

GENERAL MARKET

The general market for the products and services to be offered by you is adults and children of various ages and fitness levels.

INDUSTRY SPECIFIC REGULATIONS

You must comply with all local, state and federal laws that apply to your ownership and operation of your LA Boxing Franchise including health, sanitation, no smoking, EEOC, discrimination, employment, and sexual harassment laws.

COMPETITION

The fitness and exercise business is very competitive. You will have to compete with other businesses selling similar fitness and health services and products. Competitors include other boxing training gyms, fitness centers, health clubs, health spas, and franchise companies offering similar fitness services.

ITEM 2 - BUSINESS EXPERIENCE

DIRECTORS, OFFICERS AND OTHER EXECUTIVES

DIRECTOR AND PRESIDENT, ANTHONY GEISLER

Mr. Geisler has been a Director and our President since the incorporation of LA Boxing on February 27, 2004. From July 1999 to January 2003, Mr. Geisler was Chief Executive Officer of Interactive Solution Corporation, a publicly traded casino software development company located in Los Angeles, California. In February 2003, Mr. Geisler joined LA Boxing Aliso Viejo, Inc., located in Aliso Viejo, California, as president and owner, and continues in that position to the present time.

SENIOR TRAINING INSTRUCTOR, SEAN MCCULLY

Mr. McCully has been a Senior Training Instructor for LA Boxing since its incorporation on February 27, 2004. From August 1988 to January 1991, Mr. McCully was a fitness trainer and sales person for LA Fitness, Los Angeles, California. From January 1991 to January 1992, Sean was the director of the boxing and kickboxing program for Bodies in Motion located in Los Angeles. In February 1992, Mr. McCully founded LA Boxing Costa Mesa, Inc., located in Costa Mesa, California, and is currently an owner of the business to the present time.

SENIOR TRAINING INSTRUCTOR, STUART GREG BEILFUSS

Mr. Beilfuss has been a Senior Training Instructor for LA Boxing since its incorporation on February 27, 2004. From August 1985 to January 1989 Mr. Beilfuss coached soccer at Pomona High School in Pomona, California. From January 1989 until 1991 he was an active player for the Los Angeles Heat professional soccer team in Los Angeles, California. From January 1991 until September 1992, he was self employed in Los Angeles, California and trained for the Ironman competition. Mr. Beilfuss joined LA Fitness in Los Angeles as a private trainer in October 1992 until December 1996. From January to December 1997, Mr. Beilfuss was self employed in Los Angeles and began training for the California State Heavyweight Championships in Brazilian Jiu-Jitsu. From January 1998 to the present time, Mr. Beilfuss has been an instructor with LA Boxing Aliso Viejo, Inc., located in Aliso Viejo, California.

MEMBERSHIP SALES, CHRIS POLAND

Mr. Poland has been a membership salesperson for LA Boxing since its incorporation on February 27, 2004. From March 1999 to June 2001, Mr. Poland managed L.A. Boxing Costa Mesa, Inc., located in Costa Mesa, California. In June 2001, Mr. Poland joined 24 Hour Fitness as a Fitness Counselor in Los Angeles, California, where he worked until March 2003. In March 2003, Mr. Poland joined L.A. Boxing Aliso Viejo, Inc., located in Aliso Viejo, California, as a unit manager. From June 2003 to the present time, Mr. Poland has served as District Manager in charge of membership sales for LA Boxing Aliso Viejo, Inc., located in Aliso Viejo.

FRANCHISE BROKERS

We do not currently engage the services of any franchise brokers.

REFERRAL PROGRAM FOR EXISTING FRANCHISEES

We may decide to offer a program in the future whereby you can receive a referral fee of 2% of the Initial Franchise Fee in cash, services or product credit for referring a third party franchise prospect to us, who ultimately becomes an LA Boxing Franchisee. You must only present a prospect with our informational brochure and to identify the prospect to our Company sales staff. You must not act as our agent or franchise broker and are instructed not to provide any information to prospects other than our information brochure. If you are entitled to receive a referral fee, notice will be given to the prospective franchisee receiving the UFOC, together with the same type of information reported in ITEMS 2 and 3 of this Uniform Franchise Offering Circular about you. We retain the right in our sole discretion to modify or terminate this referral program at any time with or without notice.

ITEM 3 - LITIGATION

No litigation is required to be disclosed in this Franchise Offering Circular.

ITEM 4 - BANKRUPTCY

No company or person who is an officer previously identified in ITEMS 1 or 2 of this Franchise Offering Circular has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this ITEM.

