

INTRODUCTION

Welcome to the exciting business of children's gyms! Physical fitness is vital to the health of youngsters, and this is a great time to have a career involving children. The children's fitness industry offers a vast marketplace where the potential has now become even greater.

The President's Council on Physical Fitness and Sports has published studies revealing that millions of our children are overweight, inactive and below minimum standards for strength, flexibility and endurance. The need for more children's gyms is apparent, and this field offers an abundance of opportunities for those who love kids. You can have the chance to be your own boss and, most important, derive real satisfaction from knowing that you are promoting the physical and emotional health of our most precious resource, our children.

My Gym's objective is to help children at various physical, emotional and intellectual levels develop confidence and self-esteem through love, understanding and positive reinforcement. Our class programs are formulated for success. There is no such thing as failure in the My Gym curriculum. Our innovative and carefully structured programs, along with our ideal student/teacher ratio and noncompetitive atmosphere, allow children to discover what great things they can accomplish! My Gym kids have so much fun developing their coordination, agility, flexibility, fine and gross motor proficiency, balance, strength and social skills as they run, jump, tumble, dance and sing.

Originally created in 1983, the My Gym program was so well received that the founders decided to proceed on a course of expansion. My Gym Enterprises, the company responsible for franchising My Gym Children's Fitness Centers, was established in 1994. Systems were developed for seeking qualified franchisees, determining favorable demographics, locating advantageous sites, obtaining loans, purchasing equipment, performing tenant improvements, training owners and directors, providing all-inclusive administrative packages, hiring staff, generating advertising and promotional opportunities, planning spectacular Grand Openings, attracting clientele and giving support to franchisees, the quality of which is unparalleled in the industry.

We established our first franchised facility in 1995. My Gym has grown by leaps and bounds in the last several years. We currently have over 600 locations and are in over 30 countries. We have been named by Entrepreneur Magazine's "Annual Top 500 Franchise List" as one of the top 500 franchises for over 17 years.

Our program is the most innovative in the children's educational fitness industry, a field that has experienced rapid growth with My Gym at the forefront. MGE's goal is to always remain at the cutting edge. Each of us is thrilled with the results of our efforts, and we have developed a true camaraderie with our franchisees and they with one another. My Gym franchisees share insights, ideas and new materials through telephone conversations, by email and at our regional and international My Gym Conventions. We're more than a franchise; we're a family. We all feel so fortunate to have chosen a profession that is actually so much fun. We love what we do! Helping children to develop physically and emotionally is very gratifying.

So, it is with much enthusiasm and heartfelt sincerity that we say, "It would be our pleasure to show you the way!" You, too, can experience the same excitement, satisfaction and rewards as we have when you become part of our My Gym Family.

SECURING AN INTERNATIONAL FRANCHISE

There is a premium one pays to acquire a franchised business opportunity. There is a franchise fee, a royalty and a series of rules to which you must adhere. However, in purchasing a well-structured franchise, you greatly minimize the risks and strains of starting a new business.

My Gym Children's Fitness Center has development plans that would allow almost any qualified applicant to experience the fantastic world of My Gym Children's Fitness Center and owning your own business. We currently have three ways to acquire international franchise rights.

1. Master Franchisee – Securing the development rights for an entire country.
2. Area Developer – Multiple locations in a specific targeted area of growth.
3. Single Unit Developer – An individual location (Select countries only. Please ask the International Division for details).

My Gym Children's Fitness Center has built a system in which every facet of opening and operating a business is handled, from construction to decoration, training to advertising. Our pre-opening, post opening and continuing support to our franchisees is unparalleled in the field of franchising. My Gym Children's Fitness Center is a proven, productive business with worldwide locations. Comprehensive financial, marketing and administrative systems help you avoid the mistakes and perils independent business owners must combat alone.

In making an informed decision, prospective franchisees should examine the start-up costs and weigh them against the benefits of stepping into a time-tested franchise operation. My Gym offers you the opportunity to own and manage your own professional establishment with guidance and support, the quality of which can be provided by only an experienced and successful management team.

