

Type of Fee	Amount	Due Date	Remarks (Note 1)
			Revenues. Said month-to-month extension will commence on the date the initial term expires and end 30 days after we give notice to you that the extension will expire (the "Hold-Over Period").

Note 1. Except as otherwise disclosed in this Item, all fees described in this Item 6 are paid to us and are uniformly imposed for all franchises offered under this disclosure document. All fees are non-refundable. Existing franchisees and existing developers may be entitled to lower fees, different fees, or varying fee structures. We reserve the right to waive or reduce some or all of these fees for a particular franchisee depending on the circumstances.

Note 2. The term "Gross Revenues", as defined in the Franchise Agreement, means any and all revenue derived from the sale or lease of any and all services and products, and all income of every kind and nature, related in any way to the franchised business, whether for cash or credit (and regardless of collection in the case of credit) and whether or not such sales are made at or by the franchised business, including revenue generated from the sale of memberships, goods, products, merchandise, services and advertising; except that "Gross Revenues" does not include any sales tax collected from your customers and tendered to any taxing authority.

Through our designated reporting software, we may have direct access to your financial information, including Gross Revenue information. Under the terms of the Franchise Agreement, we have the right to continuous, unrestricted access to your financial information, including all data and financial reports and we have the right to use any or all of this information for any purpose we deem appropriate, including in connection with Financial Performance Representations including in Item 19 of our franchise disclosure documents. If we change the method through which we collect financial information, we have the right to require you to prepare and send us Gross Revenues Reports (the "Gross Revenue Reports") in the manner and frequency we designate.

Note 3. All payments, unless we designate otherwise, are processed through an electronic funds transfer system ("EFT"). You must sign and deliver to us and our designees all of the documents, forms and information we require to authorize automatic payments to us for the Royalty, Marketing and Promotion Fund Contribution, Software Reimbursement Fees and other amounts due under the Franchise Agreement and any related agreement (the "Recurring Fees"). Currently, you must use the commercial billing service and its supplied computer program to process your member fees (including enrollment, monthly fees, and other payments) as we designate. You must instruct and authorize the commercial billing service to credit and transfer to our bank account the Recurring Fees, and all other fees you are required to pay to us under the Franchise Agreement. You are obligated to sign any and all consents and agreements we or our designee requires to implement our designated payment method. We reserve the right to change this payment method at any time, effective on 30 days' prior written notice to you, and we may require you to pay the Recurring Fees through any method and manner we designate. You must allow the POS provider and any commercial billing service provider to grant us access to all of your records, including databases and receivables. We will have full access to all of your data, system and related information by means of direct access, whether in person or by telephone/modem installed and maintained at your sole cost and expense. If you pay any ongoing fees, including, without limitation, the Royalty Fee, Marketing and Promotion Fund Contribution, and/or Software Reimbursement Fees with a credit card, you will be responsible for paying our designated processing fees, which fees are currently set at 3%.

Note 4. If any payment is not paid when due, you must pay interest on the unpaid amount at an APR of 18% (or the highest rate permitted in your state, if that is lower), and you must reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts, including court costs,

investigator fees, expert witness fees and attorneys' fees. Interest begins to accrue from the date payment was due.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Franchise Agreement

