



**ANYTIME FITNESS
FRANCHISE DISCLOSURE DOCUMENT**

ANYTIME FITNESS FRANCHISOR LLC

a Delaware limited liability company

111 Weir Drive

Woodbury, MN 55125

651-438-5000

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www.anytimefitness.com

The franchise we offer is a fitness center offering convenient access and one-on-one, small and large group training. We also offer the opportunity to open a more limited Anytime Fitness Express center.

The total investment necessary to begin operation of an Anytime Fitness center is between \$381,575 to \$783,897. This includes \$77,037 to \$103,847 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of an Anytime Fitness Express center is between \$290,746 to \$584,441. This includes \$42,345 to \$56,295 that must be paid to the franchisor or affiliate. (If you sign a Development Agreement to develop 2 Anytime Fitness or Anytime Fitness Express centers, you will pay us a Development Fee of \$70,000 for these Anytime Fitness centers or \$45,000 for these Anytime Fitness Express centers.)

This Disclosure Document summarizes certain provisions of our 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 governmental agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact your sales representative at 111 Weir Drive, Woodbury, MN 55125, telephone: 800-704-5004.

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: April 19, 2022

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risk(s) to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and Area Development Agreement require you to resolve disputes with the franchisor by mediation at a place selected by the mediator, by arbitration in Minnesota (or if franchisor's principal office is not in Minnesota, at the office of the American Arbitration Association located closest to its principal office) and/or by litigation only in Minnesota. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate at a place selected by the mediator or arbitrate in Minnesota (or if franchisor's principal office is not in Minnesota, at the office of the American Arbitration Association located closest to its principal office) or litigate with the franchisor in Minnesota, than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum monthly fees, advertising and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" to see whether your state requires other risks to be highlighted.

**NOTICE MANDATED BY SECTION 8 OF
MICHIGAN'S FRANCHISE INVESTMENT ACT**

The following is applicable to you if you are a Michigan resident or your franchise will be located in 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.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 525 West Ottawa Street, G. Mennen Williams Building, 1st Floor, Lansing, Michigan 48909, telephone: (517) 373-7117.

ANYTIME FITNESS FRANCHISOR LLC
FRANCHISE DISCLOSURE DOCUMENT
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ITEM 1.
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, “we”, “us” or “our” means Anytime Fitness Franchisor LLC, the franchisor; “you” or “your” means the person or entity that buys the franchise. If you are a corporation, partnership or other entity, “you” includes the franchisee’s owners.

The Franchisor

We are a Delaware limited liability company formed on October 25, 2021. We maintain our principal place of business at 111 Weir Drive, Woodbury, Minnesota 55125. We do business under our corporate name and as “Anytime Fitness.” We do not do business under any other names. We began offering Anytime Fitness and Anytime Fitness Express franchises in November 2021. We have never offered franchises in any other lines of business. We have no other business activities.

The franchises we offer are for the operation of fitness centers designed to operate under the trademark, “Anytime Fitness[®],” or “Anytime Fitness Express[®].” Whenever we talk about an Anytime Fitness franchise in this Disclosure Document, we are referring to both concepts, unless we specifically refer to one or the other.

The Franchise

Our franchise system consists of fitness centers offering convenient access and one-on-one, small and large group training. As of the issuance date of this Disclosure Document, we require you to staff your standard Anytime Fitness center or Anytime Fitness Express center for a minimum amount of hours per week, and we require you to offer small and/or large group training and personal training services to your members, both of which may be done by you or by qualified staff that you hire. We may also require you to use a telephone answering service during the time your Anytime Fitness center is not staffed. Through an affiliate, we have developed an access and security system that allows members of an Anytime Fitness center to have access to any Anytime Fitness center 24 hours a day, automated tanning and vending services, and reciprocal benefits between centers. In limited cases, we may allow your center to not be accessible 24 hours a day.

We will grant you the right to operate 1 Anytime Fitness center at a location we specify in your Franchise Agreement (the “Franchise Agreement”). The center will be an Anytime Fitness center unless we designate it as an Anytime Fitness Express center. Generally, an Anytime Fitness Express center will be a center located in an area having fewer than 7,000 people living within a 4-mile radius of the center. Anytime Fitness centers will typically have 4,000 to 6,000 square feet, while Anytime Fitness Express centers will typically have 1,500 to 4,000 square feet.

We also offer to qualified people the right to develop 2 or more Anytime Fitness franchises within a specific territory under the terms of an Area Development Agreement. If you sign an Area Development Agreement, you will sign a separate Franchise Agreement for each Anytime Fitness (or Anytime Fitness Express) center you develop under your Area Development Agreement. You will sign the first Franchise Agreement when you sign the Area Development Agreement. The form of that agreement will be the form attached to this Disclosure Document. Later Franchise Agreements you sign will be on the form of agreement we use at the time you sign the agreement. The terms of those agreements may differ from the form attached to this Disclosure Document.

The market for fitness centers is a developed market in most areas. Your customers will be the general public. Your competitors include other national fitness chains, personal training studios and local fitness centers.

Parents, Predecessor and Certain Affiliates

Parents

We are a direct wholly owned subsidiary of SEB Systems LLC (“Systems”). Systems is a direct wholly owned subsidiary of SEB Funding LLC (“Funding”) which is a direct wholly owned subsidiary of SEB SPV Guarantor LLC (“Guarantor”). Guarantor is a direct wholly owned subsidiary of our predecessor Anytime Fitness, LLC described below. The parent company of Anytime Fitness, LLC is Self Esteem Brands, LLC (“SEB”). SEB is owned by Anytime Worldwide, LLC. The majority of Anytime Worldwide, LLC is owned by Anytime Holdings, Inc. (The original majority owners of Anytime Fitness, LLC own all of Anytime Holdings, Inc. and therefore indirectly continue to own a majority of the beneficial interest in us.) We do not have any other parent companies. All of the entities disclosed in this paragraph have the same principal business address as we do.

Predecessor

Our predecessor is Anytime Fitness, LLC (“AFLLC”). It offered Anytime Fitness franchises from October 2002 to November 2021 and Anytime Fitness Express franchises from October 2006 to November 2021. It has operated Anytime Fitness centers since January 2005 and an Anytime Fitness Express center from October 2006 to 2009. It has no other business activities. We do not have any other predecessors. In November 2021, as part of the Securitization Transaction (described below), AFLLC transferred all existing U.S. franchise, area development and related agreements for Anytime Fitness and Anytime Fitness Express centers to us, and we became the franchisor of all existing and future franchise, area development and related agreements. Ownership and control of all U.S. trademarks and certain intellectual property relating to the operation of Anytime Fitness and Anytime Fitness Express centers in the U.S. were also transferred to us. AFLLC also acts as our manager as described below.

Affiliates

We have several affiliates that sell goods or services to our franchisees. PV Distribution LLC (“ProVision”) provides information technology services, technology, and security systems, including computers, sound systems, software and other related components along with technology and software support, installation services, and security monitoring to our franchisees (see Item 8). SEB Distribution SPV LLC will sell Anytime Fitness branded and other products for use and retail sale in your Anytime Fitness center. Healthy Contributions SPV LLC (“Healthy Contributions”) is a billing processing company that assists in the transfer, processing and distributions of funds and data for various fitness incentive programs, including an insurance reimbursement program. The principal business address of these affiliates is the same as our address. None of these affiliates has ever offered any fitness center franchises or franchises in any other lines of business, nor have they operated any fitness centers.

Our affiliate, Anytime Fitness Iberia, SLU (“AFI”), offers and sells Anytime Fitness franchises for Anytime Fitness locations in Spain. Its principal business address is c/ Llacuna 75-81, 08005 Barcelona, Spain. AFI has offered Anytime Fitness franchises in Spain since 2013. It has operated Anytime Fitness centers in Spain since October 9, 2012. As of December 31, 2021 it had 29 franchised centers and 4 company-owned centers in Spain.

Our affiliate Waxing the City Franchisor LLC (“Waxing Worldwide”), is the franchisor of the Waxing the City brand. It offers salon franchises under the Waxing the City name that focus on body waxing for men and women, and that sell related products and services. Waxing Worldwide and its predecessor, Waxing the City Worldwide, LLC (“WCWLLC”), have been offering these franchises since October 2012. WCWLLC has operated Waxing the City studios since December 2012. In November 2021 the agreements under which these franchises were operated were transferred to Waxing Worldwide as part of the Securitization Transaction (discussed below). As of December 31, 2021, Waxing Worldwide had 118 franchised studios operating in the United States and WCWLLC had 7 company-owned studios. Waxing Worldwide has never operated any fitness centers, or offered fitness center franchises or franchises in any other line of business. Waxing Worldwide has the same principal business address as we do.

Our affiliate Basecamp Fitness Franchisor LLC (“Basecamp”), is the franchisor of the Basecamp Fitness brand. It offers studio fitness center franchises under the Basecamp Fitness name that offer memberships allowing members to take short, regularly scheduled group training classes designed using High Intensity Interval Training strategies. Basecamp and its predecessor, Basecamp Fitness, LLC (“BFLLC”), have been offering these franchises since April 2020. BFLLC has operated Basecamp Fitness studios since May 2019. In November 2021 the agreements under which these franchises were operated were transferred to Basecamp as part of the Securitization Transaction (discussed below). As of December 31, 2021, Basecamp had 6 franchised studios operating in the United States and BFLLC had 6 company-owned studios. Except as disclosed above, Basecamp has never operated any fitness centers, or offered fitness center franchises or franchises, in any other line of business. Basecamp has the same principal business address as we do.

Our affiliate The Bar Method Franchisor LLC (“The Bar Method Franchising”), is the franchisor of the Bar Method brand. It offers boutique fitness studio franchises under the Bar Method name that offer barre-based exercise classes using proprietary and non-proprietary instructional techniques, formats and methods designed to provide fitness training in an attractive atmosphere. The Bar Method Franchising and its predecessor, The Bar Method Franchising, LLC (“TBMLLC”), have been offering these franchises since January 2008. The Bar Method, LLC (“TBM”) offered rights for Bar Method studios from June 2003 until October 2007 and assigned those agreements to TBMLLC in January 2008 at which time TBMLLC began offering Bar Method franchises. In November 2021 the agreements under which these franchises were operated were transferred to The Bar Method Franchising as part of the Securitization Transaction (discussed below). As of December 31, 2021, The Bar Method Franchising had 78 franchised studios in operation in the United States. TBMLLC began operating a Bar Method studio in 2021. The Bar Method Franchising has the same principal business address as we do.

Securitization Transaction

Under a securitization financing transaction which closed in November 2021 (the “Securitization Transaction”), SEB and its affiliates were restructured. As part of the Securitization Transaction, our predecessor, AFLLC, transferred all existing U.S. franchise, area development and related agreements for Anytime Fitness and Anytime Fitness Express centers to us, and we became the franchisor of all existing and future franchise, area development and related agreements. Ownership and control of all U.S. trademarks and certain intellectual property relating to the operation of Anytime Fitness and Anytime Fitness Express centers in the U.S. were also transferred to us.

At the time of the closing of the Securitization Transaction, AFLLC entered into a management agreement with us to provide the required support and services to Anytime Fitness franchisees under their franchise and area development agreements with us. AFLLC also acts as our franchise sales agent. We will pay management fees to AFLLC for these services. However, as the franchisor, we will be responsible and accountable to you to make sure that all services we promise to perform under your Franchise or Area

Development Agreement or other agreement you sign with us are performed in compliance with the applicable agreement, regardless of who performs these services on our behalf.

Regulations

Your business will be subject to national, state and local regulations that apply to all businesses, such as the Americans With Disabilities Act, wage and hour laws, data privacy laws, and business licensing requirements. Because you will accept credit cards, you will also have to comply with any general laws and regulations relating to the acceptance of credit cards, including the Payment Card Industry (“PCI”) Data Security Standard (“DSS”). Compliance with the PCI DSS is your responsibility. You must also comply with personal information, data protection and data privacy laws that affect the safekeeping of member information, and regulations that apply to electronic marketing, like faxes, emails, text messaging and telemarketing. Your business is subject to state and federal regulations that allow the government to restrict travel and/or require businesses to close during state or national emergencies.

