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FRANCHISE DISCLOSURE DOCUMENT

VEGAS DISCOUNT NUTRITION

VDN Franchising, LLC, a Nevada limited liability company
6255 South Mojave Road, Suite A
Las Vegas, Nevada 89120
Phone: 702-617-3586 Website: www.vegasdiscountnutrition.net

As a franchisee, you will operate a Vegas Discount Nutrition store providing the public with access to various nutritional supplements and high-quality service under the name Vegas Discount Nutrition™.

The total investment necessary to begin operation of a Vegas Discount Nutrition store is between $326,000 and $596,000. This includes $60,000 that must be paid to the franchisor. The total investment necessary to begin operation of a Vegas Discount Nutrition™ Multi-Unit business is between $366,000 and $636,000. This includes $100,000 that must be paid to the franchisor ($60,000 for the first franchise and an additional $40,000 deposit for the two additional units). The minimum number of units that must be opened under a Multi-Unit Franchise Agreement is 3.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Allison Walker at 11445 E Via Linda #2-607, Scottsdale, AZ, 480-626-0788 or email: allison@upsidefc.com.

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

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

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

ISSUANCE DATE: December 26, 2016

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 A 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 AND MULTI-UNIT AGREEMENTS REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION, MEDIATION, OR LITIGATION ONLY IN CLARK COUNTY, NEVADA. OUT-OF-STATE ARBITRATION, MEDIATION, OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE, MEDIATE, OR LITIGATE WITH US IN NEVADA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AND MULTI-UNIT AGREEMENTS STATE THAT NEVADA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THE FRANCHISOR HAS BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.

4. IF YOU ARE MARRIED, YOUR SPOUSE MUST SIGN A PERSONAL GUARANTEE MAKING HIM/HER JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE, WHETHER OR NOT SUCH SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AND SPOUSE(S) AT RISK.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

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:

California	Effective Date: ____________
Hawaii	Effective Date: ____________
Illinois	Effective Date: ____________
Indiana	Effective Date: ____________
Maryland	Effective Date: ____________
Michigan	Effective Date: ____________
Minnesota	Effective Date: ____________
New York	Effective Date: ____________
North Dakota	Effective Date: ____________
Rhode Island	Effective Date: ____________
South Dakota	Effective Date: ____________
Virginia	Effective Date: ____________
Washington	Effective Date: ____________
Wisconsin	Effective Date: ____________

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of December 26, 2016.

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Exhibits

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, "we", "us," or "our" means VDN Franchising, LLC, the franchisor. "You" or "your" means the person to whom we grant a franchise, whether you are an individual or a corporation, partnership, limited liability company or other legal entity, and includes all owners and partners of the person who buys the franchise.

The Franchisor, its Parent, and its Affiliates

We are a Nevada limited liability company that was formed on August 24, 2016. Our principal business address is 6255 South Mojave Road, Suite A, Las Vegas, Nevada 89120. We do business under the names "Vegas Discount Nutrition™" and other trademarks we designate (the "Marks"). The Marks are licensed to us by our affiliate, VDN Holdings, LLC, a Nevada limited liability company that was formed on July 28, 2016.

We have not offered franchises prior to the date of this Franchise Disclosure Document. We have not previously offered franchises in any other line of business, nor do we operate any businesses under the Marks, but our affiliate Vegas Discount Nutrition, LLC does operate a similar business under the Marks. We do not conduct any business activities other than franchising.

We do not have any predecessors or parent. We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees. Our affiliate, Vegas Discount Nutrition, LLC, and our approved suppliers, will provide you with approved products and services.

The Franchise

As a franchisee, you will operate a nutrition store open to the public offering high-quality services under the name Vegas Discount Nutrition™ (the "Franchised Business"). Each Franchised Business is a nutrition store that provides high-quality nutritional products, supplements and services.

Each Franchised Business is operated under a system that includes our valuable know-how, information, trade secrets, training methods, Franchise Documentation, standards, designs, trademark usages, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of Franchised Businesses, all of which may be changed, improved, and further developed from time to time (the "System").

Each Franchised Business will typically be conducted through a retail location that has easy access to highways or major thoroughfares and adequate parking, and in an environment where there are many different types of retail outlets.

You will operate your Franchised Business following our standard business operating practices and sign our standard franchise agreement ("Franchise Agreement"). Your Franchised Business will offer the products and services we authorize and require you to offer. We reserve the right to add, modify, or delete any services or products that you will offer or sell at your Franchised Business at any time upon written notice to you in our sole discretion. You will also need to obtain all necessary permits, licenses and approvals to operate your Franchised Business.

Multi-Unit Franchise Agreement

We also offer a Multi-Unit Franchise Agreement. Under this program, we identify and assign a development territory (the "Territory") where you, if you are a Multi-unit franchisee, must open and operate a specified number of Franchised Businesses within a specified period of time. The Territory may be 1 city, 1 or more counties, or some other geographically-defined area. You would sign a Multi-Unit Franchise Agreement (Exhibit C), which will describe your Territory and your Development Obligation. The minimum number of Franchised Businesses that you must open under the Multi-Unit Franchise Agreement is 3.

For each Franchised Business you open under a Multi-Unit Franchise Agreement, prior to the beginning of your search for the respective subsequent Franchised Business, you will sign a separate Franchise Agreement on our then-current form. In addition, you must sign a General Release (Exhibit F) as a condition to entering into the new Franchise Agreement.

Market and Competition

The market for our services and products generally is competitive and is well-developed. You will have to compete with franchised operations, national chains and independently owned companies providing similar products and services. You may also encounter competition from other Franchised Businesses.

Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict. You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand, regional or national economic health, neighborhood demographic and traffic patterns, new technologies, and competition that provides related products.

Industry-Specific Regulations

In addition to laws and regulations that apply to businesses generally, your Franchised Business will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act. Some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses.

For the product and supplement component of your Franchised Business, you will need to comply with all local, state and federal laws applicable to such businesses, including licensing, health, sanitation, labeling, smoking, safety, fire and other matters, and food and safety regulations. Some jurisdictions may require franchisees to obtain business, occupational, food products, health, and miscellaneous licenses. Various federal and state agencies, including the U.S. Food and Drug Administration and the U.S. Department of Agriculture, and state and local health agencies have regulations for the sale of nutritional supplements.

Agents for Service of Process

Our agents for service of process are listed on Exhibit A to this Disclosure Document.

ITEM 2

BUSINESS EXPERIENCE

President: Terrance Vick

Terrance Vick has held this position since our inception in September 2016. Terrance is also the President of our affiliate, Vegas Discount Nutrition, LLC in Las Vegas, Nevada, and has held that position since May 2013. Terrance retired in January 2011 until joining Vegas Discount Nutrition, LLC in May 2013.

Vice President: Jose Hernandez

Jose Hernandez has held this position since our inception in September 2016. Jose is also the Vice President of our affiliate, Vegas Discount Nutrition, LLC in Las Vegas, Nevada, and has held that position since February 2016. Prior to that, from May 2013 to February 2016, he was the General Manager of Vegas Discount Nutrition, LLC. Jose was a buyer for Halloween Extreme (formerly known as Halloween Express) from January 2011 until December 2012, based in Milwaukee, Wisconsin.

Franchise Development Consultant: Mario Altiery

Mario Altiery has held this position since our inception in September 2016. Mario Altiery has also been the Founder and President of Upside Group Franchise Consulting from January 2000 until present day, located in Phoenix, Arizona.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Initial Franchise Fee

You will pay us an initial franchise fee of $45,000 in a lump sum when you sign the Franchise Agreement. The initial franchise fee is fully earned by us when you sign the Franchise Agreement for the franchise being purchased. The initial franchise fee is not refundable under any circumstances.

Multi-Unit Franchise Fee

If you sign a Multi-Unit Franchise Agreement, you will pay us a reduced initial franchise fee equal to $40,000 for each subsequent Franchised Business that you commit to open and operate after the first Franchised Business: You will sign an individual Franchise Agreement and pay the initial franchise fee for the first Franchise Business ($45,000) when you sign the Multi-Unit Franchise Agreement. You will also pay 50% of the subsequent franchise fee(s) for each additional Franchised Business when you sign the Multi-Unit Franchise Agreement. For example, if you sign a Multi-Unit Franchise Agreement for three locations, you will pay us an initial franchise fee of $45,000 for your first franchise, and another $40,000 ($20,000 multiplied by 2) as a deposit towards the initial franchise fees for the additional 2 locations. The minimum number of Franchised Businesses that you will commit to open and operate under the Multi-Unit Franchise Agreement is 3.

Prior to beginning your search for the site for each additional Franchised Business, you will be required to sign a separate Franchise Agreement for the next Franchised Business, at which time you will be required to pay us the remaining balance $20,000 of the franchise fee, due upon signing. No portion of any franchise fee under the Multi-Unit Franchise Agreement will be refunded under any circumstances.

Grand Opening Marketing

You will be required to spend a minimum of between $12,000 and $20,000 on grand opening marketing and promotions in your local market prior to opening your Franchised Business and during the first three months of your Franchised Business being open. We will determine the exact minimum amount of your Grand Opening Marketing requirement depending on the size of the market in which your Franchised Business will be located. Although we expect that you will spend this amount directly, we have the right to collect this amount from you prior to your opening so that we can conduct grand opening and marketing promotions and advertising on your behalf. If we exercise this right, the amount you pay to us will not be refundable.

Due to the relationships that we have developed with our vendors and suppliers, you may enjoy some promotional items at discounted or no cost to be used during the grand opening of your Franchised Business. Examples may include rebates and/or discounted or free: products, equipment, services, shelving and/or promotional marketing materials. We do not make any guarantees as to whether you or other franchisees will receive these added benefits to participating in the System. If you sign a Multi-Unit Franchise Agreement, you will be required to spend this minimum amount on grand opening and promotions for each additional Franchised Business that you open.

Initial Training Program

You will pay us a training fee of $15,000 in a lump sum when you sign the Franchise Agreement. The training fee is for our Initial Training Program. You may bring up to four other people with you to our Initial Training Program with no additional charge. We require that you, your brand ambassador, and nutritionist successfully complete our Initial Training Program. If you wish to bring additional people and we agree to train additional people, we will charge you a fee of $3,500 per each additional person. You will be responsible for each person's travel, lodging, and living expenses, as well as any applicable salaries. You will need to schedule the Initial Training Program approximately 45 days prior to the completion of construction for your Franchised Business and complete our Initial Training Program between 15 and 30 days prior to the end of construction for your Franchised Business. If you sign a Multi-Unit Franchise Agreement, we may require you to pay the $15,000 training fee for each additional Franchised Business that you open, although we may reduce this depending on your experience and the training that you and your personnel have already received.

None of the initial fees are refundable under any circumstances. These initial fees are uniform to all franchisees under this offering.

ITEM 6

OTHER FEES[1]

Type of Fee	Amount	Due Date	Remarks
Royalty	6% of your Gross Sales, monthly. (Note 2)	Payable monthly on the fifth day of each month, or other day of the month we designate in the Franchise Documentation.	Based on your Gross Sales during the previous month. You will begin paying this to us the first month that your Franchised Business is open.
Brand Fund Fee	1% of your Gross Sales, monthly. (Note 3)	Payable monthly on the fifth day of each month, or other day of the month we designate in the Franchise Documentation.	Based on your Gross Sales during the previous month. You are required to begin contributing to the Brand Fund Fee the first month that your Franchised Business is open.
Local Advertising Requirement	1% of your Gross Sales. (Note 3)	At your discretion over the course of each calendar month.	If you fail to spend your required local advertising expenditure on local advertising, you agree to pay us the difference between the amount you spent and the 1% Local Advertising Requirement, which we may spend in your local market or contribute to the Brand Fund, in our sole discretion. You are not required to satisfy the Local Advertising Requirement until the fourth month that your Franchised Business is open (except for the Grand Opening Marketing expenditure that we require as described in ITEM 5).

Type of Fee	Amount	Due Date	Remarks
Local Advertising Cooperative	Amount established by members of the Cooperative, not to exceed 2% of your Gross Sales. (Note 3)	Established by members of the Cooperative.	We may form a Cooperative in your market. Your contributions will count towards your local advertising requirement. Company-owned stores will vote in the Cooperative, one vote for each store in the Cooperative. Neither we nor our affiliates have controlling voting power in any existing Cooperative.
Social Media Fee	$200 per month for each Franchised Business	Payable monthly on the fifth day of each month, or other day we designate in the Franchise Documentation.	You are not required to begin paying this Social Media Fee to us until the second month that your Franchised Business is open.
Additional Tuition for our Initial Training Program	Our then-current tuition fee as published in the Franchise Documentation; currently $3,500 per person. Also, you will need to pay all travel, lodging, meals, and other expenses we incur if we conduct training away from our headquarters.	Prior to our providing any such training, subject to our written approval.	Included in the Initial Franchise Fee is tuition for you and one other person to our Initial Training Program. This is the cost for training additional people if we approve such persons to attend our Initial Training Program.
Additional Training Assistance	Our then-current additional training rate as published in the Franchise Documentation; currently $500 per day. Also, you will need to pay all travel, lodging, meals and other expenses we incur if we conduct such training away from headquarters.	Prior to our providing any such training.	This is the cost of additional training (beyond our Initial Training Program) that you may request or that we may require you to complete for reasons based in our sole discretion.
Transfer Fee	Fifty percent (50%) of the then-current initial franchise fee we are charging new franchisees.	Date that we approve transfer.	Applicable only if you choose to transfer your Franchise Agreement. Our consent is required for any transfer.

Type of Fee	Amount	Due Date	Remarks
Transfer Fee for Immediate Family Member	$1,000	Date that we approve transfer.	Applicable only if you choose to transfer your Franchise Agreement to an immediate family member. This fee is instead of, and not in addition to, our standard transfer fee applying to third party transfers. Our consent is required for any transfer. If transferee, in our opinion, needs to attend our Initial Training Program, the transferee must pay our then-current tuition, currently $3,500 per person.
Transfer Fee of Developmental Rights Agreement	$2,000 per unopened unit	Date that we approve transfer.	Applicable only if you choose to transfer developmental rights pursuant to a separate Multi-Unit Development Agreement (if applicable). Our consent is required for any transfer.
Successor Franchise Fee	$5,000	Upon signing your successor franchise agreement.	Payable only if you wish to obtain the right to continue operating as our franchisee after the end of your initial franchise term.
Relocation Fee	$1,500	Prior to us approving your proposed relocation.	Payable only if you wish to relocate your Franchised Business, which we will first need approve in writing.
Audit Fees	Actual cost of audit fees, plus the underreported fees, late charges on those fees, and interest on the fees you did not pay at 1.5% per month. We will also charge you an underreported fee of $1,000 per incident.	As incurred.	Payable only if the audit shows an understatement of 2% or more of reported amounts.
Management Fee	$1,000 per day that we manage your Franchised Business, plus our direct expenses incurred on your behalf.	As incurred.	Due when we (or a third party) manage your Franchised Business after your death or disability, or by exercising our step-in rights.

Type of Fee	Amount	Due Date	Remarks
Late or Dishonored Payment Fee	$500 for each late and/or dishonored payment.	Payable when any payment you owe us is overdue, or when you do not send us a report on time.	Payable only if you do not pay your bills on time, if any check, electronic payment or other payment you tender to us is not honored for any reason. This Fee will be charged each time we are unsuccessful in an attempt to collect a payment that is due.
Costs, administrative expenses, and attorneys' fees (Note 4)	Will vary under circumstances	Upon settlement or conclusion of a claim or action; in resolution of our efforts to collect past-due fees from you; or when we take action against you in response to your default of the Franchise Agreement.	Due when you do not comply with the Franchise Agreement.
Internet Service Provider ("ISP")	$75 to $100 per month	As incurred.	This is payable to our approved ISP supplier.
Point of Sale ("POS") System	Hardware: $1,500 License: $350 per month	As incurred	This is payable to our approved POS System supplier.
Security and Surveillance System	Hardware: $4,000 Monitoring: $50 per month	As incurred.	This is payable to our approved Security System supplier.
Music / Entertainment System	Hardware: $300 License: $30 per month	As incurred.	This is payable to our approved suppliers.
Insurance	Our cost of premiums, plus an administrative fee equal to 20% of the cost of the premiums.	Upon demand.	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Indemnification	Will vary under circumstances	As incurred.	Payable to indemnify us, our affiliates and owners, officers, employees, agents, successors, and assigns against all claims related to your ownership and operation of your Franchised Business.

1. All fees paid to us are uniform and non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may or may not be refundable depending on the vendors and suppliers. All fees listed in this Item 6 are uniformly imposed by us as to all franchisees.

All fees or money that you owe to us or our affiliates will be paid by electronic transfer no later than on the date they are due, unless the Franchise Documentation designates another manner of payment and/or due date.