Type of Expenditure	Amount		Method of Payment	When Due	To whom payment is to be made
Initial Franchise Fee ¹	\$57,600.00	\$57,600.00	Lump sum; non-refundable	When you sign the Franchise Agreement	Us
Travel and Living Expenses While Training ²	\$1,500.00	\$4,000.00	As incurred	During training	Travel and lodging vendors
Lease Negotiator ³	\$0.00	\$3,000.00	As incurred	Before opening	Lease negotiator
Security Deposit ⁴	\$8,000.00	\$16,000.00	As incurred	Before opening	Landlord
Rent ⁵	\$10,000.00	\$16,000.00	As incurred	As required by landlord	Landlord
Architect ⁵	\$6,000.00	\$8,000.00	As incurred	Before opening	Architect
Permitting ⁵	\$1,000.00	\$2,500.00	As incurred	Before opening	Government Authorities
Construction ⁵	\$50,000.00	\$150,000.00	As incurred	Before opening	Approved suppliers and other vendors
Computer System and Recommended Software ⁷	\$1,500.00	\$4,000.00	Lump sum	Before opening	Approved suppliers and other vendors
Furnishings ⁸	\$500.00	\$1,500.00	Lump sum	Before opening	Approved suppliers and other vendors
Workout Equipment ⁹	\$12,000.00	\$20,000.00	Lump sum	Before opening	Approved suppliers and other vendors
Mats ¹⁰	\$6,000.00	\$8,000.00	Lump sum	Before opening	Approved suppliers and other vendors
Inbody ¹¹	\$0.00	\$6,700.00	Lump sum	Before opening	Supplier
Interior Signage ¹²	\$1,200.00	\$6,000.00	Lump sum	Before opening	Designated vendor
Exterior Signage ¹³	\$6,000.00	\$10,000.00	Lump sum	Before opening	Approved suppliers and other vendors
AED ¹⁴	\$50.00	\$1,500.00	Lump sum	Before opening	Approved suppliers and other vendors
Payroll ¹⁵	\$3,500.00	\$10,500.00	As incurred	As incurred	Employees
Opening Inventory ¹⁶	\$0.00	\$2,000.00	Lump sum	Before opening	Approved suppliers and other vendors
Business insurance (including workers' compensation) ¹⁷	\$1,000.00	\$2,500.00	Lump sum	As required by insurance policy	Insurer
Grand Opening Launch Advertising ¹⁸	\$17,000.00	\$17,000.00	As incurred	Immediately before, during and just after opening	Designated third party suppliers
Additional Funds (3 months) ¹⁹	\$15,000.00	\$45,000.00	As incurred	After opening	Employees, suppliers, utilities, etc.
Total	\$195,850.00	\$391,800.00			

All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. The above table reflects the estimated initial investment to commence operation of the Virtual Fit Body Boot Camp Business, as well as the subsequent opening of the physical Outlet for the Fit Body Boot Camp franchised location, based on our current model and updated standards and specifications in effect as of the issuance date of this disclosure document. You will commence operation of the Virtual Fit Body Boot Camp Business after you complete the initial training program.

(1) The Initial Franchise Fee is \$57,600 USD and is described in greater detail in Item 5 of this Franchise Disclosure Document. This fee is fully earned and non-refundable upon payment.

(2) As of the issuance date of this Disclosure Document, the initial training program for the Fit Body Boot Camp Business is conducted both in person and remotely. The in-person training will either be held in California or Michigan, based on the month you attend. After you commence operation of the Virtual Fit Body Boot Camp Business, you will complete the training program for the operation of the physical Outlet. The range in the chart is based upon two persons attending the initial training program in Chino Hills, California or at a designated Fit Body Boot Camp® location, as we designate. This range increases if you choose to bring additional persons to attend the initial training program.

(3) This includes estimates for fees paid to an attorney or lease negotiator in connection with lease negotiation services.

(4) This includes estimates for security deposits payable under your lease agreement when you sign your lease.

(5) You must operate the retail Outlet in a stand-alone facility that can either be a free-standing building or an in-line located in a retail strip center. Our current model requires a facility with a minimum of 2,500 square feet and up to 3,000 square feet. Rent for your training facility will vary based on several factors, including square footage, location and condition of the space and lease arrangements. A security deposit and first month's rent are standard requirements for a commercial lease, but these requirements may vary. The Outlet must conform to our standards and specifications for appearance, layout and design. We may provide you our specifications for construction, remodeling and decorating the Outlet and general floor plans and interior layout and design. You must submit to us for approval all construction and design plans for adapting our specifications to your Location. It is your responsibility to ensure that all design, construction and remodeling work is performed in a competent and professional manner, in accordance with all applicable laws, rules, regulations and codes at your sole cost and expense. Architect fees, permitting fees and other costs and expenses incurred in connection with the design, remodeling, decorating and/or construction of the Outlet will vary greatly depending on a number of factors, including the size and location, as well as the amount of construction or remodeling needed and the prior use of the premises. At our option, you must employ any design, construction and remodeling professionals we designate. The cost of your build-out may be reduced by a Tenant Improvement ("TI") allowance or rebate from the landlord, which varies depending on the terms of each lease agreement. The figures above include the estimates for initial lease deposits, pre-paid rental amounts, and build-out and construction costs. If you obtain financing from a third party for some or all of the construction costs, you will also have to pay interest on the amount borrowed. You are strongly advised to consult with a business advisor to determine a more appropriate estimate of the real estate rental fees, costs and expenses you are likely to incur in the area in which you wish to open a franchised business before you sign the franchise agreement or a lease.

