Fund contributions Max Franchising may, but is not required to, create internally prepared, periodic statements of operations for the MAX Fund These statements, if created, may be made available to you, upon your reasonable prior written request

Max Franchising may structure the MAX Fund's organization and administration in any way that Max Franchising determines in its sole discretion MAX Franchising may organize or reorganize the MAX Fund into a separate entity as Max Franchising deems appropriate and Max Franchising may transfer all MAX Fund contributions and assets to the entity Max Franchising may require you to pay the MAX Fund contributions directly to the entity

Although the Max Fund is intended to be of perpetual duration, Max Franchising maintains the right to terminate the Max Fund The Max Fund shall not be terminated, however, until all monies in the Max Fund have been expended for advertising and/or promotional purposes Other System franchisees may be required to contribute to the Max Fund at different rates None of the Max 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 Center, signs of any nature, form, color, number, location and size, and containing any legends, that Max Franchising has designated in the Manual or otherwise in writing Max Franchising 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 Center at any time upon written notice to you

7 7 Financial Information

7 7 1 Records

You shall establish and maintain at your own expense a bookkeeping, accounting and recordkeeping system confirming to the requirements and formats we prescribe from time to time Currently, we require you to purchase bookkeeping services from us for the monthly fee set forth in Section 6 of this Agreement You shall submit and provide us with access to any and all information we require to perform such services We reserve the right to discontinue these services at any time, in which event you shall comply with our then-current standards and specifications relating to bookkeeping procedures You shall record all sales and all receipts of revenue on individual serial-numbered receipts 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 Max Franchising upon request

7 7 2 Reports

You shall submit to Max Franchising, on or before the tenth (10^{th}) day following the end of each month, financial reports on the income and expenses of the Center in the format specified in the Manual You shall also submit to Max Franchising, at the time of filing, copies of all federal, state and local income, sales, and property tax returns Max Franchising 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

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 five hundred thousand dollars ($500,000) - Each Accident, five hundred thousand dollars ($500,000) - Disease per Employee, five hundred thousand dollars ($500,000) – 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 3^{rd} 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, $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 Center Your general liability insurance policy must expressly include athletic participation, nutritional products, nutritional counseling, personal training, group training, martial arts

You must also provide certificates of insurance evidencing your insurance coverage in compliance with these minimums before your Center 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 Max Franchising It must be issued by an insurance company of recognized responsibility, designate Max Franchising as an additional named insured, and be satisfactory to Max Franchising in form, substance and coverage You shall deliver a certificate of the issuing insurance company evidencing each policy to Max Franchising within thirty (30) days after the policy is issued or renewed

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 Center You shall keep current and legally compliant, all licenses, permits, bonds, and deposits made to or required by any government agency in connection with the operation of the Center Certain states may specifically require a bond to operate a fitness center that sells memberships for three (3) month or more, You are responsible for determining and complying 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

8 RELATIONSHIP OF PARTIES

8 1 Interest in Marks and System

You expressly understand and acknowledge that

(a) MAX IP, LLC is the owner of all right, title, and interest in and to the Marks and the goodwill associated with and symbolized by them MAX IP, LLC licensed Max Franchising the right to use the Marks and sublicense use of the Marks to System franchisees

(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 Max Franchising's ownership of the Marks, nor shall You, directly or indirectly, seek to register the Marks with any government agency, except with Max Franchising's express prior written consent

(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 Max Franchising's and/or MAX IP, LLC's 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 Max Franchising 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

8 2 Independent Status

It is expressly agreed that the parties intend by this Agreement to establish between you and Max Franchising the relationship of franchisee and franchisor It is further agreed that you have no authority to create or assume in Max Franchising's name or on Max Franchising'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 Max Franchising 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 Max Franchising, nor subject to Max Franchising's control Max Franchising 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 Max Franchising 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 Max Franchising 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 Max Franchising's policies, practices, and decisions relating

to the operation of the Center, including, without limitation, any and all regulations pertaining to your membership agreements 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 Max Franchising, nor may You expressly or implicitly state or suggest that You have the right or power to bind Max Franchising or to incur any liability on Max Franchising's 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 Max Franchising

8 3 Display of Disclaimer

You shall conspicuously display a sign that states that "THIS CENTER 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

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 Max Franchising Any and all information, knowledge, and techniques which Max Franchising 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 Max Franchising or which, at or after the time of disclosure by Max Franchising 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 Center and except as authorized in writing by Max Franchising 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 Max Franchising a copy of each such agreement upon demand

8 5 Mutual Indemnification

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 Franchised Business's operation, the business you conduct under this Agreement, the act or omission of you or any of your Related Parties, employees, agents or representatives, 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 Max Franchising is made a party to a legal proceeding in connection with Your act or omission, Max Franchising may hire counsel to protect its interests and bill You for all costs and expenses incurred by Max Franchising You shall promptly reimburse Max Franchising for such costs and expenses

You shall notify Max Franchising immediately when you learn about an infringement or challenge to your use of any Mark, including **The MAX Challenge®** and/or the **TAKE IT TO THE MAX, Fitness For the Mind, Body & Spirit®** marks Max Franchising will take the action Max Franchising deems appropriate in any such situation Max Franchising has exclusive control over any proceeding or settlement concerning any of the Marks You must take all actions that, in the opinion of Max Franchising's counsel, may be advisable to protect and maintain Max Franchising's interests in any proceeding or to otherwise protect and maintain Max Franchising's interests in the Mark While Max Franchising is not required to defend you against a claim arising from your use of any of the Marks, Max Franchising 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 Max Franchising, and (b) you notify us of the proceeding or alleged infringement in a timely manner and you have complied with Max Franchising's directions regarding the proceeding Max Franchising has the right to control the defense and settlement of any proceeding Max Franchising 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 Max Franchising will not reimburse you for disputes where Max Franchising 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 in a Competitive Business

(b) You shall not divert or attempt to divert any business, client, or potential client of the Franchised Business or any other System Center 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 Notwithstanding the foregoing, the business(es) listed on Exhibit 8 to this Agreement shall not be deemed to be Competitive Businesses, so long as they only offer the services listed on Exhibit 8 and you are in full compliance with the Franchise Agreement

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

(i) any Competitive Business that is located (a) at the Center location, (b) within the Approved Territory, (c) within a radius of ten (10) miles of any other System Center location then in existence or under construction, or (d) within the state of New Jersey,

(ii) any franchise system that offers or sells franchises for the right to open or operate Competitive Businesses within the United States

The term Competitive Business shall mean any and all businesses that are competitive with Centers including without limitation any gym, fitness training 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 company offering exercise, health, wellness, weight loss and/or weight management services, and/or any business offering or selling products or services offered by Centers, including, without limitation, supplements and/or health related products

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 Max Franchising 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 Max Franchising 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 Article 8 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

9 TRANSFER OF FRANCHISE

9 1 Purpose of Conditions for Approval of Franchisee

Max Franchising' 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 Max Franchising'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 Max Franchising'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 Max Franchising' interest in the successful operation of the Center, Max Franchising 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 Max Franchising (a) the form of franchise application currently in use by Max Franchising, completed by the prospective transferee, (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 Max Franchising does not approve the proposed transfer, Max Franchising 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 Max Franchising pursuant to this Agreement and who desires to accept any bona fide offer from a third party to purchase such interest or the Center (including any sale of substantially all of the assets of the Center) shall notify Max Franchising in writing of each such offer, and shall provide such information and documentation relating to the offer as Max Franchising 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 Max Franchising's request, Franchisee must provide Max Franchising with any information about the business and operations of the Center and the offeror that Max Franchising requests

9 3 2 Max Franchising 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 Max Franchising intends to purchase the seller's interest, or the Center, as applicable, on the same terms and conditions offered by the third party and at the same price If Max Franchising does not provide written notice to the seller within the 30-day period, then Max Franchising will be deemed to have not exercised the right of first refusal provided to it under Section 9 3

9 3 3 If Max Franchising 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 Max Franchising If Max Franchising exercises its option, Max Franchising 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 Max Franchising as in the case of an initial offer

9 3 4 Failure of Max Franchising 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 Max Franchising'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 Center or otherwise are such that Max Franchising may not reasonably be required to furnish the same consideration, terms, or conditions, then Max Franchising may purchase the interest in the Center 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 Center, an independent appraiser shall be mutually designated by You and Max Franchising, and such independent appraiser's determination shall be binding

9 4 Conditions for Consent to Transfer

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

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

(b) Payment of all Your outstanding debts to Max Franchising,

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

(d) At Max Franchising's 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 by the buyer of fifty percent (50%) of the then-current Initial Franchise Fee plus training costs to Max Franchising,

(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 and the Supplemental Transfer Fee described in Article 6 of this Agreement,

(g) Completion by the buyer of the Max Franchising initial training program to Max Franchising's satisfaction,

(h) At Max Franchising option, modernization of the Center to meet Max Franchising's then-current standards and specifications, and

(i) You and Your Related Parties that are parties to this Agreement and the transferee and its owners shall have executed Consent to Transfer and Release Agreement, which agreement will contain a general release, in a form satisfactory to Max Franchising, of any and all claims against Max Franchising 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 Max Franchising or its affiliates, and federal, state, and local laws and rules

9 5 <u>Transfer from an Individual Owner to a Corporation, Limited Liability Company or other Entity</u>

If you are an individual, you may, during the eight (8) month period after the Effective Date, and after obtaining our prior written consent, 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 4 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 Center as authorized by, and in accordance with, the terms and conditions of this Agreement,

9 5 2 You and the Legal Entity enter into Max Franchising's then-current form of Assignment and Assumption Agreement and Certification of Ownership Acknowledgment, and each owner in the Legal Entity executes Max Franchising'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 If the assignment takes place more than eight months after the Effective Date, you must pay to us an assignment fee in the amount of $2,000 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 within the term of this Agreement, Your heirs or beneficiaries may have sixty (60) days within which to demonstrate to Max Franchising's satisfaction that they meet all of the criteria of character, business experience, financial responsibility, net worth and other standards that Max Franchising requires of new franchisees at that time If Max Franchising approves Your heirs or beneficiaries as transferees of the franchise and they meet the other conditions of Transfer, Max Franchising will waive any transfer fee in connection with the transfer If Max Franchising advises Your heirs or beneficiaries in writing that Max Franchising will not approve them as transferees of the franchise, or if Max Franchising fails to approve or disapprove the transfer within sixty (60) 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 sixty (60)-day period, whichever is first, within which to find and notify Max Franchising of a proposed Transfer to a qualified buyer in conformity with the provisions of Sections 9 2, 9 3, and 9 4 of this Agreement If Your heirs or beneficiaries do not advise Max Franchising of a qualified buyer within the specified period, the franchise will automatically terminate at the end of the period unless Max Franchising has granted a written extension of time

Upon Your permanent disability or the permanent disability of any person with a controlling interest in You, Max Franchising may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Article 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 Max Franchising 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 Max Franchising shall pay the cost of the required examination

9 7 Assignment by Max Franchising

Max Franchising 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 Max Franchising

10 2 1 Immediate Termination upon Notice of Default

Upon the occurrence of any of the following defaults, Max Franchising 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,

(b) If You engage in conduct which reflects materially and unfavorably upon the goodwill associated with the Trade Name, Marks, or System,

(c) If You use in the Center or any advertising for the Center any names, marks, systems, logotypes or symbols that Max Franchising has not authorized You to use,

(d) 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 Center that is confusingly similar to the Center or uses the System or the Marks,

(e) If You fail to give Max Franchising 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 Max Franchising requests it,

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

(g) If You or Your Related Parties have made any material misrepresentations in connection with the acquisition of a Center or to induce Max Franchising to enter into this Agreement,

(h) If You act without Max Franchising's prior written approval or consent in regard to any matter for which Max Franchising's prior written approval or consent is expressly required by this Agreement,

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

(j) 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 Max Franchising to correct a similar breach or meet any similar standard in any twelve (12) month period,

(k) If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Center,

(l) 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,

(m) If You or any of your Related Parties 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 Max

Franchising believes is reasonably likely to have an adverse effect on the System or Marks, the goodwill associated therewith, or Max Franchising's interest therein, or

(n) If You knowingly maintain false books or records, or submit any false reports to Max Franchising

10 2 2 Termination after Five Days' Notice to Cure

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

10 2 3 Termination after Thirty Days' Notice to Cure

Upon the occurrence of any of the following defaults, Max Franchising at its option may terminate this Agreement after thirty (30) days' notice to cure is given to You

(a) If You fail to submit to Max Franchising in a timely manner any information You are required to submit under this Agreement,

(b) If You fail to begin operation of the Center within the time limits as provided in this Agreement