2. "Gross Sales" means all revenue accrued from the sale of all products and performance of services in, at, upon, about, through or from your Franchised Business, whether for cash or credit and regardless of

collection in the case of credit, and income of every kind and nature related to your Franchised Business including insurance proceeds and/or condemnation awards for loss of sales, profits or business, as will the full retail value of any gift certificate or coupon sold for use at your Franchised Business (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from Gross Sales); provided, however, that Gross Sales will not include revenues from any sales taxes or other add-on taxes collected from customers by you for transmittal to the appropriate taxing authority, and the amount of cash refunds to, and coupons used by customers, provided such amounts have been included in Gross Sales, but will not include income from any specific product when the State, City or County that your franchise is located in specifically forbids such practice, and only then. Gross Sales are deemed received by you at the time the products or services from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by you. "Gross Sales" also includes any customer refunds issued by you that exceed 1% of your overall Gross Sales.

3. We have the right to require you to spend up to one percent (1%) of your Gross Sales on local marketing efforts, which may include a combination of your local advertising requirement and contributions to an advertising cooperative in your region, in the event an advertising cooperative in your region is formed.

4. If we prevail in any action against you to secure or protect our rights under the Franchise Agreement, or to enforce the terms of the Franchise Agreement, we will be entitled to recover from you reasonable attorneys' fees and court costs.

In addition, if we become a party to any action or proceeding concerning the Franchise Agreement, or any agreement between us and you, or your Franchised Business, as a result of any claimed or actual act, error or omission of you or your Franchised Business, then you will be liable for our reasonable attorneys' fees incurred by us in the action or proceeding.

If we are required to engage a collection agency, use legal counsel, or hire any third party in connection with any failure by you to pay us amounts when they are due, or your failure to submit when due any reports, information, or supporting records, or in connection with any failure by you to otherwise comply with the Franchise Agreement, you will reimburse us for all costs and expenses of enforcement and collection, including our reasonable: (a) legal fees; (b) investigation fees; (c) travel expenses of our employees or agents; and (d) hourly charges of our employees or agents.

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	$45,000	Lump Sum	Upon signing of the Franchise Agreement	Us
Initial Training Program Fee	$15,000	Lump Sum	Upon signing of the Franchise Agreement	Us
Permits and Build-Out (Note 1)	$25,000 to $75,000	As Incurred	As Agreed	Outside Suppliers
Lease Deposit (Two months) (Notes 2 and 3)	$8,000 to $16,000	As Incurred	As Agreed	Landlord

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Rent (3 months) (Notes 2 and 3)	$5,000 to $20,000	As Incurred	As Agreed	Landlord
Signage (Note 4)	$3,000 to $15,000	As Incurred	As Agreed	Approved Suppliers
Travel Expenses for Training (Note 5)	$4,000 to $8,000	As Incurred	As Agreed	Airlines, Hotels, Rental Car Companies, Restaurants, and Others
Office Expenses (Note 6)	$1,000 to $3,000	As Incurred	As Agreed	Approved Suppliers
Furnishings and Fixtures (Note 7)	$7,000 to $40,000	As Incurred	As Agreed	Approved Suppliers
Initial Inventory (Note 8)	$150,000 to $250,000	As Incurred	As Agreed	Approved Suppliers
Insurance (Note 9)	$1,000 to $3,000	As Incurred	As Agreed	Approved Suppliers
Professional Fees (Note 10)	$1,000 to $3,000	As Incurred	As Agreed	Accountant(s) and Attorney(s)
Salaries	$5,000 to $10,000	As Incurred	As Agreed	Your Personnel
Back Office Computer Hardware, POS and Phone System (Note 11)	$2,000 to $3,000	As Incurred	As Agreed	Approved Suppliers
Grand Opening Marketing (Note 12)	$12,000 to $20,000	As Incurred	As Agreed	Us or our Approved Suppliers
Licenses & Permits (Note 13)	$2,000 to $8,000	As Incurred	As Agreed	City / State / Licensing Authority
Utility deposits (Note 14)	$0 to $2,000	As Incurred	As Agreed	Approved Suppliers
Additional Funds – three months (Note 15)	$40,000 to $60,000	As Agreed	As Incurred	Employees, Marketing Companies, Approved Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT (NOTE 16)	**$326,000 to $596,000**			

(Please see Notes below, which are an integral part of this Item)

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Franchised Business. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing from third parties depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and the lending policies of financial institutions from which you request a loan.

The factors underlying our estimates may vary depending on a number of variables, and the actual investment you make in developing and opening your Franchised Business may be greater or less than the estimates given depending upon the location of your franchise, and current relevant market conditions. We do not know whether any of the money you pay to third parties will be refundable. In compiling this chart, we relied on the experience of our affiliate, Vegas Discount Nutrition, LLC, as the owner and operator (since 2013) of a business similar to the franchise being offered to you.

If you and we agree to enter into a Multi-Unit Franchise Agreement, we estimate that you will incur the same costs listed in Item 7 for each additional Franchised Business that you open, in addition to the $20,000 deposit towards the subsequent franchise fee disclosed in Item 5. The minimum number of units you must agree to develop under a Multi-Unit Franchise Agreement is 3.

1. Permits and Build-Out. This amount includes your permit and license fees, architect fees, and the expected expenses for building out your facility. These amounts are our best estimate of the range of costs of leasehold improvements, based on our experience and our affiliate's experience in constructing a store similar to the Franchised Business and will likely vary substantially based on local conditions, including the availability and prices of labor and materials. They do not include capitalized costs of rent or other occupancy costs, over either the life of the lease or the life of your investment. These estimates assume that the landlord will provide a "vanilla shell" space that, at a minimum, includes concrete floors, demised exterior walls, HVAC, roof, and utilities stubbed to the premises sufficient for the Franchised Business.

2. Rent. These amounts do not reflect costs for the purchase of unimproved land and construction of a free-standing entertainment center, which also would result in a significantly greater initial investment. This estimate does include tenant improvement allowance and any free rent that you may receive from the landlord for your facility. These costs could be substantially higher in certain markets, depending on the size of the cost of hiring any necessary contractors, and costs of materials, as well as shopping center construction fees, county or city building application and inspection fees, county, city, or state codes, and the cost to access existing plumbing. You should carefully investigate all of these costs in the area where you wish to establish your Franchised Business.

3. Real Estate. Your Franchised Business will typically be located in a retail center that has easy access to highways or major thoroughfares and adequate parking. Suitable space, as approved by us, will be rented; its size will be a minimum of 1,800 and a maximum of 2,400 square feet. The monthly amount that you spend on the space for your Franchised Business will depend upon its location and the size and condition of the leased premises. These estimated Real Estate costs are based on anticipated monthly lease payments. The figures listed in this Item may vary substantially from location to location. We anticipate that most of our franchisees will lease space for their Franchised Businesses. As a result, these amounts do not reflect costs for the purchase of real estate of for your Franchised Business, which also would result in a significantly greater initial investment.

4. Signage. You will need to invest in signage for both the inside and outside of your Franchised Business. The cost of signage will depend on your market, your location and the extent of the signage you are able to build into your location. These expenses are typically non-refundable.

5. Travel Expenses. You will have travel expenses including food, hotel, flights and other transportation to attend the mandatory initial training programs. These expenses are typically non-refundable.

6. Office Expenses. You will need to invest in office expenses needed to manage the franchised business. These expenses are for items such as paper, pens and general office items needed to manage the office administrative side of the business.

7. Furnishings and Fixtures. You will need to invest in the furnishings and fixtures that we require for your Franchised Business. These include items and fixtures such as: counter-space; alkaline water machines; smoothie blenders; shelving; coolers; and other equipment that we may require as designated in the Franchise Documentation. We will provide you with a detailed list of items upon request. These items are typically non-refundable. Due to the relationships that we have developed with our vendors and suppliers, you may enjoy access to discounted and/or free furnishing and fixtures which may reduce this estimate. We do not make any guarantees as to whether you or other franchisees will receive these added benefits to participating in the System.

8. Initial Inventory. You will need to invest in the inventory we sell as part of the franchised business. This includes supplements, food items, clothing and other retail goods to be sold or provided to customers.

The initial inventory will typically last for 30 to 60 days depending on the volume of business you generate in your location. These expenses are typically non-refundable. Due to the relationships that we have developed with our vendors and suppliers, you may enjoy access to discounted and/or free products which may reduce this estimate for your initial inventory. We do not make any guarantees as to whether you or other franchisees will receive these added benefits to participating in the System.

9. Insurance. You will need to invest in the required insurance needed to operate the franchised business. We will provide you with a detailed list of insurance required upon request. This range of expenses is related to the upfront cost associated with establishing the needed insurance coverage. These costs are typically non-refundable.

10. Professional Fees. You will need to pay the appropriate attorneys, CPAs or other professional resources needed to open and start your business. These fees are typically non-refundable.

11. Computer, Point of Sale System. This includes the hardware needed for your Point of Sale System ("POS System") as well as the operating technology you will need to operate the franchised business. These expenses are typically non-refundable.

12. Grand Opening Marketing. You will need to spend the appropriate range of investment on advertising your business 4 to 6 weeks prior to opening the Franchised Business and 4 to 6 weeks after opening the Franchised Business. These expenses are non-refundable. Although we cannot make any guarantees, this estimate may be reduced as a result of discounted and/or free products or services that may be made available to you due to the relationships that we've developed with our vendors and suppliers.

13. License and Permits. You will need to spend this range of money on the permits and licensing needed to operate the franchised business. These may include building permits, business licenses or other licenses, you should inquire with your local market regulators and professional associations as to what permits and licenses are needed to operate and open the franchised business.

14. Utility Deposits. You will typically be required to put a deposit down with the local utility service providers in order to open a commercial account. These expenses are typically non-refundable.

15. Additional Funds. Additional funds is an estimate of the funds needed to cover pre- and post-opening expenses including sales taxes, recruitment, on-site training expenses, payroll processing, janitorial services as well as additional operating capital for other variable costs (e.g., electricity, telephone, Internet service, Internet setup, etc.), paper, office supplies, cleaning, cellular telephones, and other supplies. Additional funds are also an estimate of the monies you will need on hand during the initial phase of Business operations. This estimate also includes the estimated cost of salaries for your employees, but does not include an estimated salary for you.

16. Figures May Vary. This Estimated Initial Investment Item 7 includes our estimates of your initial startup expenses and funds for additional inventory and additional funds for the operation of your Franchised Business. These expenses include payroll costs. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business. Your costs will depend on factors such as: how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market demand for your product; the prevailing wage rate; competition; and the sales level reached during the initial period. You should conduct your own independent investigation of the costs of opening a Franchised Business in the geographic area in which you intend to open your Franchised Business. Additional funds for the operation of your Franchised Business will be required after the first three months of operation if sales produced by your

Franchised Business are not sufficient to produce positive cash flow. You should also review the figures listed in this Item 7 carefully with a business advisor before making any decision to purchase this franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To help ensure a uniform image and uniform quality of products and services throughout the System, you will need to maintain and comply with our quality standards. Any required standards exist to protect our interest in the System and the Marks and not for the purpose of establishing any control, or the duty to take control, over those matters that clearly are reserved to you. We publish our standards, specifications, policies, and procedures in our confidential operations guides, our training videos, and other documents (collectively, the "Franchise Documentation") that we will loan to you.

Approved and Designated Suppliers

We will provide you with a list of approved manufacturers, suppliers and distributors ("Approved Suppliers List") and approved equipment, signs, stationery, supplies and other items or services necessary to operate your Franchised Business ("Approved Supplies List"). From time to time we, our affiliate or a third party vendor or supplier, may be the only approved supplier for certain products. The Approved Supplies List also may include other specific products without reference to a particular manufacturer, or they may designate the specifications and/or standards for other approved products. We may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem advisable.

Except for instances where we designate a single source supplier, if you wish to purchase any products or services for which we have established approved suppliers from an unapproved supplier, you may request our consent in writing and we will be required to consider your request. The procedure for submitting a request will be outlined in the Franchise Documentation. We will not require you to reimburse us for our reasonable costs incurred by us with respect to evaluating a supplier or product for which you request our approval. We will have up to 30 days to conduct our evaluation before we render a decision. If we request, you will submit samples and other information that we request for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets our specifications and quality and safety standards. We may re-inspect the facilities and products of any supplier of an approved supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or item.

We apply the following general criteria in approving a proposed supplier: (1) ability to make product in conformity with our specifications; (2) reputation and integrity of supplier; (3) financial condition and insurance coverage of the supplier; and (4) system uniformity. We do not make our specific criteria for selecting approved suppliers available to our franchisees, nor do we make our specifications known to suppliers.

Discounted and/or Free Products

Due to the relationships that we have developed with our vendors and suppliers, you may enjoy some promotional items at rebated or discounted prices. Examples may include discounted or free: products, equipment, services, shelving and/or promotional marketing materials. We reserve the right to offer only a limited number of franchisees with the opportunity to take advantage of these promotions. We will use commercially reasonable efforts to negotiate discounted pricing for products, fixtures and other supplies with those Approved Suppliers. We or our Approved Suppliers will, in our and their discretion, offer to you free or discounted products, fixtures, or supplies when it is commercially reasonable and feasible to do so. We may require you to adhere to various merchandising and store plans (which may include layouts, displays, signage, shelving, end caps and the like) in order for us to facilitate agreements with Approved Suppliers.

Required Purchases or Leases

A list of the materials that you can, or will be required to, purchase from suppliers approved by us, and the names of those approved suppliers, will be listed in our Franchise Documentation. Other than certain advertising and promotional materials, neither we nor our affiliates currently are approved suppliers for any products or services, but we reserve the right to become approved suppliers, or the only approved suppliers, in the future. If we or our affiliates are the only approved supplier(s) of items that you will need to purchase from us, our pricing will be competitive to the market price on those items.

Construction, Millwork, and Build-out Materials

You will need to use our approved third-party supplier for the initial construction, millwork, and build-out of your Franchised Business. Currently, neither we, nor any of our affiliates, are an approved supplier or the only approved supplier of the initial construction and build-out for your facility. You will use a real estate company that we designate to assist you with site selection and seeking our approval of your Franchised Business.

Products and Clothing

You will need to purchase from our approved third-party suppliers all of the products and clothing items that you will use and sell in your Franchised Business. Currently, neither we, nor any of our affiliates, are an approved supplier or the only approved supplier of the products and retail items to be sold in your Franchised Business.

Logo-Bearing Items

You will need to purchase from us, or our approved third-party supplier, all logo-bearing items that you will use and sell in your Franchised Business.

Advertising and Promotional Materials

We have the right to require you to purchase from us, or our approved third-party suppliers, advertising and promotional materials relating to the System. We and our affiliates are an approved supplier of these materials, but are not the only approved suppliers of the advertising and promotional materials.

POS System and Software

We require you to purchase your POS System from our designated suppliers, which will include certain software. Upgrades to the POS System may be required periodically. We reserve the right to be the only approved suppliers of the POS System, but presently, we are not a supplier or the only approved supplier of the POS System.

We, or our third-party suppliers, will provide you with certain new software or technology products or updates, and maintain technology services for the System, in exchange for the fees noted in Item 6. Otherwise, we are not an approved supplier or the only approved supplier of the computer system or security system.

Payment Processing and Payroll Services

We require you to use our approved third party supplier for credit card payment, electronic funds transfer payments, merchant services, and payroll services. We reserve the right to be the only approved suppliers of these services, but presently, we are not a supplier or the only approved supplier of the credit card payment, electronic funds transfer payments, or payroll services.

Employee Uniforms

You will need to purchase your employee uniforms according to the criteria that we will make available to you in the Franchise Documentation.

Insurance

You will need to obtain and carry, at your expense, insurance policies that we periodically require protecting you and us. All insurance policies will name us as an additional insured party. All policies need to be underwritten by companies having an A.M. Best rating of A- or higher.

1. The insurance policies will include, at a minimum:

2. Commercial property "all risk" policy, with replacement costs including any building as required by your lease agreement (or to cover your property, if you own the real estate where your Franchised Business is built) and all business personal property, with at least 12 months' business interruption and extra expense coverage including all necessary expenses.

3. Comprehensive commercial general liability insurance with $1,000,000 each occurrence, $2,000,000 general aggregate, $2,000,000 products aggregate, $1,000,000 damage to rented premises and $10,000 medical payment if available.

4. Personal and Advertising Injury insurance with $1,000,000 coverage for each occurrence.

5. Liability and Medical insurance with $1,000,000 coverage for each occurrence.

6. Limited Fungi, Bacteria, or Virus with $50,000 coverage for each occurrence.

7. Business Personal Property Replacement Cost coverage with a $219,500 limit.

8. Money and Securities, inside the premises coverage of $10,000; outside the premises coverage of $5,000.

9. Equipment Breakdown coverage for direct physical loss due to mechanical breakdown:

    a. Hazardous Substances: $50,000

    b. Expediting Expenses: $50,000

    c. Identity Recovery: $15,000

10. Employment Practices Liability insurance, $10,000 per incidence and $10,000 aggregate.

11. Commercial Property – All risk policy with replacement cost including any building required by lease agreement or ownership and all business personal property with at least 12 months' business interruption and extra expense coverage including all necessary expenses.

12. Workers Compensation – required to have statutory limits with $1,000,000 employers' liability limit.

13. Unemployment insurance, as required by law.

14. State disability insurance, as required by law.

15. Any other insurance to meet any applicable legal requirements, or as required by your landlord. We may unilaterally modify our insurance requirements, which modifications may include increasing minimum policy limits, by delivering to you written notice of the change through the Franchise Documentation.