- (6) This is an estimate of the costs associated with obtaining necessary business licenses to operate the Outlet.
- (7) You must purchase and use our designated Computer System and POS System, including the commercial billing service and its supplied computer program. This estimate includes fees related to our software reimbursement of \$400 USD per month (which currently includes Fit Body Marketing Machine standard account, Fit Pro Tracker, Fit Body Booking App all of which may be changed or modified at any time as we designate), system hardware (inclusive of the following components: either: (A) desktop computer, and an iPad Pro 10.5 / 64 GB or an iPad 9.7 / 32 GB; or (B) MacBook Pro, iPad Pro; and (C) a bar scanner) and the Fit Pro Tracker POS System.
- (8) You must purchase or lease fixtures, furniture and equipment necessary for the Outlet from our designated suppliers. Leasing these items may significantly reduce your initial investment expense by spreading out the costs over time. The estimate in the table assumes that you purchase, rather than lease, the furniture, fixtures and equipment.
- (9) This figure includes an estimate for purchasing our required initial inventory of the following items: dumbbells, kettlebells, slam balls, resistance bands, AED unit, first aid kit, battling ropes, battling rope mounts, suspension straps and suspension training rig, small cones, speakers, equipment and Plyo-boxes. Shipping costs may vary.
- (10) This figure includes an estimate for purchasing floor mats for the Outlet. Shipping costs may vary.
- (11) This represents the estimated cost for the InBody 270 Composition Analyzer you are required to purchase and use in connection with the operation of the Outlet.
- (12) This represents the estimated expenses of acquiring interior signage for the Outlet. The quantity, size, type and cost of signs will vary substantially per lease space and in accordance with stipulations of each landlord and local governmental regulation.
- (13) This represents the estimated expenses of acquiring the exterior signage for the Outlet. The quantity, size, type and cost of signs will vary substantially per lease space and in accordance with stipulations of each landlord and local governmental regulations. These figures include the estimated filing fees for obtaining the necessary sign permits. All signs containing the Fit Body Boot Camp proprietary marks must be created to our specifications and must be designed and fabricated by vendors designated or approved by us.
- (14) This represents the estimated cost of one AED device for the Outlet.
- (15) This represents an estimate of payroll expenses for two to three team members for the first three months of operating the Outlet, assuming you open the Outlet within the time period required under your Franchise Agreement. Labor costs and expenses vary significantly from area to area.
- (16) This includes estimates for your initial inventory of posters, bulletin boards and brochures.
- (17) The range of premiums anticipates an annual payment. As an independently owned and operated franchisee, you are responsible for all costs or liabilities arising from the operation of your Outlet, and it is imperative you carry adequate insurance to protect yourself. The currently required *minimum*

coverage and limits of insurance are (i) General Liability at minimum limits of \$1,000,000 per occurrence / \$3,000,000 annual aggregate, (ii) Auto Liability at minimum limits of \$1,000,000 combined single limit covering all owned, hired and non-owned vehicles, (iii) Workers' Compensation to meet the statutory coverage of the state where your Outlet is located; and (iv) employment practices liability insurance. To the extent permissible under law, these insurance requirements may be satisfied with a combination of primary, umbrella and/or excess policies. All insurance policies will name you as named insured and, except for Workers' Compensation policies, will name us and any of our subsidiaries and affiliates of these companies now existing or which may hereafter exist as additional insureds, including their employees, officers and directors on additional insured endorsement forms. All required insurance must be purchased from insurance companies of good reputation with a rating of "A VII" or better by A. M. Best Company. You must provide us with a Certificate of Insurance evidencing this coverage on an ongoing basis. The costs of premiums will vary based on location of the Outlet and any prior claim history.

(18) You must conduct a Grand Opening Launch advertising and marketing campaign in accordance with our requirements and specifications. If you deviate from our requirements and specifications, in addition to being in default of your obligations under the Franchise Agreement. Your costs may vary depending on the area in which your franchised business is located and the extent of your marketing campaign.

(19) Although we do not require minimum funds for you to start your business, there are some expenses you will incur when you begin operation of the Outlet, such as expenses associated with inventory, supplies and employees. It is always a good idea to have sufficient cash reserves available to cover initial operating expenses. The range in the chart estimates the additional funds you will need for your first 3 months of operation. The estimate of additional funds is based on an owner-operated franchised business. It includes payroll costs but does not include any allowance for owner's draws.

(20) General Note. This estimates your initial startup expenses. If you are operating an existing fitness facility and converting it to a Fit Body Boot Camp franchised location, or if you are purchasing an existing Fit Body Boot Camp franchised location, you may incur a greater or smaller investment than the estimated disclosed in the chart, depending on the circumstances and the condition of the facility.