(c) If You fail to operate Your Center in accordance with this Agreement,

(d) If you fail to operate Your Center in accordance with the Manual,

(e) If You fail to offer any service and/or program you are required by Max Franchising to offer,

(f) If You default in the performance of any other obligation under this Agreement or any other agreement with Max Franchising or its Related Party

Under this Section 10 2 3, Max Franchising 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 Max Franchising's satisfaction, and by promptly providing proof thereof to Max Franchising 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 3 Rights and Obligations After Termination or Expiration

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

(a) Max Franchising will have no further obligations under this Agreement

(b) You shall give Max Franchising a final accounting for the Center, pay Max Franchising and its Related Parties within thirty (30) days after termination all payments due to Max

Franchising or its Related Parties, and return the Manual and any other property belonging to Max Franchising

(c) You shall immediately and permanently cease to operate the Center 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 Center, You shall refrain from any statement or action that might give others the impression that You are or ever were affiliated with the System or the Transformation Network

(d) You shall promptly sign any documents and take any steps that in the judgment of Max Franchising are necessary to delete Your listings from classified telephone directories, and terminate all other references and advertisements that indicate You are or ever were affiliated with Max Franchising or a Center By signing this Agreement, You irrevocably appoint Max Franchising 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 Max Franchising, you shall disconnect or, at Max Franchising's option, assign to Max Franchising all telephone numbers that have been used in the Center

(e) You shall maintain all records required by Max Franchising under this Agreement for a period of not less than three (3) years after final payment of any amounts You owe to Max Franchising and its Related Parties when this Agreement is terminated (or such longer period as required by applicable law)

(f) Max Franchising has an option to purchase the business from you, including but not limited to, any or all of the physical assets of the Center, including its equipment, supplies and inventory, during a period of sixty (60) days following the effective date of termination, 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

Max Franchising must send written notice to You within thirty (30) days after termination of this Agreement of its 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, and together, within sixty (60) days after termination they shall determine the price for the physical assets of the Center in accordance with the standards specified above This determination will be final and binding upon both Max Franchising and You

We 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 Center or that we have not approved as meeting Max Franchising's then current standards, the purchase price determined by the appraisal will reflect such exclusions (the "Purchase Price)

You and we agree that the Purchase Price shall be paid at a closing date not later than ninety (90) days after Determination We have the right to offset against the Purchase Price any and all amounts that you or your Related Parties owe Max Franchising and 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 Max Franchising, and (v) such other documentation as Max Franchising may reasonably request

(g) Max Franchising has an option to replace You as lessee under any equipment lease or note for equipment that is used in connection with the Center Upon request by Max Franchising, You shall give Max Franchising copies of the leases for all equipment used in the Transformation Center immediately upon termination Upon request by Max Franchising, You shall allow Max Franchising the opportunity, at a mutually satisfactory time, to inspect the leased equipment Max Franchising must request the information and access described in this paragraph within fifteen (15) days after termination, it must advise You of its intention to exercise the option within fifteen (15) days after it has received the information and/or inspected the equipment Max Franchising may assume any equipment lease in consideration of its assumption of future obligations under the lease Upon exercise of this option by Max Franchising, 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

(h) If Max Franchising declines to purchase or assume the lease on Your equipment, You may sell it to either another System franchisee or, with Max Franchising prior written approval you may de-brand the equipment and sell it to a non-franchisee

(i) You may not sell, or in any way divulge, the client list of Your Center

(j) If the premises are leased from a third party, and if Max Franchising elects, the Franchisee shall immediately assign its interest in the lease to the Franchisor and immediately surrender possession of the premises to the Franchisor The Franchisee is and remains liable for all of its obligations accruing up to the effective date of any lease assignment

(k) Franchisee shall abide by the post-termination non-compete covenant in Section 8 6 of this Agreement

(l) Liquidated Damage Fee If this Agreement is terminated as a result of a default by You, You shall pay to us liquidated damages in an amount equal to the aggregate Royalty Fees and Advertising Fees you owed to us under this Agreement during the 36 full calendar months during which your Center was open and operating immediately before the termination date If the Center 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 Fees owed under this Agreement for all months during which the Center was open and operating, multiplied by (y) 36 You shall pay the Liquidated Damage Fee to us no later than ten (10) days following the date this Agreement is terminated The parties hereto acknowledge and agree that it would be impractical to determine precisely

the damages we would incur from this Agreement's termination and the loss of cash flow from the Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages The Liquidated Damages Fee only covers our damages from the loss of cash flow from the Royalty Fees and Advertising Fees It does not cover any other damages, including damages to our reputation with the public and landlords, and damages arising from a violation of any provision of this Agreement other than your Royalty Fee and Advertising Fee payment obligations You and each of your owners agree that this liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than your Royalty Fee and Advertising Fee payment obligations

10 4 No Limitation of Remedies

No right or remedy conferred upon or reserved to Max Franchising (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 Max Franchising 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 Max Franchising 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 Max Franchising, and/or any of its affiliates, 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 New Jersey, 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 Max Franchising'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 District of New Jersey, or if such court lacks subject matter jurisdiction, the State Superior Court in Monmouth County, New Jersey, 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, the operation of the Center, 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 New Jersey and that you are to receive valuable and continuing services emanating from Max Franchising's headquarters in Monmouth County, New Jersey 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 Start Date of this Agreement, 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 Max Franchising 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 Max Franchising of any payments due to it hereunder shall not be deemed to be a waiver by Max Franchising 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 Max Franchising Except for those permitted to be made unilaterally by Max Franchising 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 Max Franchising made in the most recent disclosure document (including its exhibits and amendments) (the "FDD") that Max Franchising 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 Max Franchising, 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 System franchisee, including relating to their sales, profit, cash flows, and/or expenses, does not constitute information obtained from Max Franchising, nor does Max Franchising 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 Max Franchising 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 mutually agreed upon location, 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

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 Max Franchising and/or any of Max Franchising'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 Max Franchising 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 Monmouth County, New Jersey by the American Arbitration Association ("AAA") This arbitration clause will not deprive Max Franchising 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 2 The arbitration must take place in Red Bank, New Jersey, or at such other location as Max Franchising 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 Max Franchising 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 Max Franchising 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 New Jersey

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 New Jersey

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 New Jersey

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 Max Franchising 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 Max Franchising'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 and Mediation

11 9 1 Notwithstanding the provisions of Sections 11 7 and 11 8 of this Agreement, Max Franchising 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 Max Franchising secures any such injunction or order of specific performance, you agree to pay to Max Franchising an amount equal to the aggregate of Max Franchising'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 Max Franchising as a result of the breach of any such provision

11 9 2 Further, at the election of Max Franchising, 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 Max Franchising relating to your failure to pay any fee due to Max Franchising under this Agreement, and/or (b) any claim by Max Franchising 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 Max Franchising relating to a breach of your confidentiality and/or non-competition obligations under this Agreement

11 10 Survival

The provisions of Article 11 are 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

11 11 Franchisee May Not Withhold Payment Due Max Franchising

You agree that you will not, on grounds of the alleged non-performance by Max Franchising of any of its obligations hereunder, or on any other grounds, withhold payment of any Royalty Fees, Max Fund contributions or any other fees due to Max Franchising from you under this Agreement

11 12 Waiver of Rights

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

11 12 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 12 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 Max Franchising pursuant to any provision of this Agreement, and/or (b) any claims Max Franchising 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 Max Franchising shall be entitled to receive an award of multiple damages, attorneys' fees and all damages as provided by law

11 12 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 MAX FRANCHISING 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 12 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 13 Limitation of Action

11 13 1 Except for claims arising from your non-payment or underpayment of amounts you owe to Max Franchising, or claims related to your unauthorized use of the Marks, any and all claims arising out of or related to this Agreement or the relationship of the parties will be barred unless a judicial or arbitration proceeding is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims, and that any action not so brought shall be barred, whether as a claim, counterclaim, defense or setoff

11 13 2 You hereby acknowledge and agree that you may not maintain any arbitration or litigation against Max Franchising or any Max Franchising Related Party 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) you strictly adhere to the negotiation and mediation procedures described in Sections 11 7 and 11 8, and (c) you file an arbitration within one (1) year after the notice is delivered

11 14 Cumulative Rights

No right or remedy conferred upon or reserved to Max Franchising or you by this Agreement 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

11 15 Injunctive Relief

You recognize that you are a member of a franchise system and that your acts and omissions may have a positive or negative effect on the success of other businesses operating under the Proprietary Marks and in association with the System You acknowledge that failure on the part of a single franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to Max Franchising and to some or all of the other franchisees of Max Franchising For this reason, You agree that if Max

Franchising 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, Max Franchising will be entitled to an injunction restraining the breach or to a decree of specific performance, without showing or proving any actual damage Without limiting the generality of the foregoing, nothing herein contained shall bar Max Franchising's right to obtain injunctive relief, without posting bond or security, against conduct or threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders, preliminary and permanent injunctions, and orders of specific performance enforcing the provisions of this Agreement Additionally, and without limiting the generality of the foregoing, Max Franchising shall have the right to seek injunctive relief to prohibit any act or omission by you or your employees that constitute a violation of any applicable law, is dishonest or misleading to the public, or which may impair the goodwill associated with the Proprietary Marks, Trade Dress or System

11 16 No Class or Collective Actions

You agree that any arbitration, or, if applicable, litigation, between you and/or any of your Related Parties, on the one hand, and Max Franchising and/or any Max Franchising Related Party, on the other hand, will be on such party's individual claim and that the claim or claims subject to arbitration and/or litigation shall not be arbitrated or litigated on a class-wide, associational or collective basis

11 17 Post-Term Applicability

The provisions of Article 11 shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement, however effected

11 18 Attorneys' 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, for violation of this Agreement, or for violation of the Lanham Act or other similar state statute, Max Franchising 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 Max Franchising Further, if Max Franchising is required to engage legal counsel in connection with any failure by You to comply with this Agreement, You shall reimburse Max Franchising for any of the above-listed costs and expenses incurred by Max Franchising

12 Miscellaneous

12 1 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

12 2 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 Max Franchising, and agree to the restrictions placed on them, including restrictions on the transferability of their interests in the franchise and the Franchised Business 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

12 3 Acceptance by Max Franchising

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

12 4 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 MAX FRANCHISING IS NOT A FIDUCIARY AND HAS NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION

12 5 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

12 6 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

12 7 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, customer, manager or officer, that all of the partners of the partnership, all of the customers 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 If You are

a partnership, limited liability company or corporation, You acknowledge that the Business Entity Information contained in Exhibit 7 is full, complete and accurate

12 8 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

12 9 No Guarantees of Earnings

You understand that neither Max Franchising 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

12 10 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 Max Franchising's sole responsibility and none of its agents, representatives, nor any individuals associated with it shall be personally liable to You for any reason

12 11 Non-uniform Agreements

Max Franchising makes no representations or warranties that all other agreements with Max Franchising 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 Max Franchising may waive or modify comparable provisions of other franchise agreements granted to other System franchisees in a non-uniform manner

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

FRANCHISOR
MAX FRANCHISING, LLC

By _____
Title _____
Signature _____

Delivery Address MAX Franchising, LLC
1030A Campus Drive West, Morganville, NJ 07751

FRANCHISEE

By _____
Title _____

Signature _____

Address

_____

_____

FRANCHISEE

By _____
Title _____
Signature _____

Address

_____

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

_____

_____

EXHIBIT 1

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 Center 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 Center 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, Max Franchising, LLC will update this 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 Max Franchising, 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 and/or software of our choice, which may include GOOGLE® maps, MAPQUEST® or YAHOO® maps (as we select) as such maps exist on the date that your site is approved

You hereby acknowledge and agree that Max Franchising, LLC may grant you an approved territory of less than a two (2) mile "drivable distance" based on the demographics of the area in which you wish to open your Center, including pursuant to Exhibit 6

Initial _____ **Date** _____
Franchisee

Initial _____ **Date** _____
MAX Franchising, LLC

EXHIBIT 2

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENT

(ELECTRONIC FUNDS TRANSFER/DIRECT DEBITS)

The undersigned depositor ("Depositor") authorizes MAX Franchising, LLC ("Max Franchising") 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 Max Franchising's 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 Max Franchising 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 Max Franchising 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 enrollment

Initial _____ **Date** _____
Franchisee

Initial _____ **Date** _____
MAX Franchising, LLC

EXHIBIT 3

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 Max Franchising, LLC ("Franchisor") and _____ ("Franchisee"), executed concurrently with this Assignment and under which Franchisor granted Franchisee the right to own and operate The MAX Challenge® franchised business located at _____ (the "Center")

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 Center, 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

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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 _____