* * * * *

THE PLAN OF ACTION

Step 1 – Call for Franchise or Master Franchise Information Package

Call or email Corporate Headquarters and speak with a My Gym franchising expert and request our complete international informational package.

Step 2 – Personal Analysis

Would owning and operating a My Gym be the perfect opportunity for you? Analyze business trends, talk to people you trust and, most important, look within yourself. If you feel ready, move ahead with this exciting process.

Step 3 – Franchise Application

Fill out and return your application. This will help us begin to determine your propensity for this field and your readiness to own a My Gym Children's Fitness Center franchise or master franchise.

Step 4 – Begin Franchisor Approval Process

1) Criminal background check 2) Reference check 3) Credit check 4) Personal franchisee approval

Step 5 – Additional Documents

We will forward to you additional information and legal documents including the International Agreement and other documents which will further assist you in evaluating this opportunity.

Step 6 – Open Discussion

Now, with all materials in hand, discuss your questions and concerns with us by telephone or in person. You will be guided through each aspect of our business by our specialists in the following areas: Training, financing, equipment, advertising, site selection, programming, design, construction, Open House and franchise support.

Step 7 – Discovery Day

A 1-2 day visit to Corporate Headquarters – This is a necessary step in analyzing whether or not owning a My Gym franchise or master franchise is right for you. Here you will meet our Corporate Support Team and visit My Gym Children's Fitness Centers. You will have an opportunity to go "on the floor" with the staff, children and parents in order to experience a My Gym day firsthand. This step has been critical in the determination of the "best fit" for a prospective franchisee.

Step 8 – Feedback and Analysis from MGE/Complete Final Approval Process

At this point, the next step to take would be one of the following:

- 1) You will move forward in this partnership with a territory/country deposit and a signed franchise agreement or master franchise agreement.
- 2) You and/or MGE will perform additional analysis to determine if this commitment is feasible for you.
(i.e. Financing, time requirements, other obligations)
- 3) You may realize that this is not the right opportunity for you or that this is not the proper time for you to Proceed and make such a commitment.

Step 9 – Post Deposit Phase

Congratulations would be in order at this time! In the very beginning of your post deposit phase, our International Support Director will create your facility's timeline in correlation with our Turnkey Checklist. Nothing is left to chance in this comprehensive manual designed to include every step in opening your My Gym. Every single detail from pre-advertising to your Grand Opening and first week of classes is planned and executed with our support and assistance. You are never alone in this process!

Step 10 – On Your Way!

Once an agreement is reached, your initial training program can be scheduled, and the site selection and construction process can begin. Your new My Gym Children's Fitness Center can be completely operational in 6 – 12 months.

INTERNATIONAL MASTER FRANCHISE

TERM SHEET (Will vary by country)

1. INTERNATIONAL FRANCHISE FEE: COUNTRY SPECIFIC
(Speak with the International Department for details)

Initial deposit: 25 % of International Franchise Fee
Initial Term: 15 years
Renewal Term: 15 years
Renewal Fee: To Be Determined

2. Development Schedule: To be mutually agreed upon by both parties.
1st gym owned by Master Franchisee to open 6-15 months from signed contracts

3. Sub Franchise Fees: Shared at 75%/25% in favor of Master Franchisee
(If Master Agreement)

4. Royalty Payments: All countries at the fixed amount of \$ 500.00 USD monthly for the 1st year and \$ 750.00 USD monthly thereafter.

Sub Franchisee royalties to be fixed as well and will be determined on a case by case basis.

Canada has the same Royalty system of the US which is currently set at 7% of the gross sales.

5. Training. 19 day formal training at our corporate training centers Located in southern California.

Sub Franchisee training to be completed by Master Franchise in conjunction with all My Gym Corporations training principles and procedures.

THE FACILITY

The My Gym Children's Fitness Center facility is the ultimate exercise and play superstructure, providing approximately 1800 sft – 2800 sft or approximately 180 square meters – 280 square meters custom-designed square feet and state-of-the-art equipment. Inside each My Gym you will find:

Specialized Equipment

- Specialized equipment made exclusively by and for My Gym is created to interlink and offer a multitude of configurations.
- Each apparatus is tested, padded and safe.
- Unique pieces include trampoline, waterbed swing, double-bunk swing, tumble balls, soft ball pit, climbers, slides, My Gym castle, jump box, monkey bars and more.