There are no national regulations that apply specifically to the operation of fitness centers. However, many states, and some municipalities, have laws and regulations that apply specifically to membership contracts, operations and licenses. Many states limit the length of your customer contracts, provide for specific provisions to be included in those contracts, prescribe the format or type size for the contract, and/or provide customers the right to terminate their contracts. State regulations may also require you to obtain a bond to protect pre-paid membership fees you collect. Some states and municipalities may also have enacted laws requiring fitness centers to have a staff person available during all hours of operation, and in some cases this person may be required to be certified in basic cardiopulmonary resuscitation, or have other specialized training. In addition, some states have laws requiring a fitness center to have an automated external defibrillator (“AED”) and other first aid equipment on the premises, and some may require you to take other safety measures. If you offer tanning services, there will be laws in some states and municipalities that apply specifically to tanning services, including laws that deal with staffing, safety precautions, notices to customers, and restrictions on services available to minors. There is also a 10% tax on all indoor ultra-violet tanning services imposed by federal law. Some states impose sales taxes on club memberships. There may also be special permits required for you to operate some or all of your business. If these or similar laws have been enacted in the state or municipality in which you intend to operate your Anytime Fitness center, you will need to comply with these laws, and we urge you to become familiar with them.

There are also state and federal laws and regulations that apply to credit transactions, such as the Federal Truth In Lending Act and Regulation Z, and various other credit related statutes like the Equal Credit Act and Fair Debt Collection Practices Act. These laws and regulations vary from state to state and may affect your operations.

Our Agents for Service of Process

Our agents for service of process are disclosed in Exhibit A.

ITEM 2. BUSINESS EXPERIENCE

Chief Executive Officer: Charles Runyon

Mr. Runyon is one of the founders of the Anytime Fitness concept. He has served as the Chief Executive Officer for us, Waxing Worldwide, Basecamp and The Bar Method Franchising since October 2021. Mr. Runyon has been a Director of our predecessor AFLLC since February 2002, until he was appointed as a Governor of that company in December 2009. In December 2009, he also became its President and

Chief Manager. In January 2013, he transitioned from the role of President to Chief Executive Officer. Mr. Runyon has been the Chief Executive Officer and Governor of WCWLLC since September 2012, President and a Governor of BFLLC since August 2018, and the President of TBMLLC since September 2019.

President: Dave Mortensen

Mr. Mortensen is one of the founders of the Anytime Fitness concept. He has served as the President for us, Waxing Worldwide, Basecamp and The Bar Method Franchising since October 2021. He was appointed as the Secretary and a Governor of our predecessor AFLLC in December 2009, and was appointed President in January 2013. He was appointed as President, Chief Financial Officer/Treasurer and Secretary of our affiliate ProVision Security Solutions, LLC in October 2009. In December 2009, he was appointed as Secretary and a Governor of this organization. He has held these same positions for ProVision since October 2021. Mr. Mortensen has been the President and Secretary of WCWLLC since September 2012, Vice President and a Governor of BFLLC since August 2018, and the Vice President of TBMLLC since September 2019.

Chief Financial Officer: R. John Pindred

Mr. Pindred has served as the Chief Financial Officer for us, Waxing Worldwide, Basecamp and The Bar Method Franchising since October 2021. He has also served as the Chief Financial Officer/Treasurer of our predecessor AFLLC since November 2014, of WCWLLC since November 2014, of BFLLC since August 2018, and as the Chief Financial Officer of TBMLLC since September 2019.

General Counsel and Secretary: James Goniea

Mr. Goniea has served as the General Counsel and Secretary for us, Waxing Worldwide, Basecamp and The Bar Method Franchising since October 2021. He has held these same positions with BFLLC since August 2018 and TBMLLC since September 2019. He has held the position of General Counsel with our predecessor AFLLC since October 2017 and with WCWLLC since October 2017. From January 2016 to September 2017, he was a partner at Einbinder Dunn & Goniea LLP (now Einbinder & Dunn LLP) a law firm in New York, New York.

Chief Development Officer: Jedidiah Schmidt

Mr. Schmidt has served as the Chief Development Officer for AFLLC, WCWLLC, BFLLC and TBMLLC since January 2020. He leads the Franchise Sales, Real Estate and Market Development teams. Mr. Schmidt joined SEB in June 2016 and served in various roles: from June 2016 to October 2018 he was President of our affiliate ProVision Security Solutions, LLC and from October 2018 to January 2020 he was Brand President of BFLLC.

Senior Vice President of Franchise Administration: Jennifer Yiangou

Ms. Yiangou has served as the Senior Vice President of Franchise Administration for AFLLC, WCWLLC, BFLLC and TBMLLC since September 2020. From January 2008 to September 2020 she served as the Vice President of Franchise Administration for AFLLC. She also served as Vice President of Franchise Administration with TBMLLC from September 2019 to September 2020, with WCWLLC from October 2012 to September 2020, and with BFLLC from August 2018 to September 2020.

SVP International Operations: Elizabeth (“Libby”) Junker

Ms. Junker has served as the Senior Vice President of International Support for AFLLC from January 2014 to November 2021, before becoming the SVP International Operations for AFLLC in November 2021.

SVP International Development: Sander van den Born

Mr. van den Born has served as the Senior Vice President of International Development for AFLLC since April 2022. From 2018 to April of 2022 he served as the Chief Marketing and Technology Officer for Goodlife Fitness.

Chief Technology Officer: Ryan Masanz

Mr. Masanz has served as the Chief Technology Officer for AFLLC and WCWLLC since October 2012, with BFLLC since August 2018, and with TBMLLC since September 2019.

Chief Information Officer: Douglas Reynolds

Mr. Reynolds has served as the Chief Information Officer for AFLLC, WCWLLC, BFLLC and TBMLLC since July 2021. From March 2017 to April 2021 he served as the Chief Information Officer and Executive Vice President for Starkey Hearing Technologies located in Eden Prairie, Minnesota. From February 2017 to March 2017 he served as President of Digineer, Inc., located in Plymouth, Minnesota.

Chief Operating Officer: Angela Jaskolski

Ms. Jaskolski has served as the Chief Operating Officer for AFLLC, WCWLLC, BFLLC and TBMLLC since September 2020. Ms. Jaskolski joined SEB in April 2016 as the Senior Vice President of Strategic Operations. In August 2016, she became the Brand President of WCWLLC. From September 2019 to September 2020 she was the Studio Division President for WCWLLC.

Chief Marketing Officer: April Anslinger

Ms. Anslinger has served as the Chief Marketing Officer for SEB, AFLLC, WCWLLC, BFLLC and TBMLLC since March 2021. Before joining SEB, from February 2018 to January 2021, she served as the Senior Vice President, General Manager of North America Aveda for the Estee Lauder Companies. From April 2016 to October 2017 she was the Chief Growth Officer for the Schwan Food Company, located in Marshall, Minnesota.

Brand President: Stacy Anderson

Ms. Anderson has served as the Anytime Fitness Brand President for AFLLC since August 2016. She joined AFLLC in September 2012 as its Chief Marketing Officer.

Vice President of Real Estate: Mark Norman

Mr. Norman has served as the Vice President of Real Estate for AFLLC, WCWLLC, BFLLC and TBMLLC since September 2019. From April 2017 to September 2019 Mr. Norman served as Vice President of Real Estate for Regis Corporation in Minneapolis, Minnesota. From September 2016 to April 2017 he was Associate Vice President of Real Estate at Regis Corporation in Minneapolis, Minnesota.

Director of Financing: Timothy Smith

Mr. Smith has served as the Director of Financing for AFLLC since October 2012, WCWLLC since December 2009, BFLLC since August 2018, and TBMLLC since September 2019. From February 2013 to present he has also been President of our affiliate Franchise Financial, LLC.

Vice President of Operations: Ben Smith

Mr. Smith joined SEB in November 2020 as Vice President of Operations. From October 2016 to November 2020 he served as the C.O.O. for The Cookie Place, Inc.

Vice President of Sales: Tony Nicholson

Mr. Nicholson has been Vice President of Sales for SEB since January 2021. Mr. Nicholson joined SEB in February 2012 and has held various roles in the organization; initially as Director of Services and Personal Training for AFLLC from February 2012 to August 2014. From August 2014 to May 2016, Mr. Nicholson served as Director of Anytime Health, LLC, Anytime Fitness' former health and wellness platform. From May 2016 to January 2021, Mr. Nicholson served as Director of Sales of SEB.

**ITEM 3.
LITIGATION**

Remarck Partners, LLC vs. Gibson Center, L.P., et al. Superior Court for the State of California, Yolo County, Case No. CV-17-1747, filed October 24, 2017. Plaintiff Remarck Partners, bought a shopping center in which an Anytime Fitness franchisee had planned to lease space to develop an Anytime Fitness center. Plaintiff sued the seller, Gibson Center, L.P., along with our predecessor and Franchise Real Estate LLC ("FRE"), which formerly offered site selection assistance and lease negotiation services to Anytime Fitness franchisees, for allegedly fraudulently failing to disclose that the franchisee was trying to get out of the lease and could not move forward with opening a club due to significantly changed financial circumstances. Plaintiff subsequently filed an Amended Complaint on or about January 11, 2018 adding claims against the franchisee. Our predecessor and FRE filed a motion to dismiss all claims brought against it and FRE, but that motion was denied. In November 2019 our predecessor entered into a settlement agreement with the plaintiff. The settlement agreement resolved all claims against our predecessor and FRE, except for certain cross-claims by Gibson Center, a former owner of the shopping center at issue. Those cross claims are still pending. The final settlement agreement provides that neither our predecessor nor FRE will pay any amount, but they will dismiss their claims against Remarck in exchange for Remarck's dismissal of its claims against our predecessor and FRE.

Canadas Fitness, S.L. v. Anytime Fitness Iberia, SLU, filed as a court proceeding in Barcelona, Spain, November 24, 2021. This lawsuit was filed against AFI, an affiliated entity licensed by us to offer, sell and provide support for Anytime Fitness franchised locations in Spain, by a former Anytime Fitness franchisee who had operated an Anytime Fitness location in Las Rozas, Spain. The lawsuit generally alleges that AFI breached its duties under the franchise agreement by (1) failing to provide certain commercial and technical assistance and (2) making untruthful pre-contractual disclosures and statements. The lawsuit also alleges that AFI imposed unreasonable fees and requirement on the former franchisee. The lawsuit seeks damages of 1.1 million Euros and a declaration that the franchise agreement was lawfully terminated by the former franchisee. Alternatively, the lawsuit seeks rescission of the franchise agreement. AFI has timely responded by denying the allegations of the lawsuit. AFI intends to vigorously defend against the allegations of the lawsuit as it believes that the allegations are completely devoid of merit.

The following disclosures relate to our affiliates, TBM and TBMLLC, in connection with the offering of boutique fitness studios that offer barre-based exercise classes under the name Bar Method:

Illinois v. The Bar Method Franchising Inc. and The Bar Method Inc. (Case No. 2009CH 0125, Seventh Judicial Circuit of Illinois, filed February 9, 2009). The Illinois Attorney General brought this action against Defendants, alleging the agreement between TBM and an Illinois resident that TBM assigned to TBMLLC in January 2008 constituted a franchise that was not registered under the Illinois Franchise Disclosure Act, and that TBM did not provide a franchise disclosure document to the operator as that statute requires. On February 9, 2009, Defendants agreed to the entry of a Final Judgment and Consent Decree in which, while not admitting any liability, Defendants agreed to the entry of a permanent injunction prohibiting Defendants from offering or selling franchises in Illinois without being registered as a franchisor or failing to provide the franchise disclosure document to residents of Illinois as the Illinois Franchise Disclosure Act requires. TBMLLC also agreed to offer rescission of the agreement to the Illinois operator and to the payment of penalties and costs to the State of Illinois in the amount of \$5,000. The Illinois operator did not accept the offer of rescission and its agreement continues in effect.

In the Matter of the Investigation by Andrew Cuomo, Attorney General of the State of New York, of The Bar Method Inc. and Carl Diehl (Assurance No. 08-108). On April 2, 2009, TBM and Mr. Diehl, as its Vice President, entered into an Assurance of Discontinuance (“AOD”) under which, without admitting any violation of the law, they agreed to offer rescission of an agreement that TBM signed in New York without being registered to sell franchises in that state. As part of the AOD, TBM and Mr. Diehl agreed to comply with the provisions of the New York Franchises Act and not to sell franchises in New York without a current registration. TBM also paid to the State of New York the sum of \$2,500. The New York operator did not accept the offer of rescission and she continues to operate her studio under the agreement.

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

ITEM 4. BANKRUPTCY

Except as set forth below, no bankruptcy information is required to be disclosed in this Item.

Our Chief Financial Officer, R. John Pindred, was an officer of Family Christian, LLC, 5300 Patterson Avenue Southeast, Grand Rapids, Michigan 49530, from August 2004 until September 2014. On February 11, 2015, about 5 months after Mr. Pindred left that company, Family Christian, LLC, filed for protection under Chapter 11 of the United States Bankruptcy Code, Case No. 15-00643, United States Bankruptcy Court, Western District of Michigan. The deadline for filing claims passed on June 9, 2015. On August 11, 2015, Family Christian, LLC’s Chapter 11 Plan of Liquidation, involving a sale of assets and continuity of operations, was confirmed. On August 1, 2016, the court issued its Final Decree Closing the Chapter 11 Case.