Print Name _____

Title _____

ASSIGNEE

MAX FRANCHISING, LLC

By _____

Print Name _____

Title _____

EXHIBIT 4

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

In return for 1) his or her training by MAX Franchising, LLC ("Max Franchising") to operate a franchised center under the mark "The MAX Challenge®" (the "Center" or "Transformation Center"), 2) the grant of a franchise by Max Franchising to a company in which he or she has an ownership interest, or 3) his or her employment by Max Franchising 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 Max Franchising to any other person or entity unless authorized in writing by Max Franchising 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 Max Franchising 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 Max Franchising, 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 and all knowledge, techniques, processes or information made known or available to Confidant that Max Franchising 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, manuals and instructional materials describing Max Franchising's methods of operation, including Max Franchising's Operations Manual, products, drawings, designs, plans, proposals, and marketing plans, recipes and methodologies, all concepts or ideas in, or reasonably related to Max Franchising's business that have not previously been publicly released by Max Franchising, and any other information or property of any kind of Max Franchising 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 Max Franchising

3 Return of Proprietary Material

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

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

4 Solicitation of Employees

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

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 Max Franchising, Confidant will not, until the expiration of two (2) years after the termination of the employment relationship between Confidant and Max Franchising or the Max Franchising franchisee that employs him or her, or termination of the ownership interest of Confidant in The MAX Challenge® franchise, engage, directly or indirectly, or through any corporations or Related Parties, in any business, enterprise or employment that is directly competitive with the Max Franchising franchise and is located (a) at the Center location, or (b) within ten (10) miles of any other Transformation Center then in existence or under construction

6 Saving Provision

Confidant agrees and stipulates that the agreements and covenants not to compete contained in this agreement are fair and reasonable in light of all the facts and circumstances of the relationship between Confidant and Max Franchising However, Confidant and Max Franchising 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 Max Franchising 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 Max Franchising to the maximum extent, in both time and geography, which the court or arbitrator finds enforceable

7 Irreparable Harm to Max Franchising

Confidant understands and agrees that Max Franchising 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 or is used in competition with Max Franchising Accordingly, Confidant agrees that it is reasonable and for the protection of the business and goodwill of Max Franchising 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]

EXHIBIT 5

IF FRANCHISEE IS AN INDIVIDUAL, FRANCHISEE AND FRANCHISEE'S SPOUSE MUST SIGN THE FOLLOWING AGREEMENT IF FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY, OR OTHER BUSINESS ENTITY, 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 Max Franchising, LLC ("Max Franchising" or "Franchisor") to enter into or permit assignment of a certain Max Franchising, LLC Franchise Agreement, dated _____ (the "Franchise Agreement"), with _____ _____ ("Franchisee"), hereby unconditionally, personally, jointly and severally, personally 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 Max Franchising 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 "Max Agreements") Without limiting the generality of the foregoing, the undersigned acknowledge and agree that each individual is personally bound by the Franchisee's 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 Max Franchising 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 Max Franchising, and any other notices and demands

This Personal Guaranty will not be affected by the modification, extension, or renewal of any agreement between Max Franchising 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 Max Franchising, 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 Max Franchising of whatever remedies it may have

against the Franchisee or others, or the enforcement of any lien or realization upon any security Max Franchising 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 Max 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 Max Agreements and notice of demand for payment or performance by Franchisee of any obligation under the Max 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 Max 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 Max Franchising The undersigned will promptly modify any financing statements on file with state agencies to specify that Max Franchising' rights are senior to those of Guarantor

The undersigned further agree that as long as Franchisee owes any money to Max Franchising (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 Max Franchising

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 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 Max Agreements, or the negotiation of the Personal Guaranty and/or the Max Agreements The undersigned hereby acknowledge that this Personal Guaranty does not grant or create in the undersigned any interests, rights or privileges in the Max 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 Max Agreements, including all renewals and extensions, are fully paid and satisfied

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

GUARANTORS

By _____
Print Name _____, individually

By _____
Print Name _____, individually

EXHIBIT 6

THIS AGREEMENT MAY NOT APPLY TO YOU, DO NOT EXECUTE THIS DOCUMENT UNLESS REQUESTED BY MAX FRANCHISING, LLC

WAIVER OF TWO MILE APPROVED TERRITORY

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "Agreement"), MAX Franchising, LLC ("Franchisor" or "Max Franchising"), and each of the undersigned ("Franchisee(s)" or "You"), hereby acknowledge as follows

1 **Waiver of two mile Approved Territory**

Max Franchising has offered to grant you an Approved Territory of a two (2) mile "drivable distance" from your Approved Location However, you have requested that Max Franchising approve a location within the metropolitan area of _____ ("Metropolitan Area"), with a population of _____, for which your Approved Territory will be reduced to a _____ "drivable distance" from your Approved Location

2 **Acceptance of Metropolitan Area Approved Territory**

In consideration for Max Franchising's approval of the Approved Location within the Metropolitan Area, you hereby unconditionally consent to an Approved Territory of _____ "drivable distance" from your Approved Location

3 **Acceptance of Approved Territory**

As a result of the forgoing, you agree that Exhibit 1 of your franchise agreement shall be modified such that Max Franchising grants you and you accept the Approved Territory of _____, which will be based on the area that is within a _____ "drivable distance" from your approved site The _____ drivable distance will be determined using either GOOGLE® maps, MAPQUEST® or YAHOO® maps (as we select) as such maps exist on the date that your site is approved You will operate from one location approved by us

Franchisee Name _____ Date _____

By _____

Its _____

By _____ Date _____
Individually

Print Name
_____

EXHIBIT 7

STATEMENT OF OWNERSHIP INTEREST IN FRANCHISEE

Franchisee is a (circle one)

Partnership Corporation Limited Liability Company

Other (describe) _____

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** _____
MAX Franchising, LLC

EXHIBIT 8

THIS AGREEMENT MAY NOT APPLY TO YOU, DO NOT EXECUTE THIS DOCUMENT UNLESS REQUESTED BY MAX FRANCHISING, LLC

FRANCHISE AGREEMENT AMENDMENT

In recognition of Franchisee's ownership and operation of a _____ _____ (the "Fitness Business") located at _____ _____ (the "Approved Location"), the parties to the attached MAX Franchising, LLC Franchise Agreement (the "Franchise Agreement") agree as follows

1 Franchisee's Related Party, _____ operates a _____ business with a principal address of _____ _____ (the "Business"), offering the following services _____

_____
_____
_____ (the "Services")

2 Franchisee has requested Franchisor's limited waiver, during the Term of the Franchise Agreement, of the restrictive covenant set forth in Section 8 6 of the Franchise Agreement for the sole purpose of Franchisee's Related Party's continued operation of the Business at the sole address listed above, offering the Services listed above

3 Franchisee acknowledges and agrees that this limited wavier shall expire upon Franchisee's default under Section 10 2 of the Franchise Agreement

4 Except as expressly modified herein, the Franchise Agreement remains in full force and effect

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

FRANCHISOR
MAX FRANCHISING, LLC

By _____
Title _____
Signature _____

Delivery Address MAX Franchising, LLC
1030A Campus Drive West, Morganville, NJ 07751

FRANCHISEE

By _____
Title _____
Signature _____

Address

_____

_____

FRANCHISEE

By _____

Title _____

Signature _____

Address

_____

_____

FRANCHISEE

By _____

Title _____

Signature _____

Address

_____

_____

FRANCHISEE

By _____

Title _____

Signature _____

Address

_____

_____

EXHIBIT 9

ASSIGNMENT & ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into this _____ day of _____, _____, by and between MAX Franchising, LLC ("Max Franchising" or "Franchisor"),_____, ("Assignor"), and _____ _____ ("Assignee")

BACKGROUND

A On _____, Franchisor and Assignor entered into the Max Franchising, LLC Franchise Agreement (the "Franchise Agreement"), pursuant to which Assignor was granted the right to operate The MAX Challenge® 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 TAKE IT TO THE MAX, Fitness For The Mind, Body & Spirit®, "The Max Challenge", and/or "The Max" 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 New Jersey 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 _____
Print Name _____
Address _____

ASSIGNEE

By _____
Print Name _____
Address _____

MAX FRANCHISING, LLC

By _____
Print Name _____
Address _____

EXHIBIT 10

COLLATERAL ASSIGNMENT OF LEASE

THIS COLLATERAL ASSIGNMENT OF LEASE is made as of the last date below written by and among _____ ("Tenant"), Max Franchising, LLC ("Franchisor"), and _____ ("Landlord")

WHEREAS, Tenant is the tenant under a certain lease (or sublease), dated _____ (the "Lease"), wherein Landlord leased to Tenant certain premises at _____ (the "Premises"), and

WHEREAS, Tenant and Franchisor have, or will, enter into a Franchise Agreement (the "Franchise Agreement"), whereby Franchisor will grant to Tenant the right to open and operate a franchised center under The MAX Challenge® mark at the Premises, and

WHEREAS, as a condition to Franchisor entering into the Franchise Agreement, Franchisor has required that Tenant assign its right, title and interest in the Lease, with the right to reassign (as provided therein), as security for Tenant's obligations and Franchisor's rights under the Franchise Agreement, and

WHEREAS, in order to induce Franchisor to enter into the Franchise Agreement, Tenant has agreed to assign its right, title and interest in the Lease, with the right to reassign (as provided therein), as security for Tenant's obligations and Franchisor's rights under the Franchise Agreement

NOW THEREFORE, in consideration for the foregoing premises and the mutual promises contained herein and in the Franchise Agreement, and in order to secure Tenant's obligations and Franchisor's rights under the Franchise Agreement, Tenant does hereby collaterally assign, transfer and set over unto Franchisor, with the right to reassign (as provided herein), all of its right, title and interest in and to the Lease and in and to the Premises, it being nevertheless expressly understood and agreed that this assignment is made and is consented to by the Landlord contingent upon the following terms, covenants, limitations and conditions

1 Tenant's Right to Possession Tenant shall retain right to possession of the Premises in accordance with the terms and conditions of the Lease until the occurrence of an Assignment Event (as defined in paragraph 2 of this Agreement)

2 Assignment Events

2 1 Franchisor shall have the right to exercise either of the options set forth in paragraphs 2 1(i) or 2 1(ii) below upon (a) Franchisor's declaration of a default by Tenant under the Franchise Agreement which remains uncured beyond all applicable notice and cure periods, (b) the expiration or earlier termination of the Franchise Agreement, or (c) an expression by Tenant of its desire to terminate the Lease (each an 'Assignment Event") Upon the occurrence of an Assignment Event, Franchisor shall have the option to either

(i) assume and occupy the Premises upon written notice to Landlord and Tenant, in which event Franchisor shall be deemed to be substituted as the tenant under the Lease in the place and stead of Tenant and shall be deemed to have assumed expressly all of the terms, covenants and obligations of the Lease theretofore applicable to Tenant and shall likewise be entitled to enjoy all of the rights and privileges granted to Tenant under the terms and conditions of the Lease, or

(ii) assign the Lease to an affiliate or a Max Franchising, LLC approved franchisee, without obtaining Landlord's prior written consent, provided that, in the event of an assignment to a

franchisee, such franchisee (i) has a net worth equal to or greater than the net worth of Tenant at the time of Lease execution, (ii) assumes all of Tenant's obligations under the Lease, and (iii) completes Franchisor's initial training program to Franchisor's satisfaction

2 2 If Franchisor exercises either of the rights set forth in paragraphs 2 1(i) or 2 1(ii) above, Tenant shall remain obligated under the Lease and Tenant shall be liable to Franchisor for all payments by Franchisor for rent and other Lease obligations The parties acknowledge that such payments are reasonable expenses of foreclosure

2 3 If Franchisor exercises either of the rights set forth in paragraphs 2 1(i) or 2 1(ii) above, Landlord shall not terminate or accelerate the rent owed under the Lease in connection with any such assignment, so long as Franchisor, or its franchisee, assumes, in writing, the obligations of Tenant under the Lease Nothing in this Paragraph 2 3 shall serve to extend the term of the Lease or provide Franchisor with occupancy rights, options to renew or other rights not expressly set forth to Tenant in the Lease

3 Agreement of Landlord

3 1 Landlord agrees to furnish Franchisor with copies of any and all letters and notices to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant

3 2 Landlord further agrees that, if it intends to terminate the Lease, Landlord will give Franchisor the same advance written notice of such intent as provided to Tenant, specifying in such notice all defaults that are the cause of any proposed termination Franchisor shall have the right to cure, at its sole option, any such default within the time periods granted to Tenant under the Lease

3 3 If neither Tenant or Franchisor cures all such defaults within the prescribed time periods (or such longer period as may be specifically permitted by the Lease), then the Landlord may terminate the Lease, re-enter the Premises and/or exercise all other rights as set forth in the Lease Landlord will promptly notify Franchisor of any expression by Tenant of its desire to terminate the Lease