Interactive Space Plan

- Specifically designed to facilitate the My Gym program
- Overhead swing supports
- Various climbing apparatus
- Every area is safe and age-appropriate.

All-purpose Lobby

- Complete with our My Gym signature desk
- Events board, pictures and My Gym information for clientele

Party/Sibling Room (optional)

- Stocked with art supplies, games, toys, blocks and puzzles
- TV / Video and books

Storage Room

- Custom-designed by My Gym to accommodate all apparatus and equipment
- Allows for efficient setup and cleanup

Office

- Perfectly planned work center with phone and computer hookups
- One-way observation mirror

Restroom

- Suitably decorated and child-safe

THE MASTER FRANCHISE SYSTEM SUPPORT

My Gym Children's Fitness Center franchises receive excellent support. From Open House throughout your entire period of operation, you will benefit greatly from business coaching, on-site visits, phone discussions, written materials, picture books, webinars, tutorials, training videos and international seminars.

My Gym will continually explore, develop new ideas and concepts and campaigns that will help you promote, operate and enhance your business.

In addition to a complete "hand-holding" process, the following services are provided to all franchisees:

- 19 day comprehensive formal training period and all materials for training (In Los Angeles, CA)
- Site selection assistance/space plan/facility design
- Pre-opening advertising and promotions plan
- Marketing, advertising, media and public relations consultation
- Pre-Grand Opening assistance
- On-site MGE representation during the days leading up to the Grand Opening period and the first week of classes (Subject to review and MGE reserves the right to determine onsite presence and/or duration of the visit)
- MGM Resource Center – My Gym Franchisee internal website
- Access to the Franchisee Support Resource Center
 - Phone and email for support and assistance
 - Real-time Live Online Support during business hours
 - Online videos of programming and operations systems
 - Comprehensive Operations Manual
 - Webinars
 - Online Tutorials
 - Boards where you can chat with My Gym owners and directors
 - Access to all approved vendors and business contacts

TYPICAL MY GYM START-UP COSTS

Item	Lower Range	Typical	Upper Range
Master Franchise Fee/Area Development Fee		TBD (and added to Start up Costs)	
My Gym Custom Equipment Package		24,000	
Other Purchased Gym Equipment		18,000	
International Freight	3,000		7,000
Signs (Interior decorations & Banners)		650	
Signs (Exterior)	3,000		6,000
Lease/Security Deposits (Paid to Landlord)	3,500		15,000
Printing		1,000	
Pre-opening Advertising	7,500		12,000
Training Related Costs (Lodging, Food)	2,500		7,500
Computer & Software	1,000		2,000
My Gym Promotional Items		7,200	
Supplies		3,000	
Legal (Permits & Fees)	500		3,000
Miscellaneous / Contingencies	5,000		15,000
Operating Capital and Pre-opening Salaries	20,000		50,000
Totals	97,350		165,850

- * **Start-up costs are in US Dollars and are subject to change.**
- * **Typical Start-up Costs does not include any build out expenses and it assumes that the Landlord will pay for the fitting of the space to My Gym Children's Fitness Centers requirements. Figures may need to be adjusted based on site and location.**
- * **Master Franchise/Area Development Fee is specific to each country and agreement. Please consult your International Department for details.**
- * **Franchise fees are due upon execution of the agreement**

HELPING THE MASTER FRANCHISE ACHIEVE SUCCESS

Frequently asked questions by Potential franchisees:

I. Financial

- A. How much is the franchise fee? When is it to be paid?

The fees are specific to each country and what agreement is being reached. The fees are payable in full at the execution of the agreement.

1. Master Franchise – Please consult with the International Division
2. Area Development – Please consult with the International Division
3. Single Franchise – Please consult with the International Division

- B. What are the start-up costs?