ITEM 5. INITIAL FEES

Initial Franchise Fee and Development Fee

We offer franchises for Anytime Fitness and Anytime Fitness Express centers. Our standard initial franchise fee for an Anytime Fitness center is \$42,500. Our standard initial franchise fee for an Anytime Fitness Express center is \$25,000. However, we do offer other pricing options for veterans and for existing franchisees of ours and our affiliated brands (The Bar Method, Basecamp Fitness, and Waxing the City), so long as these franchisees are not in default under their existing franchise agreement(s) with us or the

applicable brand, and for people signing an Area Development Agreement to operate multiple Anytime Fitness franchises. A schedule of the various options and fees follows:

Franchise Agreement Pricing	New Franchisee	New Franchisee Who Meets Veteran Requirements¹	Existing Franchisee	Existing Franchisee Who Meets Veteran Requirements¹
Standard Anytime Fitness Franchise	\$42,500	\$35,000	\$32,500	\$30,000
Anytime Fitness Express	\$25,000	\$22,500	\$22,500	\$20,000
Club Purple Members – Franchise Agreements²:				
Standard Anytime Fitness Franchise	Not Applicable	Not Applicable	\$25,000	\$25,000
Anytime Fitness Express	Not Applicable	Not Applicable	\$20,000	\$20,000
Club Platinum Members – Franchise Agreements³				
Standard Anytime Fitness Franchise	Not Applicable	Not Applicable	\$20,000	\$20,000
Anytime Fitness Express	Not Applicable	Not Applicable	\$17,000	\$17,000
Area Development Agreements⁴				
Standard Anytime Fitness Franchise				
2 locations	\$70,000	\$60,000	\$65,000	\$57,500
3 locations	\$95,000	\$82,500	\$95,000	\$80,000
4 locations	\$125,000	\$107,500	\$125,000	\$105,000
Additional locations	+\$30,000 each	+\$25,000 each	+\$30,000 each	+\$25,000 each
Anytime Fitness Express				
2 locations	\$45,000	\$40,000	\$42,500	\$37,500
3 locations	\$62,500	\$55,000	\$60,000	\$52,500
4 locations	\$82,500	\$72,500	\$80,000	\$70,000
Additional locations	+\$20,000 each	+\$17,500 each	+\$20,000 each	+\$17,500 each
Club Purple: Standard Anytime Fitness Franchise				
2 locations	Not Applicable	Not Applicable	\$50,000	\$50,000
3 locations	Not Applicable	Not Applicable	\$75,000	\$75,000
4 locations	Not Applicable	Not Applicable	\$100,000	\$100,000
Additional locations	Not Applicable	Not Applicable	+\$25,000 each	+\$25,000 each
Club Purple: Anytime Fitness Express				
2 locations	Not Applicable	Not Applicable	\$40,000	\$40,000

¹ To qualify for Veteran pricing, you must be a current member of the United States or Canadian Military, or a veteran who received an honorable discharge from a branch of the United States or Canadian Military.

² This pricing is available only to existing Anytime Fitness franchisees that are members of Club Purple. Requirements for participation in Club Purple will vary from time to time, and are made available to our franchisees that qualify for our then-current standards for participation in that program.

³ This pricing is available only to existing Anytime Fitness franchisees that are members of Club Platinum. Requirements for participation in Club Platinum will vary from time to time, and are made available to our franchisees that qualify for our then-current standards for participation in that program.

⁴ We offer Area Development Agreements to develop multiple centers. The development fees you pay when you sign an Area Development Agreement will vary depending on the number of centers you commit to open, whether they are full-size Anytime Fitness centers or Anytime Fitness Express centers, whether you are an existing franchisee, and whether you qualify for the Veterans program.

Franchise Agreement Pricing	New Franchisee	New Franchisee Who Meets Veteran Requirements¹	Existing Franchisee	Existing Franchisee Who Meets Veteran Requirements¹
3 locations	Not Applicable	Not Applicable	\$60,000	\$60,000
4 locations	Not Applicable	Not Applicable	\$80,000	\$80,000
Additional locations	Not Applicable	Not Applicable	+\$20,000 each	+\$20,000 each
Club Platinum: Standard Anytime Fitness Franchise				
2 locations	Not Applicable	Not Applicable	\$40,000	\$40,000
3 locations	Not Applicable	Not Applicable	\$60,000	\$60,000
4 locations	Not Applicable	Not Applicable	\$80,000	\$80,000
Additional locations	Not Applicable	Not Applicable	+\$20,000 each	+\$20,000 each
Club Platinum: Anytime Fitness Express				
2 locations	Not Applicable	Not Applicable	\$34,000	\$34,000
3 locations	Not Applicable	Not Applicable	\$51,000	\$51,000
4 locations	Not Applicable	Not Applicable	\$68,000	\$68,000
Additional locations	Not Applicable	Not Applicable	+\$17,000 each	+\$17,000 each

We will also offer you a way to reduce your initial franchise fee by up to an additional \$2,000. We have a charitable contribution program, currently known as the HeartFirst Charitable Foundation, which we offer to all new franchisees. Under this program, we will reduce your initial franchise fee by \$2,000 for the first franchise you purchase from us, and \$500 for each subsequent one, if you agree to pay a charitable contribution of \$100 per month from the date you open each center through the term of the Franchise Agreement, that we will contribute directly to the HeartFirst Charitable Foundation on your behalf, or another charity or charities we designate on your behalf. Each of your centers that participate in this program will also be designated as an Anytime Fitness center participating in our charitable contribution program and will be able to include this designation in all advertising and promotional materials you distribute.

If you sign an Area Development Agreement, the initial franchise fee is referred to as a Development Fee, and you pay it in full, for all the centers you commit to open, when you sign the Area Development Agreement. In all other cases, the initial franchise fee is due in full when you sign the Franchise Agreement. All portions of the initial franchise fee (and Development Fee) are nonrefundable.

You will have 12 months from the date you sign the Franchise Agreement to open and begin operating your center. If you want to extend that time for an additional 3 months, and we agree to allow you to do so, you must pay us a \$500 extension fee. (However, we will waive this extension fee if you are actively working with our real estate team in locating a site.) After 15 months from the date you sign the Franchise Agreement, you must begin paying the monthly royalty fee (Monthly Fee) to us, whether or not your Anytime Fitness center is open. If you are actively working with our real estate team in locating a site or have signed a lease with the assistance of our real estate team, we will waive the Monthly Fee until your Anytime Fitness center is open. If your Franchise Agreement designates the site of your business “to be determined,” so that you have no protected territory, or if you agree to release any protected territory that has been given to you and to seek a site in an area “to be determined,” then we will grant you one 3 month extension for a \$500 extension fee, and we will waive the Monthly Fee until you begin operating your center. The extension fee also applies if we agree to allow you to extend the date for opening of any Anytime Fitness center that you agree to open under your Area Development Agreement. We are not, however, obligated to grant these extensions, and we have the right to condition our consent on other requirements. Extension fees are not refundable and are not credited against any other obligation you may have to us.

In the last fiscal year ended December 31, 2021, our and our predecessor's Initial Franchise Fees ranged from \$7,500 to \$42,500 depending on which category the franchise fit.

ProVision Technology Purchases

There are other fees you will pay to our affiliate, ProVision, before you begin operating. You must purchase certain technology components from ProVision, including certain computer hardware, software and networking equipment, door readers, key fobs (either in hardware or in digital form) or equivalent technology, security and surveillance system, fitness scanning and/or monitoring equipment, sound system, and CCTV's (collectively, the "Technology System"). You also must have ProVision install the Technology System. The cost to purchase the Technology System package currently ranges from \$23,537 to \$24,397 (including an Evolt Body Composition Scanner and Rockbot Media Player) for an Anytime Fitness center and is currently \$17,345 (does not include the Evolt Body Composition Scanner) for an Anytime Fitness Express center, payable to our affiliate. You may have an option to purchase the Evolt Body Composition Scanner directly from the vendor with a financing option. You may, but are not required to, purchase additional equipment from ProVision to enhance the base Technology System package and you may be required to purchase additional equipment if your club is larger than an average club in our system. The above amounts for the base Technology System package do not include taxes which we estimate will cost an additional 10% of the package cost and the cost of shipping or installation, which we estimate will cost an additional approximately 55% of the Technology System package cost (which are payable to vendors or government agencies).

Training Suite

The Training Suite (as defined in Item 11) is a required element of the Anytime Fitness system and you must implement it in your Anytime Fitness center. The Training Suite is optional for Anytime Fitness Express centers. For new franchisees, the Training Suite Training Program is provided as part of our initial training program. If you are an existing franchisee that will now elect to offer the Training Suite at your center, and have not already attended training, then you must attend the Training Suite Training separately. This training is offered in in-person at our corporate headquarters, and may be offered virtually, solely at our discretion. You must pay our then-current fee, currently \$250 per person. You are responsible for travel costs, room and board, and the salaries, fringe benefits, and other expenses you and your employees incur to attend such training, if applicable. Alternatively, if you are buying an existing Anytime Fitness center and subject to corporate trainer availability, we also offer the Training Suite Training Program in the field, on-site at your Anytime Fitness center, or the Anytime Fitness center of another franchise owner with whom you have partnered to receive this training. For a fee ranging from \$6,000 to \$10,500 depending on how many ownership groups are receiving training (up to a maximum of 3), we will send 2 corporate staff members to the designated center to provide 2 days of customized, interactive, on-site training designed to teach program methodology, how to deliver programming, how to set up and conduct group and personal training sessions, and how to educate members and sell group and personal training to members. This on-site training is conducted for up to 21 total attendees and includes pre-visit communication and post-visit follow-up.

Compliance Drawing and Construction Documents

We will create a specific club layout/design ("Compliance Drawing") of your center using the as-built drawings, surveys, technical data, and site plans you provide. You must obtain a Compliance Drawing from us. If you are developing a new Anytime Fitness center, we will provide you with one Compliance Drawing at no additional cost. We anticipate this design will be sufficient to provide to an architectural vendor to create your Construction Documents (defined below). If you are signing the Franchise Agreement as part of a franchise renewal or transfer and we determine that your Anytime Fitness center

requires renovation or re-equipment, then you must pay us \$250 for your Compliance Drawing, but we will credit \$250 against one Monthly Fee payment if you complete all renovation and re-equipment requirements by the required due date. In either case, if you require additional Compliance Drawings, you must pay us \$250 for each additional Compliance Drawing.

You must retain our designated architectural vendor to create a complete set of detailed construction documents and to complete construction of your Anytime Fitness center in compliance with the Compliance Drawing and our mandatory specifications (“Construction Documents”), and to obtain any required permits, and conform the premises to local ordinances or building codes. If you do not use our designated architectural vendor to create the Construction Documents, we will charge you a fee of \$2,700 to review the Construction Documents created by another vendor.

As described in Item 8, you may participate in our “Construction Management Services” program offered through our approved vendor to oversee the construction of your Anytime Fitness center. At this time, participation in the Construction Management Services program is optional. However, we may transition the Construction Management Services to a mandatory program.

Grand Opening and Ramp Up Program

You must spend at least \$11,000 to \$23,000 (depending on your market Tier) for an Anytime Fitness center on your approved Grand Opening and Ramp Up Program as described in Items 6 and 11. You will not pay these amounts to us but if you fail to spend the minimum required amount, we may require you to pay the difference between what you should have spent on your Grand Opening and Ramp Up Program and what you actually spent, into the General Advertising and Marketing Fund. This amount would not be refundable. If you operate an Anytime Fitness Express center, there is no minimum amount that you must spend on grand opening.