4 Right to Enter and Make Modifications to Premises Before the expiration or termination of the Lease, Franchisor shall have the right to enter the Premises to make any reasonable modifications or reasonable alterations necessary to protect Franchisor's interest in Franchisor's franchise system, Franchisor's proprietary marks and system, or to cure any default under the Franchise Agreement entered into by Franchisor and Tenant, or any affiliate of Tenant Landlord and Tenant agree that Franchisor shall not be liable for trespass or any other crimes or tort

5 Notices All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile, telegram or telex (provide that the sender confirm the facsimile, telegram or telex by sending an original confirmation copy by certified transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties

If to Franchisor

MAX Franchising, LLC
1030A Campus Drive West
Morganville, NJ 07751

With a copy to

If to Tenant

If to Landlord

Any notices sent by personal delivery shall be deemed given upon receipt Any notices given by telex or facsimile shall be deemed given on the business day of transmission, provided confirmation is made as provided above Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties

6 No Material Modification of Lease Landlord and Tenant will not amend, renew, extend or otherwise modify the Lease in any manner which would materially affect any of the foregoing provisions without Franchisor's prior written consent

7 Acknowledgment The parties hereby acknowledge and agree that, so long as Franchisor shall not have exercised its option to take possession of the Premises under this Agreement, Franchisor shall not be liable for rent or any other obligations under the Lease

[***The next page is the signature page.***]

IN WITNESS WHEREOF, the parties hereto have executed this Collateral Assignment of Lease this _____ day of _____, _____

ASSIGNOR

_____ By _____

WITNESS Print Name _____

Title _____

FRANCHISOR

Max Franchising, LLC

By _____

Print Name _____

Title _____

LANDLORD

By _____

Print Name _____

Title _____

Exhibit B

Development Agreement and Exhibits

MAX FRANCHISING, LLC

AREA DEVELOPMENT AGREEMENT

_____

DEVELOPER

_____

DATE

MAX FRANCHISING, LLC AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (the "Agreement') is made and entered into on _____ _____, 20_____ (the "Effective Date") by and between by and between MAX Franchising, LLC, a New Jersey limited liability company with its principal place of business at 1030A Campus Drive West, Morganville, NJ 07751 ("MAX Franchising", "Franchisor", or "we", "us" or "our"), and _____ _____, a _____with an address at _____ _____("you", "your" or "Developer") on the date this Agreement is executed by us below (the "Effective Date") Franchisor and Developer are sometimes hereinafter collectively referred to as the "parties"

BACKGROUND

A MAX Franchising and/or its affiliates is the owner of certain intellectual property rights, trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the following service marks "The MAX Challenge®" and "TAKE IT TO THE MAX Fitness for the Mind, Body & Spirit®" MAX Franchising 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, and uniforms, and employee training techniques that, taken together, make up a proprietary system (the "System") for the operation of group training transformation centers (each a "Center" or a "Transformation Center")

B Max Franchising has the right to establish System "Standards and Specifications" for various aspects of the System, including, without limitation, standards and specifications related to location selection, the Center's physical characteristics, operating procedures, products and services offered, supplier qualifications, training, marketing and other aspects that affect and/or relate to the experience of System members and customers You are required to comply with Max Franchising's Standards and Specifications, which Max Franchising has the right to (and expects to) change and modify over time Max Franchising's Standards and Specifications will be communicated to you in writing through Max Franchising's Operations Manual and other manuals and written forms You acknowledge that complete uniformity may not be possible or practical throughout the System

C You have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement and have had sufficient time and opportunity to evaluate and investigate the business concept and the procedure and financial requirement associated with the business as well as the competitive market in which it operates

D You have expressed an interest in obtaining the right to open multiple Centers within a specific geographic area, and we are willing to grant such right upon the terms and conditions set forth in this Agreement

AGREEMENT

In consideration of the above recitals, the covenants, agreements and conditions set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows

1 APPOINTMENT, DEVELOPMENT TERRITORY AND MINIMUMUM DEVELOPMENT OBLIGATION

1 1 Development Area

Subject to your strict compliance with the terms and conditions of this Agreement, we grant to you, and you accept, the right during the term of this Agreement to develop the number of THE MAX CHALLENGE® Centers in the "Development Area," as set forth in Exhibit A to this Agreement All of your Centers must be located within the Development Area Except as otherwise expressly provided in this Agreement, during the Term of this Agreement, we will not operate, or grant anyone else the right to operate a Center, the physical premises of which are located within the Development Area This grant is upon the terms and subject to the conditions of this Agreement

You acknowledge and agree that our initial service under this Agreement is solely to identify the Development Area, and that we have no ongoing obligations such as training or operational assistance to you under this Agreement All ongoing and further obligations to you in opening the Centers shall be provided pursuant to the applicable Franchise Agreement between you and us for each Center you are required to open under this Agreement

1 2 Minimum Development Obligations

1 2 1 You shall comply with the terms and conditions of this Agreement and you shall comply with the following "Minimum Development Obligations" (i) secure a site and enter into a lease agreement for each Center you are required to develop under this Agreement on or before the lease execution deadline set forth in Exhibit A attached hereto (the "Lease Execution Deadlines"), (ii) develop and open each Center you are required to develop under this Agreement on or before the opening deadline set forth in Exhibit A attached hereto (the "Opening Deadlines"), and (iii) have open and in operation within the Development Area, not less than the cumulative number of Centers identified in Exhibit A to this Agreement, (collectively, "the Minimum Development Obligation") **YOU ACKNOWLEDGE AND AGREE THAT TIME IS OF THE ESSENCE UNDER THIS AGREEMENT AND THAT YOUR RIGHTS UNDER THIS AGREEMENT ARE SUBJECT TO TERMINATION IF YOU DO NOT STRICTLY COMPLY WITH THE MINIMUM DEVELOPMENT OBLIGATIONS**

1 2 2 For each Center you are required to develop under this Agreement, you shall enter into our then-current form of Franchise Agreement within the time periods set forth in this Agreement You may form newly established, separate affiliate entities that share the identical ownership structure as Developer, to enter into the lease agreements and franchise agreements for each Center you are required to open under this Agreement (each a "Developer Affiliate") You, each of your owners, and each owner of each Developer Affiliate, as applicable, shall enter into a personal guaranty and subordination agreement in the form attached to the applicable Franchise Agreement, which form may be materially different from the form attached to the franchise disclosure document you received prior to entering into this Agreement You shall designate one (1) individual who shall be designated in Exhibit A attached hereto, who has the authority to, and does in fact, actively direct your business affairs related to your obligations under this Agreement and has the authority to sign on your behalf all contracts and commercial documents (your "Responsible Owner") Your Responsible Owner shall exert his or her best efforts to the development of the Centers pursuant to this Agreement and, absent our prior approval, may not engage in any other business or activity that requires substantial management responsibility or time commitments

1 2 3 You have no right to sublicense or subfranchise your rights under this Agreement

1 3 Force Majeure

If you are unable to meet the Minimum Development Obligation requirement solely as the result of force majeure, including, but not limited to, war, riot, strikes, material shortages, floods, earthquakes, and other acts of God, or by governmental action or force of law, which results in the inability of you to construct or operate Centers in the Development Area, and which you could not, by the exercise of due diligence, have avoided, the Development Periods will be extended by the amount of time the force majeure exists, provided that if any force majeure continues for a period in excess of six months, we may terminate this Agreement upon written notice to you

1 4 Reservation of Rights

You acknowledge and agree that we have the right to open and operate, and to grant others the right to open and operate Centers anywhere outside of the Development Area as we deem appropriate in our sole and absolute discretion This Agreement is not a franchise agreement and you do not have any right to use any System trademarks, including, without limitation THE MAX CHALLENGE® or "Take it to the MAX, Fitness for the Mind, Body & Spirit®" (the "Marks") in any manner by virtue of this Agreement You have no right under this Agreement to subfranchise or sublicense others to operate a Center or use the System or the Marks Except for our agreement to not locate another Center in your Development Area during the Term, we reserve all other rights to do anything within the Development Area, including, without limitation, the following

1 4 1 the right to operate and grant others the right to operate other Centers at any location outside of your Development Area, regardless of the proximity to your Development Area, and on such conditions as we deem appropriate,

1 4 2 the right to engage in wholesale operations anywhere and everywhere,

1 4 3 the right to distribute or license the manufacture or distribution of products, regardless of whether such products are authorized for Centers, under the Marks, through other channels of distribution, including Internet and catalog sales anywhere,

1 4 4 the right to develop, operate and franchise similar or dissimilar systems, under trademarks, service marks and commercial symbols other than the Marks anywhere, without offering them to you, and

1 4 5 the right to acquire, be acquired by or merge with franchise systems or non-franchised systems that operate in competitive or similar lines of business to Centers anywhere, including within the Development Area

1 5 Special Venues We shall have the right to develop, open and operate, and to license others the right to develop, open and operate, Center(s) in any Special Venues, including any Special Venue located within the Development Area, without providing you any rights therein or compensation therefor The term "Special Venues" shall mean non-traditional venues, including, without limitation, schools, corporate offices, police departments, fire departments, government institutions and facilities, and military installations

2 FEES

2 1 Development Fee

Upon signing this Agreement, you shall pay to us a "Development Fee" in the amount identified on Exhibit A The Development Fee is in consideration of the rights we grant you pursuant to this Agreement and for the territorial rights granted to you pursuant to this Agreement Accordingly, all such fees are deemed fully earned by us upon execution of this Agreement and are non-refundable, even if you fail to develop one or more of the Centers

2 2 Training Fee

Upon signing this Agreement, you shall pay to us a "Training Fee" in the amount identified on Exhibit A The Training Fee is in consideration of the initial training services we provide to you before you open your first Center All such fees are deemed fully earned by us upon execution of this Agreement and are non-refundable, even if you fail to develop one or more of the Centers

3 CENTER SITE SELECTION, FRANCHISE AGREEMENT EXECUTION PROCEDURES

3 1 **Center Site Selection** You must, on your own initiative and at your sole cost and expense, locate and secure an acceptable site for each Center you are required to develop under this Agreement, and enter into a valid, binding lease agreement on or before the applicable Lease Execution Deadline Unless we specify otherwise in writing, you must engage our designated, third party supplier for site selection assistance and you must pay to this supplier its then-current, non-refundable site selection assistance fee As of September 2018, the site selection assistance fee payable to our designated supplier is $1,980 per site It is your responsibility, at Your own expense, locate, obtain and occupy the site for each Center you are required to develop under this Agreement You must advise us in writing of your proposed site for each Center and you must submit to us a complete site report and application (containing demographic, commercial and other information that we or our designee may require) We are relying on your knowledge of the real estate market in your Development Area Our prior approval is required in writing for each Center location Each site must meet our confidential site evaluation criteria. In accepting or rejecting a proposed site, we will consider such matters as we deem material, including demographic characteristics, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area, the proximity to other businesses (including other Centers), the nature of other businesses in proximity to the site and other commercial characteristics and the size of the premises, appearance, and other physical characteristics of the premises We will approve or disapprove your proposed site within thirty (30) days after we receive all of the materials you are required to provide to us Our approval of a site will be by delivery of written notice to you If you do not receive a written notice of approval within thirty (30) days after receipt of the requisite materials to approve or disapprove a proposed site, your proposed site is considered disapproved We will not unreasonably withhold approval of any proposed site if it meets our then-current site criteria ***You acknowledge and agree that our approval of a proposed site does not constitute a representation or warranty of any kind, express or implied, of the suitability of the site for a Center or any other purpose Our approval of a site indicates that we believe that the site meets our then acceptable criteria. Without limiting the foregoing, you acknowledge and agree that we are not responsible of the site fails to meet your or our expectations or if the Center you develop at the site fails*** You acknowledge and agree that we have the right to require you to use our designated suppliers for site selection and real estate development and construction services We will notify you in writing of any such requirement, and, you shall, immediately upon your receipt of such written notification, comply with any and all such requirements at your sole cost and expense

3 2 **Lease Approval/Execution Procedures**

3 2 1 You must present to us for our approval the lease for each premises from which you will operate each Center you are required to develop under this Agreement **before you sign the lease for such Center** You must cause your landlord to include the provisions we require in your lease agreement for each Center For each Center you are required to develop under this Agreement, both you, and the landlord for the applicable leased premises, must enter into our then-current form of Collateral Assignment of Lease The Collateral Assignment of the Lease includes important provisions that protect our interests If your landlord refuses to sign the Collateral Assignment of the Lease in the form we require, we have the right to reject your proposed site for the applicable Center