\$90,350- \$158,850 – (See “Typical My Gym Start-up Costs”)

Build out to My Gym’s requirements and International Franchise Fee is additional and needs to be calculated into overall startup costs.

- C. How much money can I make?

Franchise law prohibits our offering any earnings claims as a sales tool, accurate or not. Call us for more details.

Charge per student per month = \$70 - \$90

Charge per birthday party = \$300 - \$400.

- D. How long until I make my initial investment back?

That depends on many variables.

- E. Does MGE finance International Agreements/Fees?

No, however we do assist with a business plan.

- F. What is the royalty fee?

7 % or fixed rate available-country specific

- G. Are there other fees?

Marketing Fee of \$100 per month

II. What does the job entail?

- A. Running My Gym classes and birthday parties

- B. Performing all responsibilities necessary in owning any type of business –
Administration, financial, marketing, management, advertising

- C. Many hours and genuine dedication, especially for the first 1-2 yrs. of operation

- D. Implementing the My Gym program and maintaining a cooperative relationship with Corporate

- E. Remaining open to coaching and analysis by Corporate

- F. Training and developing your staff

III. How many My Gym locations are there?

As of March 2019 there are over 630 My Gym's around the world

IV. What factors go into the making of a successful Open House?

- A. Demographically desirable territory
- B. Open House plan/franchisor experience
- C. Community need/current competition
- D. Friendly, enthusiastic and caring franchisee, director and staff
- E. Rigorous pre-Open House advertising legwork by franchisee
- F. Close proximity to other My Gyms (Name recognition)
- G. An inviting exterior setting

V. What makes a successful gym?

- A. The people (teachers/owners) - working hard, having fun and implementing a quality My Gym program
- B. The proven program, which is innovative, distinctive and age-appropriate
- C. The unique equipment and philosophy behind the ever-changing program and facility
- D. Our philosophy of combining fun, variety of activities, positive reinforcement, respect for the children, a noncompetitive atmosphere, and a safe and clean environment
- E. The My Gym "Secrets of Success" we have developed for dealing with the children and parents
- F. The all-encompassing procedures we have created for running a My Gym
- G. Our comprehensive support
- H. Proper advertising and PR prior to opening as well as continued advertising
- I. A well planned and implemented Open House
- J. Advantageous location
- K. An owner who is open to critiques and analysis and who is dedicated to constant improvement
- L. An owner who is able to attract, hire, supervise and maintain a quality staff by implementing our philosophy of open, honest communication and leading by example

VI. Do the franchises have to be owner operated?

No, but it is highly recommended

VII. Staffing questions

- A. How many employees are needed to run a gym?
In the beginning you will probably have 3 full-time staff members, including yourself, and 1 to 2 part-time people. Typically you will have two in any given class. Birthday parties are usually staffed by two employees.
- B. Where do we find staff?
Where, who and how to find staff will be discussed extensively before you will actively begin seeking a director or staff members.

VIII. What are the My Gym Franchise goals?

To create as many quality, successful My Gym franchises as we are equipped to support and maintain in an excellent and reliable manner; to always adhere to our present high standards as we seek out capable, enthusiastic, extraordinary people to add to our My Gym family; to constantly augment and refine both our franchise package and the My Gym program and curriculum; and to always have the welfare of the children as our main focus-

A. How many? - Time frame?

We now have over 600 operational facilities and are contracted in over 30 countries. We estimate our growth will be between 15 and 25 new franchises for each of the next 5 years.

B. Long term goals?

To continue to operate with the highest level of integrity and to always aspire to improve all aspects of operations: Sales, training, support, maintenance, advertising, program enhancement, philanthropic outreach, product development

– We will be aggressively expanding internationally. We are looking for well qualified Franchisees throughout the world.

– To maintain our image as innovators in this field and to stay one step ahead of the competition in quality of franchise package, program development and facility design

– To continue to develop educational/entertainment vehicles – (Ex: Our “My Home Gym” video series, television shows, books, My Gym products, etc.)