You need to ensure that each insurance policy names us, our subsidiaries or affiliated companies, our members, directors, officers, employees, volunteers, agents and independent contractors as "Additional Named Insured", and you need to provide us with thirty (30) days advance written notice to us of any material modification, cancellation, or expiration of the policy. Each policy will also need to include a waiver of the insurer's right of subrogation against any of us, and provide coverage for your indemnification obligations under the Franchise Agreement. We are not an approved supplier or the only approved supplier of the required insurance policies.

Real Estate and Site Selection

You need to purchase or lease real estate for your unit according to the criteria that we will make available to you in the Franchise Documentation. You will be required to use a real estate company that we designate during the entire site selection process, as prescribed in the Franchise Documentation. There is no cost to you for using this real estate company. The real estate company will coordinate and manage the majority of your site selection and approval process, including analyzing the area's demographics and interfacing with local brokers. You will need to operate the facility at a location that meets our site selection requirements and that we have approved. If you lease the location, you and the landlord will need to execute the standard form of lease addendum (attached to the Franchise Agreement as Addendum 4). You will need to construct and equip your Franchised Business according to our approved design, specifications and standards. We are not currently an approved supplier or the only approved supplier of the real estate for your unit, but we reserve the right to be.

Proportion of Required Purchases and Leases to All Purchases and Leases

We estimate that the purchase of goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Franchised Business, from us or our designated or approved suppliers and distributors, or those meeting our standards and specifications, will be between 75% and 95% of your total cost to establish a Franchised Business and between 50% and 95% of your total cost of operating a Franchised Business (not including amortization, depreciation, or replacement of worn or obsolete improvements, equipment, furniture, or fixtures).

Purchasing Cooperatives, Purchasing Arrangements, Rebates, Payments, and Derived Revenue

We do not have purchasing and distribution co-operatives as of the issuance date of this Franchise Disclosure Document; however, we may negotiate alternative purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees and we reserve the right to receive rebates on volume discounts from our purchase of products that we may re-sell to you. We reserve the right to negotiate prices in the future for various products for the benefit of the System, but not on behalf of or for the specific benefit of individual franchisees, but we currently do not do so.

We reserve the right to derive a profit from our arrangements with certain approved suppliers, but as of the issuance date of this Franchise Disclosure Document, we have not yet derived any profit from our arrangement with any approved supplier. There are no caps or limitations on the maximum amount of payments we may receive from our suppliers as the result of franchisee purchases.

Some of our officers own an equity interest in us (the franchisor) and our affiliates, and we may be an approved supplier. We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement 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	Item In FDD
a	Site Selection & Acquisition/Lease	Sections 3.1 – 3.4, and Addenda 1, 3, and 4 of the Franchise Agreement; Sections 3.2 and 7.1 of the Multi-Unit Franchise Agreement	Items 7, 8, 11, and 12
b	Pre-Opening Purchase/Leases	Sections 3.3 – 3.5, 9.2, and 9.3 of the Franchise Agreement	Items 5, 7, 8, and 11
c	Site Development & Other Pre-Opening Requirements	Sections 3.2 – 3.6 of the Franchise Agreement; Section 7.1 of the Multi-Unit Franchise Agreement	Items 7, 8, and 11
d	Initial & Ongoing Training	Sections 10.1 – 10.7 of the Franchise Agreement; Section 6.1 of the Multi-Unit Franchise Agreement	Items 6, 7, and 11
e	Opening	Section 3.7 of the Franchise Agreement	Item 11
f	Fees	Article 6 of the Franchise Agreement; Article 5 of the Multi-Unit Franchise Agreement	Items 5, 6, and 7
g	Compliance With Standards And Policies/Franchise Documentation	Articles 7, 8, and 9 of the Franchise Agreement	Items 8 and 11
h	Trademarks & Proprietary Information	Articles 7 and 9 of the Franchise Agreement	Items 11, 13, 14, and 16
i	Restrictions On Products/Services Offered	Sections 9.2 , 9.3, 9.4, 9.5, 9.10, 9.11, 9.12, 9.13, 9.14, and 9.15 of the Franchise Agreement	Items 8, 11, 12, and 16
j	Warranty & Customer Service Requirements	Sections 9.2 and 9.9 of the Franchise Agreement	Item 11

	Obligation	Section In Agreement	Item In FDD
k	Territorial Development & Sales Quotas	Section 2.1 of the Multi-Unit Franchise Agreement;	Item 12.
l	Ongoing Product/Service Purchases	Sections 9,2 9.3, 9.4, 9.5, 9.6, 9.8, and 9.15 of the Franchise Agreement	Items 6 and 8
m	Maintenance, Appearance And Remodeling Requirements	Sections 9.5, 9.6, 9.8, and 9.10 of the Franchise Agreement	Items 8, 11, 16, and 17
n	Insurance	Section 14.3 of the Franchise Agreement	Items 7 and 8
o	Advertising	Article 8 of the Franchise Agreement	Items 6, 7, 8, and 11
p	Indemnification	Sections 14.1 and 14.2 of the Franchise Agreement; Sections 8.3 and 11.2 of the Multi-Unit Franchise Agreement	Item 6
q	Owner's Participation, Management, Staffing	Sections 1.6, 9.1, and 9.8 of the Franchise Agreement	Items 11 and 15
r	Records and Reports	Section 6.8, Article 11, and Article 12 of the Franchise Agreement	Item 11
s	Inspections And Audits	Article 12 of the Franchise Agreement	Items 6 and 11
t	Transfer	Article 15 of the Franchise Agreement; Article 8 of the Multi-Unit Franchise Agreement	Item 17
u	Renewal	Section 5.2 of the Franchise Agreement; Section 4.2 of the Multi-Unit Franchise Agreement	Item 17
v	Post-Termination Obligations	Articles 16 and 18 of the Franchise Agreement; Section 4.5 of the Multi-Unit Franchise Agreement	Item 17
w	Non-Competition Covenants	Article 16 of the Franchise Agreement; Section 9.1 of the Multi-Unit Franchise Agreement	Items 15 and 17; Exhibit I
x	Dispute Resolution	Article 19 of the Franchise Agreement; Section 11.16 of the Multi-Unit Franchise Agreement	Item 17

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not receive any consideration for placing financing with a lender, although we reserve the right to do so in the future. We do not guarantee your note, lease or obligation.

ITEM 11

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

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

Pre-Opening Assistance. Prior to the opening of your Franchised Business, we will provide the following initial services:

1. We do not select the site for your Franchised Business. However, we will require that you use a real estate company designated by us to assist you with the entire site selection process. We describe the site selection process later in this Item. (Franchise Agreement, Article 3)

2. Not unreasonably withhold our acceptance of a site that meets our requirements. We will approve or disapprove your site within a reasonable time after we receive from you notice of the site's location. We describe the site selection process later in this Item. (Franchise Agreement, Article 3)

3. Communicate with you and the approved suppliers for the initial design and construction of your Franchised Business regarding our standards and specifications for the design, layout, appearance and equipment in your Franchised Business location. (Franchise Agreement, Article 3)

4. Communicate with you and the approved suppliers for the initial design and construction of your Franchised Business regarding our approval or disapproval of your construction plans and specifications for your Franchised Business. (Franchise Agreement, Article 3)

5. Before the opening of your Franchised Business, you are required to attend an introductory orientation and training program in Las Vegas, Nevada, or other designated location (the "Initial Training Program") on the operation of a Franchised Business. We describe the Initial Training Program later in this Item. (Franchise Agreement, Article 10)

6. Provide you with electronic access to the Franchise Documentation. We describe the Franchise Documentation later in this Item. (Franchise Agreement, Article 9)

7. We will send a representative to your Franchised Business to assist you with preparing for the soft opening of your Franchised Business and also up to five days for the grand opening weekend. (Franchise Agreement, Article 10)

8. Provide to you advertising and promotional materials, at your request and at your expense. (Franchise Agreement, Article 8)

9. Provide you with a pre-marketing plan, grand opening plan, and ongoing marketing system. (Franchise Agreement, Article 8)

Site Selection

We do not select the location of your Franchised Business. We generally do not own the premises or lease it to you. Finding a suitable location that conforms to local ordinances, building codes, and our guidelines is your responsibility. However, we will provide you with guidance regarding our standards for selecting a site, and you are required to obtain our approval for any site you choose. You will be required to use the real estate company designated by us in selecting your site. There is no cost to you for using this real estate company. This real estate company will assist you in finding a location for your Franchised Business and will assist you in receiving our approval. The real estate company will coordinate and manage the majority of your site selection and approval process, including analyzing the area's demographics and interfacing with local brokers.

You select the site of your Franchised Business within the Protected Area provided in the Franchise Agreement. We will either accept or reject the site in our sole discretion. If we accept a location submitted by you, we will enter it on Addendum 1 of your Franchise Agreement. Acceptance by us of a location is conditioned upon our determination, in our judgment, that the site that you have submitted for your Franchised Business is within your Protected Area and is a suitable site based upon criteria we establish from time to time. You agree that you will select and obtain our approval of a site within sixty (60) days after you sign the Franchise Agreement. You agree that you will sign a lease for your site not more than one hundred ten (110) days after the Effective Date

We will determine whether your proposed location meets or exceeds our standards, but our acceptance does not ensure that your Franchised Business will be profitable at the approved location. We will either accept or reject the site in our sole discretion. We evaluate each proposed site and accept or do not accept each one on a case-by-case basis. The factors that we consider to approve your site(s) include (but are not limited to) general location and neighborhood, population demographics and density, traffic patterns, parking, size, physical characteristics of existing buildings, lease terms, local competition, local household income, and proximity to schools.

We will approve or disapprove your proposed site within fourteen (14) days after you present the information described above to us. If you and we disagree about the proposed location, you will need to locate another acceptable site for your Franchised Business and repeat the process. If you and we cannot reasonably agree on a site within one hundred twenty (120) days of the Effective Date of the Franchise Agreement, we have the right to charge you a minimum Royalty equal to three thousand dollars ($3,000) per month. If after one hundred eighty (180) days you still have not received our approval for your site, we may continue to charge you the minimum Royalty of three thousand dollars ($3,000) or we may terminate this Agreement without making any refund to you. (Franchise Agreement, Article 3).

Time to Open.

We estimate that there will be an interval of time of between one hundred and twenty (120) days to one hundred and fifty (150) days between the execution of the Franchise Agreement and the opening of your Franchised Business. The factors that may affect this length of time include obtaining a satisfactory site, remodeling and decorating the site, time for obtaining building permits, zoning and local ordinances, weather conditions, installation of software and computer systems, training, obtaining marketing materials, materials shortages, hiring as needed, obtaining financing arrangements, and delayed installation of equipment, fixtures and signs. You need to open your Franchised Business within one hundred and fifty (150) days after signing the Franchise Agreement. If you do not open your Franchised Business within that time period, we have the right to begin charging you a minimum royalty rate of $3,000 per month. If you have not opened your Franchised Business within two hundred and ten (210) days after signing the Franchise Agreement, we have the right to continue charging you a minimum royalty rate of $3,000 per month or we may terminate the Franchise Agreement without refunding any portion of the initial franchise fee or initial training fee. (Franchise Agreement, Article 3)

Post-Opening Obligations. During the operation of your Franchised Business, we will:

1. After your Franchised Business opens, spend up to five (5) days there to assist you, your staff, and your personal trainer(s) with your initial opening and operation. (Franchise Agreement, Article 10)

2. Make a representative reasonably available to provide you with individual assistance, by phone or through electronic means, during normal business hours. (Franchise Agreement, Article 10)

3. Provide you with specifications and standards, and provide general guidance through meetings, printed materials, and/or other media. (Franchise Agreement, Article 10)

4. At your request (or if we require it in the case that you are performing below our System standards), provide you with additional training. We have the right to charge you our then-current tuition fee as published in the Franchise Documentation (currently, $500 per person who attends training, per day). Also, you will need to pay all travel, lodging, meals, and other expenses we incur if we conduct training away from our headquarters. (Franchise Agreement, Article 10)

5. At your request, we will provide to you advertising and promotional materials that we have pre-approved for you to use in marketing your Franchised Business. (Franchise Agreement, Article 8)

Post-Opening Optional Assistance. During the operation of your Franchised Business, we may:

6. Conduct annual or other periodic conferences and/or meetings for all franchisees, brand ambassadors, and nutritionists. We have the right to require you, your Brand Ambassador and your nutritionist to attend these conferences, up to two (2) days per year and to pay a reasonable fee for your attendance. (Franchise Agreement, Article 10)

7. Advise you of operating problems found at your Franchised Business by disclosing them through reports submitted to or inspections made by us. We may furnish to you such guidance and assistance in connection with the operation of your Franchised Business as we deem appropriate. (Franchise Agreement, Article 10)

8. Institute, maintain and administer a central advertising account (the "Brand Fund") for such advertising or public relations programs, as we, in our sole discretion, may deem appropriate to promote Franchised Businesses locally, regionally, or nationally. We describe the Brand Fund later in this Item. (Franchise Agreement, Article 8)

9. Coordinate the presence of the System on the Internet, including but not limited to e-commerce, web site use, social media and networking sites, and cyberspace applications. This includes all national, regional, state, and local websites regarding Franchised Businesses and our franchisees. We will have sole discretion and control over the design and contents of any website. For so long as you are not in default of the Franchise Agreement, we will list your Franchised Business location on our Internet website. We may, in our discretion, provide to you a website or website template that is either contained in our separate from our primary website. We reserve the right to de-list or remove your Franchised Business from the website if you are not in compliance with the terms of the Franchise Agreement. We also have the right to control all use of social media (including social networking sites like Facebook, MySpace, Instagram, Twitter, LinkedIn, Plaxo, and others) by you that mentions or uses the Marks. (Franchise Agreement, Article 7)

10. We are responsible for all product research and development. We will periodically make changes to the products that we authorize and require you to sell at your Franchised Business. (Franchise Agreement, Article 9)

11. In our discretion, designate geographic areas for the establishment of regional advertising cooperatives ("Cooperatives"). We describe the Cooperatives later in this Item. (Franchise Agreement, Article 8).

12. In our discretion, negotiate purchase agreements with approved suppliers to obtain discounted prices for franchisees and other Franchised Businesses in the System. (Franchise Agreement, Article 10)

There is no specified date or period of time for us to complete our obligations stated above. Other than those mentioned above, we do not provide other supervision, guidance, or services during the operation of your Franchised Business.

Advertising

Pre-Opening Marketing

In connection with your grand opening, you will need to spend a minimum of between $12,000 and $20,000 on local advertisement and promotion, at our sole discretion, which fee will be separate from and in addition to the other marketing fees and requirements described in this Item 11. We will determine the exact minimum amount of your Grand Opening Marketing requirement depending on the size of the market in which your Franchised Business will be located. We will provide you with guidance for conducting grand opening advertising, and we will review and approve the materials you use in your grand opening advertising. (Franchise Agreement, Section 8.3)

The Brand Fund

We will administer a fund for marketing the System, the Marks, and Franchised Businesses (the "Brand Fund"). You will pay up to one percent (1%) of your Gross Sales for the Brand Fund beginning the first month that your Franchised Business is open. The fee is payable monthly or at other times that we designate in the Franchise Documentation. The advertising requirements are uniform to all franchisees. The fees you pay to the Brand Fund are not refundable.

Your contribution to the Brand Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will need to contribute to the Brand Fund but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Franchised Businesses owned by us will not be required to contribute to the Brand Fund on the same basis as franchisees.

The Brand Fund will be administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The Brand Fund will be in a separate bank account, commercial account or savings account.

We have complete discretion on how the Brand Fund will be utilized. We may use the Brand Fund for local, regional or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System and any other purpose to promote the Marks. We may use any media for disseminating Brand Fund advertisements, including direct mail, print ads, the Internet, radio, billboards, and television. We may reimburse ourselves, our authorized representatives or our affiliates from the Brand Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the Brand Fund. We do not guarantee that advertising expenditures from the Brand Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Brand Fund contributions for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement or website indicating "Franchises Available" or similar phrasing.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Fund or to maintain, direct or administer the Brand Fund. Any unused funds that were collected in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable.

The Brand Fund is not audited. Upon your written request, we will provide to you an annual accounting for the Brand Fund that shows how the Brand Fund proceeds have been spent for the previous year. We did not collect or spend any Brand Fund Contributions during our last fiscal year. (Franchise Agreement, Section 8.4).

We do not have an advertising council comprised of franchisees, but we reserve the right to create one.

Local Advertising

We have the right to require you to spend one percent (1%) of your Gross Sales on your local advertising and marketing efforts. We will not require the Local Advertising expenditure until the fourth month that your Franchised Business is open (except for the Pre-Opening Marketing expenditure disclosed in this Item 11). The specific amount of your advertising requirement will depend on the level of Gross Sales you have achieved for the year. All of your advertising, promotion, and marketing needs to be completely clear, factual, and not misleading, and needs to conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. Before you use them, you will send us or our designated agency for review samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. You may not use any advertising, promotional, or marketing materials that we have not approved or that we have disapproved (Franchise Agreement, Sections 8.1 and 8.2)

Cooperatives

In our discretion, we may designate geographic areas for the establishment of Cooperatives. We have the right to require you to pay up to two percent (2%) of your Gross Sales to a Cooperative. This amount could be higher if you and the other members of the Cooperative vote to increase the contribution level beyond the amount we require. If your Franchised Business is within one of these geographic areas, you will need to become a member of the Cooperative. You need not join more than one Cooperative for the same Franchised Business. All Franchised Businesses (including businesses owned by us or our affiliates) will become members in any Cooperatives that we establish for geographic regions in which they own locations.