3 2 2 Each lease for each Center must provide that we (or our designee) may, at our sole option, upon the termination, expiration or proposed transfer of the Franchise Agreement for such location, take an assignment of your interest in the lease, without the payment of additional consideration (other than a reasonable assignment fee), and without liability for obligations you accrued as of the date of the assignment of the lease Our review of any lease prior to its execution will not be for the purpose of approving the legal aspects, economics, or rental terms of such lease Accordingly, we will have no responsibility to you with regard to the economics, legality or enforceability of any lease At all times during the term of this Agreement, you will promptly pay all rents and charges required by the lease for the Center and shall not be in default under the terms of the lease You are required to provide us with a copy of your fully executed lease for each Center immediately upon your receipt of a fully executed copy thereof, and any amendments or renewals to the lease, to ensure that at all times we have a complete copy of the then-current lease for each Center

3 3 Franchise Agreement Execution Requirements

For each Center you are required to develop under this Agreement, you (or a Developer Affiliate approved by us) shall sign our then-current form of franchise agreement, which agreement may contain materially different terms and conditions as compared to the form of franchise agreement attached to the franchise disclosure document provided to you prior to your execution of this Agreement, no later than the earlier to occur of (a) the date you execute the lease agreement for the Center, or (b) five (5) calendar days after you receive our written approval of the proposed site for the Center (the "FA Execution Deadline") Upon the execution of each Franchise Agreement, the terms and conditions of such Franchise Agreement shall control the establishment and operation of the Center that is the subject of such Franchise Agreement

4 RELATIONSHIP OF PARTIES

4 1 Relationship of Parties

4 1 1 You will function as an independent party and not as our agent or representative, but rather as a franchisee under our Franchise Agreements You and we are not and will never be considered joint ventures, joint employers, partners, employees, employer or agents one for the other Neither will have the power to bind or obligate the other except as otherwise outlined in this Agreement and/or the Franchise Agreements No representation will be made by either party to anyone that would create any apparent agency, employment or partnership except as otherwise outlined in this Agreement

4 1 2 In all public and private records, documents, relationships, and dealings, you will indicate that you are an independent contractor operating pursuant to this Agreement

4 1 3 You will maintain your records and accounts to clearly indicate that you and your employees are not our employees You will be solely responsible to hire your own employees, including determinations about a prospective person's background, experience, character and immigration status You shall provide written notification to each person you intent to hire as an employee advising such person that (a) the Franchisor is not their employer, and (b) that you are such person's employer

4 1 4 You will pay all of your development, travel, tax, operating, sales, and other costs and expenses directly or indirectly incurred in fulfilling your obligations under this Agreement You will hold us harmless for all such costs and expenses

5 TERM AND TERMINATION

5 1 Term

Unless sooner terminated, the term of this Agreement ("the Term") will begin on the Effective Date and will end on the earlier to occur of (a) the date the final Center you are required to develop under this Agreement has opened, or (b) the Opening Deadline for the last Center you are required to open under this Agreement You do not have any right to renew this Agreement

5 2 Termination

We have the right to terminate this Agreement, effective immediately upon delivery of written notice to you, if you commit a Material Default under this Agreement

Each of the following events shall be deemed a "Material Default" under this Agreement

(a) Your fail to meet any of your Minimum Development Obligations

(b) Any conduct on your part that impairs the goodwill associated with the marks or otherwise causes harm to us or the reputation of our franchise brand or System

(c) The termination of any Max Franchising, LLC Franchise Agreement entered into by and between Franchisor, its successors or assigns, and you and/or any Developer Affiliate

(d) If you or any Developer Affiliate commits a default under any franchise agreement or other agreement between us and you or any Developer Affiliate, which default remains uncured beyond all applicable notice and cure periods

(e) If you violate any of your confidentiality or non-competition obligations under this Agreement

(f) If you default under any other obligation under this Agreement and such default is not cured before the expiration of fifteen (15) calendar days following your receipt of a written notice of default from us

A termination of this Agreement is not deemed to be a termination of any Franchise Agreement entered into by and between you and us, or any Developer Affiliate and us You shall not be entitled to any refund of any of the Development Fee if we terminate this Agreement in accordance with the terms hereof

5 3 Effects of Termination

Upon the expiration of the term, or upon termination of this Agreement, regardless of the cause for termination, you will have no further right to open or operate additional Centers which are not, at the time of such termination or expiration, the subject of a then existing Franchise Agreement between you and us which is in full force and effect Effective immediately upon termination or expiration of this Agreement, we may open and operate, and license others the right to open and operate one or more Centers anywhere in the Development Area, subject to any territorial rights granted to you or any Developer Affiliate, as applicable, under any Franchise Agreement then in effect

6 TRANSFER AND SUCCESSION

6 1 Assignment by Us

We may assign this Agreement, or any of our rights and privileges to any other person, firm or corporation without your prior consent, provided that, in respect to any assignment resulting in the subsequent performance by the assignee of our functions, the assignee will expressly assume and agree to perform our obligations

6 2 Assignment by You

Your rights and obligations under this Agreement are personal to you and our not assignable at all Without our prior written permission, you will not voluntarily or involuntarily sell, transfer, assign, encumber, give or otherwise alienate the whole or any part of this Agreement, your assets, or the ownership of any of your rights under this Agreement We have entered this Agreement in reliance upon and in consideration of the singular personal skill, qualifications and trust and confidence we repose in you or your principal officers or partners who will actively and substantially participate in the development and operation of the Centers you are required to develop under this Agreement

7 COVENANTS NON COMPETITION/CONFIDENTIALITY/COMPLIANCE WITH LAWS

7 1 Non-Compete

7 1 1 You and each of your owners, officers and agents will not, during the Term of this Agreement, directly, indirectly or through, on behalf of, or in conjunction with any person or legal entity

(a) participate as an owner, director, partner, officer, franchisee, employee, consultant, advisor, salesperson, distributor, or agent or serve in any other capacity in any Competitive Business (as defined below), or

(b) divert, or attempt to divert any present or prospective business or customer of any Center to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System

The term **"Competitive Business"** shall mean any and all businesses that are competitive with Centers including without limitation any gym, fitness training 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 company offering exercise, health, wellness, weight loss and/or weight management services, and/or any business offering or selling products or services offered by Centers, including, without limitation, supplements and/or health related products The term Competitive Business shall not include other Centers operated by Franchisee pursuant to a valid, binding franchise agreement by and between Franchisee and Max Franchising

7 1 2 During the two (2) year period after expiration or termination of this Agreement, you and your owners, officers and agents **will not** directly or indirectly participate as an owner, director, partner, officer, franchisee, employee, consultant, advisor, salesperson, distributor, or agent or serve in any other capacity in any Competitive Business that is located (a) anywhere in the Development Area, (b) within a ten (10) mile radius of the Development Area, or (c) within a ten (10) mile radius of any Center in operation, under lease, or under construction as of the date of termination or expiration, as applicable During the two (2) year period after expiration or termination of this Agreement, you and your owners, officers and agents **will not** directly or indirectly participate as an owner, director, partner, officer, franchisee, employee, consultant, advisor, salesperson, distributor, or agent or serve in any other capacity in any franchise system that is offering or selling the right to develop, open or operate Competitive Businesses anywhere in the United States The covenants not to compete are in addition to and not in lieu of your express agreements set forth above to not use any trade secrets, confidential information or personal contacts except as authorized by us

You acknowledge and agree that the restricted periods set forth above shall be tolled during any time in which you are in violation of your obligations We may require you to obtain written agreements from your owners, officers, directors, employees and agents to not compete against us and to not disclose our trade secrets and confidential information These agreements will be in a form we approve

If for any reason, any provision of this covenant not to compete is determined to exceed any lawful scope and limit as to duration, geographic coverage, or otherwise, it is agreed that provision will nevertheless be binding to the full scope or limit allowed by applicable laws or by a court of law The duration, geographic coverage and scope allowable by law or court of law shall apply to this Agreement

You agree that damages alone cannot adequately compensate us if there is a violation of any of your non-competition covenants and that injunctive relief is essential for our protection You therefore agree that in any case of any alleged breach or violation of this section, 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

7 2 Communication of Information

During the Term of this Agreement and thereafter, you will not communicate or divulge to any person or entity the contents of the System Manuals, or any other non-public information related to the operation of a Center Under no circumstances will you or your agents communicate or divulge to any person or entity any trade secrets, confidential information or personal contacts relating to the franchised business or System during the Term of this Agreement or thereafter

7 3 You to Cease Using Names and Marks

Except to the extent permitted under then current Franchise Agreements, upon expiration or termination of this Agreement, whatever the cause for termination, you will immediately cease using the Marks and our names, logos, service marks, trademarks and other marks, symbols or materials suggesting that you were related to us or the System in any way You acknowledge that all of these are our exclusive property and that you are allowed to use them only in connection with your work as our sales and service agent or franchisee You may use them only pursuant to the provisions of any relevant franchise agreements between the parties

7 4 Compliance with Applicable Laws You shall, at your sole cost and expense, comply with all federal, state, city, municipality and local laws, ordinances, rules and regulations applicable to your obligations under this Agreement You must, at your expense, be absolutely and exclusively responsible for determining all licenses and permits required by law for your Centers, for qualifying for and obtaining all such licenses and permits, and maintaining all such licenses and permits in full force and effect

8 DISPUTE RESOLUTION

8 1 The parties have reached this Agreement in good faith and with the belief that it is advantageous to each of them In recognition of the strain on time, unnecessary expense and wasted resources potentially associated with litigation and/or arbitration, and in the spirit of cooperation, the parties pledge to try to resolve any dispute amicably, without litigation or arbitration Other than an action brought by us under Section 8 3 of this Agreement, and with the exception of injunctive relief or specific performance actions, before the filing of any arbitration, you and we agree to mediate any dispute, controversy or claim between us and/or any of our affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Franchisor Related Party"), on the one hand, and you and/or any of your affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Developer Related Party"), including without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to (a) this Agreement, (b) the parties' relationship, or (c) the events occurring prior to the entry into this Agreement 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 arbitration or legal action, including any action to interpret or enforce this Agreement

Mediation will be conducted Monmouth County, New Jersey Persons authorized to settle the dispute must attend each mediation session in person The parties agree to participate in the mediation proceedings in good faith 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 The parties agree to participate in the mediation procedure to its conclusion, as set forth in this section The mediation may be concluded (a) by the signing of a settlement agreement by the parties, (b) by the mediator's declaration that the mediation is terminated, or (c) 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 arbitration or 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

The fees and expenses of the mediator shall 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 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 shall not be excluded from discovery or made inadmissible simply because of its use in the mediation

8 2 Arbitration

Except as qualified below and in Section **8 3**, any dispute between you and us or any of our or your affiliates arising under, out of, in connection with or in relation to (a) this Agreement, (b) the parties' relationship, (c) the events leading up to the entry into this Agreement, (d) the Development Area, (e) the scope or validity of the arbitration obligation under this Section **8 2**, shall be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures

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 claim, or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate shall become null and void and the parties shall submit all claims to the jurisdiction of the courts The arbitration must take place in Monmouth County, New Jersey The arbitrator must follow the law and not disregard the terms of this Agreement The arbitrator must have at least five (5) years of significant experience in franchise law Any issue as to whether a matter is subject to arbitration will be determined by the arbitrator A judgment may be entered upon the arbitration award by any state or federal court in Monmouth County, New Jersey

The decision of the arbitrator will be final and binding on all parties to the dispute, however, the arbitrator may not under any circumstances (1) stay the effectiveness of any pending termination of this Agreement, (2) assess punitive or exemplary damages, (3) certify a class or a consolidated action, or (3) 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 shall have the right to make a determination as to any procedural matters that court of competent jurisdiction would be permitted to make in the state in which our main office is located Further, the arbitrator shall decide all factual, procedural, or legal questions relating in any way to the dispute between the parties, including, without limitation, questions relating to whether Section **8 2** is applicable and enforceable as against the parties, the subject matter, timeliness, and scope of the dispute, any available remedies, and the existence of unconscionability and/or fraud in the inducement

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

The arbitrator shall have subpoena powers limited only by the laws of the State of New Jersey

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 shall otherwise have the same discovery rights as are available in civil actions under the laws of the State of New Jersey

All other procedural matters shall be determined by applying the statutory, common laws, and rules of procedure that control a court of competent jurisdiction in the State of New Jersey

Other than as may be required by law, the entire arbitration proceedings (including, without limitation, any rulings, decisions or orders of the arbitrator), shall remain confidential and shall not be disclosed to anyone other than the parties to this Agreement

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

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 shall not be deemed to have waived or relinquished our right to seek recovery of those costs against you