ITEM 5 - INITIAL FRANCHISE FEE

INITIAL FRANCHISE FEE

Upon signing the Franchise Agreement, you must pay to us an Initial Franchise Fee of \$25,000. The Initial Franchise Fee for an LA Boxing Franchise is based on a designated U. S. Postal Zip Code(s). You will be assigned a protected territory based upon population density, whether your location is in a metropolitan or rural area, but generally we will not place another franchise within 5 miles of the location of your LA Boxing Franchise, and your protected territory will have a population base of not less than 100,000 people.

The purposes for which the Initial Franchise Fee will be used are to provide the initial site location assistance, training and the other initial services provided by us to you, and for working capital. The Initial Franchise Fee is payable to us in full upon signing of the LA Boxing Franchise Agreement. The Initial Franchise Fee is fully earned and non-refundable upon signing the LA Boxing Franchise Agreement, except as provided below.

The Initial Franchise Fee must be refunded, without interest, to you if: (i) we do not accept you at its home office within 30 days from the date you sign the LA Boxing Franchise Agreement; (ii) any Trainee required to attend Initial Training fails to complete satisfactorily training as we determine, and we elect to terminate the LA Boxing Franchise Agreement; or (iii) you fail to obtain an approved site for the LA Boxing Franchise within 6 months from the Agreement Date and we elect to terminate the LA Boxing Franchise Agreement. In the case of (i) above, we must refund the entire Initial Franchise Fee. In the case of (ii) or (iii) above, we are entitled to retain an amount from the Initial Franchise Fee equal to our out-of-pocket costs and standard fees for training and other assistance provided to you (for example, site selection and lease negotiation assistance) and the LA Boxing Franchise Agreement terminates. The Initial Franchise Fee is uniform as to all Franchisees currently purchasing an LA Boxing Franchise.

OPENING INVENTORY

The typical for-sale items held in opening inventory are boxing gloves, protective gear, and LA Boxing wearing apparel in the amount of \$3,000.

TRAINING FEES

We will provide, at no extra charge to you, Initial Training and training materials for up to 3 Trainees. You must pay for all expenses of the Trainees in attending Initial Training including all travel, lodging and meal expenses. You must pay all expenses incurred to have your additional employees, independent contractors or agents attend Initial Training, including reasonable training fees (currently \$500 per day per person.). We will make available to you pre-opening, on-site training by an opening supervisor. You must pay for all travel, meals and lodging costs for your attendees. Any training fee paid is not refundable under any circumstance. See **ITEM 11, TRAINING** for additional information on training.

ITEM 6 - OTHER FEES

The following is a detailed description of other recurring or isolated fees or payments that you must pay to us or that we impose or collect for a third party. All payments are non-refundable.

Name of Fee	Amount	Due Date	Remarks
Royalty Fee ¹	6% of monthly Gross Revenues	Within 10 days of the end of the previous calendar month	"Gross Revenues" means the entire amount of all your revenues from the ownership or operation of the LA Boxing Franchise as more particularly defined in Section 19.1 of the Franchise Agreement.
Advertising Contributions to the Marketing Fund ¹	2% of monthly Gross Revenues	Within 10 days of the end of the previous calendar month	"Gross Revenues" are defined above under Royalty Fee. If we institute an Advertising Contribution, at our option, you must pay a continuing monthly Advertising Contribution (Currently not in effect).
Regional Cooperative Advertising ²	As determined by the Cooperative (not more than 2% of monthly Gross Revenues)	Within 10 days of the end of the previous calendar month	Cooperatives have not been established at this time. Once formed, company-owned units will have the same voting power as franchise units. Payments to the Cooperative are credited against any Local Advertising requirements.
LA Boxing Products ¹	As set by us or our Affiliate	Immediately upon receipt of invoice or as otherwise arranged	You must purchase the LA Boxing Products from us or from an approved source we designate and license.
Training Fees ¹	As set by us or our Affiliate	Immediately upon receipt of invoice	Any Initial Training required for new Managers, or refresher training programs or seminars we offer or require, you must pay our standard training fee (currently \$500 per person per day). You must pay for all travel, meals and lodging costs for your attendees.
Fees for Special Assistance ¹	As set by us or our Affiliate	Immediately upon receipt of invoice	If you request, we will furnish non-routine guidance and assistance to deal with your unusual or unique operating problems at reasonable per diem fees, charges and out-of-pocket expenses we establish.
Insurance Coverage ¹	Cost of the insurance, interest on the monies we advance and a reasonable fee	Immediately upon receipt of invoice	If you fail to maintain the insurance required by the LA Boxing Franchise Agreement, we may obtain the required insurance and charge you the cost of the insurance, interest on the monies we advance and a reasonable fee for our efforts.
Reimbursement of Audit Costs ¹	Actual cost to us	Immediately upon receipt of invoice	We have the right to have an audit made of your records and conduct a physical inventory. If any inspection discloses an understatement of any reported amount of any type, in any report, of 2% or more of Gross Revenues, you must, in addition to paying us the amount of the understatement, reimburse us for all expenses of the inspection (including reasonable accounting and