Each Cooperative will be organized and governed in a form and manner that we approve, and we reserve the right to change the way that the Cooperatives are organized and governed in our sole discretion. We reserve the right to administer the fund, or to have an advertising agency do so. We have the right to examine the books, records, and accounts of the Cooperative and to audit the Cooperative. (Franchise Agreement, Article 8)

Each Cooperative will be organized and governed in a form and manner approved by us, in advance, in writing. Each Cooperative will prepare annual financial statements and submit them to us. The statements will be made available to you for your review.

We require that each Cooperative governs from written organizing documents. As of the date of this Disclosure Document, no Cooperative has been formed and no governing documents are available for you to review. No changes to the organizing documents are permitted without our advance written approval.

We, in our sole and absolute discretion, have the right to require any Cooperative to be formed, or have the governing documents changed. We also have the right to require that any Cooperative dissolve or merge into another Cooperative.

<u>POS System</u>

You will obtain and use in your Franchised Business a POS System meeting our requirements. The POS System will consist of the following: between 4-7 all-in-one central processing units, touchscreen monitor(s), credit card/magnetic encoder(s), receipt printer(s), cash register(s), finger-print reader(s), keyboard(s), barcode scanner(s), database software, operating systems software, and store management software. The POS System will generate reports on the sales and expenses of your Franchised Business, will automate certain of your administrative functions, allow your clients to schedule sessions, and will be used to develop and maintain your client profiles and visit histories.

We estimate that the cost of purchasing or leasing the POS System and related computer requirements will be approximately $2,000. If you lease your equipment, the monthly leasing fee will depend on factors such as lease term, lease rate, down payment, residual value, credit worthiness of lease.

You will be responsible to upgrade or update the POS System during the term of the franchise, to ensure the system adheres to the most current software versions and software license terms. We reserve the right to require you to upgrade or update the POS System at any time. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We estimate that the annual cost of these updates or upgrades will be the equivalent of $2,000 a year, based on current hardware and equipment costs.

We have independent, unlimited access to the information generated by the POS System. We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop and maintain, on your signing of a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights concerning, the software or technology.

Neither we, nor any affiliate or third party, will be obligated to provide ongoing maintenance, repairs, upgrades or updates for the POS System. We currently do not require that you purchase a maintenance, repair, and upgrade or update service contract for the POS System, but we reserve the right to do so in the future. The annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be dictated by the POS System supplier.

You are required to use the POS System to record all sales at your Franchised Business, and we will have the unlimited right to independently access all of the information that is generate or stored on your POS System. There are no limitations on the type of information we can access, or the times or frequency of when we access such information. No compatible equivalent component or program has been approved by us. (Franchise Agreement, Article 11)

Franchise Documentation

We will loan you one copy of the Franchise Documentation after you sign the Franchise Agreement which may be in an electronic format. You will be required to comply with all policies and procedures in the Franchise Documentation. We may modify them at any time. The total number of pages is 205. The number of pages devoted to each topic is reflected in the Table of Contents. We will notify you if there are any changes made to the policies or procedures so that you can comply. You will be required to update your copy of the Franchise Documentation, as instructed by us. We disclose the Table of Contents to the Franchise Documentation as Exhibit E to this Franchise Disclosure Document. (Franchise Agreement, Article 9)

Initial Training Program

Our initial training program typically lasts for 17 days, depending on your progress and performance (the "Initial Training Program"). We offer the program as often as necessary to accommodate our new franchisees. The classes will be held for 10 days at our affiliate's store in Las Vegas, Nevada and 7 days at your Franchised Business.

The Initial Training Program for you and up to four other people is included in the $15,000 Initial Training Program fee, except that you are responsible for costs associated with attending the program such as travel, lodging and meals. You will notify us approximately 45 days prior to the completion of construction of your Franchised Business to schedule the Initial Training Program. You must successfully complete our Initial Training Program between 15 and 30 days prior to the end of the construction of your Franchised Business.

You, your Brand Ambassador and your nutritionist will be required to complete the training program to our reasonable satisfaction no less than two weeks prior to the opening of your Franchised Business, as determined by the specific program instructors listed in the training schedule below. Training is mandatory for you, your Brand Ambassador and your nutritionist. We plan to provide the training listed in the table below. The hours presented for each subject are estimates, as our training program continues to evolve. This training schedule is fully detailed in the Franchise Documentation and will change from time to time, at our sole discretion.

If you ask us to permit your new hires to attend the Initial Training Program, or if we believe that one of your employees has not been adequately trained by you, we reserve the right to require that such person attend the Initial Training Program. We will have the right to charge the then-current tuition fee (currently $3,500 per person) for each additional trainee, and you will be responsible for that person's salary and costs associated with his or her attending the program such as travel, lodging and meals.

We plan to provide the training listed in the table below. This training schedule is fully detailed in the Franchise Documentation and will change from time to time (Franchise Agreement, Articles 9 and 10).

TRAINING PROGRAM

SUBJECT	DAYS OF CLASSROOM TRAINING	DAYS OF ON THE JOB TRAINING	LOCATION
TRAINING AT OUR LOCATION (10 days)			
General Operations	1.5	0	Our Headquarters and Your Franchised Business
Customer Service	1	0	
Marketing	1	0	
Culture	1.5	0	
Store Operations	0.5	0	
Point-of-Sale System	0.5	0	
Reporting	0.5	0	
On-site Training at Store	0.5	0	
Royalties	0.5	0	
Taxes and Accounting	0.5	0	
Franchise Business Model	1	0	
Demos	0.5	0	
Networking with Local Businesses	0.5	0	
Soft Opening	4	0	
Grand Opening	3	0	

SUBJECT	DAYS OF CLASSROOM TRAINING	DAYS OF ON THE JOB TRAINING	LOCATION
TOTALS	17	0	

At or around the time you are ready to open, we will visit your Franchised Business and spend up to ten (10) days with you conducting assessments and working with you in using our System.

The instructional materials used for all topics of training will consist of the Franchise Documentation, including the Operations Guide, Maintenance Guide, and Employee Training Guide.

Our Trainers

1. Terrance Vick (3 years of experience in the nutrition industry)

2. Jose Hernandez (3 years of experience in the nutrition industry)

We may use certain other employees of our affiliate, Vegas Discount Nutrition, LLC, in the Initial Training Program, but we have not yet determined which of them will be involved with the Initial Training Program.

We may require you, your Brand Ambassador, your nutritionist, and/or previously trained and experienced employees to attend periodic refresher training courses at such times and locations that we designate, which training may (at our option) take place at your Franchised Business, at another Franchised Business, or a training facility operated by us. You may also request our assistance on-site at your Franchised Business. We have the right to require you to pay our then-current fee (as listed in the Franchise Documentation) for the additional training. If any training you request takes place at any location other than our headquarters, we also have the right to require you to pay for the lodging, travel and meal expenses we incur for our personnel conducting the training. If training takes place somewhere other than your Franchised Business, you will be solely responsible for the lodging, travel, living and meal expenses for those of your personnel attending the training.

ITEM 12

TERRITORY

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

Franchise Agreement

You will not receive an exclusive territory from us. You will, however, typically receive an area where we will not establish, nor license another party to establish, another Franchised Business under the System within the area identified on Addendum 1 to your Franchise Agreement (the "Protected Area"). We reserve the right to sell products and services within your Protected Area through the internet. This proximity protection will remain for the initial franchise term so long as you are not in breach of your Franchise Agreement.

We must approve your proposed Protected Area even if we identify it in advance. The exact size of your Protected Area will depend on several factors, including but not limited to the geographic location of your Franchised Business, population density, demographics, competition, proximity of other Franchised Businesses, site availability, and drive time to your Franchised Business from the boundaries of the territory. Generally, your Protected Area will be the area within a one-half mile radius of your Franchised Business, measured from its front door, but there is no minimum area for your Protected Area (which may be smaller than one-half mile if your Franchised Business is in a densely populated area). In determining the total population within your Protected Area, we generally consult the United States Census estimate, available via the Internet website located at quickfacts.census.gov.

We will approve all proposed franchise locations even if the locations are identified by us in advance. We will enter the location we approve (the "Approved Location") on Addendum 1 to the Franchise Agreement. You may not conduct business at any other site other than the Approved Location.

You will operate your Franchised Business from one location and need to receive our written permission before relocating. We will charge you a relocation fee equal to $1,500 if we approve your request to relocate your Franchised Business. If you seek to relocate to a location that is outside of your Protected Area, we reserve the right not to approve any such relocation, and we will not consent to your relocation if it is within another franchisee's Protected Area.

You are permitted to distribute advertising items (i.e., coupons, circular advertising, or other forms of advertising that we permit) only within your Protected Area.

You may use, reference or promote the Marks or System in connection with social media networks or platforms, but you may do so only with our written approval. You are not permitted to have an individual website for your Franchised Business, but we (so long as you are in compliance with the Franchise Agreement) will list your Franchised Business on our overall Internet web site, and we may provide you the opportunity to add some content to that site, but we are not required to do so.

So long as you remain in full compliance with your Franchise Agreement, your Protected Area will not be altered during the initial term of the Agreement if there is a population increase or decrease. We have the right to terminate our grant, or reduce the size, of your Protected Area if you default under the Franchise Agreement. There are no other circumstances under which we will modify your territorial rights.

On renewal, acquiring a successor franchise, or transferring your franchise, your Protected Area may be modified. Depending on the then-current demographics of the Protected Area, and on our then-current standards for territories, if the Protected Area is larger than our then-current standard territory, we may require you or the transferee to accept a successor franchise territory or a transfer territory smaller than the Protected Area.

Except as stated above, we and our affiliates retain all rights with respect to the System, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to the following rights:

(1) The right to establish or operate or license any other person or entity to establish other facilities, businesses, kiosks, outlets, or Internet websites under trademarks or names other than the Marks, which are not Vegas Discount Nutrition stores, outside of your Protected Area. These businesses may offer services similar to those you offer at your Franchised Business, but will not be operated under the Marks.

(2) The right to provide, offer and sell and to grant others the right to provide, offer and sell goods that are identical or similar to and/or competitive with those provided at Franchised Businesses, whether identified by the Marks or other trademarks or service marks, through dissimilar channels of distribution (including retail stores, grocery stores, the Internet, and

electronic media) both inside and outside your Protected Area and on any terms and conditions we deem appropriate.

(3) The right to operate, and to grant others the right to operate Vegas Discount Nutrition stores located anywhere outside your Protected Area under any terms and conditions we deem appropriate and regardless of proximity to your Franchised Business and Protected Area.

(4) The right to advertise and promote, and to permit other franchisees to advertise and promote, other Franchised Businesses operated under the System and the Marks within your Protected Area.

(5) The right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Franchised Businesses, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licenses of these businesses) are located or operating (including in your Protected Area). We will not, however, permit any such business located within your Protected Area to operate under our Marks.

(6) The right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Franchised Businesses, or by another business, even if such business operates, franchises, and/or licenses competitive businesses within your Protected Area. We will not, however, permit any such business located within your Protected Area to operate under our Marks.

We are not required to pay you if we exercise any of the rights specified above within your Protected Area.

Other than the above-described limited right of first refusal, you will not have the right of first refusal to acquire additional franchises within your Protected Area. We do not customarily grant to franchise owners options, rights of first refusal or similar rights to acquire additional franchises outside of their respective protected areas.

Multi-unit Franchise Agreement

Under the Multi-unit Franchise Agreement, we grant you the right to open and operate a specified number of VDN Businesses at locations in a specified Multi-unit Territory, subject to our approval. The Multi-unit Territory may be 1 or more cities, counties, states, or some other defined area. During the term of the Multi-unit Franchise Agreement, we will not operate or grant a license or franchise to any other person to operate a VDN Business at any location within your Multi-unit Territory.

We and our affiliates retain all rights with respect to VDN Businesses, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to the following rights:

(1) The right to establish or operate or license any other person or entity to establish other facilities, businesses, kiosks, outlets, or Internet websites under trademarks or names other than the Marks, which are not Vegas Discount Nutrition stores, outside of your Protected Area. These businesses may offer services similar to those you offer at your Franchised Business, but will not be operated under the Marks.

(2) The right to provide, offer and sell and to grant others the right to provide, offer and sell goods that are identical or similar to and/or competitive with those provided at Franchised Businesses, whether identified by the Marks or other trademarks or service marks, through dissimilar channels of distribution (including retail stores, grocery stores, the Internet, and electronic media) both inside and outside your Protected Area and on any terms and conditions we deem appropriate.

(3) The right to operate, and to grant others the right to operate Vegas Discount Nutrition stores located anywhere outside your Protected Area under any terms and conditions we deem appropriate and regardless of proximity to your Franchised Business and Protected Area.

(4) The right to advertise and promote, and to permit other franchisees to advertise and promote, other Franchised Businesses operated under the System and the Marks within your Protected Area.

(5) The right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Franchised Businesses, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licenses of these businesses) are located or operating (including in your Protected Area). We will not, however, permit any such business located within your Protected Area to operate under our Marks.

(6) The right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Franchised Businesses, or by another business, even if such business operates, franchises, and/or licenses competitive businesses within your Protected Area. We will not, however, permit any such business located within your Protected Area to operate under our Marks.

We do not need to pay you if we exercise any of the rights stated above.

Until the termination or expiration of the Multi-unit Franchise Agreement, you will retain your right of exclusivity if you comply with your Development Obligation and other obligations under the Multi-unit Franchise Agreement.

If you fail to meet any of your obligations under the Multi-unit Franchise Agreement, including the VDN Business opening obligations, or commit a material breach of any Franchise Agreement signed by you under the Multi-unit Franchise Agreement, or a material breach of any other agreement between you and us, we may terminate your right to further open and operate new VDN Businesses in the Multi-unit Territory, but the termination of the right to develop your Multi-unit Territory will not terminate any rights granted under the Franchise Agreements then in effect between you and us, absent a breach of the Franchise Agreement itself. After the expiration of the term of your Multi-unit Franchise Agreement, we may own, operate, franchise or license others to operate additional VDN Businesses anywhere, without restriction, including in your Multi-unit Territory, subject to the rights granted to you in the Territory established under any then-existing Franchise Agreement.

Under the Multi-unit Franchise Agreement, the continuation of your territorial exclusivity is dependent upon your compliance with your Development Obligation and other obligations under the Multi-unit Franchise Agreement, as described above.

Right of First Refusal

We do not give rights of first refusal to our franchisees, but we reserve the right to do so in our discretion.

Other Franchise Systems

Although we and our affiliates have the right to do so (as described above), neither we nor our affiliates have operated or franchised, and currently have no plans to operate or franchise, other businesses selling or leasing similar products or services under different trademarks. If we or our affiliates purchase, merge, acquire, are acquired by or affiliate with an existing competitive franchise network, chain or any other business, then we or our affiliates will have the right to operate, franchise or license those businesses and/or facilities under marks different than the Marks in your Protected Area.

ITEM 13

TRADEMARKS

Under the Franchise Agreement, we grant you the nonexclusive right to use our Marks in connection with the operation of your Franchised Business. You may also use our other current or future trademarks to operate your Franchised Business. VDN Holdings, LLC has filed for registration, the following marks on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"):

Trademark	Serial Number Filing Date	Registration Number Registration Date	International Class of Goods
VEGAS DISCOUNT NUTRITION	87,168,706 September 12, 2016	[TBD]	035
Vegas Discount Nutrition (word mark)	87,168,698 September 12, 2016	[TBD]	035

We have a license agreement with VDN Holdings, LLC to have unlimited use of the trademarks. We have filed all required affidavits relating to the registered Marks shown above.

Neither we nor VDN Holdings, LLC have a federal registration for our principal trademarks. Therefore, our trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademarks are challenged, you may have to change to an alternative trademark, which may increase your expenses.

All Marks are owned by VDN Holdings, LLC which has granted to us, under license (the "Intellectual Property License"), the right to use and franchise the Marks and associated trade names, trademarks, service marks, logotypes and other commercial symbols and copyrights and proprietary materials in the United States by and to operators of Franchised Businesses. The Intellectual Property License does not contain any significant limitations on our right to use or license the Marks to you, and will continue until VDN Holdings, LLC, with a right to renew for indefinite terms. If the Intellectual Property License were to be terminated, Franchised Businesses will have the right to continue using the Marks as determined by VDN Holdings, LLC. Except as described above, no currently effective agreements significantly limit our rights to use or license the use of the Marks.

There are presently no effective determinations by the United States Patent and Trademark Office, the Trademark Trial And Appeal Board, the Trademark Administrator of any state or any court, nor any pending interference, opposition or cancellation proceeding or material litigation involving the Marks. We are unaware of any infringing uses that could materially affect your use of our Marks.

You will have the right to use all of our Marks in the operation of your Franchised Business. However, you agree to use the Marks only for the operation of your Franchised Business and in the manner authorized by us. You cannot use the names or Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use our Marks in connection with the sale of unauthorized goods or services, or in a manner not authorized in writing by us.