ITEM 6. OTHER FEES

Type of Fee (Note 1)	Amount (Note 2)	Due Date	Remarks (Note 3)
Monthly Fee	<p>Currently: 1-9 centers: \$699 per center 10+ centers: \$649 per center</p> <p>\$449 per month for Anytime Fitness Express centers.</p> <p>We reserve the right to periodically increase this fee and/or replace this fixed fee with a percentage-based monthly royalty on all gross revenue. (Note 4)</p>	<p>On or before the first day of each month. Your billing vendor will subtract this fee from the receipts generated by your accounts. (Note 5)</p>	<p>You will begin paying this fee after you open your center, but if you have a Protected Territory, and have not opened after 15 months, you then must begin paying this fee. If you are actively working with our real estate team in locating a site or have signed a lease with our assistance, we will waive the Monthly Fee until your Anytime Fitness center is open. For Anytime Fitness centers, this fee includes the monthly Training Suite fee.</p> <p>Any Anytime Fitness Express centers that you operate do not count when calculating the number of centers that you operate for purposes of calculating the Monthly Fee.</p> <p>The Training Suite fee is not included in this fee for Anytime Fitness Express centers. Anytime Fitness Express centers who implement the Training Suite are charged the Training Suite Fee outlined below.</p>

Type of Fee (Note 1)	Amount (Note 2)	Due Date	Remarks (Note 3)
General Advertising Fee	Currently, \$600 per month, beginning when you open your center; \$300 per month for an Anytime Fitness Express center.	On or before the first day of each month. Your billing vendor will subtract this fee from the receipts generated by your accounts. (Note 5)	We reserve the right to increase the General Advertising and Marketing Fund Contribution upon 60 days' written notice to you, provided it will not exceed "the greater of \$600 per month (\$300 per month for Anytime Fitness Express Centers) or 2% of Gross Revenue (which may be calculated on a weekly basis)
Grand Opening and Ramp Up Program	Up to \$11,000 to \$23,000 for an Anytime Fitness center; no minimum for an Anytime Fitness Express center (Note 6)	As incurred	You will not pay these amounts to us but we may require you to submit receipts to verify you met this requirement. If you fail to spend the minimum required amount on the Grand Opening and Ramp Up Program, we have the right to require you to pay the difference in to the General Advertising and Marketing Fund. You are not required to spend a minimum amount on a Grand Opening and Ramp Up Program for an Anytime Fitness Express center.
Base Technology Fee (formerly, Global Access Fee)	<p>Currently:</p> <p>1-3 centers: \$799 per center 4-9 centers: \$649 per center 10-24 centers: \$599 per center 25+ centers: \$549 per center</p> <p>Anytime Fitness Express centers:</p> <p>1-3 Express centers: \$720 per Express center 4-9 Express centers: \$649 per Express center 10-24 Express centers: \$599 per Express center 25+ Express centers: \$549 per Express center</p> <p>We reserve the right to periodically increase this fee. (Note 7)</p>	On or before the first day of each month. Your billing vendor will subtract this fee from the receipts generated by your accounts. (Note 5)	Once you begin operating, you pay this fee to us or our affiliate for ongoing support for our proprietary access control software, development and release updates of that software, access to Anytime Health resources and memberships, email hosting, fitness scanning and/or monitoring, and sound system services, and cellular communications. As part of this fee, ProVision will also provide security monitoring services and ongoing support for your technology, email, club operating software, and club management software.
Construction Document Review Fee	\$2,700	Immediately after notice from us	You must pay us this fee if this is your first Anytime Fitness center and you do not use our designated architectural vendor to complete your Construction Documents.

Type of Fee (Note 1)	Amount (Note 2)	Due Date	Remarks (Note 3)
Training Suite Fees	<p>Currently: 1-3 centers: \$149 per center 4-9 centers: \$109 per center 10+ centers: \$109 per center for the first 9 centers, and \$0 for each additional center thereafter</p> <p>We reserve the right to periodically increase this fee; however, we will not increase this fee to more than \$300 per center per month.</p>	On or before the 1st day of each month. Your billing vendor will subtract this fee from the receipts generated by your accounts. (Note 5)	You will only pay this fee to us for (i) Anytime Fitness center(s) in which you are implementing the Training Suite if those centers are operating pursuant to Franchise Agreements dated March 28, 2019 or earlier, or (ii) if you have an Anytime Fitness Express center and choose to implement the Training Suite. (Note 8)
Training Suite Registration Fee	<p>Currently, \$250 per person if attending the Training Suite Training.</p> <p>There is no Registration Fee as a new or renewing franchisee for you to attend the Training Suite Training that is conducted as part of our initial training program.</p>	At the time training is scheduled.	If you are an existing franchisee that will now offer the Training Suite at your center, and have not already attended training, then you must attend the Training Suite training. In addition, you are responsible for travel costs, room and board, and the salaries, fringe benefits, and other expenses you and your employees incur. For a fee ranging from \$6,000 to \$10,500, we may offer the Training Suite Training on-site. (Note 9)
On-Site Training Suite Registration Fee	<p>\$6,000 for 1 owner, with up to a total of 21 attendees. \$4,500 per owner for 2 owners, with up to a total of 21 attendees. \$3,500 per owner for 3 owners, with up to a total of 21 attendees.</p>	At the time training is scheduled.	This fee is paid in the event you choose to complete the Training Suite Training in the field, on-site at your Anytime Fitness center or the center of a participating owner. Training is a two-day customized, interactive program provided by corporate staff. Training is provided for up to 21 attendees and includes pre-visit communication and post-visit follow-up for each owner. Attendees must be employees of the participating owner(s). Travel costs, room and board for corporate staff are included in this fee. (Note 9)
On-Site Relaunch Training or Additional Assistance Fees	Currently, \$3,000.	At the time training is scheduled or on the closing date of a club sale, whichever is earlier.	<p>On-Site Relaunch Training: If you are a new franchisee purchasing an existing club we will send a representative or designee out to the purchased club for 2 to 6 days of required, on-site training for you and your staff in club operations. Length of training is at our discretion. Travel costs, room and board for corporate staff are included in the fee.</p> <p>Additional Assistance: If you ask us, or if we determine you need, additional assistance in operations training, we will send a representative or designee out to your club for 2 to 6 days of required, on-site training for you and your staff in club operations. Length of training is at our discretion. Travel costs, room and board for corporate staff are included in the fee. (Note 10)</p>

Type of Fee (Note 1)	Amount (Note 2)	Due Date	Remarks (Note 3)
On-Site Relaunch Re-booking Fees	\$1,500 for each re-booking.	Upon re-booking.	(Note 10)
On-Site Training Cancellation Fees	\$0-\$10,500 depending upon the type of scheduled training and how far in advance you cancel the training.	Upon cancellation or rescheduling.	(Note 10)
No Show Fees	Currently, \$500, or the actual costs of rescheduling travel, whichever is greater.	Immediately after notice from us.	If you are scheduled for an on-site visit by our representative or designee or register for an in-person training program, and you fail to attend, fail to have the appropriate parties attend, or fail to stay for the entire program, and you did not provide us at least 2 weeks' advance notice that you would not be attending, then you must pay this fee.
Healthy Contributions Fitness Incentive Program - Initial Fees	Currently, no cost for set-up of the first Fitness Incentive Program, and \$20 for each additional Fitness Incentive Program. Also, currently, a \$1.50 initial member fee for each member you enroll on the Healthy Contributions website, and \$3 for each member enrolled by a Healthy Contributions staff member upon club's request.	Paid by ACH or similar draft, generally 40-45 days after each activity month end.	If you choose to offer your members fitness incentive programs from healthcare providers or employers ("Fitness Benefit Programs"), you will pay this fee to our affiliate, Healthy Contributions, for its ongoing work in administering, transferring, processing and distributing funds and data for the Fitness Incentive Programs.
Healthy Contributions Fitness Incentive Program - Ongoing Fees	Currently, a \$5 fee per each Fitness Incentive Program per month, a monthly transaction fee of \$0.15 or \$0.25 per active member for each applicable deposit, a \$0.15 per member, per month maintenance fee for data storage and security, and a \$0.50 total transaction fee per month.	Paid by ACH or similar draft, generally 40-45 days after each activity month end.	Only payable if you choose to offer Fitness Incentive Programs to your members.
Charitable Contribution	\$100 per month	On or before the first day of each month. Your billing vendor will subtract this fee from the receipts generated by your accounts. (Note 5)	This is a voluntary contribution you will make once you open your Anytime Fitness center, but only if you decide to participate in our Charitable Contribution Program. See Item 5 for additional information. Although we currently do not require you to pay this charitable contribution, in the future we may require you to pay \$100 per month to Heartfirst Charitable Foundation or another charitable organization we designate.

Type of Fee (Note 1)	Amount (Note 2)	Due Date	Remarks (Note 3)
Inspection Fee	Generally, \$50 - \$100	Upon notice from us. Your billing vendor will subtract this fee from the receipts generated by your accounts.	We reserve the right to have someone conduct an inspection of your center after you open. If you fail the inspection, the center will be re-inspected, and you may then have to reimburse us for our costs of additional inspections until the center passes an inspection. As long as you pass the initial inspection, you will not incur this cost.
Peer Compliance Committee Default Fee	Up to \$1,000 per violation	Immediately after notice from us. Your billing vendor will subtract this fee from the receipts generated by your accounts.	If you breach certain provisions of your Franchise Agreement, we can submit the default to a "Peer Compliance Committee" made up of other franchisees. If they determine a breach occurred, they may levy a fine against you of up to \$500. If you do not timely cure, or breach the provisions again, the next fine can be up to \$1,000. All fines will be donated directly to the HeartFirst Charitable Foundation or another charitable organization to be designated by us. Any fines the Peer Compliance Committee may assess are in addition to the standard default fee described below and any damages or costs we may incur as a result of the default.
Standard Default Fee	Up to \$250 per violation	Immediately after notice from us. Your billing vendor will subtract this fee from the receipts generated by your accounts.	In addition to our right to terminate the Franchise Agreement, if you breach certain provisions of your Franchise Agreement, and you fail to cure the default during the cure period provided, you must pay us a fee of up to \$250 per month until the default is cured in order to offset our costs incurred to address the default. This standard default fee is in addition to any fines that may be assessed through the Peer Compliance Committee.
Marketing Materials	Currently, \$12,100	When incurred.	You must purchase marketing materials for promotions we require. This amount is for the first year of operations. After the first year, the amount will vary based upon your needs.
Conference Fee	Currently, \$459 for early registration, increasing to \$689 at the Conference	When you register for the Conference.	You must pay this fee in those years in which a Conference is scheduled, for one center, regardless how many centers you open, even if you do not register for our Conference. It gives you a registration for a Principal Owner of your business to attend or participate in our Conference. (Note 11)
Continuing Engagement Credit Fees	Up to \$1,200 for each year you fail to complete 1,200 continuing engagement credits ("CEC"), as outlined in our Operations Manual. (Note 12)	During the first quarter of each calendar year. Your billing vendor will subtract this fee from the receipts generated by your accounts.	We will contribute these fees to the General Advertising and Marketing Fund. See Item 11 for additional information on completing credits.

Type of Fee (Note 1)	Amount (Note 2)	Due Date	Remarks (Note 3)
Customer Service Webinar	Currently, \$250	Immediately after notice from us. Your billing vendor will subtract this fee from the receipts generated by your accounts.	If you fail to meet our customer service standards, you must take our customer service webinar and pay this fee. If you do not take the webinar within the time we require, you will be charged an additional \$250 per month until you attend the webinar.
Renewal Fee	\$4,500, reduced to \$4,000 if we receive the fee, and all your signed renewal documents, at least 30 days before your franchise expires.	At least 30 days before the term of your Franchise Agreement expires.	You only pay this fee if you want to renew your franchise.
Transfer Fee	\$7,500 or \$15,000 (Note 13)	Before you transfer the franchise.	You only pay this fee if you sell your franchise or your interest in it.
Relocation Fee	\$1,500	When you submit a request to move your center.	You must obtain our consent to relocate your business. If we do not approve your request, we will refund the fee. It is currently our policy to waive the fee if you work with our real estate team to obtain a new site.
Liquidated Damages	\$10,000	If you fail to develop an Anytime Fitness center by the deadline provided in an Area Development Agreement that you sign.	This fee only applies if you sign an Area Development Agreement, and it then applies for each Anytime Fitness center you fail to develop under that agreement.
Insurance/Bond Handling Fees	Currently, \$100	Immediately after notice from us.	You only pay this fee to us if you fail to obtain insurance or a health club surety bond, and we obtain the insurance coverage or the surety bond for you. This fee does not include the cost of insurance or bond premiums, for which you must also reimburse us.
Costs and Attorneys' Fees	Will vary under circumstances.	Immediately after notice from us.	You only pay this amount if we are successful in any legal action we bring against you, or in defending any claim you bring against us.
Interest	The lesser of 1.5% per month or the maximum rate allowable by applicable law.	As incurred.	Payable on all overdue amounts.
Indemnification	Will vary under circumstances.	As incurred.	You have to reimburse us if we are sued or held liable for claims arising out of your business.
Re-Sale Assistance Program	\$549, plus \$99 per month until you sell your business or decide to terminate your participation in the program. These prices are per Anytime Fitness Center.	As incurred.	If you want to sell your business, we currently have a program to assist franchisees in marketing their business (see Item 11). We do not require you to participate in this program. If you do not want our assistance but do want access to our forms, you must pay us a form fee of \$999, plus an additional \$199 for each additional location.