			attorneys' fees and costs).
Deficiencies ¹	Actual cost to us	Immediately upon receipt of invoice	If you do not satisfy your obligations under the LA Boxing Franchise Agreement, we may perform your obligations for you. You must reimburse us for our costs in performing your obligations.
Renewal Fee ¹	None	At the time you exercise the option	You must sign a new LA Boxing Franchise Agreement, but there will not be an Initial Franchise Fee
Transfer Fee ¹	\$10,000	At the time of transfer	Upon a transfer, you or your personal representative or other legal representative must pay a Transfer Fee in lieu of an Initial Franchise Fee. If the transfer is to a corporation wholly owned by you, or to your spouse or child, no Transfer Fee will be charged.
Fee for Lost Manuals ¹	\$250 for each Manual	Immediately upon receipt of invoice	Upon the theft, loss or destruction of any of the Manuals, a replacement copy will be loaned to you at a fee of \$250 for each Manual. A partial loss or failure to update any Manual is considered a complete loss.
Interest on Late Payments ¹	The lesser of: (i) 18% per annum; or (ii) the maximum rate of interest permitted by law.	Immediately upon receipt of invoice	Although each failure to pay monies when due is an Event of Default, to encourage prompt payment and to cover the costs involved in processing late payments, if any payment under the LA Boxing Franchise Agreement or any other agreement between us and you is overdue for any reason, you must pay to us, on demand, in addition to the overdue amount, any insufficient funds (NSF) charges we incur and interest on the overdue amount from the date it was due until paid equal to the lesser of: (i) 18% per annum; or (ii) the maximum rate of interest permitted by law.
Late Charge ¹	\$250	Immediately upon receipt of invoice	In addition to interest on overdue amounts, you must pay a late charge for each payment that is more than 10 days overdue to cover our administrative costs in dealing with the late payment.
Liquidated Damages for Sale of Prohibited Products or Services ^{1 and 3}	\$100 per day that unauthorized products or services are offered	Immediately upon receipt of invoice	The offer to sell or the sale of unauthorized or prohibited products and services will result in damages to us, for those damages you must pay \$100 for each day of the prohibited offer or sale.
Liquidated Damages for Premature Termination ^{1 and 3}	A lump sum equal to the total of all Royalty Fees and Advertising Contributions for 36 months	Immediately upon receipt of invoice	This amount is due if you default under your LA Boxing Franchise Agreement in lieu of us having to sue and prove its actual damages.
Indemnification	Actual cost to us	Immediately upon receipt of invoice	You indemnify and hold us harmless from all damages (including reasonable attorneys' fees and costs, even if incident to appellate, post-judgment or bankruptcy proceedings), from claims brought by third parties involving your ownership or operation of your LA Boxing Franchise. This indemnity obligation continues in full effect after the expiration or termination of your Franchise Agreement.
Enforcement Costs ¹	Actual cost to us	Immediately upon receipt of invoice	If any arbitration, legal action or other proceeding is begun for the enforcement of your LA Boxing Franchise Agreement, or for an alleged dispute, breach, default or

			misrepresentation under any provision of your Franchise Agreement, the prevailing party is entitled to recover reasonable pre-institution and post-institution attorneys' fees, court costs and all expenses even if not taxable as court costs. If we engage legal counsel for your failure to pay when due any monies owed under your Franchise Agreement or submit when due any reports, information or supporting records, or for any failure otherwise to comply with your Franchise Agreement, you must reimburse us for all of the Enforcement Costs we incur.
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1 This fee is payable to us.

2 This fee is payable to the Cooperative.

3 The following states have statutes that restrict or prohibit the imposition of liquidated damages provisions: California [Civil Code Section 1671], Indiana [IC 23-2-2.7-1(10)], Minnesota [Rule 2860.4400J], South Dakota [Civil Law 53-9-5]. State courts also restrict the imposition of liquidated damages. The imposition of liquidated damages is also restricted by fair practice laws, contract law and state and federal court decisions.