All fees and payments due to us or any of our affiliates are non-refundable. The terms you negotiate with outside suppliers or third parties govern the refundability of all payments due to them. We do not finance any part of the initial investment. This estimate is based on the experience of our affiliates, certain franchised outlets, and principal officers in opening and operating Outlets. You may reach out to system franchisees to discuss their initial investment expenditures for additional information and to review these figures carefully with a business advisor before making any decision to purchase the franchise, as system franchisees do not always share their investment cost experiences with us.

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YOUR ESTIMATED INITIAL INVESTMENT UNDER AN ADA

If you sign an Area Development Agreement you should review both the above tables of estimated initial investment expenses applicable to Franchise Agreements as well as the following table of fees.

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Development Fee ²	\$120,200 USD	Lump sum, non-refundable	When you sign the ADA	Us
Initial Investment for the First Fit Body Boot Camp Franchised Business	\$157,250 – \$334,200	See Chart 7(A) above. The low range is equal to the low range of the total from Chart 7(A) minus the Initial Fee, and the high range is equal to the high range of the total from Chart 7(A) minus the Initial Franchise Fee. See Note 3.		
Total Initial Investment	\$258,450 \$454,400	In addition to the Development Fee, you will incur initial investment expenses for the development and opening of each Facility you are obligated to open under the development schedule. The current estimated initial investment range for the development of a Facility is disclosed in the above tables and is subject to adjustment and increase in the future.		

Note 1. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee.

Note 2. The Development Fee is described in greater detail in Item 5 of this FDD. If you are a First Responder, your Development Fee will be discounted to \$91,400 USD. The Development Fee is due and payable in full upon signing the ADA.

Note 3. This estimated initial investment for each Fit Body Boot Camp Franchised Business you are obligated to develop under the ADA is subject to change and is likely to increase for the development of the second and third Fit Body Boot Camp Franchised Business you are obligated to develop under the ADA, based on our then current offer at the time of sale, and costs associated with the types of expenditures listed in the first chart included in this Item 7.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General

You must develop and operate the Franchised Business in strict conformance with our methods, standards and specifications which we prescribe in our Manual and various other writings, all of which we may change at our sole discretion at any time (the “Manual”). As a System franchisee, you will be required to purchase or lease certain goods and services from suppliers and vendors that we designate in connection

with the establishment, construction and build-out of the Franchised Business, and also on an ongoing basis in connection with the operation of the Franchised Business. We and/or our affiliates may become an approved supplier, and/or the only supplier, for any item, product, good and/or service at any time. We have the right to change our designations, including supplier designations, at any time.

We communicate these requirements and changes to you through the Manual or other written communications. We anticipate that our standards and specifications will change over time and you will be required to adhere to these changes. You may incur increased costs and expenses to comply with these changes.

You may only offer and sell the services and goods we designate or otherwise approve in writing, and only in the format and manner we authorize or designate. You must offer and participate in all programs, including promotional programs, we designate at your sole cost and expense. You must immediately discontinue offering for sale any item, product and/or service we disapprove in writing at any time. You must participate in all “new client lead generation programs”, incentive programs, challenges, and similar programs we designate, including programs set up with third parties, in accordance with the standards, specifications and procedures we designate (the “New Client Lead Generation Programs”). You must strictly adhere to our designated processes and procedures relating to the methods used to offer, market and/or promote any and all New Client Lead Generation Programs, including use of designated marketing funnels, and restrictions on marketing funnels and methods not expressly approved by us in writing. We may retain up to 100% of the one-time upfront fees paid by the prospect for these New Client Lead Generation Programs and “low barrier offers”, which are designed to drive traffic and prospects into your business. Your goal is to convert prospects originated through the New Client Lead Generation Programs and low barrier offers to become a formal member of your Franchised Business. You must also participate in any other Fit Body Boot Camp website promotions we designate, including those hosted and managed by us on your Fit Body Boot Camp webpage. You must participate in any and all challenges we designate, including System-wide member challenges, and permit your members to join the challenge. We reserve the right to collect and retain registration fees from each participating member and we are not required to remit any of the revenues generated from such registration fees to you.

Required Purchases of Goods or Services, including Computer System

As stated above, you are only permitted to offer and sell the services, products and items we designate or approve for sale in connection with the operation of the Franchised Business (the “Fit Body Services and Products”). The Fit Body Services and Products must meet our standards and specifications. We have the right to require you to purchase some or all of the Fit Body Services and Products from us, our affiliates and/or other suppliers or distributors approved or designated by us. We have the right to require you to sell designated services, products and items in connection with the operation of the Franchised Business and you must comply with all such requirements.