Type of Fee (Note 1)	Amount (Note 2)	Due Date	Remarks (Note 3)
Club Enhancement Program	\$500 per month	Each month after you begin operating.	These are your funds that we recommend you set aside to remodel your Anytime Fitness center to current standards as a condition to renewing your franchise and to provide other updates to your center. However, we have the right to require you to pay these amounts to us to hold for you. (Note 14)
Local Marketing Spend (Note 15)	\$600, \$800 or \$1,000 per month, depending on your market tier; no minimum for an Anytime Fitness Express center.	As Incurred	After the Grand Opening and Ramp Up Plan, you must spend a required amount per month on approved local advertising, depending on your market tier. You will not pay these amounts to us but we may require you to submit receipts to verify you met this requirement. If you fail to spend the minimum required amount we have the right to require you to pay the difference into the General Advertising and Marketing Fund.
PT Revenue Reporting Fee	\$500	As incurred	You will be charged this fee for each month you do not report your PT revenue through our designated club management software or our mandated billing platform.

Notes:

(1) Unless otherwise stated, all fees are paid to us, are non-refundable, and are uniform for all new franchisees. (Franchisees who signed earlier versions of our franchise agreements may be paying lower fees in some categories.) In certain unique circumstances, we may waive one or more of these fees.

(2) If your state, or any governmental body in your state, charges a tax on any fee you owe to us or to our affiliates, then you must pay an additional amount equal to the amount of this tax. This does not apply to any federal or Minnesota income taxes we or our affiliates have to pay.

(3) For all amounts you owe to us or our affiliates, we have the right to collect these fees by pre-authorized check draft or pre-authorized credit card charge. However, currently, our preferred provider of the billing and payment processing services collects most of these fees on our behalf from the fees they collect each month from your members. A copy of the billing and payment processing services agreement with our preferred provider is attached as Exhibit R.

(4) We may adjust the Monthly Fee as of January 1 of each year to reflect inflation according to the Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, or its successors. Although we currently do not charge a percentage-based royalty, we can, on 30 days' notice to you, replace the fixed Monthly Fee with a percentage-based monthly royalty on all gross revenue, including personal training revenue and point of sale revenue.

(5) You pay the Monthly Fee, the General Advertising Fee, and the Base Technology Fee, and if you choose to participate in our Charitable Contribution Programs, then also your monthly charitable contribution, in advance on or before the first day of each month. You will also pay any Training Suite Fee (if applicable) in advance on or before the first day of each month. However, if you open after the first of the month, the fees are not due until the first day of the following month. As an example, if you sign your Franchise Agreement April 15, and your business opens June 15, the first month that you must pay these

fees is July. You will also pay the full amount of these fees for the last month of the term of the Franchise Agreement, regardless of the actual termination date of the Franchise Agreement.

(6) If you are a franchisee who is new to the Anytime Fitness system and you are opening a new center, you must spend a minimum total of \$11,000 to \$23,000 depending on your market Tier on a Grand Opening and Ramp Up Program for your Anytime Fitness center beginning 60 days prior to your scheduled opening and ending 60 days following the opening of your Anytime Fitness center. You must spend a minimum of \$11,000 in local marketing if your Anytime Fitness center is located within a Tier 3 market. You must spend \$16,000 in local marketing if your Anytime Fitness center is located within a Tier 2 market. You must spend \$23,000 in local marketing if your Anytime Fitness center is located within a Tier 1 market. Your market tier is determined by population size; Tier 1 is a market in which we have determined there are more than 50,000 people within a 3 mile radius of the location of your Anytime Fitness center; Tier 2 is a market in which we have determined there are between 25,000 and 49,999 people within a 3 mile radius of the location of your Anytime Fitness center; and Tier 3 is a market in which we have determined there are less than 25,000 people within a 3 mile radius of the location of your Anytime Fitness center. If you operate an Anytime Fitness Express center, there is no minimum amount that you must spend on grand opening advertising.

(7) While the services ProVision provides include security monitoring, the fee is paid for ProVision's ongoing support of the technology purchased through ProVision, technology services, proprietary and club management software, any applicable development updates and release updates, networking equipment and support, door reader technology, security and surveillance system, fitness scanning and/or monitoring equipment, sound system, and email hosting. You are paying nothing extra for security monitoring on a system ProVision installed. Therefore, if you have someone else do your security monitoring, this fee will not change. This fee also does not include support for any third-party software, including any type of malicious software protection. This fee may also not include the rights to any required digital media content for in-club display. Although not currently required, you may be required to purchase rights in this digital content to display in your Anytime Fitness Center during the term of your Franchise Agreement. In addition, if you need service on equipment or a system that ProVision did not install, ProVision may provide that support but will charge you its then-current hourly support fee. The current hourly rate is \$135.

(8) If you are implementing the Training Suite for an existing center that does not already have access to and use the Training Suite (which is currently required if you operate multiple Anytime Fitness centers and are implementing the Training Suite in any of your Anytime Fitness centers, such as upon signing our then-current form of Franchise Agreement for a renewal term for any center), or if you have an Anytime Fitness Express center and choose to implement the Training Suite, then you will pay us a fee for access to a proprietary Training Suite (as defined in Item 11) that will help you provide personal and group training programming to your members. This fee is \$149 per Anytime Fitness center for up to three centers. If you have four or more Anytime Fitness centers, the fee is \$109 per center, for all centers up to a maximum of nine. As of the issuance date of this Disclosure Document, use of the Training Suite is required. You must also sign the Training Suite Addendum attached to this Disclosure Document as Exhibit P.

(9) In order to use the Training Suite in your Anytime Fitness center, you must complete the Training Suite Training. This Training Program is included in New Franchisee Training and is offered at our corporate headquarters in Minnesota, or in a virtual format solely at our discretion. Training for you is included in your Initial Franchise Fee. If you are an existing franchisee that will now elect to offer the Training Suite in your existing Anytime Fitness center(s), and you have not already successfully completed this training program, you must attend the Training Suite Training separately. The fee for the Training Suite Training is \$250 per person. In addition to the training fee, you are responsible for travel costs, room and board, and the salaries, fringe benefits, and other expenses you and your employees incur, if applicable. Alternatively, if you are buying an existing Anytime Fitness center and subject to corporate trainer availability, you may

choose to complete the Training Suite Training in the field at your Anytime Fitness center or the center of a participating owner. For a fee ranging from \$6,000 to \$10,500 depending on how many ownership groups are receiving training (up to a maximum of 3), we will send 2 corporate staff members to the designated center to provide 2 days of customized, interactive, on-site training designed to teach program methodology, how to deliver programming, how to set up and conduct group and personal training sessions, and how to educate members and sell group and personal training to members. Training is provided for up to 21 attendees and includes pre-visit communication and post-visit follow-up for each owner. Attendees must be employees of the participating owner(s). Travel costs, room and board for corporate staff are included in the fee.

(10) If you require or request on-site assistance, you can request that we send a representative to provide further assistance to you. If we agree to provide this additional assistance, we must agree in advance to the charges you will pay and the length of the visit. We may also require you to receive additional assistance if you are not meeting our requirements, if we determine, in our sole discretion, additional pre-opening or post-opening assistance is required, or if we determine that it is necessary for us to provide additional assistance to you to keep the system competitive or correct any deficiencies in your business. We will send a representative or designee out to your club for 2 to 6 days of required, on-site training for you and your staff in club operations. Length of training is at our discretion. Travel costs, room and board for corporate staff are included in the fee.

You must pay our then-current on-site training cancellation fee in the event you cancel any scheduled training program to take place on-site at your Anytime Fitness center, which may vary based upon the specific training program and how far in advance you provide notice of cancellation. Our cancellation fee is currently as follows: (i) no cancellation fee if you cancel it 30 or more days in before scheduled training, and (ii) 100% cancellation fee (i.e. no refund) if you cancel it less than 30 days before the scheduled training program. We currently do not charge any other on-site cancellation fees for our training programs, but we reserve the right to do so in the future. For training you must provide certain documents related to the club performance at least 14 days in advance of the on-site training visit. If you fail to provide the requested documents at least 14 days in advance you must re-book the training and pay a \$1,500 re-booking fee in addition to the fee you paid for the training.

(11) A person owning more than a ten percent (10%) interest in your Anytime Fitness center and signing and guaranteeing the franchise agreement, who we will refer to throughout this Disclosure Document as the “Principal Owner,” must attend our Conference. If they do not register for the Conference, we will bill you for the “early bird” minimum conference fee after the Conference.

(12) We will prorate the requirement, and the fee, during the first year you operate.

(13) If you transfer the franchise before you open the center, the fee will be \$15,000. If you transfer the franchise after you open, the transfer fee is \$7,500. If you are a member of Club Platinum or Club Purple and you purchase an existing open Anytime Fitness center for less than \$125,000, we will not charge you or the seller a transfer fee.

(14) You must upgrade your Anytime Fitness center as a condition to renew your franchise. Club enhancement fees we recommend you collect from your members should cover some or all of this amount. However, we do not represent these amounts will be sufficient to complete the remodeling. The actual costs you incur will vary, depending on the condition of your Anytime Fitness center, construction and other costs in your market, and our requirements at that time. Further, you will likely need additional amounts to comply with our equipment and technology standards and requirements that we adopt from time to time, which may require you to replace your cardio and strength equipment. Based on our current standards, you should expect to replace selective cardio equipment within 5-7 years, and strength equipment

approximately 10 years after opening. The timing for replacing equipment will depend on a variety of factors, including our then current standards, member usage, new innovations in technology, security and equipment, brand enhancement, and emerging trends in the industry.

(15) After the Grand Opening and Ramp Up Plan, you must spend a minimum required amount each month on approved local advertising. You must spend a minimum of \$600 per month on local advertising if your Anytime Fitness center is located within a Tier 3 market. You must spend \$800 per month on local advertising if your Anytime Fitness center is located within a Tier 2 market. You must spend \$1,000 per month on local advertising if your Anytime Fitness center is located within a Tier 1 market. You are not required pay these amounts to us but we may require you to provide receipts to verify you spent the required amount and if you did not spend the required amount we may require you to pay the difference between what you should have spent and what you actually spent into the General Advertising and Marketing Fund.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

	AMOUNT						
TYPE OF EXPENDITURE (Note 1)	ANYTIME FITNESS		ANYTIME FITNESS EXPRESS		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH	LOW	HIGH			
Initial Franchise/ Development Fee (Note 2)	\$42,500	\$42,500	\$25,000	\$25,000	Lump sum	When you sign your franchise agreement	Us
Travel and Training Expenses (Note 3)	\$3,000	\$3,500	\$3,000	\$3,500	As Incurred	Before and During Training	Vendors (e.g., travel, hotel, restaurants)
Deposit and Leashold Improvements (Note 4)	\$7,871	\$371,142	\$3,832	\$274,792	As Incurred	As Incurred	Third Parties
3 Months’ Rent (Note 4)	\$23,614	\$28,116	\$11,495	\$12,980	As Incurred	As Incurred	Third Parties
Architect/Design Fees (Note 5)	\$6,000	\$16,080	\$6,000	\$10,950	As specified in contract	At the time of design	Architect
Fitness Equipment (Note 6)	\$153,010	\$153,010	\$137,081	\$137,081	Lump Sum	Before Issuing Order for the Equipment	Us, affiliates, or Vendors
Technology Equipment Package (Note 6)	\$34,805	\$36,224	\$28,488	\$28,488	Lump Sum	Before Issuing Order for the Equipment	Us, affiliates, or Vendors
Supplies (Note 7)	\$3,575	\$3,575	\$3,050	\$3,050	As Incurred	As Incurred	Vendors
Interior & Exterior Signs (Note 8)	\$24,000	\$26,000	\$16,000	\$18,000	Lump Sum	Before Opening	Us or Vendors
Miscellaneous Opening Costs (Note 9)	\$10,000	\$11,000	\$8,000	\$9,500	As Incurred	As Incurred	Vendors
Pre-Sale/Grand Opening Advertising (Note 10)	\$11,000	\$23,000	\$0	\$5,000	As Incurred	60 Days Before and After Opening	Us or Vendors

	AMOUNT						
TYPE OF EXPENDITURE (Note 1)	ANYTIME FITNESS		ANYTIME FITNESS EXPRESS		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Insurance/Bond (Note 11)	\$2,900	\$3,450	\$2,700	\$2,700	Lump Sum	Before Opening	Vendors
Furniture & Fixtures	\$13,000	\$15,300	\$13,000	\$15,000	As Incurred	Before Opening	Vendors
Additional Funds – 3 Months (Note 12)	\$46,300	\$51,000	\$33,100	\$38,400	As Incurred	As Incurred	Suppliers, Utilities, etc.
Total (Note 13)	\$381,575	\$783,897	\$290,746	\$584,441			

This table relates to the estimated initial investment for a start-up fitness center.