UNIFORMITY

The expenses in this ITEM are uniform for persons currently offered a Franchise.

PAYMENT SCHEDULE: PRE-AUTHORIZED TRANSFERS

All required monthly payments must be submitted to us by the 5th day of each month. All other amounts owed to us are due as specified above. If no time is specified, these payments are due upon receipt of our invoice. At our option, your payments to us must be effectuated by a Payment System by the use of pre-authorized transfers from your operating account through the use of special checks or electronic funds transfer that we will process at the time any payment is due including the Royalty Fee and the Advertising Contributions.

ADVERTISING COOPERATIVES

Advertising cooperatives have not been established at this time. Once formed, company-owned units will have the same voting power as franchise units.

ITEM 7 - INITIAL INVESTMENT

The following is our best estimate of your initial investment to open 1 LA Boxing Franchise. The estimate presented covers the period before the opening of your LA Boxing Franchise and for the initial phase of your LA Boxing Franchise estimated to be 3 months. Our estimates do not provide for your cash requirements to cover operating losses after the initial phase or personal living expenses. You must have additional sums available, whether in cash or through unsecured credit lines, or have other assets that you can liquidate, or that you can borrow against, to cover your personal living expenses and any operating losses after the initial phase of your LA Boxing Franchise. We urge you to retain the services of an experienced accountant or financial advisor in order to develop a business plan and financial projections for your LA Boxing Franchise.

Your actual investment will vary depending upon local conditions peculiar to your geographic area or market, for example, real estate demand, availability and occupancy rates. Additional variables that will impact your initial investment are: size of your facility; age of the structure; length of your lease or other instrument granting you the right of occupancy to the Premises; if your space is to be built out by the developer with no initial out-of-pocket cost to you; lease arrangements; location in the market; costs of demolishing existing leasehold improvements; construction costs; other variable expenses and whether you currently hold a lease of an acceptable location. We do not expect you to purchase real estate or construct the building containing your LA Boxing Franchise.

The following chart contains a summary of your initial investment. Unless otherwise indicated, payments are generally not refundable.

Expense	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee ¹	\$25,000	Lump Sum	On signing the Franchise Agreement	Us
Misc. Supplies	\$500	Lump sum	Before opening	Suppliers
Opening Inventory ³	\$3,000	Lump sum	Before opening	Suppliers
Insurance ⁴	\$350 to \$500	Monthly	Before opening	Insurer
Printing and Signage ⁵	\$1,500	Lump sum	Before opening	Suppliers
Office Equipment/P.O.S. System ⁶	\$1,500	Lump Sum	Before opening	Suppliers
Rent/Security Dep ⁷	\$11,000	Lump sum	As required	Landlord
Initial Advertising	\$5,000	As Incurred	As required	Suppliers
Leasehold Improvements ⁹	\$10,000 to \$15,000	As Incurred	Before beginning business	Various contractors/Suppliers
Leased Equipment ^{10a}	\$800	Monthly	Before Opening	Suppliers
Equipment ^{10b}	\$18,000	Lump Sum	Before beginning business	Suppliers
Utilities Deposits ¹¹	\$750	As Incurred	As required	Suppliers
Licenses and Permits ¹²	\$500 to \$3,000	Lump sum	As required	Governmental Agencies
Legal Review ¹³	\$1,000 to \$2,000	Lump Sum	Before beginning business	Attorney
Travel, Lodging, Meals, Etc. for Initial Training ¹⁴	\$2,500 to \$3,500	As Incurred	As required	Suppliers
Additional Funds ¹⁵ (3 months)	\$10,000	As Incurred	During the first 3 months of operation	Third Parties
Miscellaneous Start-Up Costs ¹⁶	\$2,000	As Incurred	During the first 3 months of operation	Third Parties
TOTAL	\$93,400 to \$103,050			

¹ Initial Franchise Fee See ITEM 5 INITIAL FRANCHISE FEE for a description of the Initial Franchise Fee.

² Misc. Supplies The supplies include housekeeping, janitorial disinfectants and other miscellaneous supplies. The cost is \$500.

³ Inventory The inventory does not fluctuate as a function of seasonal sales. The typical for-sale items held in opening inventory are boxing gloves, protective gear, and LA Boxing wearing apparel in the amount of \$3,000.