You are not permitted to install or permit to be installed at the Outlet or in connection with the operation of the Franchised Business, any fixtures, furnishings, equipment, décor items, signs or other items that we have not designated or approved unless you first obtain our prior written consent. You must devote your full time and best efforts to the operation of the Franchised Business and you may not, under any circumstances, engage in any other business activities, including engaging in the sale of any products or services to Fit Body Boot Camp franchisees or licensees. If you do not follow these requirements, you will be in breach of your Franchise Agreement, which may result in a termination.

Without limiting these broad rights, we may require you to sell only the supplement products we specify, and we may require you to purchase the supplement products from our designated vendor, at any time in the future by providing written notice to you. We also have the right to directly or

indirectly, including through our affiliates and licensees, offer and sell supplements, meals, and any other products and items through any means, including alternative channels of distribution. You are not entitled to any compensation or consideration on account of any such sales, including sales made to you members or customers located in your Territory.

POS and Computer System Requirements

You must purchase or lease our designated POS system from our designated supplier unless we designate otherwise in writing. You must enter into the agreements and licenses this supplier requires. You are responsible for all ongoing maintenance and repairs and upgrades. Currently, you must pay us a monthly Software Reimbursement to cover the ongoing costs of the POS system and other designated software and technology programs. We reserve the right to require you to pay these fees directly to the POS system provider or our designee at any time in the future effective on written notice to you.

In addition to the POS system, you must purchase, use and maintain a personal computer system for use at the Outlet (the "Computer System"). We may designate certain computer software and hardware be used in the operation of the Franchised Business. You must always maintain an e-mail account, connect the Computer System and POS system to a dedicated telephone line (or other communications medium specified by us), and have access to the Internet via a third-party network designated by us in the Manual or otherwise in writing. You must comply with our rules, regulations and specifications relating to the Virtual Fit Body Boot Camp Business, which may include an obligation to purchase, maintain and use designated software from our designated supplier.

We have the right, in our sole discretion, to change these requirements, including POS System and/or Computer System, at any time on notice to you. You must comply with all changes within 30 days of your receipt of written notice of the change.

Neither we nor any of our affiliated entities are required to provide you with the POS System, Computer System, designated computer software, or communications media.

Branded Materials/Items

Any and all items bearing our marks (including signs) must be purchased by you only from vendors and suppliers designated or approved by us. Also, you must use in the development and operation of your Franchised Business those fixtures, equipment, supplies and signs we have approved as meeting our specifications and standards for appearance, function, design, quality and performance. You must place or display at the premises of your Outlet (interior and exterior) only such signs, emblems, lettering, logos, and display materials we approve in writing. All equipment leases will be between you and the lessor. Under no circumstances are you permitted to sign any lease as if you were us, or on behalf of us.

Again, you are not permitted to offer and sell any products, including supplements, through the Internet, mobile applications, or any other means.

Our affiliate derives revenue from franchisees' purchases of supplement products. We may also require you to purchase any and all branded products from us, our affiliate or our designee (as we designate) and to offer and sell these products for sale at your Franchised Business effective on notice to you. We and/or our affiliates may, but are not contractually obligated to, share revenues derived through the sale products, which may include meals and/or branded supplement products, with participating System franchisees who are in compliance with their franchise and other agreements.

Franchisor or its Affiliates Acting as Approved Suppliers

Except as otherwise stated in this Disclosure Document, we do not currently sell or lease any goods, services, supplies or equipment related to establishing or operating the Franchised Business. We and our affiliates reserve the right to become an approved supplier, including an exclusive supplier, of any item, good, product, or service, at any time without restriction.

Our affiliate ENP offers and sells Trulean supplements. As of the issuance date of this Disclosure Document, we do not require our franchisees to purchase Trulean supplements from ENP, but such purchases are optional. Our affiliate entity Go Inspire Fitness, LLC. (d/b/a “Marketing Machine”) provides email broadcasting and lead nurturing software programs to our franchisees, Marketing Machine is a required software.

Except as disclosed in this Item, as of the issuance date of this disclosure document, neither we nor any of our affiliated entities are currently the approved suppliers of any other products or services you are required to purchase or lease in connection with your Outlet, but this may change at any time in the future.