Notes:

(1) None of these payments are refundable. These figures are estimates based on our experience in establishing and operating Anytime Fitness centers in the last 3 years and reflect the anticipated initial costs based on a lease for a “vanilla shell” or “as is” space for the operation of a 4,500 to 5,358 square foot Anytime Fitness center and 3,800 to 4,291 square foot Anytime Fitness Express center.

(2) The Initial Franchise Fee is described in Item 5. If you sign a Development Agreement to develop multiple Anytime Fitness or Anytime Fitness Express centers, you will pay a Development Fee based upon the number of centers you commit to open as described in Item 5. The Development Fee replaces the Initial Franchise Fee you would have paid for those centers. You must commit to open at least 2 centers under the Development Agreement. There are no other incidental expenses you should incur as a Developer, as the expenses to open each center are accounted for in the chart.

(3) The person you designate as the “Principal Operator” of your business must attend mandatory initial training in Woodbury, Minnesota or such other place we designate. In addition, if your Principal Operator is not a Principal Owner, then a Principal Owner must also attend and complete this training to our satisfaction before you open your Anytime Fitness center. While we do not charge you for this training, you do have to pay your travel and living expenses while you attend the training. Your actual cost will vary, depending on the distance to be traveled, your method of travel, and your personal circumstances.

In addition, the Training Suite (as defined in Item 11) is a required element of the Anytime Fitness system and you must implement it in your Anytime Fitness center. The Training Suite is optional for Anytime Fitness Express centers. For new franchisees, the Training Suite Training Program is provided as part of our initial training program, and is typically offered in-person at our corporate headquarters, and may be offered virtually at our sole discretion.

(4) Our estimate for initial expenses for real estate and improvements assumes you will lease a “vanilla shell” or “as is” space, which, at a minimum, includes rooms that will work as an office, bathrooms, studio space, concrete floors, demised exterior walls, HVAC, roof, and utilities stubbed to the premises sufficient for an Anytime Fitness center. Our estimate assumes you will pay \$14.94 per square foot for base rent and \$6.05 per square foot for CAM for a full-size Anytime Fitness center and \$8.00 base rent per square foot and \$4.10 per square foot for CAM for an Anytime Fitness Express center. These estimates are based on the average base rents and CAM charges experienced by our system in 2021. The above estimates anticipate costs equal to \$65 per square foot for the buildout for a full-size Anytime Fitness center and \$60 per square foot for an Anytime Fitness Express center. The high estimate assumes you will pay the full amount of the buildout in cash without any tenant improvement allowance by your landlord. The low estimate assumes that your landlord pays for the full build-out cost for your Anytime Fitness center. However, there is no

assurance your landlord will agree to do. Most of our franchisees receive some tenant improvement allowance from their Landlord (the average amount received by franchisees in our system in 2021 was \$17.36 per square foot). Our estimate assumes you must pay only 1 month's rent as a security deposit. Costs will vary in relation to the physical size and location of the fitness center. The above figures do not include extensive renovations. However, we assumed the general contractor will include permitting fees in the construction costs.

As described in Item 8, you may be required to participate in our "Construction Management Services" program offered through our approved vendor to oversee the construction of your Anytime Fitness center. At this time, participation in the Construction Management Services program is optional but we have included the \$13,500 cost in the high range estimates. We may transition the Construction Management Services to a mandatory program in the future.

(5) As described in Item 5, we will create a Compliance Drawing of your center. If you are developing a new Anytime Fitness center, we will provide you with one Compliance Drawing at no additional cost. We anticipate this design will be sufficient to provide to an architectural vendor to create your Construction Documents. If you are signing the Franchise Agreement as part of a franchise renewal or transfer and we determine that your Anytime Fitness center requires renovation or re-equipment, then you must pay us \$250 for your Compliance Drawing, but we will credit \$250 against one Monthly Fee payment if you complete all renovation and re-equipment requirements by the required due date. In either case, if you require additional Compliance Drawings, you must pay us \$250 for each additional Compliance Drawing.

You must retain our designated architectural vendor to create a complete set of detailed Construction Documents, and to obtain any required permits, and conform the premises to local ordinances or building codes. We estimate the fees for these documents will be \$6,000 to \$13,130 for an Anytime Fitness Center and \$6,000 to \$8,000 for an Anytime Fitness Express Center. If you do not use our designated architectural vendor to create the Construction Documents we will charge you a fee of \$2,700 to review the Construction Documents created by another vendor. We do not construct, remodel or decorate your premises.

(6) The total cost of equipment will vary depending on various factors, including the size of your fitness center and the type of equipment you obtain. Some costs will vary in relation to the physical size of the fitness center and whether you purchase from our recommended sources or from others. These figures reflect the ProVition basic package cost (payable to our affiliate), plus an estimated 10% for taxes and an estimated 55% for shipping and installation (payable to vendors or government agencies).

(7) This amount includes the costs for office and cleaning supplies as well as the automated external defibrillator that you are required to purchase. The AED will generally cost \$2,000.

(8) The above amounts reflect our recommended package. The total cost of the signage will vary depending on various factors, including the size of your location, and local zoning requirements.

(9) This amount includes utility set-up and first month costs, permitting and licensing fees, and professional (legal and accounting) fees.

(10) If you are a new franchisee in the Anytime Fitness system and you open a new Anytime Fitness center, you will need to spend a minimum of between \$11,000 and \$23,000 (depending on your market Tier) for a Grand Opening and Ramp Up program as described in Items 6 and 11. Some franchisees, particularly people who sign Area Development Agreements to control an entire market, may spend more than \$23,000 per center for grand opening advertising. If you operate an Anytime Fitness Express center, there is no minimum amount that you must spend on grand opening advertising. However, we have included in the

high estimate a \$5,000 grand opening spend as we recommend that you spend at least this much on grand opening activities.

(11) You will need to purchase and maintain in effect at all times during the term of the Franchise Agreement a bond for your business, which you must purchase from our designated surety bond vendor to secure your obligations to pre-paid members for membership fees and for pre-paid personal training revenue. We have negotiated a base rate of \$250 per year for bonds through our designated vendor, however your actual cost may vary based on your individual circumstances. Further, you will need to purchase and maintain in effect at all times during the term of the Franchise Agreement a policy or policies of insurance, naming us and our affiliates as additional insureds on these policies. You must have and maintain general liability insurance with complete operations coverage, broad form contractual liability coverage, property damage all with current minimum limits of \$1,000,000 per person and \$1,000,000 per occurrence, \$3,000,000 in the aggregate, and other insurance in the types and amounts as we may require or as required by law. The insurance policy must be written by a carrier who has a minimum rating acceptable to us. Our insurance estimates do not include premiums for worker's compensation insurance, employer's liability insurance or automobile liability insurance. Your insurance costs may be substantially higher if you have to buy employer's liability insurance, automobile liability insurance, or any other insurance required by your landlord. Before you make a decision to purchase the franchise, you should confirm that insurance is available for a fitness center of the type you intend to operate, given that you will not staff the premises all of the time.

(12) These figures estimate your initial startup expenses during the initial 3 months. We recommend that you have additional funds available to you to fund your business. These costs include costs for uniforms and payroll expenses for a full-time personal trainer and 2 full-time employees. These costs also include additional utility costs, keyfobs, the first 3 months' of Monthly Fees, General Advertising Fees, and Base Technology Fees for a single Anytime Fitness or Anytime Fitness Express center (see Item 6), and the high estimate includes a \$500 extension fee. The estimates for a full-size Anytime Fitness center also include the minimum Local Marketing Spend. These costs do not include any owners' draw amounts. These estimates assume that local or state law applicable to your Anytime Fitness center do not require a full-time on-site staff member or additional equipment than we require.

(13) These figures are estimates based on our and our predecessor's experience in establishing and operating Anytime Fitness centers. We do not offer financing for any part of the initial investment. The availability and terms of financing will depend on factors like the availability of financing generally, your credit worthiness, your relationship with local banks, your experience in the fitness industry, and any additional collateral you may offer to a lender to secure the loan. If you finance the establishment of your Anytime Fitness center with an SBA loan you will also incur SBA fees and costs which may include an additional 2.25% of the loan amount, closing costs, interest reserves, and a construction contingency. Our estimates do not include any finance charges, interest or debt service obligations.

ITEM 8.

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

All branded items, marketing, equipment, furnishings, fixtures, signs, uniforms, billing and processing services, software, software support and security monitoring services, insurance and supplies you purchase for use in your business must meet our specifications. Those specifications may include minimum standards for delivery, performance, design, appearance, and quality. We will issue the specifications to you before you begin operating. We may include these specifications in the Operations Manual that we provide on-line to you, or we may issue them separately. We have brand specifications relating to the format and content of local advertising. We require you to comply with those specifications and require that you

obtain our prior approval with respect to the use of any advertising materials you prepare. You may not create any websites or landing pages using our Marks which refers or relates to your Anytime Fitness center.

You can expect that the items you purchase to meet our specifications will represent over 90% of the total purchases you will make to begin operations. Once you begin operating, we expect the items you purchase that meet our specifications will represent approximately 70% of your total expenses.

If you want to purchase items for your Anytime Fitness center that we have not previously approved, or items that differ from our specifications, you must notify us in writing. If we request, you must submit samples and other information we require for testing or to otherwise determine whether the product, material or supply meets our specifications and quality standards. We do not impose any fee for our consideration of an item not previously approved.

We may require you to purchase certain furniture, equipment, inventory, supplies, services and other products used or offered at your business from vendors we approve, in which case we will provide you with a list of approved suppliers. These will include mandatory vendors (persons from whom you must purchase certain items or services), designated vendors (for items or services that must be purchased from vendors we approve), and preferred vendors (for vendors we have approved, but in categories where we do not require you obtain our approval of the vendor). These suppliers may pay vendor rebates to us and they may include our company and affiliates of ours.

When we have a designated vendor, if you want to purchase from other vendors the items or services for which that vendor has been designated, you must notify us in writing and obtain our approval. If you seek approval of a new supplier (or if the supplier applies directly to us for approval), we will require the supplier pay us a nonrefundable fee of \$300 before we will consider approving their application. This fee is intended to defer our cost of reviewing the supplier. (We do not require you to pay any fee.) We may also require the supplier to sign a supplier agreement with us.

In reviewing prospective vendors, we consider whether the product or service is consistent with our concept and brand; how they and/or their products or services would enhance our brand and make it more attractive to members or franchisees; how the product or service would improve the workout experience of a member; how the product or service would increase revenue of a franchisee's club; how the product or service would increase the efficiency of a franchisee; if the product or service is already available through other sources, would approval of another vendor enhance competition or dilute our ability to maximize pricing benefits for our franchisees; is the product of a commercial quality with a proven record of durability; does the supplier support our values; and other factors. We also consider whether the product or service is already available through other sources, and whether the approval of another vendor would enhance competition or dilute our ability to maximize our potential with our existing vendors. In addition, we consider demand from franchisees, the need for the vendor based on business trends, and the ability of the vendor to serve franchisees throughout the United States. (The criteria are posted on our website for potential vendors and franchisees.) We will generally notify you and the vendor of our approval or disapproval within 45-60 days of our receipt of all the information and samples we request. If we revoke approval of any vendor or any item offered by a vendor, we will send you written notice of our revocation of an approved supplier or item.

We currently have the following mandatory vendors:

1. To keep the integrity of the reciprocity system that is integral to the Anytime Fitness system and the benefits we provide to our members, you must obtain all billing and payment processing services from a mandatory vendor. This vendor is not an affiliate of ours, but we receive rebates from that vendor. A copy of the billing and payment processing services agreement with our preferred provider is attached as Exhibit R.

2. You must purchase the Technology System from our affiliate, ProVision.

You must use our preferred vendors for your Grand Opening and Ramp Up Program for your Anytime Fitness center, and we may require you to submit your grand opening plans and local marketing plans for our prior approval, submit receipts to verify you have met minimum spend requirements, and show proof of performance of your advertising activity. SEB Distribution SPV LLC will sell Anytime Fitness branded and other products for use and retail sale in your Anytime Fitness center. SEB Distribution SPV LLC is one of various approved vendors for these items.