⁴ Insurance As discussed in ITEM 8 and Section 9.1 of the Franchise Agreement, you must carry certain specified insurance. The method and timing of payments is a matter to be resolved between you and your insurer. Because the selection of the carrier, size of the Premises, location of the Premises, value of the leasehold improvements, amount of inventory, amount of wages and other related conditions will

vary, it is difficult to estimate the ultimate cost to you. Therefore, we can only estimate the total cost with the caution that you should obtain quotes from carriers of choice before proceeding. Our best estimate is approximately \$4,200 to \$6,000 per year, paid at the rate of \$350 to \$500 per month, for insurance coverage.

5 Graphics We will specify the signs and graphics and only those we approve will be used. Signs and graphics will be maintained in a condition acceptable to us at all times. You, at your own expense, must prepare, construct and erect the signs and graphics in accordance with approval from governmental authority and the landlord. The costs of fabricating and installing approved signs and graphics can vary depending upon local market conditions but are estimated to cost approximately \$1,500.

6 Office Equipment Office equipment consists of a PC computer and printer and Point of Sale system amounting to \$1,500. You can expect initial cash outlays to be lower if the items can be leased rather than purchased.

7 Rent We expect that you will lease rather than own real estate and construct a building. Lease costs will vary based upon variances in: (i) size in square feet to be leased; (ii) cost per square foot; and (iii) common area maintenance costs. These variances are determined by location, the length of the lease, the age of the leased property, local market conditions, the size of the Premises and the bargaining power of the developer or property management company. We assume that the landlord will require first and last months' rent and a security deposit equal to one months' rent. We estimate that this will be equal \$11,000.

8 Grand Opening We feel strongly that a you should enter the market in an aggressive way to minimize early lack of awareness of the LA Boxing Franchise among large numbers of potential customers in the Exclusive Territory. Grand opening promotional activities vary greatly based upon the nature of the events you elect and the local rates for services selected, for example, printing and advertising. We believe that \$5,000 is sufficient to create awareness using a multi-media advertising program.

9 Leasehold Improvements The cost of leasehold improvements for your LA Boxing Franchise will vary as a function of size, condition and location of the Premises, price differences among contractors, local wage rates and material costs, other local conditions and the nature of your leasehold improvements. The previous tenant or landlord may have installed leasehold improvements that are very compatible, thereby reducing costs. We estimate that leasehold improvements vary from \$10,000 to \$15,000. All leasehold improvements are directly related to conforming the Premises to our current standards for layout, traffic flow and other specifications.

10 a and 10b Equipment You must purchase certain equipment including boxing ring, heavy punching bags, bag cage, retail counters and speed bags. Our estimate is \$18,000 paid in lump sum. Leased Equipment includes cardio and strength machines and free weights that can be leased for \$800/mo.

11 Utilities You must incur certain deposits with local utilities, for example, electric, telephone, gas, water, etc. These will vary depending on the policies of the local utilities but are estimated to be \$750.

12 Licenses Local, municipal, county and state regulations vary on what licenses and permits are required to operate a LA Boxing Franchise. Classification of various types of fitness centers by local governments can cause the cost of licenses to vary. The total cost is approximately \$500 to \$3,000. These fees are paid to governmental authorities, when incurred, before beginning business and are usually not refundable.

13 Legal While you must sign the LA Boxing Franchise Agreement individually, you may decide to hold the franchise interest in a corporation or other entity and will transfer the LA Boxing Franchise Agreement to a corporation or other entity formed before beginning operations. Regardless of the ownership of the LA Boxing Franchise, you must comply with the fictitious, assumed, or trade name statutes of the state in which the LA Boxing Franchise will be located. We estimate that the attorneys'

fees, publication fees, filing fees and other costs will total \$1,000 to \$2,000 for incorporation, compliance with your state's fictitious or assumed name statute and review of this Franchise Offering Circular, depending on the scope of legal services rendered. These fees may vary from state to state depending on each state's laws and the prevailing rate of attorneys' fees. These costs are paid to attorneys, newspapers and governmental agencies, are not refundable and usually incurred before beginning business.

14 TL&M You must pay for all out-of-pocket expenses, workers' compensation insurance and all employee compensation along with federal and state taxes for the Trainees. We assume no responsibility for your human resource-related liabilities or costs during Initial Training. You must bring no fewer than 3 people (owner, instructor and salesperson), of whom at least one must be the operating partner. The typical costs of training that you must bear are the transportation, lodging, compensation and meals. The estimate is for items that are non-discretionary in nature. Generally these costs will vary widely as a function of the distance traveled, accommodations selected, restaurants selected, the distance between the hotel and the training center and the transportation selected. Using different lifestyles, distances and compensation assumptions, the estimates are from \$2,500 to \$3,500.