8 3 Exceptions to Arbitration

Notwithstanding Section 8 1 or Section 8 2, the parties agree that the following claims will not be subject to mediation or arbitration

A any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder,

B any action in ejectment or for possession of any interest in real or personal property, or

C any claim by us (a) relating to your failure to pay any fee due to us under this Agreement, (b) relating to your failure to comply with the confidentiality and non-competition covenants set forth in this Agreement, and/or (c) and/or our affiliates relating to your use of the Marks and/or the System, including, without limitation, claims for violations of the Lanham Act

9 MISCELLANEOUS PROVISIONS

9 1 Choice of Law and Venue

You acknowledge that we have appointed and intend to appoint many franchisees on terms and conditions similar to those set forth in this Agreement and the Franchise Agreement It mutually benefits those franchisees, you and us if the terms and conditions of these license agreements are uniformly interpreted This Agreement is accepted in the State of New Jersey and will be governed by the laws of such state which laws will prevail, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C Sections 1051, et seq) and except in those states whose franchise laws require exclusive application of those laws This choice of laws will not include and does not extend outside of New Jersey the scope of application of the New Jersey franchise or business opportunity laws Any portion of this Agreement that requires enforcement in any other state, and is enforceable under the laws of that state but not of New Jersey, will be construed and enforced according to the laws of that state All issues or disagreements relating to this Agreement will be tried, heard, and decided in the state and federal courts in New Jersey, which you agree is the most convenient venue for these purposes You acknowledge and agree that this location for venue is reasonable and the most beneficial to the needs of and best meets the interest of all of the members of the franchise system

If a dispute arises between the parties, the parties agree to participate in mediation in accordance with the Mediation Procedures of the US Arbitration & Mediation Service or of any similar organization that specializes in the mediation of commercial business disputes The Parties agree to equally share the costs of mediation

9 2 Enforcement

Either party may seek to obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement No right or remedy conferred upon us is exclusive of any other right or remedy in this Agreement or provided by law or equity Each will be cumulative of every other right or remedy

We shall be entitled to recover from you all of our costs and expenses, including attorneys' fees, accounting fees, expert witness fees, and any other reasonably incurred fees, if we are the prevailing party in any action, including arbitration, litigation, any motion to compel arbitration, and/or any action on appeal, with you and/or any of your owners or Guarantors, including, without limitation, any action (a) to enforce the terms of this Agreement, (b) for violation of this Agreement, or (c) for violation of the Lanham Act or other state or federal statutes Without limiting the generality of the foregoing, if we incur costs and expenses due to your failure to pay when due amounts owed to us our affiliates, to submit when due any reports, information, or supporting records, or otherwise comply with this Agreement, you agree, whether or not we initiate a formal arbitration or legal proceeding, to reimburse us for all of the costs and expenses that we incur including, without limitation, reasonable accounting, attorneys' and related fees and costs

9 3 Relationship of You to Us

The parties intend by this Agreement to establish the relationship of franchisor and developer and/or independent contractors You have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of us for any purpose whatsoever Neither party is the employer, employee, agent, partner or co-venturer of or with the other, each being independent You agree that you will not hold yourself out as our agent, employee, partner or co-venturer All employees hired by or working for you will be your employees and will not, for any purpose, be deemed our employees or subject to our control You must provide written notification to each of your employees that each such employee is employed by you, and not us You shall file your own tax, regulatory and payroll reports with respect to your employees and operations

9 4 Your Indemnification

You agree to protect, defend and indemnify us, and all of our past, present and future shareholders, direct and indirect parent companies, subsidiaries, affiliates, officers, directors, employees, attorneys and designees (the "Indemnified Parties") and hold each of the Indemnified Parties harmless from and against any and all damages, costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person, firm or corporation or to any property arising out of or related to your rights or obligations under this Agreement

You represent and warrant that you have full and legal capacity to enter into this Agreement and into the Franchise Agreements and that they will not violate any provision or restriction in any contractual relationship you or your owners have with any third party

9 5 Waiver and Delay

The following will not constitute a waiver of the provisions of this Agreement with respect to any subsequent breach or a waiver by us of our right at any time to require exact and strict compliance with the provisions of this Agreement or of the franchise agreements

Waiver by us of any breach or series of breaches or defaults in your performance,

Our failure, refusal or neglect to exercise any right, power or option given to us under this Agreement or under any franchise agreement between us and you, or

Our failure, refusal or neglect to insist upon strict compliance with or performance of your obligations under this Agreement or any other franchise agreement between you and us

This applies to this Agreement and to any franchise agreement between the parties whether entered into before, after or contemporaneously with the execution of this Agreement and whether or not related to the Centers

9 6 Survival of Covenants

The covenants contained in this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement, will be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever

9 7 Successors and Assigns

This Agreement will be binding upon and inure to the benefit of our successors and assigns and will be binding upon and inure to your benefit and your heirs, executors, administrators, successors and assigns, subject to the prohibitions against assignment contained above

9 8 Joint and Several Liability

If you consists of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to us are joint and several

9 9 Agreements with Other Developers You acknowledge that other System franchisees and / or developers have or may be granted franchises or 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

9 10 Entire Agreement

Except for the Franchise Agreements that may be executed between the parties, this Agreement expresses the sole and complete understanding between the parties concerning the subject matter hereof This Agreement, including the Exhibits attached hereto, is the entire agreement between the parties with respect to the subject matter hereof No other prior agreements concerning the subject matter hereof, written or oral, will be deemed to exist or to bind the parties, and all prior agreements, understandings and representations, are merged into this Agreement and superseded by it Nothing in this Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document provided to you prior to your execution of this Agreement (the "FDD") You represent that there are no contemporaneous agreements or understandings between the parties relating to the subject matter of this Agreement that are not contained in this Agreement No officer, employee, or agent of ours has any authority to make any representation or promise not contained in this Agreement or in the FDD You agree that you have executed this Agreement without reliance upon any such representation or promise This Agreement cannot be modified or changed except by written instrument signed by all of the parties **Time is of the essence of this Agreement**

9 11 Titles for Convenience

Article and paragraph titles used in this Agreement are for convenience only and will not affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement

9 12 Gender

All terms used in any number or gender will extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any article or paragraph may require

9 13 Severability

Nothing contained in this Agreement will require the commission of any act contrary to law Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter will prevail In such event the provisions of this Agreement thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law If any part, article, paragraph, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision will be deemed deleted, and the remaining part of this Agreement will continue in full force and effect

9 14 Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which together will be deemed the same instrument

9 15 Notices

Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally, by email, or by a reputable overnight service or deposited in the United States mail, service or postage prepaid, and addressed as follows

Notices to Franchisor

Max Franchising, LLC
1030A Campus Drive West, Morganville, NJ 07751
Attention _____

With a copy to

_____
_____
_____
Attention _____
Facsimile _____

Notices to Developer

_____
_____
_____
Attention _____
Facsimile _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of email, upon transmission, or, in the case of expedited delivery service or registered or certified mail, three (3) business days after the date and time of mailing

9 16 Submission of Agreement

The submission of this Agreement does not constitute an offer and this Agreement will become effective only upon the execution by you and us THIS AGREEMENT WILL NOT BE BINDING ON FRANCHISOR UNLESS AND UNTIL IT WILL HAVE BEEN ACCEPTED AND SIGNED BY FRANCHISOR

9 Acknowledgments

You, and your shareholders, members and partners, as applicable, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed

concurrently or in conjunction with the execution of this Agreement You and they have obtained the advice of counsel concerning entering this Agreement You and they understand the nature of this Agreement and intend to comply with and to be bound by it

You will exert your best efforts and full time to carrying out the terms, covenants and conditions of this Agreement in good faith

IN WITNESS WHEREOF, this Agreement has been executed on the day and date first set forth above

DEVELOPER
If an entity]

_____

By _____
Name _____
Title _____
Date _____

FRANCHISOR
MAX FRANCHISING, LLC

By _____
Name _____
Title _____

[If an individual or individuals]

Signature _____
Name _____
Date _____

Signature _____
Name _____
Date _____

Signature _____
Name _____
Date _____

Signature _____
Name _____
Date _____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20__, by _____

In consideration of, and as an inducement to, the execution of that certain Development Operator Agreement (the "Agreement") by and between MAX FRANCHISING, LLC ("Franchisor") and _____ ("Developer") on this _____day of_____, each of the undersigned, _____, (each "he", "she" or the "undersigned", collectively, the "undersigned"), personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that Developer will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, mediation and arbitration requirements

Each of the undersigned consents and agrees that (1) his or her direct and immediate liability under this Guaranty will be joint and several, (2) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so, (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer or any other person, and (4) this liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment of performance of the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement

Each of the undersigned waives all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the undersigned's execution of and performance under this Guaranty Each of the undersigned hereby represents and warrants that he or she has read the entire Agreement, has been provided with adequate opportunity to consult with counsel of his or her choice, and understands the Agreements terms and his or her obligations under this Guaranty

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed

GUARANTOR(S)

_____ _____

_____ _____

_____ _____

_____ _____

EXHIBIT A TO DEVELOPMENT AGREEMENT

1 DEVELOPMENT AREA

The Development Area is defined as the entire territory encompassed by _____ in the State of _____ If the Development Area is identified by city or other political subdivisions, political boundaries will be considered fixed as of the Agreement Date, notwithstanding any political reorganization or change to the boundaries The Development Area is depicted on the map attached to this Exhibit A However, if there is an inconsistency between the language in this Exhibit A and the attached map, the language in this Exhibit A shall control All street boundaries will be deemed to end at the street center-line unless otherwise specified

2 MINIMUM DEVELOPMENT OBLIGATIONS

Developer agrees to open _____ (__) Centers within the Development Area according to the following Schedule

Column A	Column B	Column C	Column D
Center #	**Lease Execution Deadline**	**Opening Deadline**	**Cumulative Number of Centers To Be Opened and Operating in Development Area By Opening Deadline Designated in Column C**

3 **DEVELOPMENT & TRAINING FEES**

The Development Fee is $_____
The Training Fee is $_____

4 **RESPONSIBLE OWNER**

Responsible Owner Name _____
Responsible Owner Address _____
Telephone Number & Email Address _____
Percentage Ownership Interest _____

5 **DEVELOPER INFORMATION**

____ **Individual** _____ **Legal Entity**

Name of Individual(s) or Legal Entity (as applicable) _____
_____

If Legal Entity
State of formation/incorporation _____
Date of formation _____
Ownership Information

Owner Name	Owner Address	Percentage Ownership Interest

DEVELOPER
[If an entity]

_____

By _____
Name _____
Title _____
Date _____

[If an individual or individuals]

Signature _____
Name _____
Date _____

FRANCHISOR
MAX FRANCHISING, LLC

By _____
Name _____
Title _____

Exhibit D
Franchisees as of December 31, 2017
New Jersey

COMPANY NAME (If Applicable)	CONTACT	ADDRESS	PHONE NUMBER	OPENING STATUS
Fit Positive LLC	Laura Gashlin	510 New Friendship Road Howell, NJ	732-534-9850	Open
MAX Fitness of Edison LLC	Nancy Walzog	1199 Amboy Ave Edison, NJ 08837	732-662-5900	Open
THE MAX of East Brunswick, Inc	Frank Baeli	3 Lexington Ave, East Brunswick, NJ 08816	732-579-8444	Open
MAX Transformation of East Windsor, LLP	Jason Reilly	440 US Highway 130 East Windsor NJ 08850	609-426-8881	Open
RB MAX Transformation LLC	Richard Bruno	3879 County Road 516 Old Bridge, NJ 08857	732-617-6162	Open
JD Fells LLC	Scott Schneider	217 Clarksville Road West Windsor, NJ 08852	609-248-4114	Open
NADOM LLC	Dinesh Ramchandani	4095 US Highway 1 S South Brunswick, NJ 08852	732-943-3336	Open
Peppersprout Productions Inc	Denise Medford	960 Cedar Bridge Ave Brick, NJ 08723	732-746-4188	Open
BCDE Ham LLC	Frank Baeli	825 NJ Route 33 Hamilton, NJ 08619	609-512-4350	Open
JACSO Fitness Inc	Cassandra Duggan	718 Union Ave Brielle NJ 08730	732-223-2232	Open
THE MAX Fitness of Piscataway LLC	Angela Dikker	1032 Stelton Road Piscataway, NJ 08854	732-520-6700	Open
FML Resources LLC	Joseph Amato	830 State Road Princeton, NJ 08540	609-524-6160	Open
CKA MAX of Cranford	Mario Cesario	777 Walnut Ave Cranford NJ 07016	908-514-4099	Open
A&A Fitness LLC	Amy Walsh	95 Victory Road Springfield NJ 07081	973-500-3144	Open
FOLEYMILLER INC	Pamela Miller	1710 Highway 35 Oakhurst, NJ	732-701-3423	Open
MAX of Toms River LLC	James Frederick	1580 Lakewood Dr Toms River NJ 08755	732-551-2181	Open