As described further in Item 11, the Club Management Software is mandatory and you must purchase the Club Management Software from our designated vendor(s). We reserve the right to terminate such designated vendors at any time and you may be required to change Club Management Software providers or purchase it from only one designated vendor. You currently must use the Club Management Software or our designated CRM platform to manage automated emails, text messages, and one to one communications to your members and prospective members. You also currently must process payments for personal, small and/or large group training through either: 1) your Club Management Software; or 2) our mandated billing processor.

You may be required to purchase rights to display Anytime Fitness branded digital content in your Anytime Fitness Center during the term of your Franchise Agreement.

We are currently the only designated vendor of the Training Suite, which is further described in Item 11. As of the issuance date of this Disclosure Document, the Training Suite is a required element of our system that you must implement, unless you operate an Anytime Fitness Express center in which case it is currently optional. We offer products and services through a digital health and wellness platform currently built into a mobile application in which each of your members will be enrolled. We are the only vendor of this platform. We do not currently, but we may in the future require you to contract with our designated vendor for personal training sales development and coaching services.

We may require you to offer physical therapy and nutrition coaching services either directly or through third parties. If we do, you may be required to use one or more of our designated vendors to provide these services, purchase additional equipment or technology, and provide additional training to your staff.

You must obtain a Compliance Drawing from us. If you are developing a new Anytime Fitness center, we will provide you with one Compliance Drawing at no additional cost. If you are signing the Franchise Agreement as part of a franchise renewal or transfer and we determine that your Anytime Fitness center requires renovation or re-equipment, then you must pay us \$250 for your Compliance Drawing, but we will credit \$250 against one Monthly Fee payment if you complete all renovation and re-equipment requirements by the required due date. In either case, if you require additional Compliance Drawings, you must pay us \$250 for each additional Compliance Drawing.

You must use our designated architectural vendor to provide Construction Documents. We estimate the fees for these documents will be \$6,000 to \$13,130 for an Anytime Fitness Center and \$6,000 to \$8,000 for an Anytime Fitness Express Center. If you choose to use a vendor other than our designated architectural vendor for the creation of your Construction documents, you will pay us \$2,700 to review your Construction Documents. The Construction Documents supplied by the alternate service provider must meet our requirements. The service provider will be responsible for distribution and coordination of documents to all designated vendors that utilize the Construction Documents as part of the development process.

You must purchase uniforms for your employees from a designated uniform vendor. You must also purchase a health club surety bond from a designated bond vendor. We require the surety bond to protect

pre-paid memberships and pre-paid personal training revenue you collect. The surety bond is also required by some state laws.

We offer construction management services through an approved third-party vendor to assist franchisees with the build-out of Anytime Fitness centers (“Construction Management Services”). Construction Management Services generally include consulting services regarding construction-related lease requirements, construction estimates, general contractor bidding and selection (you select the general contractor), the exterior sign review and approval process, utilities set up, obtaining building permits, site conditions and work progress, FF&E operation, maintenance and trouble-shooting; providing a punch list of open issues; construction warranty work; and obtaining occupancy approval. As of the issuance date of this Disclosure Document, the Construction Management Services are optional. The cost for this program is approximately \$13,500. We may transition the Construction Management Services to a mandatory program for all franchisees and you must pay for and use the Construction Management Services if you have not signed a franchise agreement with us or have not commenced the construction of your Anytime Fitness center by the time we implement the program. You must pay our approved vendor for the Construction Management Services when you sign its Project/Construction Management Services Agreement. This payment is not refundable. While our vendor provides consulting services in these various areas if you sign its Project/Construction Management Services Agreement, you alone are responsible for all fees, costs, and expenses associated with your Anytime Fitness center’s build-out, including plans and specifications, permits, licenses, construction and materials, FF&E, installation and insurance.

We may also negotiate preferred vendor contracts with vendors. The preferred vendor contracts will usually provide favorable pricing to our franchisees. A list of current preferred vendor contracts will be available to you from us at any time after you sign your Franchise Agreement.

We also have one affiliate that offers optional services to you.

Healthy Contributions is a company that assists in the transfer, processing and distribution of funds and data for various fitness incentive programs and receives a fee for these services, as well as provides an online portal to offer, track and manage fitness membership programs. You do not have to use their services, but they may have exclusive arrangements with some companies that offer these incentive programs to your members. Healthy Contributions may solicit companies or organizations that have multiple offices to offer memberships or discounts on memberships to their employees.

As further described above, we have the right to designate a single source or sources from whom you must purchase any required products and services, and we and/or our affiliates may be that single source or one or more of the sources.

We and our affiliates may derive revenue from your purchases or leases of goods, services, supplies, fixtures, equipment, inventory and products from our mandatory, designated or preferred suppliers. This income may be in the form of percentage rebates on the purchases you make from the vendor or fixed amounts on supplies and services. Those rebates are typically 5% or more of the purchases you make from the vendor, but in the case of certain fitness equipment, they can increase to as much as 12% or more based on sales volume increases. There are also some vendors who pay us fixed rebates on supplies and services.

During the fiscal year ended December 31, 2021, neither we nor our predecessor received any revenue as a result of franchisee required purchases. During its fiscal year ended December 31, 2021, ProVision Security Solutions, LLC received \$9,036,886 as a result of franchisee required purchases (including revenue they received and paid to us or our predecessor); and Healthy Contributions, SPV and its predecessor received \$3,708,445 as a result of franchisee participation in its programs. SEB Distribution SPV and its predecessor received \$21,477 in revenue from the purchase, lease or sale of goods or services

to our franchisees which was 0.29% of its total revenues of \$7,353,829. All of these entities were affiliates of us or our predecessor as of December 31, 2021.

We do not provide benefits to any of our franchisees for purchasing goods and services from any particular suppliers. We also have not arranged any purchasing cooperatives among our franchisees.

None of our officers owns any interest in any of our suppliers, other than us and our affiliates and each of their predecessors.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 1, 7 and 8.A	Section 1	Items 7, 11 and 12
b. Pre-opening purchases/leases	Sections 1, 7 and 9.A	Not Applicable	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Sections 1, 7 and 9.A	Section 1, 3, and Rider	Items 7, 11 and 12
d. Initial and ongoing training	Sections 2, 8 and 9	Not Applicable	Item 11
e. Opening	Sections 1.A, 6.A and 7 and Rider	Sections 3.A and 3.B and Rider	Items 7, 11 and 12
f. Fees	Sections 1.A, 2 – 9, 11.A., 11.B, 13.B., 14, 16, 18, and Rider	Sections 2, 6.B, 7, 9 and Rider	Items 5, 6 and 11
g. Compliance with standards and policies/operating manual	Sections 6, 8, and 9	Section 8	Items 8, 11, 14, and 16
h. Trademarks and proprietary information	Sections 1, 3, 9, and 10 and Rider	Section 1 and Rider	Items 13 and 14
i. Restrictions on products/services offered	Section 9	Not Applicable	Items 8, 11, and 16
j. Warranty and customer service requirements	Sections 8 and 9	Not Applicable	Not Applicable
k. Territorial development and sales quotas	None	Sections 1, 3, 5 and Rider	Item 12
l. Ongoing product/service purchases	Section 9	Not Applicable	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 2.B., 9, 13, and 14	Not Applicable	Item 6
n. Insurance	Sections 7 and 11.A	Not Applicable	Item 7
o. Advertising	Sections 3, 6, and 9	Not Applicable	Items 6, 7, and 11
p. Indemnification	Sections 9 and 11	Section 9	Item 6
q. Owner's participation/management/staffing	Sections 8.D, 8.F, 9	Not Applicable	Items 11 and 15
r. Records and reports	Section 12	Not Applicable	Not Applicable
s. Inspections and audits	Sections 6, 9.T and 12.B	Not Applicable	Not Applicable
t. Transfer	Section 13	Section 7	Item 17
u. Renewal	Sections 2.B and 9	Not Applicable	Item 17
v. Post-termination obligations	Sections 16 and 17.B	Section 6	Item 17
w. Non-competition covenants	Sections 9, 10, 16.J, and 17	Section 9	Items 15 and 17

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
x. Dispute resolution	Section 18	Section 9	Item 17
y. Other: guaranty of franchise obligations	Section 20 and Personal Guaranty (which follows the Franchise Agreement)	Personal Guaranty (which follows the Area Development Agreement)	Item 15

ITEM 10. FINANCING

We do not generally offer, directly or indirectly, any financing to you to help you establish your business. However, we do have arrangements with various third-party equipment lenders who provide financing to our franchisees. We do not participate in any underwriting or lending determinations with respect to any of the financing options made available by any of the lenders listed below. Our current lender relationships, as of the date of this Disclosure Document, are described below:

1. Geneva Capital, LLC (“Geneva”) offers equipment financing of up to \$150,000 for a new location, including, among others, cardio and strength equipment, virtual fitness equipment, security system, tanning equipment, and signage (but excluding your initial franchise fee and working capital), based on credit approvals. Geneva will also offer reinvention financing of up to \$75,000 per location, including tenant improvements and equipment, for owners that have operated their Anytime Fitness business for at least 5 years, based on credit approval. Financing is offered as a lease that typically requires 1 advance payment of up to 20%. Geneva also collects a security deposit equal to 1 month’s lease payment. Lease terms vary from 12 to 60 months. Geneva offers both true tax and capital leases. Fixed equivalent interest rates typically vary from 7.99%, to 11.99% per annum, based on your financial and credit worthiness. Geneva will not require you to pledge any other assets to secure the lease, but each individual who is an owner of any business entity that is the franchisee, and their spouse, must provide a personal guaranty. The amount of your lease payments will depend on the amount financed, the term of the lease, and the interest rate. You will have the right to purchase the equipment at the end of the lease at fair market value, typically capped at 10% or 20% of the original equipment cost, assuming you have not defaulted under the lease. The ability to prepay your obligations is negotiated on a case by case basis.

Geneva also offers financing up to \$400,000, including construction costs, to members of Club Purple and Club Platinum. Terms are similar to the financing described above.

You will be in default under Geneva’s lease documents if you fail to pay amounts owed when due or you breach any other provision of the lease documents. If you commit a payment default, you must pay a late charge of 15% of the payment which is late or \$25.00, whichever is greater or, if less, the maximum charge allowed by law. Regardless of the type of default, Geneva may retain your security deposit, elect not to renew any or all time-out controls programmed within the equipment, terminate or accelerate the lease and require that you pay the remaining balance of the lease (discounted at 3% per annum), and any purchase option due, and/or return the equipment to Geneva. Geneva may recover interest on the unpaid balance at the rate of 18% per annum or, if less, the highest rate permitted by law. It may also exercise any remedies available to it under the Minnesota Uniform Commercial Code or the law of its assignee’s principal place of business. It may also file criminal charges against you and prosecute you to the fullest extent of the law if any information supplied by you on your credit application or during the credit process is found to have been falsified or misrepresented. You must also pay Geneva’s reasonable attorneys’ fees and actual court costs. If Geneva has to take possession of the equipment, you must pay the cost of repossession including damage to the equipment or real property as a result of repossession.

Under the personal guaranty, which is contained in Geneva's equipment lease agreement, you waive all notices. If you default under the lease agreement, Geneva may obtain and use consumer credit reports to determine acceptable means of remedies, and you waive any right or claim you may otherwise have under the Fair Credit Reporting Act (Equipment Lease Agreement – Section 12). Because the lease is a noncancelable net lease you are not entitled to any reduction of rent or any setoff for any reason, nor will the lease terminate or will your obligations be affected by any defect in, damage to or loss of possession or use of any of the equipment (Equipment Lease Agreement – Section 2). You waive any and all rights or remedies not in the lease (Equipment Lease Agreement – Section 14) and you and your guarantors, consent to personal jurisdiction in the state that Geneva or its assignee, as applicable, has its principal place of business and you and your guarantors waive trial by jury. If Geneva transfers the lease the transferee will not have to perform any of Geneva's obligations and the rights of the transferee will not be subject to any claims you have against Geneva (Equipment Lease Agreement – Section 11). A copy of the current Geneva lease documents as of the date of this Disclosure Document is attached as Exhibit J-1.

We have a separate agreement with Geneva, under which we agreed to assume certain obligations if you default under your lease, including an obligation to assist Geneva in remarketing your equipment. Under that agreement, we also agreed to establish a pool to compensate Geneva for certain of the losses it incurs, and to guaranty payment of certain of those losses. This agreement also provides that Geneva is to pay 1.5% of the lease amount to us as a referral fee and 1.5% of the lease amount is added to the guaranty pool. There is no direct affiliation between Geneva and us.