One of our officers owns an indirect interest in each of our affiliates, including ENP, ETH, Marketing Machine and FitPro Tracker. Otherwise, as of the issuance date of this disclosure document, there are currently no other suppliers in which any of our officers owns an interest.

Approved Suppliers

In addition to the restrictions disclosed above, you must, at your own cost and expense, enter into agreements with suppliers we require or approve. You will receive a list of required and approved suppliers and required products and services through the Manual, as listed on the Fit Body Boot Camp Membership website, through later updates e-mail, or in any other manner of communication we designate. We will also notify you of any additions to or deletions from this list through any of these methods. We may change approved and required suppliers at any time. Without limiting this broad right, we may revoke our approval of any required product or service, or of any approved or designated supplier, at any time for any reason. If disapproved, you must immediately discontinue the offer and/or sale of the disapproved product or service, and you must immediately stop purchasing the item or service from the disapproved supplier immediately after receiving written notification of disapproval from us.

As of the issuance date of this disclosure document, in addition to the products and services you must purchase from our affiliates, we have designated exclusive suppliers for the following items and services: (i) Dollamur Sports Surfaces to provide our franchisees with sports mats, (ii) QuickBooks reporting software, (iii) Fit Pro Tracker to provide our franchisees with the POS System, (iv) NASM (the official nationally accredited personal and group training certification partner); (v) Fit Body Marketing Machine standard account; (vi) indoor LED lighting; (vii) interior lobby wood wall supplier; (viii) print and promotional materials and interior signage and expression wall ; (ix) InBody composition analyzers; (x) designated nutrition app; and (xi) branded fitness equipment (currently Torque and TRX); (xii) HR and payroll services (currently Gusto); (xiii) music licensing services (currently Rock my World Media); and (xiv) Ascent Supplements. We reserve the right to change any or all of these requirements at any time.

We may designate single or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers. We may permit you to contract with alternate suppliers who meet our criteria, but we are not obligated to grant such permission.

Alternative Suppliers

If you want to purchase any product, service, good, equipment or supplies from a supplier or distributor that is not on our approved list, you may submit a written request for our approval of the supplier or distributor (except in instances where we have designated a sole supplier of any product, item, good, equipment, service or supplies), which we may grant or deny in our sole and absolute discretion. The proposed supplier's or distributor's product or service, as applicable, must conform to our designated standards and specifications, which may include the ability of the supplier to provide sufficient quantities of the product to the System. The supplier or distributor must also provide us with any information we request in order to analyze the supplier's or distributor's suitability, and the composition and conformity of the product and/or service to our standards and specifications. We will have the right to require our representative to be permitted to inspect the supplier's facility and samples from the supplier to be delivered for evaluation and testing, either to us or to an independent testing facility we designate. You must pay us an evaluation and testing fee of \$1,500 USD. Our criteria for supplier approvals have been developed by us, our affiliates and/or principals through the expenditure of extensive work and time and are considered confidential information. Therefore, we do not make our standards and specifications or our other criteria for supplier or distributor approval available to our franchisees or suppliers. Within approximately 30 days after our receipt of the completed request, all information we require, and completion of the evaluation and testing (if required by us), we will notify you in writing of our approval or disapproval of the proposed supplier. Approval of a proposed supplier may be conditioned on meeting criteria we determine, including performance relating to frequency of delivery, standards of service, and payment or other consideration to us or parties designated by us. You or the proposed supplier will be responsible for all costs and expenses associated with the testing and approval process. As disclosed above, we may, at any time, terminate or withhold approval of any products or services, or any supplier of such items, on written notice to you.

You must not use in your Outlet, provide, display, sell or offer for sale any products or services from a proposed supplier until you receive our written approval of the proposed supplier and of the proposed product or service, as applicable. We may revoke our approval of specific products, services or suppliers at any time in our sole discretion, including if we determine in our sole discretion the products, services or suppliers no longer meet our standards. We may also consider the impact of an additional supplier (and consequent reductions in supplier volume and increase in distribution expense) on the overall supply chain being utilized by the system.

Upon receipt of written notice of such revocation, you must cease purchasing or selling any disapproved product or service, as applicable.

Issuance of Specifications and Standards

We issue specifications and standards regarding authorized Fit Body Services and Products to franchisees through the Manual and other communications in writing or by email. We also issue specifications and standards regarding authorized Fit Body Services and Products to our designated and approved suppliers in writing or by email. We may modify these specifications and standards at any time but only after delivering written notification of the modifications and providing System franchisees or suppliers a reasonable amount of time, which need not be more than 30 days, to implement the modifications.