You agree to notify us immediately in writing of any apparent infringement or challenge to your use of our trademarks. We have the sole discretion to take such action as we deem appropriate. We are not obligated by the Franchise Agreement or other agreement to participate in your defense or to indemnify you if you are a party to any administrative or judicial proceeding involving our Marks.

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

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Marks, and/or use one or more additional or substitute trademarks or service marks, you agree to comply with our directions for such modification, discontinuance, or substitution within a reasonable time after you receive notice from us. You, in connection with the use of a new or modified mark, may be required, at your own expense, to remove existing signs from your Franchised Business, and to purchase and install new signs. We do not have to reimburse you for the costs you incur for making these changes.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

No patents are material to the franchise.

We claim copyright protection of the Franchise Documentation and related materials and other brand identity/marketing/advertisement/promotional materials, although such materials may not have been registered with the United States Copyright Office. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement. We reserve the right to register any of our copyrighted materials at any time we deem appropriate.

There currently are no effective determinations of the Copyright Office (Library of Congress), or any court regarding any of the copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend any patent, trademark, or copyright.

Improvements

If you or your employees make or acquire any improvements, including any enhancements, adaptations, derivative works, modifications or new processes ("Improvements") in the operation of your Franchised Business, you will grant-back exclusive rights in these Improvements to us in consideration of the grant of the franchise and without the payment of additional consideration. Improvements will be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any item does not qualify as a "work-made-for-hire" for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights to the item.

We may include any Improvements we made or acquired in the System, including any and all intellectual property rights of ours and any affiliate, or services and products of the Franchised Business, Franchise Documentation and the System for use by all franchisees, us or any affiliate. If we seek patent protection or copyright registration for any Improvements, we will do so at our own expense. You will sign or have the creator sign all documents necessary to enable us to apply for intellectual property rights protection and to secure all rights to these Improvements. You will have each of your employees sign an agreement requiring employee cooperation with these requirements. You must obtain our express written consent before making any modification or derivative work.

Confidential Information

We possess certain confidential information including the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of the System (the "Confidential Information"). We will disclose certain of the Confidential Information to you during the training programs, seminars and conventions, in the Franchise Documentation and in guidance furnished to you during the term of the Franchise Agreement.

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

The Franchise Documentation will at all times remain our property exclusively. We may revise the Franchise Documentation, and you will be required to comply with each new or changed standard, although these new and changed standards will not materially affect your rights and responsibilities under the Franchise Agreement.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Franchised Business must at all times be under your direct supervision. You must also designate a Brand Ambassador who will be in charge of marketing your Franchised Business. You, your Brand Ambassador and your nutritionist will be required to attend and successfully complete our Initial Training

Program. If your Brand Ambassador or nutritionist is unable to complete (or pass) our Initial Training Program to our satisfaction, we will require you to designate alternative persons that must attend and pass the Initial Training Program. You must use your best efforts in the operation of your Franchised Business.

You must initially sign your Franchise Agreement in your individual capacity (i.e. as a sole proprietorship). If you later convert into a legal entity, then all your directors, members, partners, and/or officers and any individual that owns an interest in the legal entity or the Franchise Agreement will be bound by the confidentiality provisions and non-competition provisions of the Franchise Agreement and must agree to certain restrictions on their ownership interests.

You also must ensure that your Brand Ambassador, nutritionist and any of your employees that have access to our trade secrets and confidential information each sign the Confidentiality/Non-Competition Agreement (Exhibit I), and you must forward a copy of these signed agreements to us.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer for sale only services and products that have been approved and specified by us in the Franchise Documentation and any updates that are incorporated in the Franchise Documentation from time to time. You may not offer for sale any services or products not specifically approved by us in writing and you may not use your Franchised Business premises for any other purpose than the operation of a Franchised Business and the sale of services or products approved by us. You must offer any products and/or services that we designate as required products and/or required services in the Franchise Documentation. There are no limits on our ability to make changes to the services or products we require you to sell.

You may not sell products or services within another franchisee's Protected Area. You may not sell products or services from or at any location other than the location of your Franchised Business, unless we approve you to provide delivery services. In that event, you may only provide delivery services within the service area we approve. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales. You may not establish an account or participate in any social networking sites (including, without limitation, Facebook, MySpace, Twitter, Instagram, LinkedIn, or any other social or professional networking site or blog) or mention or discuss the franchise, us or any of our affiliates, without our prior written consent and subject to our on-line policy.

To the extent permitted by applicable law, we have the right to set actual, minimum, or maximum retail prices for services or products that you sell at or from your Franchised Business. We will communicate pricing to you through the Franchise Documentation or otherwise in writing.

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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.

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 5.1	Agreement starts on the date it is signed and ends 10 years after the date you open your Franchised Business.
b. Renewal or extension of the term	Section 5.2	You are permitted to acquire two additional terms of ten years each if you meet the requirements listed in Article 5 of the Franchise Agreement.
c. Requirements for franchisee to renew or extend	Section 5.2	Advance written notice, not later than 90 days or earlier than 180 days, to renew; sign most current form of Franchise Agreement which may contain substantially different terms and conditions than your current Franchise Agreement, including a smaller geographic Protected Area; have fully performed your obligations under the Franchise Agreement, including obligation to be current in payment of all monetary obligations to us, and not have committed two or more breaches of the Franchise Agreement during any 12-month period during the term; remodel your Franchised Business; and pay our successor agreement fee of five thousand dollars ($5,000). If you seek to acquire a successor franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.
d. Termination by franchisee	Section 17.5	You may terminate the Franchise Agreement by notice to us if we fail to perform material obligations. You must give us notice, and 60 days to cure or commence cure.
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with cause	Section 17.1 – 17.4	We can terminate the Agreement, automatically or by notice to you, with or without a cure period, if you breach a material provision of the Franchise Agreement.
g. "Cause" defined - curable defaults	Sections 17.1 and 17.2	You have 10 days after notice to cure any monetary breach of the Franchise Agreement (i.e. delinquent amounts owed to us or any affiliate). You have 30 days after notice to cure breaches relating to your: (a) failure to obtain or maintain required insurance coverage; (b) employees' or independent contractors' failure to obtain and maintain any permit or license necessary for operating your Franchised Business; (c) owners engaging in a dispute with one another (deadlock) that materially affects the operation of your Franchised Business, which

Provision	Section in Franchise Agreement	Summary
		dispute or deadlock remains unresolved after the expiration of the 30-day cure period; (d) failure to resolve customer complaints and/or disputes in a timely manner; or (e) failure to make a timely payment of any amount due to a supplier unaffiliated with us (other than payments which are subject to a bona fide dispute), and do not correct such failure within thirty (30) days after we deliver to you notice of your failure to comply. You will have 5 days after notice to cure any breaches of the Franchise Agreement listed in Sections 16.1, 16.2, or 16.3.
h. "Cause" defined – non-curable defaults	Sections 17.1 and 17.2	Your Franchise Agreement will terminate automatically, without your ability to cure any defaults, if you: (a) Become insolvent or make a general assignment for the benefit of creditors; (b) File a petition in bankruptcy, or such a petition is filed against you and you do not oppose it, or are adjudicated as bankrupt or insolvent; (c) Have a bill in equity or other proceeding for the appointment of a receiver of (1) you; (2) the Franchised Business; or (3) another custodian for your business or assets, is filed or consented to by you, or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part of them, is appointed by any court of competent jurisdiction; (d) Have proceedings for a composition with creditors under any state or federal law instituted by or against you; (e) Have a final judgment against you in the amount of twenty-five thousand ($25,000) dollars or more that remains unsatisfied or of record for thirty (30) days or longer; (f) Dissolve or liquidate; (g) Have execution levied against your business or property; or (h) Have the real or personal property of the Franchised Business sold after levy by any sheriff, marshal, or constable, or foreclosed upon. You will not have an opportunity to cure defaults, and we are entitled to terminate the Franchise Agreement upon notice, if you: (i) Fail to open your Franchised Business on or before the date required under the Franchise Agreement; (j) Abandon your Franchised Business or fail to keep it open for a period of three (3) consecutive days, unless it is for a reason beyond your control; (k) Or any of your managers, officers, members, directors, or owners are convicted of or plead no contest to a felony or other criminal misconduct relevant to the operation of your Franchised Business; (l) Make an unauthorized transfer of the business; (m) Have your lease cancelled; (n) Fail to comply with any material federal, state, or local law or regulation applicable to the operation of your Franchised Business; (o) Make any material misrepresentations relating to your acquisition of the franchise or in connection with the operation of the franchise including any intentional understatement of revenue or failure to report revenue;

Provision	Section in Franchise Agreement	Summary
		(p) Violate any covenant not to compete or relating to confidential information; (q) Submit, on two (2) or more occasions during the term of the Franchise Agreement financial, information which understates your Gross Revenue by 2% or more, unless you demonstrate that such understatement resulted from inadvertent error; (r) Engage in any activity that has a material adverse effect on the System or the Marks; (s) Receive from us two (2) or more notices of default under the Franchise Agreement within a 12-month period regardless of whether you cured those defaults; (t) Challenge the validity of, materially misuse, or make any unauthorized disclosure, use, or duplication of our Confidential Information or our Marks; (u) Or any of your owners, officers, directors, managers, members, agents, or employees make any misrepresentation relating to, or violate, the United States' laws against terrorism; (v) Or your affiliates breach the terms of any other agreement with us or our affiliates, which default remains uncured after the expiration of any applicable cure period; or (w) Are absent from two (2) consecutive mandatory training courses, conferences, or conventions, and do not cure this default by attending all of the mandatory training courses, meetings, conferences, and conventions within the 12-month period following our notice to you of your default under this provision.
i. Franchisee's obligations on termination/non-renewal	Articles 16 and 18	Upon termination you must cease operating the Franchised Business; not compete with us; not use our confidential information; pay all sums due us; cease to use the Marks; assign the lease to us at our request; cancel any fictitious name which contains the Marks; turn over all Franchise Documentation, records, files and any materials relating to the operation of the Franchised Business; cancel or transfer all telephone numbers and directory listings to us; and comply with all covenants.
j. Assignment of contract by franchisor	Section 15.1	We may transfer all or any part of the System, the Franchise Agreement, or the Marks without your consent.
k. "Transfer" by franchisee – defined	Section 15.2	Includes transfer of contract, premises of your Franchised Business, assets, or change of any portion of your ownership (if you are a legal entity).
l. Franchisor approval of transfer by franchisee	Section 15.3	You cannot transfer the Franchise Agreement without our written consent.
m. Conditions for franchisor approval of transfer	Section 15.3	We have the right to condition our approval of any transfer proposed by you upon the following: (a) You must be in full compliance with the Franchise Agreement and pay all outstanding fees owed to us or our affiliates; (b) We must have declined our right of first refusal; (c) Your transferee must execute our then-current form of franchise agreement, or assume your existing franchise agreement (at our option); (d) Your transferee must have completed the initial training program to our satisfaction;

Provision	Section in Franchise Agreement	Summary
		(e) You must pay us a transfer fee of fifty percent (50%) of the then-current initial franchise fee we are charging new franchisees (or $1,000 if the transferee is an immediate family member); (f) You and your owners must execute a general release of all claims against us, our affiliates, and shareholders, officers, directors, employees, agents, successors, and assigns; (g) Your transferee must assume all of your liabilities and obligations relating to your Franchised Business; (h) You must execute a written agreement not to compete in favor of us and your transferee, with terms the same as those contained in your Franchise Agreement; (i) If any part of the sale price is financed, you must agree that all obligations of the transferee under any promissory note or financing statement will be subordinate to its obligations to pay amounts due to us and our affiliates; and (j) At your or your transferee's expense, upgrade, remodel, or replace the assets used by your Franchised Business.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 15.4	You must give us written notice of intent to sell or otherwise transfer the Franchise Agreement. We have 30 days from the date that you give us written notice to determine whether we will exercise our right of first refusal. We can match any bona fide written offer for your Franchised Business, and may reduce the amount of the offer by the amount of the transfer fee that would otherwise be owed to us.
o. Franchisor's option to purchase franchisee's business	Section 18.6	At termination or expiration of the Franchise Agreement, we have the option to purchase your assets for fair market value. The fair market value will be determined by an independent appraiser that we select.
p. Death or disability of franchisee	Sections 15.6 and 17.7	The estate of the deceased or incapacitated person must, within fifteen (15) days from the date of death or disability, transfer the Franchise Agreement to a third party approved by us. If that does not happen, we have the ability to exercise our Step-In Rights and operate your Franchised Business until the Franchise Agreement is properly transferred to such third party.
q. Non-competition covenants during the term of the franchise	Section 16.4	You must not be in a competing business anywhere and must not attempt to divert customers of your Franchised Business to any competitive business. Unless we agree otherwise in writing, you may have no involvement in any business that: (i) sells or offers to sell services the same as or similar to the type of services sold in the Franchised Business (including but not limited to the Authorized Services); or (ii) sells or offers to sell products the same as or similar to the type of products sold in the Franchised Business (including but not limited to the Authorized Products), other than a Franchised Business operated under a valid Franchise Agreement with us.

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Sections 16.5 and 16.6	You will not engage in a competing business within 25 miles of your former Protected Area, or within 25 miles of the protected area of any Franchised Business, for a period of 2 years after your Franchise Agreement is terminated. You may have no involvement in any business that: (i) provides or offers to provide services the same as or similar to the type of services sold in the Franchised Business; or (ii) sells or offers to dispense products the same as or similar to the type of products sold in the Franchised Business. You must not solicit customers or employees of your Franchised Business or any other Franchised Business for a period of two (2) years. Except in the operation of a Franchised Business under a valid franchise agreement, you may not use our trade secrets in any business or other endeavor after your Franchise Agreement is terminated or expires. You must completely disassociate yourself from the Marks and return the Franchise Documentation and other confidential materials provided to you by us. You may not divert any business from us or seek to employ any of our employees or franchisees. You must also cancel or transfer all telephone numbers and directory listings to us.
s. Modification of the agreement	Section 20.3	Changes to the Franchise Agreement must be made in writing and agreed to by both parties.
t. Integration/merger clause	Section 20.13	Only the terms of the Franchise Agreement are binding (subject to state law). Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Any representations or promises outside the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 19	Subject to federal and your state's law, all disputes, except as explicitly listed in the Franchise Agreement, must first be submitted to non-binding mediation in accordance with the commercial mediation rules of the American Arbitration Association ("AAA"). If the mediation is not successful, then the dispute must be submitted to arbitration before the AAA.
v. Choice of forum	Section 19.8	Subject to state law, any litigation must be pursued in courts located in Clark County, Nevada. See any state-specific addendum attached in Exhibit G.
w. Choice of law	Section 19.1	Federal trademark law, and other federal laws govern where applicable. Otherwise, Nevada law applies, except where individual state laws supersede, as reflected in any state-specific attachment to the Franchise Agreement, subject to state law. The laws of state where your Franchised Business is located will govern your covenant not to compete with us.