ADAK LLC	Dinesh Ramchandani	1966 Washington Valley Road Bridgewater, NJ 08836	732-943-3336	Open
ADAK, LLC	Dinesh Ramchandani	220 Triangle Road Hillsborough, NJ 08874	732-943-3336	Open
BCDEONE LLC	Frank Baeli	411 King George Road, Basking Ridge NJ 07920	732-579-8444	Open
The MAX of Sayreville, LLC	Angela Dikker	426 Raritan Street Sayreville, NJ 08872	732-520-6700	Open
RB MAX of Freehold, LLC	Rich Bruno	3475 Route 9 North, Three Brook Plaza Freehold NJ 07728	732-617-6162	Open
Project Fit LLC	Amanda Milek	83 Main St Woodbridge Township, NJ 07095	732-248-6222	(Transferred 2017)
Total Transformation, LLC	Toby Bavli	516 Valley Road Montclair, NJ 07043	973-922-3629	Open
TM of Marlboro, LLC	Randi Leib	460 County Road 520 Marlboro Township, NJ 07746	732-851-8062	Open
Yolo Fitness, Inc	Marc Naparstek	3043 NJ-35 Hazlet, NJ 07730	732-526-2191	Open
A&L Fitness	Tunde Alphonso	Voorhees Township, NJ	856-267-0533	Not yet open
A&L Fitness	Tunde Alphonso	Mt Laurel, NJ	856-267-0533	Not yet open
G and T Wellness	Toby Bavli	35 Main St Madison, NJ 07940	908-937-7629	Not yet open (transferred & opened 2017)
CKA MAX of Scotch Plains LLC	Mario Cesario	1701 US-22 Watchung/Scotch Plains NJ 07069	908-838-5331	(Transferred 2017 Opened 2018)
Yolo Fitness, Inc,	Marc Naparstek	Middletown, NJ	732-526-2191	Not yet open
ADAK, LLC	Dinesh Ramchandani	2 John F Kennedy Blvd Somerset, NJ 08873	732-943-3336	Open
RB MAX Transformation, LLC	Rich Bruno	Monroe Township, NJ	732-617-6162	Not yet open
Sixfiftyone, Inc	Kwesi Edwin	235 Ridgedale Ave Cedar Knolls Plaza Cedar Knolls NJ	973-544-8724	open

MTEK Fitness Corp	Michael Keogh	86 Atlantic City Blvd, Berkeley Twp NJ	908-447-6758	Opened 2017
Sochamax,LLC	Chris Socha	5 Mission Road Bordentown, NJ 08505	609-865-2611	Opened 2017
Mathias Fitness LLC	Dhiren Mathias	136 Route 10 East Hanover, NJ 07936	551-208-4340	Open
Yolo Fitness II Inc	Marc Napartsek	1079 Broad Street Shrewsbury, NJ 07702	732-241-0295	Open
TLK Fitness LLC	Gail Kelly	1636 Route 72 Manahawkin NJ 08050	609-342-6151	Opened 2017
G&T Wellness LLC	Toby Balvi	35 Main Street Madison, NJ 07940	973-937-7629	Opened 2017 listed above as transfer
Warrior for Life	Robert Edmond	446 Pleasant Valley Way West Orange, NJ 07052	732-679-1131	Opened 2017
Warrior for Life	Robert Edmond	Engelwood, NJ	732-259-2586	Not Yet Opened
Warrior for Life	Robert Edmond	Hackensack, NJ	732-259-2586	Not Yet Opened
Fausto Rotundo	Fausto Rotundo	Ridgefield, NJ	917-592-3718	Not Yet Opened
Cassandra Wilson	Cassandra Wilson	Hoboken, NJ	917-675-0571	Not Yet Opened
AMV Health & Fitness, INC	Anna Vetrano	300 S Lenola Road Maple Shade, NJ 08052	609-802-3730	Opened 2017
NRGY Fitness, LLC	Nicole Cafaro	Moorestown, NJ	732-567-1240	Not Yet Opened
KLK Fitness and Nutrition	Kencis Kleinschmidt	Little Egg Harbor/Tuckerton, NJ	609-857-6670	Not Yet Opened (Territory released and resold 2017)
RAD Fitness Corp	Ryan & Alyson Dorchak	321 Changebridge RD Pine Brook, NJ 07058	201-314-5520	Opened 2017
Love Health & Happiness LLC	Mamta & Srini Tarnikanti	148 Route 31 Flemington, NJ 08822	908-751-7123	Opened 2017
ELYJ,LLC	Lubna Chowdhry	101 South Route 73 Suite 3F Marlton NJ 08053	856-334-3540	Not Yet Open
Susan Canto II LLC	Susan Varca	201 LeFante Way Bayonne, NJ 07305	201-535-3044	Not Yet open

Blue J LLC	Michael Keogh	800 Lacey Road Lacey Township, NJ 08731	609-994-5249	Not Yet Open
KB Fitness First INC	Karen Bongiorno	858 Franklin Ave Franklin Lakes, NJ 07417	201-425-0533	Not Yet Open
Guido and The Jew LLC	Art Rosenbaum	Haddon Heights, NJ	609-433-8344	Not Yet Open
Guido and The Jew, LLC	Art Rosenbaum	Cherry Hill, NJ	609-433-8344	Not Yet Open
Guido and The Jew LLC	Art Rosenbaum	Medford, NJ	609-433-8344	Not Yet Open
GK MAX LLC	Joel Kaplan	Burlington, NJ		Not Yet Open
LSA Fitness Corp	Lauren Adelstein	1802 State Route 31 Clinton, NJ 08809	732- 690-6741	Not Yet Open
Larissa & Timothy Rohan	Larissa & Timothy Rohan	Kinnelon, NJ		Not Yet Open

NEW YORK

COMPANY NAME (If Applicable)	CONTACT	ADDRESS	PHONE NUMBER	NOTES
Richmond Fit LLC	Roseann Camarda	971 Rossville Ave Staten Island, NY 10309	718-569-5755	Open
JF Fitness LLC	Frank Baeli	4295 Arthur Kill Road Staten Island, NY 10309	718-569-5745	Open
Richmond Fit LLC	Roseann Camarda	4207 Hylan Blvd Staten Island, NY 10308	718 569-5755	Open
Richmond Fit LLC	Roseann Camarda	1300 Hylan Blvd Staten Island NY 10305	646-529-6902	Open
Ifitness Inc	Inna Unger	131 Main Street Suite 7 East Rockaway, NY	516-218-3728	Open

DGM Maxers Inc	Deborah Mirabella	526 86th St Brooklyn, NY 11209	718-619-2818	Open (Transferred 2017)
Debra Mirabella	Debra Mirabella	Brooklyn, NY	917-476-2260	Not Yet Opened Released in 2017 Purchased resale above)
Fausto Rotundo	Fausto Rotundo	New Hyde Park NY	917-592-3718	Not Yet Opened
John Delgado, Yuk Yee Li, John R Delgado, Ann Delgado	John Delgado, Yuk Yee Li, John R Delgado, Ann Delgado	Nanuet, NY		Not Yet Open

CALIFORNIA

COMPANY NAME (If Applicable)	CONTACT	ADDRESS	PHONE NUMBER	NOTES
RMB Woodland, Inc	Richard Baciarini	3000 E Main Street, Woodland, CA	530-207-0377	Open
RMB of Woodland, Inc	Richard Baciarini	915 5th Street Davis CA 95616	530-207-0377	Opened 2017

DELAWARE

Two Twenty Five Fitness LLC	Lisa Cammy	17437 Ocean One Plaza Suite 1 Lewes, DE 19958	908 670 7798	Opened 2017

FLORIDA

A&M Boca Raton LLC	Manny Sharma	349 Yamato Road Boca Raton, FL 33487	609-792 7144	Opened 2017
A&M Boca Raton LLC	Manny Sharma	824 N Federal Hwy Pompano Beach, FL 33062	609-792-7144	Opened 2017
Michael Rudner	Michael Rudner	4660 W Hillsboro Blvd#8 Coconut Creek FL	954 388 0830	Opened 2017

TEXAS

COMPANY NAME (If Applicable)	CONTACT	ADDRESS	PHONE NUMBER	
Flemington Stump, Inc	Steve Stump	4100 Eldorado Pkway, McKinney, TX 75070	469-573-4629	Open *Closed in 2017*
Flemington Stump, Inc	Steve Stump	Plano, TX	972-369-6111	Not yet opened Territory Released 2017
Flemington Stump, Inc	Steve Stump	Allen, TX	972-369-6111	Not yet opened Territory Released 2017
Flemington Stump, Inc	Steve Stump	Frisco, TX	972-369-6111	Not yet opened Territory released 2017

GEORGIA

Best Friend Fitness LLC	Jim Dewberry	Atlanta, GA	404-754-3840	Not yet opened

Connecticut

Kim Lachapelle Professional Coaching LLC	Kim Lachapelle	1735 Ellington Rd Store 9 South Windsor CT 06074	860-327-8340	Not yet opened

Indiana

FNM Fitness LLC	Chad Tunison	11680 Commercial Drive Suite 800 Fishers IN 46038	317-588-1640	Not yet opened

Massachusetts

RLM Group, LLC	Deborah Jean Mimoso	Stoughton, MA		Not yet opened

Exhibit E

List of Former Franchisees

This Exhibit 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 a Transformation Center 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

COMPANY NAME	CONTACT	CITY/STATE	PHONE NUMBER	NOTES
The MAX at Kovars, LLC	David Chamberlain	Roseville, CA	916-961-1970	Closed in 2017, Members transferred to Fair Oaks
Collins Cruz Health & Fitness LLC	David Collins	Jersey City, NJ	201-205-2169	Closed as of 01/012017
A&L Fitness	Tunde Alphonso	Cherry Hill NJ	856-267-0533	Closed 2017
Fleming Stump, Inc	Steve Stump	4100 Eldorado Pkway, McKinney, TX 75070	972-369-6111	Closed 2017
The MAX at Kovars, LLC	David Chamberlain	Lead Hill CA	916-961-1970	Closed in 2017,
The MAX at Kovars LLC	David Chamberlain	Waterman, CA	916-961-1970	Closed in 2017,
The MAX at Kovars, LLC	David Chamberlain	Madison, CA	916-961-1970	Closed in 2017,

Transfers in 2017

The below franchisees sold or transferred ownership control of their Center during the 2017 calendar year The location is still open and in operation

ZEK Transformation Inc	Patricia Coraci	526 86th St Brooklyn, NY 11209	718-619-2818	This Center is in operation Ownership transfer in 2017
M&D Fitness, LLC	Lee Grebler	510 New Friendship Road, Howell, NJ	855-462-9348	This Center is in operation Ownership transfer in 2017
THE MAX of Woodbridge,LLC	Anne Marie Magliulo	85 Main St Woodbridge Twp, NJ 07095	732-248-6222	This Center is in operation Ownership transfer in 2017

Exhibit F

State Administrators/Designation of Agent for Service of Process

State Administrators

California
California Department of Business Oversight
Department of Business Oversight
1515 K Street
Sacramento, CA 95814
(916) 445-7205
(Toll Free) (866) 275-2677

Hawaii
Hawaii Securities Examiner
1010 Richards Street
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 E111
Indianapolis, IN 46204
(317) 232-6681

Maryland
Office of the Attorney General
Securities Division
200 Saint Paul Place,
Baltimore, MD 21202
(410) 576-6360

State Agents For Service of Process

California
California Commissioner
Department of Business Oversight
1515 K Street
Sacramento, CA 95814
(916) 445-7205
(Toll Free) (866) 275-2677

Hawaii
Director, Department of Commerce and Consumer Affairs
Business Registration Division
1010 Richards Street
Post Office Box 40
Honolulu, HI 96810

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 Commerce
85 7th Place, East, Suite 500
St Paul, MN 55101
(651) 539-1571

New York
Special Deputy Attorney General
Bureau of Investigation
New York State Department of Law
120 Broadway
New York, NY 10271
(212) 416-8211

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
South Dakota Franchise Administrator
Division of Securities
Department of Labor & Regulation
124 S Euclid, Suite 104
Pierre, SD 57501
(605) 773-4013

State Agents For Service of Process
(Continued)

Michigan
Not Applicable

Minnesota
State of Minnesota
Department of Commerce
Securities Division
85 7th Place East, Suite 500
St Paul, MN 55101

New York
Secretary of State of New York
162 Washington Street
Albany, NY 11231

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
Director, Division of Securities
State Capitol Building
124 S Euclid, Suite 104
Pierre, SD 57501
(605) 773-4013

State Administrators
(Continued)

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
9th Floor
1300 East Main Street
Richmond, VA 23219
(804) 371-9051

Washington
Washington Securities Administrator
Business License Service
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
1st Floor
1300 East Main Street
Richmond, VA 23219
(804) 371-9733

Washington
Director of Licensing
Securities Division
150 Israel Road
Turnwater, WA 98501

Wisconsin
Wisconsin Commissioner of Securities
Office of the Commissioner of Securities
101 East Wilson Street
Madison, WI 53702

Exhibit G
Pre-Closing Questionnaire

[*To be completed by Franchisee and all Owners before signing Franchise Agreement*]

As you know, you and Max Franchising, LLC (the "Franchisor") are about to enter into a franchise agreement for the development, opening and operation of a franchised center under the mark THE MAX CHALLENGE® (the "Center") 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 Max Franchising, 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 Center 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 or promise concerning the revenue, profits or operating costs of a Center operated by a franchisee?