C. Do we plan to go public?

Possibly, if the opportunity and all circumstances are right-

IX. How did MGE get started?

A. When did My Gym begin?

My Gym Children’s Fitness Center was founded in 1983 in the southern California area with the establishment of two gyms. After a very enthusiastic reception by children and parents alike, the founders went on to create three additional facilities. During the following ten years, all five gyms experienced overwhelming success.

B. When was the franchise company created?

My Gym Enterprises, the company responsible for franchising My Gym Children’s Fitness Centers, was established in 1994 and began franchising in 1995.

X. Who and where is the competition?

A. Gymboree was the first of its kind to franchise. They concentrate on the younger ages. (Approximately 4 mos. – 4 ½ years)

B. Other International franchises – There are currently several other companies franchising children's gyms or similar facilities. The quality of support, programming and advertising varies greatly from one to another. We advise all potential franchisees to compare our product to those of our competitors.

- C. Mom and pop gymnastics facilities – Of course, these enterprises and the amount of information we have about each vary from one territory to another.
- D. Indirect competition includes other types of children's establishments and facilities. (Ex: Karate classes, play zone types of facilities like Discovery Zone) To have these types of businesses in our areas of development is of benefit to My Gym expansion, not a hindrance.

XI. Describe My Gym Children's Fitness Center.

- A. THE BUSINESS –The business operation involves administration and bookkeeping (All computer work will be taught by MGE). There is also advertising, public relations and staff management.
- B. THE PRODUCT – The My Gym program provides a wonderful experience for any child age 3 mos. – 9 yrs. of age. Children participate in structured, age-appropriate, weekly classes containing noncompetitive gymnastics, games, sports, songs, dances, relays, special rides, adventures and other original activities. The My Gym program is exciting and motivating, providing new experiences each week. Our classes help children develop physically, emotionally and cognitively and are creatively structured so that youngsters will succeed. The teachers love kids and are sensitive, positive, energetic and inspiring!
The My Gym facility is state-of-the-art. The imaginative and interchangeable equipment is custom-designed by and specifically for My Gym and is rearranged each week to develop further skills and provide new adventures for the children. The gym is bright, clean, safe, colorful and inviting!
My Gym Birthday Parties are given on weekends and contain the same fun activities as the classes. The birthday child is made the “star” of the celebration, which includes his/her favorite activities and is specifically designed to be enticing and age-appropriate. Birthday parties are an excellent marketing opportunity.

The ever-changing My Gym programming, our unique facility with its variety of equipment configurations, and our teaching philosophy and child-handling techniques all make for an irresistible and enriching experience for the children.

XII. What are the steps involved in starting a My Gym franchise? (See “The Process Begins” section)

- A. A mutual approval process involving much analysis on both ends
- B. Signing the International Agreement
- C. Deposit for chosen territory/country
- D. Capital attainment, if necessary
- E. Territory/Demographic research and assignment
- G. City approval and permitting
- H. Pre-territory advertisement
- I. Lease negotiations
- J. Contractor attainment, space planning and tenant improvement build-out
- K. Attaining staff
- L. Training – Nineteen-day comprehensive training program in six parts:
 - 1. In-class, hands-on training

2. Lectures on operating procedures, philosophies and manuals
 3. Individual My Gym gymnastics training
 4. Private study with videotapes and picture books
 5. Computer training
 6. Pre and post training
- M. Grand Opening advertising
- N. Equipment, delivery and installation
- O. Accomplishing pre-opening checklist
- P. Open House

XIII. What does the pre-opening franchisor support entail?

Our pre-opening support parallels a turnkey operation, as we are involved in every aspect of finding, building and developing the new My Gym. (See Section XII for specific areas of our involvement)

XIV. What does the support package include? (See “My Gym Maintenance and Support Policies”)

XV. How does opening a My Gym franchise compare with starting one’s own business?

(See “The Benefits of Buying a Franchise” section)

The benefits of buying a My Gym franchise include:

- A. Having the advantage of expert research and assistance in every aspect of starting your My Gym (See answer to Section XII)
- B. Receiving topnotch training in and the authorization to run the outstanding, award-winning My Gym program
- C. Becoming partners with a team of franchisors who are experienced in this field of business
- D. Receiving a comprehensive support package
- E. Although we are a franchising company, we are more than that; we’re a family. My Gym Enterprises takes great pride in the fact that we have an excellent rapport with each of our franchisees. You would become a member of a wonderful organization made up of people who care about and give support to one another. If you were to start your own business, you would possibly spend less money to begin with and not be required to pay a royalty fee. You would, however, need to attain city approval; find, design and build your own facility; staff your gym and train your employees yourself; advertise independently; create an open house plan; write and develop your own programming; acquire all professional contacts and suppliers needed to open and run your gym; constantly develop new ideas; and deal with common problems and business growing pains all on your own.

XVI. Whom do we seek to add to our organization as new franchisees?

- A. Energetic, enthusiastic people with a genuine love for children
- B. Motivated individuals with strong work ethics
- C. Coachable and open minded
- D. Hands-on owners
- E. People who have a background working with children and experience in the field of movement, gymnastics, music, drama, dance or sports
- F. Those with some business or management background

- G. Applicants who have a realistic view of profits
- H. People who love My Gym and what we do
- I. Those who desire a healthy lifestyle

MY GYM SUPPORT POLICIES AND PROCEDURES





MAINTENANCE AND SUPPORT POLICIES

Phone Call & Email Support

. Pre-Opening

1. Your Pre-Opening Representative is your direct liaison to consult in all areas of pre-opening. This person will be assigned to you before opening.
2. Any phone/email inquiry will be satisfied within 72 hours.

B. Operational Support

1. You will be assigned an Operational Support Representative to guide you through your first 2-4 months. This person will be assigned to you prior to your Open House.
2. Any phone/email inquiry will be satisfied within 72 hours.
3. After the 3-6 month period, you may contact any of the Support Team members for assistance. Instead of one dedicated support person, you have a team of them you can access at any time.

TOPICS OF DISCUSSION FOR SCHEDULED PHONE OR ON SITE APPOINTMENTS

Gym classes and ingredients	Class / Parent / Student problems
Training and training materials	Budgeting
Class scheduling	Advertising Plan and Marketing Materials
Supplemental programs	Gym maintenance & safety
Staff and hiring	Financial
Enrollment procedures	Administration and materials
My Gym promotional items and clothing	Any other topic regarding your My Gym
Equipment, setups, equipment use & signs	New ideas

On Site Support Schedule

- A. Grand Opening (MGE to review prior to signing of franchise agreement and varies by country)**
- This visit involves getting the gym physically ready for Grand Opening Open House, study and training for Open House, and being on-site for the majority of the first weekend of Open House. We do this to insure that we have the most successful opening possible.
- B. First week of classes (MGE to review prior to signing of franchise agreement and varies by country)**
- This visit entails observing first week of classes in order to give feedback and create class quality excellence.
- Operational My Gym procedures and quality control materials will be put into effect during this five-day period.

Further Support and Maintenance

A. Curriculum

1. Franchisee will be provided with curriculum for each core agegroup.

B. Other Supplementary Materials / My Gym Extranet

Mandates	Supplemental Programs
Seasonal Specials	Supplemental Promotions
Administration Materials	Advertising Materials
Franchisee Facebook Page	Corporate Update Page
Webinars	Instant Live Online Support
Online Tutorials	Creation of Marketing Materials

C. Training/Operating Materials

- Franchisee will be provided with all necessary training/operating materials to be used as reference throughout the existence of his/her My Gym.
- You will have complete access to our My Gym management software that contains all of our operations and training materials

Conferences

A. International Conferences and regional seminars to maintain a quality of excellence in all My Gym franchises

1. Seminar events include:
 - Informational lectures
 - Hands-on training sessions
 - New equipment/program presentations
 - Morale and camaraderie boosting events

MY GYM

International Franchisee Qualification Summary

Completion of this confidential Profile/Application does not constitute purchase of a My Gym opportunity. This information is confidential. We will not contact your present employer without your consent.