Multi-unit Agreement

Provision	Section in Multi-Unit Agreement	Summary
a. Length of the franchise term	Section 4.1	The period identified by you and us on Addendum 2 to the Multi-Unit Franchise Agreement or the date on which you sign a Franchise Agreement for your last Franchised Business necessary to fully satisfy your Development Obligation on Addendum 2, whichever is earlier.
b. Renewal or extension of the term	Not applicable.	Not applicable.
c. Requirements for franchisee to renew or extend	Not applicable.	Not applicable.
d. Termination by franchisee	None	Not applicable.
e. Termination by franchisor without cause	None	Not applicable.
f. Termination by franchisor with cause	Section 10.1	We can terminate if you materially default under your Multi-Unit Franchise Agreement, an individual Franchise Agreement, or any other agreement between you and us.
g. "Cause" defined - curable defaults	Section 10.1	You have 10 days to cure a failure to pay fees. You have 30 days to cure any other default; but in the case of a breach or default in the performance of your obligations under any Franchise or other agreement between you and us, the notice and cure provisions of the Franchise Agreement or other agreement will control.
h. "Cause" defined – non-curable defaults	Section 10.1	Non-curable defaults include: unapproved transfers; failure to meet Development Obligation; any breach for unfair competition described in Article 9.
i. Franchisee's obligations on termination/non-renewal	Section 4.2	You will have no further right to develop or operate additional Franchised Businesses which are not, at the time of termination, the subject of a then-existing Franchise Agreement between you and us. You may continue to own and operate all Franchised Businesses under then existing Franchise Agreements.
j. Assignment of contract by franchisor	Section 8.1	No restrictions on our right to assign.
k. "Transfer" by franchisee – defined	Section 8.3	Includes transfer of the Multi-Unit Franchise Agreement or changes in ownership of the entity which owns it. If you are a business entity, shares of your entity may be offered for sale through the public offering of securities. Shares may be offered by private offering with our prior written consent.
l. Franchisor approval of transfer by franchisee	Section 8.3	Transfers require our prior written consent, which may not be unreasonably withheld.
m. Conditions for franchisor approval of transfer	Section 8.3	You must assign the Multi-Unit Franchise Agreement and all of the Franchise Agreements signed under the Multi-Unit Franchise Agreement to the same assignee. At our election, the assignee must sign our then-current form of Franchise Agreement for each of your Franchised Businesses then developed or under development. Before shares of a franchisee which is a business entity may be offered by private offering, you must provide us with copies of all offering materials; indemnify us, our Parent, officers, directors, manager(s), shareholders, members, partners, agents, representatives,

Provision	Section in Multi-Unit Agreement	Summary
		independent contractors, servants and employees of each of them with the offering; and pay us a fee to reimburse us for our costs and expenses associated with reviewing the proposed offering, which fee is in addition to any transfer fee required under any Franchise Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 8.3	We may match any offer to purchase your business.
o. Franchisor's option to purchase franchisee's business	None	Not applicable.
p. Death or disability of franchisee	Sections 8.3 and 10.1	Same requirements as for a transfer in "m" above. If your interest is not transferred within 60 days following your (or a major member, partner or shareholder's) death or legal incapacity, your Multi-Unit Franchise Agreement will be automatically terminated.
q. Non-competition covenants during the term of the franchise	Sections 9.1 and 14.1	Unless we agree otherwise in writing, you may have no involvement in any business that: sells or offers to dispense, through wholesale or retail, products the same as or similar to the type of products sold by Franchised Businesses, other than a Franchised Business operated under a valid Franchise Agreement with us. If you are an entity, you may not conduct any business other than the business of the Multi-Unit Franchise Agreement and any Franchise Agreements between you and us.
r. Non-competition covenants after the franchise is terminated or expires	Section 10.1	You will not engage in a competing business within 25 miles of your former Protected Area, or within 25 miles of the protected area of any Franchised Business, for a period of 2 years after your Franchise Agreement is terminated. You may have no involvement in any business that: (i) provides or offers to provide services the same as or similar to the type of services sold in the Franchised Business; or (ii) sells or offers to dispense products the same as or similar to the type of products sold in the Franchised Business. You must not solicit customers or employees of your Franchised Business or any other Franchised Business for a period of two (2) years. Except in the operation of a Franchised Business under a valid franchise agreement, you may not use our trade secrets in any business or other endeavor after your Franchise Agreement is terminated or expires. You must completely disassociate yourself from the Marks and return the Franchise Documentation and other confidential materials provided to you by us. You may not divert any business from us or seek to employ any of our employees or franchisees. You must also cancel or transfer all telephone numbers and directory listings to us.
s. Modification of the agreement	Section 14.5	The Multi-Unit Franchise Agreement can be modified or amended only by written agreement of all of the parties.
t. Integration/merger clause	Section 14.5	Only the terms of the Multi-Unit Franchise Agreement and any Franchise Agreement(s) are binding (subject to state law). Nothing in the agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Any representations or promises outside the Franchise Disclosure Document, Multi-unit Franchise Agreement and Franchise Agreement(s) may not be enforceable.

Provision	Section in Multi-Unit Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 11.15	Subject to federal and your state's law, all disputes, except as explicitly listed in the Franchise Agreement, must be submitted to non-binding mediation in accordance with the commercial arbitration rules of the American Arbitration Association
v. Choice of forum	Section 11.15	Subject to state law, any litigation must be pursued in courts located in Clark County, Nevada. See any state-specific addendum attached in Exhibit G.
w. Choice of law	Section 11.15	Federal trademark law, and other federal laws govern where applicable. Otherwise, Nevada law applies, except where individual state laws supersede, as reflected in any state-specific attachment to the Franchise Agreement, subject to state law. The laws of state where your Franchised Business is located will govern your covenant not to compete with us.

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 Allison Walker at 11445 E Via Linda #2-607, Scottsdale, AZ or 480-626-0788, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

We began offering franchises as of the date of this Franchise Disclosure Document. Accordingly, when we prepared this Franchise Disclosure Document, we had no franchisees and no historical information to provide regarding franchised outlets.

TABLE NO. 1.

Systemwide Outlet Summary for Years 2013 through 2015

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2013	0	0	0
	2014	0	0	0
	2015	0	0	0
Company-Owned*	2013	1	1	0
	2014	1	1	0
	2015	1	1	0
Total Outlets	2013	1	1	0
	2014	1	1	0
	2015	1	1	0

*Our "Company-Owned" outlet is owned by our affiliate, Vegas Discount Nutrition, LLC.

TABLE NO. 2

Transfers of Outlets from Franchisees to New Owners (Other than Franchisor or an Affiliate) for Years 2013 through 2015

State	Year	Number of Transfers
Nevada	2013	0
	2014	0
	2015	0
Total	2013	0
	2014	0
	2015	0

TABLE NO. 3

Status of Franchised Outlets for Years 2013 through 2015

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Nevada	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Totals	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0

TABLE NO. 4

Status of Company-Owned Outlets for 2013 through 2015

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Nevada	2013	1	0	0	0	0	1
	2014	1	0	0	0	0	1

	2015	1	0	0	0	0	1
Totals	2013	1	0	0	0	0	1
	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1

TABLE NO. 5

Projected Openings for 2016, as of December 31, 2015

State	Franchise Agreements Signed But Not Opened	Projected New Franchised Outlets in the next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Arizona	0	4	0
Florida	0	5	0
Hawaii	0	4	0
Nevada	0	0	0
Pennsylvania	0	4	0
Totals	0	17	0

The above figures are estimates only. These numbers may change significantly depending upon a number of factors, including the timing of various state registrations and the success of franchise marketing efforts.

No Franchisee had an agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during our most recently completed fiscal year, or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No Franchisees have signed a confidentiality clause in a Franchise Agreement, settlement agreement or other contract within the last three years that would restrict their ability to speak openly with you about their experience with us.

Franchisees Who Have Left the System

We have just begun our franchise offering with this Franchise Disclosure Document. Accordingly, we do not yet have any franchises to disclose and there have been no franchisees that have left the System.

We have not created, sponsored, or endorsed any trademark-specific organization of franchisees associated with our franchise system. No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Attached to this FDD as Exhibit D is our audited opening balance sheet dated October 12, 2016. Our fiscal year ends on December 31st. We have not been franchising for three years or more and cannot provide all financial statements as required by this item.

ITEM 22

CONTRACTS

The contracts following this Item 22 are listed in the order in which they appear as exhibits to this Franchise Disclosure Document. At this time, these are the only contracts that we expect that we will enter into with a franchisee in any state, although we reserve the right to enter into different types of contracts with its franchisees as our business develops. As a prospective franchisee, you should obtain independent legal and financial advice concerning this franchise offering as you deem appropriate before making any commitment.

Exhibit B: the Franchise Agreement

Addenda to Franchise Agreement:

1. Information Regarding You and the Franchised Business; Protected Area
2. Electronic Funds Transfer Authorization
3. Collateral Assignment of Lease
4. Addendum to Lease

Exhibit C: the Multi-Unit Franchise Agreement

Addenda to Multi-Unit Franchise Agreement

1. Multi-Unit Territory
2. Development Obligations

Exhibit F: Form of General Release
Exhibit G: State-Specific Addendum
Exhibit H: Compliance Questionnaire
Exhibit I: Confidentiality and Non-Compete Agreement
Exhibit J: Transfer of Entity Agreement

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this Franchise Disclosure Document are attached to this Franchise Disclosure Document as Exhibit K. Please complete both copies, detach and return the copy marked "Our Copy" to us and keep the other copy in the Franchise Disclosure Document for your own records.

VDN Franchising, LLC

EXHIBIT A

List of State Administrators and Agents for Service of Process

EXHIBIT A
LIST OF STATE AGENTS FOR THE SERVICE OF PROCESS AND STATE ADMINISTRATORS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

State	Agents for Service of Process	Administrators
California	California Commissioner of Business Oversight: Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90012-2344 San Diego: 1350 Front Street, Suite 2034 San Diego, CA 92101-3697 San Francisco: 71 Stevenson Street, Suite 2100 San Francisco, CA 94105	Commissioner Department of Business Oversight One Sansome Street, #600 San Francisco, CA 94104 (866) 275-2677
Connecticut	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230
Florida	Division of Consumer Services Attn: Business Opportunities Florida Department of Agriculture and Consumer Affairs Mayo Building Tallahassee, FL 32399-0800	Senior Consumer Complaint Analyst Florida Department of Agriculture and Consumer Affairs Mayo Building, Second Floor Tallahassee, FL 32399-0800 (850) 922-2966 or (850) 488-2221
Georgia	Office of the Governor Office of Consumer Affairs 2 Martin Luther King Jr. Drive SE Plaza Level – East Tower Atlanta, GA 30334	Office of Consumer Affairs 2 Martin Luther King Jr. Drive SE Plaza Level – East Tower Atlanta, GA 30334
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
Illinois	Illinois Attorney General Attorney General's Office 500 South Second Street Springfield, IL 62706	Chief, Franchise Bureau Illinois Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465

State	Agents for Service of Process	Administrators
Indiana	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204	Chief Deputy Commissioner Securities Divisions 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
Iowa	Securities Division Lucas State Office Building Des Moines IA 50319	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, IA 50319-0066 (515) 281-4441
Kentucky	Attorney General's Office Consumer Protection Division Capital Building Frankfort, KY 40601-01875	Attorney General's Office Consumer Protection Division Capital Building Frankfort, KY 40601-01875
Louisiana	[Not applicable]	Department of Justice Consumer Protection Office P.O. Box 94095 Baton Rouge, LA 70804-9095
Maine	[Not applicable]	Securities Division State House – Station 121 Augusta, ME 04333
Maryland	Maryland Securities Commissioner Securities Division 200 Saint Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360
Michigan	Michigan Department of Commerce Corporations and Securities Bureau 6546 Mercantile Way Lansing, MI 48909	Consumer Protection Division Antitrust and Franchising Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328	Deputy Commissioner Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328
Nebraska	[Not applicable]	Staff Attorney Department of Banking and Finance 1200 N. Street., Suite 311 PO Box 95006 Lincoln, NE 68509-5006 (402) 471-3445
New Hampshire	[Not applicable]	Office of the Attorney General Consumer Protection and Antitrust Bureau 25 Capitol Street State House Annex Concord, NH 03301
New York	Attention: Uniform Commercial Code New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor	Attention: Barbara Lasoff Office of the New York State Attorney General Investor Protection Bureau

State	Agents for Service of Process	Administrators
	Albany, NY 12231-0001 (518) 473-2492	Franchise Section 120 Broadway, 23rd Floor New York, NY 10271-0332 (212) 416-8236 Phone (212) 416-6042 Fax
North Carolina	Securities Division Room 302 300 North Salisbury Street Raleigh, NC 27611	[Not applicable]
North Dakota	North Dakota Securities Commissioner 5th Floor 600 East Boulevard Bismarck, ND 58505 (701) 328-4712	Franchise Examiner Office of Securities Commissioner 600 East Boulevard 5th Floor Bismarck, ND 58505 (701) 328-4712
Oklahoma	[Not applicable]	Oklahoma Department of Securities The Journal Record Building 621 N. Robinson Street Suite 400 Oklahoma City, OK 73102
Oregon	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387
Rhode Island	State of Rhode Island and Providence Plantations Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, Rhode Island 02920	State of Rhode Island and Providence Plantations Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, Rhode Island 02920
South Carolina	Secretary of State Capitol Complex Brown Building 1205 Pendleton Street Room 510 Columbia, SC 29210	[Not applicable]
South Dakota	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823
Texas	[Not applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
Utah	[Not applicable]	Consumer Protection Division Utah Department of Commerce 160 East 300 South P.O. Box 48504 Salt Lake City, UT 84145-0804 (801) 530-6601

State	Agents for Service of Process	Administrators
Virginia	Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733	State Corporation Commission Division of Securities and Retail Franchising 1300 Main Street, 9th Floor Richmond, VA 23219
Washington	Director of Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Administrator Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760
Wisconsin	Commissioner of Securities 345 W. Washington Street, 4th Floor Madison, WI 53703	Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701
Federal Trade Commission	[Not applicable]	Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street NW Washington, DC 20580 (202) 326-3128

VDN Franchising, LLC

EXHIBIT B

Franchise Agreement

VDN Franchising, LLC

EXHIBIT C

Multi-Unit Franchise Agreement

VDN Franchising, LLC

EXHIBIT D

Financial Statements

VDN Franchising, LLC

EXHIBIT E

Table of Contents of Franchise Documentation

VDN Franchising, LLC

EXHIBIT F

Form of General Release

GENERAL RELEASE

As a condition to VDN Franchising, LLC's ("Franchisor") consent to **[grant a Successor Franchise Agreement to] [the proposed transfer of the Franchise Agreement]** by **[name of franchisee]** ("Franchisee") under the Franchise Agreement dated ________________________ **[date of Franchise Agreement]**, the undersigned, and each of their respective corporate parents, subsidiaries, Affiliates, successors in interest, heirs and assigns, and each of their respective owners, Managers, directors, officers, agents, servants, and employees, as applicable, whether specifically mentioned herein or not, do hereby release, acquit and forever discharge Franchisor and its respective parents, subsidiaries, Affiliates, and successors in interest, and each of their respective directors, officers, agents, servants, employees, whether specifically mentioned herein or not, of and from any and all liability, actions, causes of action, Claims, debts, demands, damages and liabilities to person(s) or property, costs, expenses and compensation of every nature, kind and character whatsoever, whether known or unknown, foreseen or unforeseen, direct, indirect, contingent or actual, liquidated or unliquidated, whether statutory, contract, or in tort on account of or in any way connected with or related to Franchisor's, or Franchisor's Affiliate's, offer, sale, grant of, construction, subleasing, operation of, assistance with operation of, or development of franchises or franchise rights in any and all franchise locations awarded at any time to the undersigned and from the inception of any contact with Franchisor to the date of this Release. It is the express intention of the undersigned that this Release be as broad as permitted by law.

Undersigned represents and warrants that execution hereof is free and voluntary; that no inducements, threats, representations, or influences of any kind were made or exerted by or on behalf of Franchisor; and that, prior to the execution hereof, undersigned was given the opportunity, if desired, to consult with counsel. This Release shall be binding upon the undersigned, their heirs, successors and legal representatives. Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require. This Release may not be changed orally.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, EACH OF ITS PRINCIPALS AND OWNERS / MANAGERS / SHAREHOLDERS AND A DULY AUTHORIZED OFFICER MUST EXECUTE THIS RELEASE (Attach Additional Sheets if Necessary).

By: ________________________

Name: ______________________

By: ________________________

Name: ______________________

VDN Franchising, LLC

EXHIBIT G

State-Specific Addendum to Franchise Disclosure Document and Agreement

EXHIBIT G

STATE-SPECIFIC ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are to the Franchise Disclosure Document between VDN Franchising, LLC ("Franchisor," "we," "us," or "our") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement and, if applicable, Multi-Unit Franchise Agreement between Franchisor and you ("you," or "your") dated ______________, 20___. Collectively (and if applicable) we refer to the Franchise Agreement and Multi-Unit Franchise Agreement as the "Agreements."

The provisions of this State Law Addendum to Franchise Disclosure Document and Agreements ("**State Addendum**") apply only to those persons residing or operating franchises in the following states:

FOR THE STATE OF CALIFORNIA:

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

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

The Franchise Disclosure Document is hereby amended as follows:

The franchisor, any person or franchise broker in Item 2 of the FDD is 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.

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.

The Agreements provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

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

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

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.

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).

The Agreements are hereby amended as follows:

Despite anything to the contrary in the Agreements, the following provisions will supersede and apply to all franchises offered and sold in the State of California:

1. Any condition, stipulation, or provision in the Franchise Agreement and Multi-Unit Franchise Agreement which would result in your waiver of compliance with any provision of the California Franchise Relations Act is void to the extent that such provision violates such act.

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

FOR THE STATE OF CONNECTICUT:

The following statement is added to the cover page of the Franchise Disclosure Document:

> **The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.**

The following statement is added to Item 3 of the Franchise Disclosure Document:

> There are no pending or completed actions against us relating to Securities Laws; Business Opportunity Laws; Actions Brought by Present or Former Purchaser-Investors Involving Franchise; or Business Opportunity Relationships that are required to be disclosed in this Disclosure Document.

The FDD and Franchise Agreement are hereby modified to state that, if we require you to purchase products, equipment or supplies from us but fail to provide those products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within 45 days of the required opening date stated in your contract, you may notify us in writing and demand that the contract be canceled.

FOR THE STATE OF HAWAII:

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

FOR THE STATE OF ILLINOIS:

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 Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Franchise Agreement are amended accordingly.

The governing law or choice of law clause described in the Franchise Disclosure Document and contained in the Franchise Agreement or Multi-Unit Franchise Agreement may not be enforceable under Illinois law. This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act 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."

To the extent that the Franchise Agreement or Multi-Unit Franchise Agreement would otherwise violate Illinois law, the agreements are 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.

17(v), Choice of Forum, of the Franchise Disclosure Document 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".

17(w), Choice of Law, of the Franchise Disclosure Document 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 Disclosure Document, Franchise Agreement, and Multi-Unit Franchise Agreement 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 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 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 or Multi-Unit Franchise Agreement are inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede those provisions.