Yes____ No____

6 Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning a Center 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 Center?

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 Center 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 Center 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 Center?

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 Center does not constitute an assurance, representation or warranty of any kind as to the successful operation or profitability of the Center at the location?

Yes____ No____

13 Do you understand that the approval of Franchisor of a financing plan for operation of the Center does not constitute any assurance that such financing plan is favorable, or not unduly burdensome, or that the Center 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____

15 If you worked with a franchise broker, or if you were referred to us by a third party, did the broker or third party referral source, or any employee or representative of either such party, make any statements

or representations to you about (a) revenues of any current or former Center, (b) profits of any current or former Center, or (c) projected revenues or profits of any current or former Center?

Yes____ No____

If you have answered "Yes" to any of questions 4 through 11 or in response to question 15, 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 You also understand that we have not authorized any broker or referral source to make any representations to you about Center profits or revenues We are relying on you to the above questions honestly and accurately**

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

PROSPECTIVE FRANCHISEE/APPLICANT

By _____
Print Name _____
Date _____

By _____
Print Name _____
Date _____

Exhibit H

Operations Manual Table of Contents

Total Number of Pages in Operations Manual as of the issuance date of this Disclosure Document 4,580

OPERATIONS MANUAL
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KICKOFFS #
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ACCOUNTING/HR #

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HIRING PRACTICES #
INTERVIEW GUIDES #
POSITION AGREEMENTS #

FORMS/FILES #

APPAREL ORDER FORMS #
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Exhibit I

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

- MAX FRANCHISING, LLC a New Jersey limited liability company with its principal place of business at 285 Gordons Corner Road, Manalapan, New Jersey ("**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 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 MAX CHALLENGE ® franchised center 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 MAX CHALLENGE® 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

MAX FRANCHISING, LLC
Franchisor

By _____ By _____

Name _____ Name _____

Title _____ Title _____

Exhibit J

State Specific Addenda

CALIFORNIA APPENDIX
MAX Franchising, LLC Franchise Disclosure Document

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, transfer 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 at Monmouth County, New Jersey 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 New Jersey 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)

k OUR WEBSITE HAS NOT BEEN REIVEWED OR APPROVED BY THE CALIFRONIA DEPARTMENT OF CORPORATIONS ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at www corp ca.gov

ILLINOIS DISCLOSURE

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void " The Franchise Agreement is amended accordingly To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act

Item 17 v, Choice of Forum, of the FDD is revised to include the following 'provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act "

Item 17 w, Choice of Law, of the FDD is revised to include the following "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act "

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s)

Maryland Disclosure

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md Code Bus Reg , §§ 14-201 through 14-233, the Franchise Disclosure Document for MAX Franchising, LLC for use in the State of Maryland shall be amended as follows

1 Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language

The general releases required for renewal or transfer will not apply with respect to any claim you may have which arises 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

The Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

2 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

3 Item 5 shall be amended to include the following language

"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 "

ADDENDUM TO THE MAX FRANCHISING, LLC FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND

This Amendment shall pertain to franchises sold in the State of Maryland and shall be for the purpose of complying with Maryland statutes and regulations Notwithstanding anything which may be contained in the body of the MAX Franchising, LLC Franchise Agreement (the "Agreement") to the contrary, the Agreement shall be amended as follows

Notwithstanding anything contained in the Agreement to the contrary

1 Any general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

2 A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law (the "Franchise Law")

3 Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

4 All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

5 Section 6 1 of the Franchise Agreement is hereby amended to include the following provision

'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 "

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
MAX FRANCHISING, LLC

By _____

Title _____
Signature _____

FRANCHISEE
By _____
Title _____
Signature _____
Address _____

ADDENDUM TO THE MAX FRANCHISING, LLC DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF MARYLAND

This Amendment shall pertain to franchises sold in the State of Maryland and shall be for the purpose of complying with Maryland statutes and regulations Notwithstanding anything which may be contained in the body of the MAX Franchising, LLC Development Agreement (the "Agreement") to the contrary, the Agreement shall be amended as follows

Notwithstanding anything contained in the Agreement to the contrary

1 Any general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

2 A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law (the "Franchise Law")

3 Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

4 All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

5 Section 2 1 of the Development Agreement is hereby amended to include the following provision

"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 "

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 Development Agreement Amendment on the same date as the Franchise Agreement was executed

FRANCHISOR
MAX FRANCHISING, LLC

By _____
Title _____
Signature _____

DEVELOPER

By _____
Title _____
Signature _____
Address _____

New York Disclosure

ADDITIONAL RISK FACTORS

1 INFORMATION COMPARING FRANCHISORS IS AVAILABLE CALL THE STATE ADMINISTRATORS LISTED IN **EXHIBIT F** OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271

2 THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS 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 PROSPECTUS

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 Franchise Disclosure Document for MAX Franchising, LLC for use in the State of New York shall be amended as follows

1 **Item 3**, "Litigation," shall be supplemented by the addition of the following at the beginning of the Item

Except as described below, neither we, nor any of our predecessors, nor any person identified in **Item 2** above, nor any affiliate offering franchises or licenses under our trademark, 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

Except as described below, neither we, nor any of our predecessors, nor any person identified in **Item 2** above, nor any affiliate offering franchises or licenses under our trademark, has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-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

Except as described below, neither we, nor any of our predecessors, nor any person identified in **Item 2** above, nor any affiliate offering franchises or licenses under our trademark, 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

Accordingly, other than the actions described below, no litigation is required to be disclosed in this Disclosure Document

2 **Item 4**, "Bankruptcy" shall be supplemented by the addition of the following at the beginning of the Item

Except as disclosed in Item 4 of the FDD, Neither we, nor our predecessor or affiliate, nor any of our or their officers or general partners, during the 10-year period immediately before the date of the Disclosure Document (a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code, (b) obtained a discharge of its debts under the bankruptcy code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start

an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership

3 **Item 5**, "Initial Fees," shall be amended by adding the following language

"Franchise Fee

We incur administrative and other expenses in granting your franchise, including training costs, attorneys' fees for preparing your Franchise Agreement and expenses related to our lost or deferred opportunities to franchise others As a result, the Initial Franchise Fee is non-refundable

Grand Opening Package

The fee for the Grand Opening Package, MAXAccess Passes and MAX Protein powder is paid to us or our affiliate in exchange for the MAXAccessPasses, our private label protein powder and the Grand Opening Package

Training

If you elect to bring more than two members of your management team to training, we may charge you an additional training fee of $500 per additional person This fee is used to compensate us for time and expense incurred in connection with the provision of the initial training

4 **Item 17**, "Renewal, Termination, Transfer and Dispute Resolution,' shall be amended by deleting "d", "j", "w" and the following new "d", "j", "w" shall be substituted in lieu thereof

Provision	**Section in Franchise or other agreement**	**Summary**
d Termination by franchisee	Section 10 1	Material default by us and compliance with post-termination obligations Pursuant to New York General Business Law, the franchisee may terminate the Franchise Agreement upon any grounds available by law
j Assignment of contract by us	Section 10 2	No restriction on our right to assign so long as assignee (i) is financially responsible, (ii) capable of performing under the Franchise Agreement, and (iii) expressly assume obligations under the Franchise Agreement No assignment will be made except to an assignee that, in Franchisor's judgment, is willing and able to assume the Franchisor's obligations under the Franchise Agreement

Provision	Section in Franchise or other agreement	Summary
w Choice of law	Section 11 2	New Jersey law applies The foregoing choice of law should not be considered as a waiver of any right conferred upon the franchisor or the franchisee by the General Business Law of the State of New York, Article 33

5 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

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 MAX Franchising, LLC Franchise Agreement (the "Agreement") agree as follows

1 Under **Section 4** 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

> (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 MAX Franchising, LLC with respect to past dealings with MAX Franchising, 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 680695 and the regulations issued thereunder, shall remain in force, it being the intent of this provision that the nonwaiver 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 for Consent to 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

> (i) You and your Related Parties' signing of a mutual general release of claims with MAX Franchising, LLC and its Related Parties, provided, however, that all rights enjoyed by you/the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680695 and the regulations issued thereunder, shall remain in force, it being the intent of this provision that the nonwaiver provisions of N Y Gen Bus Law Sections 687 4 and 687 5 be satisfied

3 **Section 11** of the Agreement, under the heading "Miscellaneous Provisions," shall be supplemented by the addition of the following new **Subsection**

> 11 23 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 MAX Franchising, 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 Center will be opening in New York MAX Franchising, 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 Agreement on the same date as the Franchise Agreement was executed

FRANCHISOR
MAX FRANCHISING, LLC

By _____
Title _____
Signature _____

FRANCHISEE

By _____
Title _____
Signature _____

Address

_____
_____

ADDENDUM TO MAX FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT & FRANCHISE AGREEMENT REQUIRED BY THE STATE OF VIRGINIA

This Amendment shall pertain to franchises sold in the State of Virginia and shall be for the purpose of complying with the Virginia Retail Franchising Act

In recognition of the restrictions contained in Section 13 1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for MAX Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows

Item 5 of the FDD and Section 6 of the Franchise Agreement are hereby amended to include the following disclosure

"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 17(h) of the Franchise Disclosure Document shall be amended to include the following disclosure

"Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable "

Exhibit K

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 MAX FRANCHISING, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant New York State Law requires a franchisor to provide the franchise disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

If MAX FRANCHISING, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the state agency listed in **Exhibit F**

The franchisor is MAX FRANCHISING, LLC, located at 1030A Campus Drive West, Morganville, New Jersey 07751 Its telephone number is (732) 520-4475

Date of Issuance April 29, 2018, as amended August 22, 2018
The franchise seller for this offering is [*Check all that apply*]

☐ Name Bryan Klein
Address 1030A Campus Drive West
Morganville, NJ 07751
Telephone (732) 520-4475

☐ Name
Address 1030A Campus Drive West
Morganville, NJ 07751
Telephone (732) 520-4475

☐ Name Frank Baeli
Address 1030A Campus Drive West
Morganville, NJ 07751
Telephone (732) 520-4475

☐ Name
Address 1030A Campus Drive West
Morganville, NJ 07751
Telephone (732) 520-4475

MAX FRANCHISING, LLC authorizes the respective state agencies identified on **Exhibit E** to receive service of process for it in the particular state

I have received a disclosure document dated April 29, 2018, as amended August 22, 2018 that included the following Exhibits

A	Franchise Agreement	G	Pre-Closing Questionnaire
B	Development Agreement	H	Table of Contents of Operations Manual
C	Financial Statements		
D	List of Franchisees	I	Form of General Release
E	List of Former Franchisees	J	State Specific Addenda
F	State Administrators/Designation of Agent for Service of Process	K	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 MAX FRANCHISING, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant New York State Law requires a franchisor to provide the franchise disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

If MAX FRANCHISING, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the state agency listed in **Exhibit E**

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☐ Name Bryan Klein
Address 1030A Campus Drive West
Morganville, NJ 07751
Telephone (732) 520-4475

☐ Name
Address 1030A Campus Drive West
Morganville, NJ 07751
Telephone (732)520-4475

☐ Name Frank Baeli
Address 1030A Campus Drive West
Morganville, NJ 07751
Telephone (732) 520-4475

☐ Name
Address 1030 A Campus Drive West
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C	Financial Statements		
D	List of Franchisees	I	Form of General Release
E	List of Former Franchisees	J	State Specific Addenda
F	State Administrators/Designation of Agent for Service of Process	K	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 MAX FRANCHISING, LLC at 1030A Campus Drive West, Morganville, New Jersey 07751