2. Guidant Financial offers a program that allows you to use your retirement funds to buy your business without incurring tax penalties or getting a loan. Known as 401(k) business financing (or formally Rollovers for Business Start-ups), Guidant charges a fee of \$4,995 for this service, which includes filing your business entity, designing a company 401(k) plan, helping you roll all (or a portion of) your existing retirement funds from your current custodian account to the new 401(k), and providing you with 2 consultations with a tax attorney to review the transaction. In addition, they provide ongoing, annual administration to your 401(k) plan for \$139 per month. The form of agreement you would sign with them is attached as Exhibit J-2. Guidant can also help you secure an SBA loan for your business. A consulting fee of \$2,500 applies, however, this does come with a fully refundable guarantee should Guidant not be able to secure you funding. You may also use 401(k) business financing as the down payment for your SBA loan through Guidant.

Guidant further offers unsecured financing. This program allows you to secure up to \$125,000 in capital pending credit score and debt utilization. Minimum credit score of 680 is required. There is 9% fee of whatever amount you draw against for this service.

Guidant can also secure equipment leasing for you. New locations require 10% down. Interest rates vary from 6.99 to 13.90% depending on credit score. Lease term up to 60 months. New business requires a credit score of 700 or higher while existing business require accredit score of 650 or higher. There is a fee associated with this service and it can range from \$250 to \$500.

Guidant also offers Portfolio Loans. This is a way to leverage your non-retirement stocks, bonds and mutual funds up to 80% of their value. Portfolio must be worth at least \$85,000. No minimum credit score required. The fee associated with this program is 2% to 3% of the value of the collateral. Start-up locations can also elect to defer payments for up to 2 years.

We have a separate agreement with Guidant Financial Group that requires that we are paid \$1,000 as a referral fee for each client that engages in their retirement rollover program. There is no direct affiliation between Guidant Financial Group and us.

3. RV Now, LLC ("RVN"), an affiliate of ABC Financial Services, Inc. ("ABC"), our designated billing processor, also offers financing to our franchisees for the "reinvention" of their Anytime Fitness center to conform to our current standards after their 5-year anniversary. This financing is, however, still subject to credit approval. You will also need to use ABC as your billing processor to qualify for this loan. Under this arrangement, RVN may offer to loan you up to \$40,000 for your reinvention. RVN will charge you a 3% origination fee for this financing. You will repay the loan in fixed monthly payments, ranging from 12 months to 48 months. No down payment is required. The first payment will be due 30 days after you sign the loan documents but it will only be an interest payment. The regular monthly payments will begin 60 days after you sign RVN's loan documents. Interest rates for this financing currently range from 8.99% to 11.99% per annum, depending on the strength of your credit and credit availability. The amount of the monthly payment will depend on the amount financed, the interest rate, and the term for repayment. RVN will require you to pledge a security interest in the accounts receivable, member contracts, payment intangibles and proceeds of your Anytime Fitness center, and you will also need to personally guarantee the note. Under our agreement with RVN, we will guaranty 50% of any amounts that you fail to pay under the loan documents with RVN. In consideration for that agreement, RVN pays us 50% of any origination fees it collects from you.

You have the right to prepay all or a portion of your obligations to RVN at any time. You will be in default under the loan documents if you fail to pay amounts owed when due. And your default continues for 10 days, or if you violate any other provision of the loan documents and do not cure your default within 10 days after notice. You will also be in default if you make any false or misleading representation in the loan documents, if your financial statements or other objectively verifiable information shows a material adverse change in your financial condition, or if your billing agreement with ABC is terminated (Section 7 – Loan Agreement). If you commit a payment default, you must pay a late charge of 10% of the overdue amount (not less than \$50 or more than \$250 per instance). You also will pay interest on any overdue amount equal to the lesser of 17% or the maximum rate of interest allowed by law. If you default, RVN may accelerate the balance of payments, offset any amounts from amounts due from ABC to you, or foreclose on the collateral you pledge. It may also exercise any remedies available to it by law. You also must pay all costs incurred by RVN if you default, including legal fees. Under the personal guaranty contained in RVN's loan documents, you waive all notices, your right to a jury trial, certain defenses, and rights to require RVN to exhaust other remedies in the event of your default. RVN may assign the agreements or sell the loan to other entities or persons without your consent (Section 9 – Secured Loan Agreement). Any litigation concerning the loan documents will generally be venued in Arkansas. A copy of the RVN loan documents as of the date of this Disclosure Document is attached as Exhibit J-3.

4. Hitachi Capital America Corp ("HCAC") offers equipment financing of up to \$600,000 for a new location, including, among others, cardio and strength equipment, virtual fitness equipment, security system, tanning equipment, mirrors, audio visual, cubbies, flooring, and signage. Tenant Improvements can also be included in the amount equal to the cost of the equipment. (Excluded items include franchise fee, professional fees, advertising, and working capital). HCAC will also offer Reinvention financing of up to \$250,000 per location, including tenant improvements and all equipment required to update your facility to the then requirements specified by Anytime Fitness. All financing requests are subject to credit review and approval based on financial strength and credit worthiness of the Franchisee.

Financing is offered as a Master Installment Payment Agreement (IPA -Loan) or a Master Lease Agreement. Under both agreements, financing terms may vary from 24 months to 66 months, and options for payment deferrals of up to 6 months from commencement/closing of the transaction(s). Fixed equivalent interest rates typically vary from 7.50% to 10.50%. Under the Master Lease Agreement at the expiration of the initial term or payment renewal period, you will have the option to purchase all but not less than all of the financed equipment for \$1.00. HCAC typically does not require down payments or security payments. However, it will reserve the right to request these based on the financial strength and credit worthiness of the applicant. Personal Guarantees are required unless otherwise waived. The amount of lease/loan payments will depend on the amount financed, the term of the transaction, and the interest rate. You may pre-pay any or all amounts owed to HCAC under the agreements at any time; however, you would have to pay a penalty in the amount of 4% of the principal balance remaining for the first year, 3% for the second year, 2% for the third year, and 1% thereafter.

You will be in default under HCAC's agreements if you fail to pay amounts owed when due, or you breach any other provisions of the agreements. If payment is not paid when due HCAC may impose a late fee equal to the greater of \$25.00 or 5% of the amount then due, but no more than the highest late charge permitted by law.

A copy of the current HCAC documents as of the date of this Disclosure Document is attached as Exhibit J-4.

We have a separate agreement with HCAC under which we agree to assist remarketing of equipment for any equipment financing that are in default. There are no referral fees paid to us or any of our affiliates by HCAC.

We do not guarantee any note, lease or other obligation you incur. Except as noted above, neither we nor our affiliates receive any consideration for placing financing with a lender. We and our affiliates have the right to sell, assign or discount to a third party all or part of any amounts you may owe to us or our affiliates.

ITEM 11.

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

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

We may provide you any of these services through our employees or representatives, through our affiliates, or through any third party provider we designate. Under the management agreement between us and AFLLC, as described in Item 1, AFLLC has agreed to provide certain required support and services to Anytime Fitness franchisees under their franchise and development agreements with us.

Before you open your franchised business, we will:

- 1) Designate your territory (Franchise Agreement – Section 1.C/Rider).
- 2) Provide you with consulting services to assist you in determining the evaluation criteria for selecting the site location for your business (Franchise Agreement – Section 8.A).
- 3) Through our real estate department, we will assist you in identifying sites for your Anytime Fitness center (Franchise Agreement – Section 8.A).
- 4) Provide you online access to our operations manual that contains mandatory and suggested specifications, standards and procedures (the “Operations Manual”) (Franchise Agreement –

Section 8.G). The Operations Manual consists of one or more manuals, technical bulletins or other written materials available electronically and may be modified by us periodically in our discretion. The Operations Manual may be made available to you electronically, and currently contains approximately 48 pages. A copy of the Table of Contents of the Operations Manual is attached to this Disclosure Document as Exhibit B.

- 5) Provide you with our mandatory specifications for construction of an Anytime Fitness center and, based on information you provide to us about your proposed location, including as-built drawings, surveys, technical data, construction documents and site plans, and create a specific club layout/design for your business (a “Compliance Drawing”) (Franchise Agreement – Section 9). See Items 5 and 8 for additional information.
- 6) Provide, at our expense, an initial training program to educate and acquaint your management team with the business of operating an Anytime Fitness center (Franchise Agreement – Section 8.B). We will provide a training program that consists of a self-paced online learning course and assessment tool which must be completed in a manner satisfactory to us, then 3 days of classroom training conducted at our corporate offices in Minnesota, at our discretion, followed by a 2 to 6 day in-person job shadowing training experience held at a location that we designate. If you purchase an existing Anytime Fitness center, you must complete the self-paced online learning course, complete the assessment to our satisfaction, and complete 3 days of classroom training conducted at the corporate office in Minnesota, at our discretion. You must complete these training components before you begin operating your Anytime Fitness Center. This may mean that another, experienced manager whom we approve, will need to operate the Anytime Fitness center while you attend this required training. If you are purchasing an Existing Anytime Fitness Center you will not be required to attend the 2 to 6 day in-person job shadowing experience, but instead you will be required to complete, and pay for, the On Site Relaunch Training described below (Franchise Agreement – Section 8.I). The cost associated with Relaunch Training is a flat fee of \$3,000 and that fee is due at the time training is scheduled or on the closing date of the purchase of your Anytime Fitness Center, whichever is earlier.
- 7) Our affiliate, ProVision, provides information technology services, technology, and security systems, including computers, iPads, sound systems, club management and access control software and digital access components, networking, sound and personal training / coaching technology and other related components along with technology and software support, installation services, and security monitoring for your Anytime Fitness center. ProVision will also provide Microsoft Exchange Email hosting (up to 5 email addresses), and virus and malware protection relating to disruption of our access control software (ProVision Agreement, Section 1). However, we do not provide you with all necessary equipment, signs, fixtures, opening inventory or supplies for your center.
- 8) Assign you a Franchise Business Consultant to support you prior to opening (Franchise Agreement – Section 8.H).

The following represents a summary of our initial training program as of the issuance date of this Disclosure Document:

TRAINING PROGRAM

Subject (Note 1)	Hours of Classroom Training	Hours of On-the-Job Training (Note 2)	Location
Brand Values and Philosophy	2	0	Virtual or our offices in Minnesota
Brand Strategy & General Marketing	6	1	Virtual or our offices in Minnesota
Technology, Software and Security	3	3	Virtual or our offices in Minnesota
Member Experience and Customer Service	4	4	Virtual or our offices in Minnesota
Member Sales	5	5	Virtual or our offices in Minnesota
Club Operations	4	6	Virtual or our offices in Minnesota
Staffing and Hiring	4	1	Virtual or our offices in Minnesota
One-On-Ones	1	0	Virtual or our offices in Minnesota
Financial Acumen	1	2	Virtual or our offices in Minnesota
Construction & Design	.5	0	Virtual or our offices in Minnesota
Training Suite	3.5	2	Virtual or our offices in Minnesota
Total	34	24	

- (1) If you have more than one Franchise Agreement with us, we may, at our option, provide this training one time for multiple agreements.
- (2) We provide a training program that consists of a self-paced online learning course and assessment tool which must be completed in a manner satisfactory to us, followed by 3 days of classroom training conducted in a virtual format or at our corporate offices in Minnesota, at our discretion, followed by a 2 to 6 day in-person job shadowing training experience held at a location that we designate. You will be responsible for any travel and lodging costs associated with receiving this additional on-site, field training.

We will use our Operations Manual, and other handouts and instructional materials for this training. Our Senior Director of Learning and Development & Communications, Kim Hudnall, and our Learning and Development Project Manager, Conor Bohne, oversee this portion of the training program. Ms. Hudnall joined SEB in November 2020. Before joining SEB, from October 2017 to August 2020, she served as the Executive Director, Global Education for Aveda/The Estée Lauder Companies. From July 2014 to October 2017, she was the Director of Franchise Training & Development for Regis Corporation. Mr. Bohne is the Learning Experience Manager. Mr. Bohne joined SEB in 2019 as an instructional designer. From 2011 to 2019, he was an English Literature teacher. Other members of our corporate staff conduct training in topic areas which are related to their job roles and responsibilities and in which they have at least one year of experience. We may delegate our duties and share our training responsibilities.

The Principal Operator of your business must attend and complete this training to our satisfaction before you open your Anytime Fitness center. In addition, if your Principal Operator is not also a Principal Owner, then a Principal Owner of your business must also attend and complete this training to our satisfaction before you open your Anytime Fitness center. This training is held on an as needed basis. We do not charge you for this training. We may also allow you to send an additional person to the 3-day, classroom training session at our corporate office at no additional charge, if there is space available, and you provide us at least 10 days' notice before the scheduled start of the training and provide us a copy of a confidentiality agreement they have signed that is satisfactory to us. You will be responsible for travel costs, room and