Please return completed application to My Gym Enterprises by fax: (818) 907-0735 or email to mchalovich@mygym.com

Name: _____

Address: _____ Apt: _____

City: _____ Country: _____ Postal Code: _____

Social Security Number: _____ DOB: _____

Home Phone: _____ Bus. Phone: _____

Fax: _____ Mobile Phone: _____

Email Address: _____

Best time to reach by telephone: _____

PERSONAL INFORMATION

Marital Status: _____ Spouse's Name: _____ Number of Children: _____

Business Information

(If purchasing Master Franchise rights in the companies name)

BusinessName: _____

Address: _____

City: _____ Country: _____ Province: _____

Postal Code: _____ Years in Business: _____

Previous Franchise Experience (explain) : _____

EDUCATION

High School: _____ Graduated: _____ Degree: _____

College/University: _____ Graduated: _____ Degree: _____

Other: _____ Graduated: _____ Degree: _____

Special Training: _____ Graduated: _____ Degree: _____

BUSINESS EXPERIENCE

Current Employer/Business: _____

Address: _____ Suite: _____

City: _____ State: _____ Zip: _____

Position: _____ Date Employment Began: _____

Previous Employer/Business: _____

Address: _____ Suite: _____

City: _____ State: _____ Zip: _____

Position: _____ Dates of Employment: _____

Previous Employer/Business: _____

REFERENCES

Business Reference: _____ Phone: _____

Business Reference: _____ Phone: _____

Business Reference: _____ Phone: _____

DETAILED FINANCIAL INFORMATION

(Please use USD for all calculations)

ASSETS

Cash on Hand: _____

Notes Due Me: _____

Real Estate Owned: _____

Stocks & Bonds: _____

Autos: _____

Other Assets (Describe): _____

Total Assets: _____

LIABILITIES

Notes Payable: _____

Real Estate Mortgage: _____

Taxes Due: _____

Other Liabilities: _____

Total Liabilities: _____

Net Worth: _____

Current Yearly Household/Business Income: _____

Explanations: _____

OTHER

Name three areas in which you have talents or strengths that will prove valuable in the children's educational fitness industry. (Example: Physical fitness, psychology, dance, drama, kinesiology, childhood development, etc.)

1 _____

2 _____

3 _____

In what three areas might you have weaknesses?

1. _____

2. _____

3. _____

ADDITIONAL INFORMATION

How much capital from sources listed above can you allocate toward the purchase of a My Gym franchise? _____

If the required capital is not available, how would the funds be obtained? _____

Will you devote full-time to your My Gym enterprise? _____

Do you plan to have a partner? _____ If so, will the partner be active? _____

Do you plan to have investors? _____ If so, to what extent? _____

Where/when did you first learn about My Gym Franchise Corp.? _____

Have you seen an operational My Gym location? _____

What is your level of interest (on a scale from 1 to 10)? _____

When would you be able to begin this venture? _____

Territory/Country in which you are interested _____

Why would My Gym be successful in your country? _____

Is your interest in being a Master Franchise or Single/Multi Unit Franchisee? _____

How quickly would you like to proceed? _____

It is understood that the purpose of this application is to gather information and is in no way binding upon either the applicant or the company. It is also understood that the information supplied herein is true and accurate to the best of applicant's knowledge and that the company relies on this fact in assessing applicant's qualifications and desirability.

I authorize My Gym Enterprises to use the information supplied herein to access any personal credit or criminal history.

Applicant's Signature: _____ Date: _____

AUTHORIZATION FOR FILE DISCLOSURE

I hereby authorize My Gym Enterprises to obtain a consumer credit and/or investigative report from Contemporary Information Corporation (CIC) on myself. I understand that such information may be derived in whole or in part from Experian, Equifax, other credit and public record providers and/or CIC.

Signature Date

Full Name (please print)

Home Address

City State Zip

Social Security Number DOB

*****IMPORTANT NOTE TO CIC CLIENT!*****

In Accordance with the Fair Credit Reporting Act, among other state and federal laws, this signed form is to be kept on file by CIC client ("subscriber") for no less than two years.