FOR THE STATE OF INDIANA:

Item 8 of the Franchise Disclosure Document is amended to add the following:

> Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the Franchise Disclosure Document is amended to add the following:

> 17(e) is amended subject to Indiana Code 23-2-2.7-1(7), which makes it unlawful for us to unilaterally terminate your franchise agreement unless there is a material violation of the Franchise Agreement or Multi-Unit Franchise Agreement and termination is not in bad faith.
>
> 17(m) is amended subject to Indiana Code 23-2-2.7-1(5), which prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.
>
> 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant will have a geographical limitation of the Territory granted to you.
>
> 17(v) is amended to provide that you will be permitted to begin litigation in Indiana for a cause of action under Indiana law.
>
> 17 (w) is amended to provide that if there is a conflict of law, Indiana Law governs any cause of action which arises under the Indiana Disclosure Law or Indiana Deceptive Franchise Practices Act.

Despite anything to the contrary in the Franchise Agreement or Multi-Unit Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

> 1. The laws of the State of Indiana supersede any provisions of the Franchise Disclosure Document, the Franchise Agreement or Multi-Unit Franchise Agreement, or Nevada law, if such provisions are in conflict with Indiana law.
>
> 2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement or Multi-Unit Franchise Agreement, will supersede the provisions of the Agreement to the extent the Agreement may be inconsistent with such prohibition.
>
> 3. Any provision in the Franchise Agreement or Multi-Unit Franchise Agreement which would require you to prospectively assent to a release, or, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

4. The Franchise Agreement or Multi-Unit Franchise Agreement will be modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Franchise Agreement or Multi-Unit Franchise Agreement:

No Limitation on Litigation. Any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

FOR THE STATE OF IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_______________ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to VDN Franchising, LLC at 11445 E Via Linda #2-607, Scottsdale, AZ 85259 or email: allison@upsidefc.com, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: ______________________________

By: ______________________________

Print Name: ______________________________

Its: ___________________________________

Date: __________________________________

FOR THE STATE OF MARYLAND

Pursuant to COMAR 02.02.0.8.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability arising under the Maryland Franchise Registration and Disclosure Law. 17(c) and 17(m) of the Franchise Disclosure Document and sections of the Franchise Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment, shall not apply to liability under the Maryland Franchise Registration and Disclosure Law and those documents are hereby amended consistent with Maryland law.

The Compliance Statement (Exhibit H to the Franchise Disclosure Document) is hereby amended by stating that all representations requiring prospective franchisees to assent to a release, estoppel, or waiver of any 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.

17(v) of the Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration & Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

Section 17(w) of the Franchise Disclosure Document is hereby amended to the extent required under the Maryland Franchise Registration and Disclosure Laws.

The Franchise Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 *et seq.*).

FOR THE 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.

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

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

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 will not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will 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 of the failure and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

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 our intent not to renew the franchise.

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.

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

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 will include, but is not limited to:

(i) The failure of the proposed transferee to meet our 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.

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)

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:

State of Michigan Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

FOR THE STATE OF MINNESOTA:

Despite anything to the contrary in the Franchise Agreement or Multi-Unit Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement or Multi-Unit Franchise Agreement that would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.

3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Agreement relating to arbitration.

4. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

5. Item 13 of the FDD is hereby amended to state that we will protect your rights under this Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Agreement and our System standards. Notwithstanding anything to the contrary in the Franchise Agreement, we will protect your rights under this Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.

6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the provisions of the Franchise Agreement that require you to sign a general release prior to renewing or transferring your franchise are hereby deleted from the Franchise Agreement.

7. The following language will be added to the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

9. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues.

FOR THE STATE OF NEW YORK:

The following is added to the Risk Factors on the cover page:

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.

Item 3 of the Franchise Disclosure Document is modified to read as follows:

Other than as stated in Item 3, neither VDN Franchising, LLC, its predecessor, a person identified in Item 2, or an affiliate offering franchises under VDN Franchising, LLC's principal trademark has an administrative, criminal or civil action pending against it alleging a fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations. Other than as stated in Item 3, neither VDN Franchising, LLC, its predecessor, a person identified in Item 2, or an affiliate offering franchises under 's principal 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 a violation of a franchise, antifraud or securities law; fraud, embezzlement fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Other than as stated in Item 3, neither VDN Franchising, LLC, its predecessor, a person identified in Item 2, or an affiliate offering franchises under 's principal 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 injunction or restrictive order relating to any business activity as a result of an action brought by a public agency or department, including without limitation, an action affecting a license as a real estate broker or sales agent.

Item 4 of the Franchise Disclosure Document is modified to read as follows:

Other than as stated in Item 3, neither VDN Franchising, LLC, its affiliate, its predecessor, officers or general partner during the ten (10) year period immediately before the date of the Franchise 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 U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership.

The following sentence is added to the end of the first paragraph of Item 5 of the Franchise Disclosure Document:

We may use the proceeds from your payment of the initial franchise fee to defray our costs and expenses for providing training and assistance to you; for commission payments to brokers involved in the sale of a franchise to you; for general working capital purposes; and for other expenses.

The first paragraph of Item 17 of the Franchise Disclosure Document is modified to read as follows:

THESE TABLES LIST CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.

Item 17(w) of the Franchise Disclosure Document is revised to read as follows:

The foregoing choice of law should not be considered a waiver of any right conferred upon either the Franchisor or upon you by the General Business Law (GBL) of the State of New York, Article 33. This language has been included in this Franchise Disclosure Document as a condition of registration. The Franchisor and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement or Multi-Unit Franchise Agreement including all choice of law provisions, are fully enforceable. The Franchisor and you intend to fully enforce all of the provisions of the Franchise Agreement or Multi-Unit Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law provisions and other dispute resolution provisions.

The following provisions shall be added to the Franchise Agreement and Multi-Unit Franchise Agreement:

Notwithstanding the choice-of-law provisions in the Franchise Agreement or Multi-Unit Franchise Agreement, all rights enjoyed by the Franchisee and any causes of action arising in the Franchisee's favor from the provisions of Article 33 of the GBL of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provision of GBL 687.4 and 687.5 be satisfied.

The new section is added to the Franchise Agreement or Multi-Unit Franchise Agreement as follows:

Notwithstanding the Franchise Agreement or Multi-Unit Franchise Agreement, you shall not be required to indemnify us for any liabilities which arose as a result of our breach of this Agreement or other civil wrongs committed by us.

Notwithstanding the choice-of-law provisions in the Franchise Agreement or Multi-Unit Franchise Agreement, it shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the New York State General Business Law.

FRANCHISOR REPRESENTS THAT IT HAS NOT KNOWINGLY OMITTED FROM THE FRANCHISE DISCLOSURE DOCUMENT ANY MATERIAL FACT, NOR DOES THE FRANCHISE DISCLOSURE DOCUMENT CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

FOR THE STATE OF NORTH CAROLINA:

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

As required by North Carolina law, the seller has secured a bond issued by a surety company authorized to do business in this State. Before signing a contract to purchase this business opportunity, you should check with the surety company to determine the bond's current status.

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

FOR THE STATE OF NORTH DAKOTA:

Sections of the Franchise Disclosure Document, Franchise Agreement or Multi-Unit Franchise Agreement requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

The Franchise Agreement and Confidentiality / Non-Competition Agreement contain a covenant not to compete which may not be enforceable under North Dakota law.

Sections of the Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Franchise Agreement relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Franchise Agreement requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Franchise Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Section of the Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

FOR THE STATE OF OHIO:

The following language will be added to the Franchise Agreement:

> You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

NOTICE OF CANCELLATION

______________ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, VDN Franchising, LLC at 11445 E Via Linda #2-607, Scottsdale, AZ 85259 or email: allison@upsidefc.com, not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

You: ______________________________

By: ______________________________

Print Name: ______________________________

Its: ___________________________________

Date: __________________________________

FOR THE STATE OF RHODE ISLAND:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Franchise Agreement are amended accordingly to the extent required by law.

The above language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement or Multi-Unit Franchise Agreement, including all choice of law provisions, are fully enforceable. The Franchisor and you intend to fully enforce all of the provisions of the Franchise Agreement or Multi-Unit Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

FOR THE STATE OF VIRGINIA:

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17(h) of the Disclosure Document. 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 ground for default or termination stated in the Franchise Agreement or Multi-Unit 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.

FOR THE STATE OF WASHINGTON:

Arbitration shall take place in the state of Washington, but only if "in-state" arbitration is a valid requirement of the Washington Franchise Investment Protection Act. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

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

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

FOR THE STATE OF WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement or Multi-Unit Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Franchise Agreement are amended accordingly.

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing State-Specific Addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of __________________, 20___, and of the Franchise Disclosure Document, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect, and the parties further acknowledge and agree that this State-Specific Addendum is applicable only to those persons specifically subject to the protections of the state laws referenced in this State-Specific Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this State Law Addendum as of the Effective Date of the Franchise Agreement between the parties.

VDN FRANCHISING, LLC	You: ______________________
By: ______________________	By: ______________________
Print Name: ______________________	Print Name: ______________________
Its: ______________________	Its: ______________________
Date: ______________________	Date: ______________________

EXHIBIT H

Compliance Questionnaire

EXHIBIT H

COMPLIANCE QUESTIONNAIRE

As you know, VDN Franchising, LLC and you are preparing to enter into a Franchise Agreement (as applicable to you, the "Agreement"). In this questionnaire, VDN Franchising, LLC will be referred to as "we" or "us." The purpose of this questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be inaccurate. Please review each of the following questions carefully and provide honest and complete responses to each question. **If the answer you give calls for a written explanation and there is not enough room in the space we provide on this questionnaire to give a complete written explanation, please attach additional pages as necessary.**

1. Have you received, studied and reviewed carefully the Franchise Disclosure Document and Agreement(s)? Check one: (__) Yes (__) No

2. Do you understand all of the information contained in the Agreement(s) and each Addendum, schedule, or exhibit attached to it or them? Check one: (__) Yes (__) No

   If your answer is "No," what parts of the Agreements do you not understand?
   ____
   ____
   ____

3. Do you understand all of the information contained in the Franchise Disclosure Document and each addendum or exhibit attached to it? Check one: (__) Yes (__) No

   If your answer is "No," what parts of the Franchise Disclosure Document do you not understand?
   ____
   ____
   ____

4. Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of establishing and operating a business as a Vegas Discount Nutrition™ franchise, or have you made the decision not to consult with one? Check one: (__) Yes (__) No

5. Has any employee or other person speaking on our behalf made any statement or promise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Check one: (__) Yes (__) No

   If your answer to question 5 is "Yes," please describe the statement or promise:
   ____
   ____
   ____

6. Was any oral, written or visual claim or representation made to you that stated, suggested, predicted or projected your sales, expenses, income or profit levels or that of any actual or hypothetical franchise business, other than as set forth in Item 19 of the Franchise Disclosure Document? Check one: (__) Yes (__) No

If your answer is "Yes," please describe the oral, written or visual claim or representation made to you: ____

7. Do you understand that the success or failure of your business will depend in large part upon your skills and experience, your business acumen, the hours you will work, your location, the local market for Vegas Discount Nutrition™ products and services, interest rates, the economy, inflation, the prevailing wage rate, competition, and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your business may change? Check one: (__) Yes (__) No

If your answer is "No," please describe your understanding of what the success or failure of your business will depend upon: ____

8. Have any of our employees or any other persons speaking on our behalf made any statement, promise or agreement concerning the likelihood of success that you should or might expect to achieve from operating a Vegas Discount Nutrition™ franchise? Check one: (__) Yes (__) No

If your answer is "Yes," please describe the statement, promise, or agreement: ____

9. Have any of our employees or any other persons speaking on our behalf made any statement, agreement or promise to you concerning the advertising, marketing, training, support, service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD? Check one: (__) Yes (__) No

If your answer is "Yes," please describe the statement, promise, or agreement: ____

10. Have any of our employees or any other persons speaking on our behalf made any statement, agreement or promise to you concerning the costs you may incur in operating a Vegas Discount Nutrition™ franchise that is contrary to, or different from, the information contained in the FDD? Check one: (__) Yes (__) No

If your answer is "Yes," please describe the statement, promise, or agreement: ____

11. Do you understand that there may be national, regional, state, or local laws or regulations applying

to the operation of a Vegas Discount Nutrition™ franchise (either specifically or generally), and that, as a franchisee, you are fully responsible as an independent business owner for learning about and complying with these laws? Check one: (__) Yes (__) No

If your answer is "No," please describe your understanding regarding legal compliance: ____________

____

____

____

12. Have we or any of our employees or any other persons speaking on our behalf made any oral, written, visual or other promises, agreements, commitments, representation, understandings, "side agreements" or otherwise that expand upon or are inconsistent with FDD or the Agreement(s), or any attached written addendum signed by you and an officer of ours? Check one: (__) Yes (__) No

    If your answer is "Yes," please describe the promises, agreements, commitments, representation, understandings, "side agreements" or other expansion: ____________

    ____

    ____

    ____

13. Have we or any of our employees or any other persons speaking on our behalf made any statements to you regarding the financial condition of our parent company or any of our affiliated companies? Check one: (__) Yes (__) No

    If your answer is "Yes," have you relied on the statement(s) regarding the financial condition of any of our affiliated companies in deciding whether to purchase a franchise from us? Check one: (__) Yes (__) No

    If your answer to either of the above questions is "Yes," please describe the statements you received or heard regarding the financial condition of our parent or any of our affiliated companies:

    ____

    ____

    ____

    ____

    ____

14. Do you understand that any training, support, guidance or tools we provide to you as part of the franchise are for the purpose of protecting the Vegas Discount Nutrition™ brand and trademarks and to assist you in the operation of your business and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of your employees and all other employment and employee related matters? Check One: (__) Yes (__) No. If no, please comment:

    ____

    ____

    ____

    ____

15. Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws? Check one: (__) Yes (__) No

16. Which of our representatives have you met with?

____
____
____
____

By signing below, you are acknowledging that you understand that your answers are important and that we will rely on them, and that you have responded truthfully to the above questions.

<u>NOTE:</u> **IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, EACH OF ITS PRINCIPALS MUST EXECUTE THIS ACKNOWLEDGMENT (Make Additional Copies if Necessary).**

By: ________________________ Address: ________________________
____

Name: ________________________ Telephone: ________________________

By: ________________________ Address: ________________________
____

Name: ________________________ Telephone: ________________________

VDN Franchising, LLC

EXHIBIT I

Confidentiality and Non-Compete Agreement

EXHIBIT I

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT AND COVENANT NOT TO COMPETE ("**Agreement**") is made and entered into this ________ day of ______________________, 20___, between ("**you**"); and __________________________ ("**Franchisee**").

RECITALS

A. Franchisee has entered into a franchise agreement with VDN Franchising, LLC ("**VDN**").

B. You are a Brand Ambassador, nutritionist, employee, officer, director, or an entity affiliated with, or providing products or services to Franchisee.

C. As a result of Franchisee's relationship with you, you will have access to certain confidential and proprietary information of VDN.

NOW, THEREFORE, in consideration of the foregoing and in order to induce VDN to enter into, or to continue, a relationship with you, the parties hereby agree as follows:

1. Is Third Party Beneficiary. You and Franchisee acknowledge and agree that this Agreement is made for their mutual benefit and for the benefit and protection of VDN, which is an intended third party beneficiary of this Agreement with rights to enforce the remedies provided herein.

2. Confidential Information. It is understood that as a result of your position or relationship with Franchisee, you will be afforded access to confidential and/or proprietary information of VDN. In consideration of VDN's agreement to enter into and continue its business relationship with Franchisee and to continue to make available to you and Franchisee information, including confidential and/or proprietary information, relating to VDN and its business and operations, you agree not to disclose, furnish, divulge, communicate, or otherwise directly or indirectly use any of the confidential and/or proprietary information of VDN (including without limitation sales and marketing methods and data, operating and other business data, computer programs, trade secrets, business plans, advertising and promotional methods, financial information and data, product information, information regarding current or prospective customers and clients, other franchisees, agencies, Suppliers, and other related information) (hereinafter, "**Confidential Information**"), other than strictly incidental to, and solely in furtherance and within the scope of, your relationship with VDN and your employment or business relationship with Franchisee, which obligation applies at all times during and following your employment or relationship with Franchisee, regardless of the manner in which such employment or relationship ends or the reason for it ending. "Confidential Information" shall not include information which: (a) at or prior to the time of receipt was in the public domain; (b) at or prior to the time of receipt by you or the signing of the Franchise Agreement, whichever occurred first, was known to you and in actual commercial use by you or generally within the industry, in the manner and combination disclosed; or (c) is subsequently received by you or Franchisee from an independent third party not in breach of any duty of nondisclosure, secrecy, nonuse or similar duty, but only to the extent and in the form, manner and combination so disclosed.

You agree not to make any copies of, reproductions of, or extracts of any Confidential Information of VDN except strictly incidental to, and solely in furtherance and within the scope of, your relationship with VDN and your employment or business relationship with Franchisee. Upon termination of the Franchise Agreement (or of Franchisee's relationship with you, as the case may be), for any reason, you must return all lists, printouts, memoranda, reports, surveys, studies, notes, letters and all other documents then in your possession or under your control containing or relating to any Confidential Information, whether in paper, digital, or other form or medium, without retaining any copies or reproductions thereof in any form.

If you receive a subpoena or any other form of legal process seeking to compel the production of any Confidential Information, you will immediately provide Franchisee and VDN with written notice of the receipt of such subpoena or process and a copy thereof, and will cooperate with Franchisee and VDN in any action they take to oppose the production of Confidential Information or to obtain a protective order. Written notice to VDN must be given to its President.

3. **Covenant Not to Compete**. While you maintain a relationship with Franchisee, you shall not engage in any activity which competes directly or indirectly with VDN in any state in which VDN is doing business or in which it has current plans to begin business, except with the written permission of Franchisee or VDN. If your relationship with Franchisee is terminated for any reason, you will be prohibited for a period of 2 years from the date of such termination, from any place within twenty-five (25) miles of Franchisee's business location, from:

(a) Directly or indirectly soliciting any customer or client of VDN or Franchisee.

(b) Inducing, advising, suggesting or attempting to influence directly or indirectly anyone affiliated with VDN's franchisees to terminate employment or establish a professional relationship with another person or entity.

(c) Directly or indirectly participating in or being connected in any manner with the ownership, management or operation of any business or entity that competes with VDN, in offering or selling services or products relating to health and nutritional supplement stores.

4. **Non-solicitation**. While you are employed by or associated with Franchisee, and for 2 years after your employment or relationship ends, you must not, without prior written permission of VDN, directly or indirectly:

(a) Employ or attempt to employ any person who at that time is employed, or within the prior six months has been employed by VDN, Franchisee, or any affiliate of either of them.

(b) Induce or attempt to induce any person to leave employment with VDN, Franchisee, or any affiliate of either of them, or any other franchisee of VDN.

(c) Solicit or attempt to solicit any customers or clients for whom you provided services while you were employed by or affiliated with Franchisee.

5. **Breach of Agreement**. You acknowledge and agree that your violation or breach of the "Covenant Not to Compete," disclosure of "Confidential Information," or the "Non-solicitation" provisions, as provided herein by this Agreement will cause irreparable injury to VDN for which there is no adequate remedy at law. Accordingly, you agree that in the event of any breach or violation of this Agreement, VDN and/or Franchisee will be entitled to enforce this Agreement by injunctive and any other equitable relief in any court of competent jurisdiction. Such relief will be in addition to other remedies available at law, including without limitation, recovery of damages. You agree to comply with a judgment forbidding you from violating these provisions in the event there is a finding of breach. In addition, VDN and/or Franchisee will be entitled to recover and obtain from you all costs including, without limitation, reasonable attorneys' fees associated with any legal action arising out of your breach of any of the provisions of this Agreement.

If any phrase, clause or provision of this Agreement is declared invalid or unenforceable by a court of competent jurisdiction, such phrase, clause or provision shall be deemed severed from this Agreement, but will not affect any other provisions of this Agreement, all of which will otherwise remain in full force and effect.

You acknowledge and agree that the restrictions set forth herein are reasonable, in terms of scope, duration, geographic area, and otherwise that the protections afforded to VDN hereunder are necessary to protect its legitimate business interests.

6. **Choice of Law**. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state in which Franchisee's business is located, without respect to its conflict of laws principles.

Franchisee: ______________________	You: ______________________
By: ______________________	By: ______________________
Print Name: ______________________	Print Name: ______________________
Its: ______________________	Its: ______________________
Date: ______________________	Date: ______________________

VDN Franchising, LLC

EXHIBIT J

Transfer to Entity Agreement

EXHIBIT J
VDN FRANCHISING, LLC
TRANSFER TO ENTITY AGREEMENT

THIS TRANSFER TO ENTITY AGREEMENT (**"Agreement"**) is effective this ______ day of ____________, 201__, by and between VDN Franchising, LLC, a Nevada limited liability company (**"we"**, **"us"**, or **"our"**) ____________________________________ [NAME(S) OF INDIVIDUAL FRANCHISEE(S)] ([collectively] **"you"** or **"your"**), and ____________________ [NAME OF ENTITY], a ____________________ [STATE OF FORMATION AND ENTITY TYPE] (**"Assignee"**) (collectively, we, you, and Assignee are referred to as the "**Parties**"). All capitalized terms in this Agreement not defined herein shall have the meanings ascribed to them in the Franchise Agreement.

RECITALS

A. We and you previously entered into that certain [multi-unit] Franchise Agreement[s] dated __________________ [INSERT DATE OF AGREEMENT(S)] ([collectively] the **"Franchise Agreement"**), a copy of which [is] [are] attached as "**Exhibit 1**," granting to you the rights to open and operate [a] [multiple] Vegas Discount Nutrition™ health and nutrition store[s] (the **"Franchised Business"**).

B. Article 15 of the Franchise Agreement provides as follows with respect to the assignment of the Franchise Agreement and the Franchised Business:

i. Any transfer of the Franchise Agreement and/or Franchised Business must be approved by us before such transfer may be made or become effective; and

ii. We can require you to pay a transfer fee, which (if we so require) must accompany any transfer (the "**Transfer Fee**").

C. You are the sole [member(s)] [shareholder(s)] [partner(s)], and own[s] 100% of the outstanding [membership interests] [shares] [partnership shares] of, Assignee.

D. You wish to transfer and assign to Assignee your rights, title and interest in and to the Franchise Agreement and the Franchised Business (the "**Transferred Interest**").

E. We are willing to consent to the above transfer of the Transferred Interest and waive the Transfer Fee, and the Parties desire that the Transfer be made in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and undertakings herein contained and other valuable consideration, the adequacy of which is acknowledged by all Parties, the Parties hereby agree as follows:

1. Recitals. The above Recitals and sections of the Franchise Agreement referred to therein are incorporated into and made part of this Agreement.

2. Assumption; Consent to Transfer. Assignee hereby agrees to become a party to and to be bound by all of the provisions of the Franchise Agreement, to the same extent as if it were originally named as the franchisee in the Franchise Agreement. We hereby consent to the transfer of the Transferred Interest as described in the Recitals, subject to Assignee's compliance with the terms and conditions set forth in this Agreement.

3. Guaranty of Obligations. In consideration of, and as an inducement to, our execution of this Agreement, you hereby personally and unconditionally: (a) guarantee to us and our successors and assigns that you will punctually pay and perform each and every undertaking, agreement and covenant of Assignee set forth in the Franchise Agreement; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement, including without limitation, monetary obligations, the obligations to take or refrain from taking certain actions and arbitration of disputes. You agree to execute the Owner Agreement, attached hereto as "**Exhibit 2**." You waive: (1) protest and notice of default, demand for payment or nonperformance of any obligations guaranteed by this Section; (2) any right you may have to require that an action be brought against us or any other person as a condition of your liability; (3) all rights to payment or reimbursement from, or subrogation against, us which you may have arising out of the guaranty; and (4) any and all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantor. You consent and agree that: (i) your direct and immediate liability under this Section will be joint and several; (ii) you will make any payment or render any performance required under the Franchise Agreement on demand if Assignee fails or refuses to do so when required; (iii) your liability will not be contingent or conditioned on our pursuit of any remedies against Assignee or any other person; (iv) your 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 Assignee or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims; and (v) the guaranty under this Section will continue and be irrevocable during the term of the Franchise Agreement and afterward for so long as Assignee has any obligations under the Franchise Agreement. If we are required to enforce the guaranty provided for under this Section or attached in Exhibit 2 in a judicial or arbitration proceeding, and prevail in such proceeding, then you agree that we will be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with the guaranty provisions of this Section, then you must reimburse us for any of the above-listed costs and expenses we incur.

4. Ownership Interests. If your Franchise Agreement is signed by multiple individuals, you must complete and sign "**Exhibit 3**" attached hereto, providing a description of each person's ownership interest in Assignee. Assignee hereby agrees to abide by all ownership requirements contained in this Agreement, as noted on Exhibit 3, and the Franchise Agreement.

5. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall be deemed to constitute one and the same instrument, and each counterpart shall be deemed an original

IN WITNESS WHEREOF, the Parties affix their signatures and execute this Agreement as of the day and year first above written.

VDN FRANCHISING, LLC
A NEVADA LIMITED LIABILITY COMPANY

____
By:____________________________
Its:____________________________

____________________ **[INDIVIDUAL FRANCHISEE]**

____

____________________ **[INDIVIDUAL FRANCHISEE]**

____

____________________ **[ASSIGNEE NAME]**
A [state] [form of entity]

____
By:____________________________
Its:____________________________

EXHIBIT 1

FRANCHISE AGREEMENT

EXHIBIT 2

FRANCHISE OWNER AGREEMENT

This Franchise Owner Agreement (this "**Agreement**") is entered into by: (i) each of the undersigned Owners of Franchisee (defined below); and (ii) the spouse of each such Owner, in favor of VDN Franchising, LLC, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as "you."

1. **Acknowledgments.**

a. Franchise Agreement; Franchisee. The term "**Franchisee,**" as used in this Agreement, is the party that entered, or is entering, into a franchise agreement with effective as of ________________________, 20__ ("**Franchise Agreement**"). Capitalized words not defined in this Agreement will have the same meanings given to them in the Franchise Agreement.

b. Owners' Role. Owners are the beneficial Owners of all of the equity interest in Franchisee. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee's Owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Agreement.

c. Your Access to Our Confidential Information. In your capacity as an Owner of Franchisee, or the spouse of an Owner of Franchisee, you may gain knowledge of our System, Confidential Information, and Intellectual Property (collectively, the "**Know-how**"). You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In addition, you understand that certain terms of the Franchise Agreement apply to "Owners" and not just Franchisee. You agree to comply with the terms of this Agreement in order to: (i) avoid damaging our System by engaging in unfair competition; and (ii) bind yourself to the terms of the Franchise Agreement applicable to Owners.

2. **System Protection Covenants**. In light of your above acknowledgements, you covenant and agree to the following:

a. Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than operating the Vegas Discount Nutrition™ store operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you or your spouse are no longer an Owner of Franchisee, as applicable. You further agree that you will not use the Know-how for any purpose other than the development and operation of Franchisee's Vegas Discount Nutrition™ store under the terms of the Franchise Agreement and Franchise Documentation. You agree to assign to us or our designee, without charge, all rights to any Improvements developed by you, including the right to grant sublicenses. If any Legal Requirement precludes you from assigning ownership of any Improvement to us, then you covenant, promise and agree that you will perpetually license that

Improvement to us free of charge, with full rights to use, commercialize, and sublicense the Improvement.

b. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an Owner of Franchisee, or while your spouse is an Owner of Franchisee, as applicable, by engaging in any of the following (collectively, the "**Prohibited Activities**"): (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of two percent (2%) or less in a publicly traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our Affiliates or franchisees); and/or (iii) inducing (a) any of our employees or managers (or those of our Affiliates or franchisees) to leave their position or (b) any customer of ours (or of one of our Affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

c. Unfair Competition After Relationship. You agree that, for a period of two (2) years after the termination of the Franchise Agreement or any successor to it (the "**Restricted Period**") not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within twenty-five (25) miles of: (a) Franchisee's Protected Area; or (b) any other Business that is then open or in development (the "**Restricted Territory**"). If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach).

d. Immediate Family Members. You acknowledge that your disclosing Know-how to an immediate family member (i.e., parent, sibling, child, or grandchild) could potentially circumvent the purpose of this Agreement. You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

e. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE. Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic are, we may at any time unilaterally modify the terms of the system protection covenants in Section 2 of this Agreement upon written notice to you, by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under

Section 2 of this Agreement to ensure that the terms and covenants are enforceable under applicable law.

f. Breach. You agree that failure to comply with the covenants in this Section 3 will cause substantial and irreparable damage to us and/or other Vegas Discount Nutrition™ franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, you and we agree that the amount of the bond will not exceed $1,000. None of the remedies available to us under this Section are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

3. Transfer Restrictions. If you are an Owner of Franchisee, you acknowledge that we must approve all persons who hold a direct or indirect Ownership interest in Franchisee. Accordingly, you agree that you will not, directly or indirectly or by operation of law, sell, assign, mortgage, pledge or in any manner transfer any direct or indirect Ownership interest in Franchisee except in accordance with the terms and conditions set forth in Article 15 of the Franchise Agreement. You acknowledge and agree that any attempted Transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for which our express written consent is not first obtained will be a material breach of this Agreement and the Franchise Agreement.

4. Personal Guarantee. In order to secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an Affiliate of ours and any promissory note related to payments owed to us (collectively, the "**Secured Agreements**"), you agree to personally guarantee all of Franchisee's financial obligations under the Secured Agreements.

a. Payment. Each of you, jointly and severally, personally and unconditionally: (a) guarantee to us and our successor and assigns, that Franchisee will punctually fulfill all of its payment and other financial obligations under the Secured Agreements; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements.

b. Waiver of Notice. You waive: (1) acceptance and notice of acceptance by us of the foregoing undertakings; (2) notice of demand for payment of any indebtedness guaranteed; (3) protest and notice of default to any party with respect to the indebtedness guaranteed; (4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed.

c. Liability is Joint and Several. You agree that: (1) your direct and immediate liability under this guarantee will be joint and several with Franchisee and all other persons who sign this Agreement; (2) you will render any payment required under the Secured Agreements upon demand if Franchisee fails or refuses punctually to do so; (3) your liability will not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (4) liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this guarantee, which will be continuing and irrevocable during the term of each of the Secured Agreements and following the termination, expiration or transfer of each of the Secured Agreements to the extent any financial obligations under any such Secured Agreements survive such termination, expiration or transfer.

d. Bankruptcy Filing. This guarantee will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement will be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

e. Indemnification. You agree to indemnify, defend and hold harmless us, all of our Affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

f. No Exhaustion of Remedies. You acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

g. Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations that exist under this Agreement or the Franchise Agreement at the time of death; and the obligations of any other Owners will continue in full force and effect.

5. Dispute Resolution. Any dispute between the parties relating to this Agreement must be brought in accordance with the dispute resolution procedures stated in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures stated in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement will prevail. You acknowledge and agree that a breach of this Agreement by you will constitute a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with its terms.

6. Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce your obligations under this Agreement. You acknowledge and agree that there is no adequate remedy at law for your failure

to fully comply with the requirements of this Agreement. You further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper.

7. Miscellaneous.

a. Attorney Fees. If either party hires an attorney or files suit against the other party in relating to an alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

b. Defenses. Any claim, defense or cause of action that you may have against us, our Affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

c. Severability. Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it will not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

d. Notice. You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery will be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice must be delivered in the manner and to the address listed in the Franchise Agreement.

e. No Third-Party Beneficiaries. Nothing in this Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns and our Affiliates) any rights or remedies under or by reason of this Agreement.

f. Construction. No provision of this Agreement will be interpreted in favor of or against either party merely because of that party's role in the preparation of this Agreement, or because of the nature or type of this Agreement. All references to gender and number will be construed to include such other gender and number as the context may require. All captions in this Agreement are intended solely for the convenience of the parties and none will be deemed to affect the meaning or construction of any provision of this Agreement.

g. Binding Effect. This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of **Owner** or **spouse of an Owner** has executed this Agreement as of the date or dates set forth below.

(Add additional pages and signature lines, if necessary for each Owner or spouse of an Owner)

By: ______________________ Address: ________________________
____
Name: ____________________ Telephone: ______________________

By: ______________________ Address: ________________________
____
Name: ____________________ Telephone: ______________________

By: ______________________ Address: ________________________
____
Name: ____________________ Telephone: ______________________

By: ______________________ Address: ________________________
____
Name: ____________________ Telephone: ______________________

EXHIBIT 3

FRANCHISEE OWNERSHIP INFORMATION

Franchisee: ____

Trade Name (if different from above): ____________________________________

FORM OF OWNERSHIP
(Check One)

____ Individual ____ Partnership __ Corporation __ Limited Liability Company

Give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

____
____
____
____
____
____
____

Assignee acknowledges that this Statement of Ownership applies to the Business authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to us in writing.

________________________________ ________________________________
Date Name

VDN Franchising, LLC

EXHIBIT K

Franchise Disclosure Document Receipts

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 VDN 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. Under Iowa or New York law, if applicable, VDN Franchising, LLC must provide this disclosure document to you at your 1st 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. Michigan requires VDN Franchising, LLC to give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If VDN Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Terrance Vick and Mario Altiery, 6255 S. Mojave Road, Suite A, Las Vegas, Nevada, 702-617-3586. We have inserted the name and address of any other franchise seller below (we attach additional pages if necessary):

____

Issuance Date: December 26, 2016

See Exhibit A for VDN Franchising, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated December 26, 2016 that included the following Exhibits:

A. State Administrators / Agents for Service of Process	F. Form of General Release
	G. State-Specific Addendum
B. Franchise Agreement	H. Compliance Questionnaire
C. Multi-Unit Franchise Agreement	I. Confidentiality and Non-Compete Agreement
D. Financial Statements	J. Transfer to Entity Agreement
E. Table of Contents of Franchise Documentation	K. Receipts

Date	Signature	Printed Name

Date	Signature	Printed Name

Please sign both copies of the receipt and date your signature. Please retain one copy for your records, and return the other copy to Allison Walker at 11445 E Via Linda #2-607, Scottsdale, AZ 85259, 480-626-0788 or email: allison@upsidefc.com.

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