15 Working Capital You must have adequate working capital before beginning operation of a LA Boxing Franchise. Working capital should be sufficient to keep the LA Boxing Franchise in operation for 3 months and capable of covering the excess of expenses over cash flow from the gym covering independent contractor fees, employee salaries and taxes, inventory replenishment, insurance premiums, rent, utilities and other normal expenses that are associated with the day-to-day business operation of the Franchise. You must be able to meet operating expenses from pre-opening, including hiring and training expenses, until the LA Boxing Franchise develops sufficient cash flow to cover all costs. The estimate for working capital is \$10,000. This figure does not include any payments to you during the start-up period. You must have sufficient personal resources to cover your living expenses during this period. In the area of working capital, you must fill out a personal/family cash flow budget and determine if there is sufficient revenue on the personal level to provide for your family through the start-up period. Clearly, working capital requirements will be a function of your decisions regarding nearly every aspect of your LA Boxing Franchise, for example, how many independent contractors you engage, the size of the payroll, rent, utilities, size of the operation and many other expenses that you decide to incur. **We do not guarantee that you will not have greater start-up expenses than these estimates, or that you will not need more operating funds than these estimates. We do not imply or guarantee that you will "break even" by any particular time.**

16 Miscellaneous Although the estimated start-up expenses are our best estimate, it is possible that you will exceed these figures and it would be advisable to have additional working capital available. You must have an additional \$2,000 in reserve cash.

BASIS FOR ESTIMATES

We relied on our management staff's 12 years of experience as owners and operators of seven 7 boxing and fitness gyms in Southern California and Georgia, utilizing the LA Boxing name and trademark, to compile these estimates. You must review these figures carefully with a business advisor before making any decisions to purchase an LA Boxing Franchise.

FINANCING

As described in ITEM 10, neither we nor our agents offer any financing arrangements to you.

ITEM 8 - RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

PURCHASES FROM US OR OUR DESIGNEE

You must purchase or lease the following goods, services, supplies, equipment or inventory for the establishment of your LA Boxing Franchise from us or from suppliers approved by us or under our specifications.

LA BOXING PRODUCTS

We have developed certain LA Boxing Products for use in the System. You must purchase from us or from an approved source we designate and license, all of your supplies of the LA Boxing Products, all in accordance with our requirements then in effect. All LA Boxing Products sold by or through us to you must be sold under the terms we or the manufacturer of the LA Boxing Products states in writing. **EXCEPT AS WE STATE IN WRITING AND SIGN, WE DO NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES ON THESE PRIVATE LABEL PRODUCTS, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. OUR EXCLUSIVE LIABILITY FOR ANY WARRANTIES EXTENDED AS PROVIDED IN THE LA BOXING FRANCHISE AGREEMENT IS TO REPAIR OR REPLACE, AT OUR OPTION, ANY OF THE PRIVATE LABEL PRODUCTS WE SOLD TO YOU THAT ARE NOT IN COMPLIANCE WITH THIS WARRANTY, IF ANY. UNDER NO CIRCUMSTANCES WILL OUR LIABILITY EXCEED THE DOLLAR AMOUNT OF THE PURCHASE PRICE YOU PAID FOR ANY PRIVATE LABEL PRODUCTS NOT IN COMPLIANCE WITH THIS WARRANTY, IF ANY, WHICH MAY BE EXTENDED AS PROVIDED IN THE LA BOXING FRANCHISE AGREEMENT. WE WILL NOT BE LIABLE TO ANY PARTY, INCLUDING YOU AND YOUR CUSTOMERS, FOR ANY TORT DAMAGES OR INDIRECT, SPECIAL, GENERAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS OR ANTICIPATED PROFITS AND LOSS OF GOOD WILL, FROM THE USE OF (OR INABILITY TO USE) THE PRIVATE LABEL PRODUCTS FOR ANY PURPOSE.**

The cost of inventory and equipment purchased in accordance with our specifications will represent approximately 50% of your total purchases in connection with the establishment of your business, and less than 5% of your total purchases in the operation of your business.

OTHER ITEMS

You must also purchase a boxing ring with professional size and structure specifications, boxing equipment infrastructure to accommodate heavy-bag installations, and service providers to properly install all purchased equipment from us.

SPECIFICATIONS AND STANDARDS

To help retain the uniform and high standards necessary to retain and enhance the good will of the System and your acceptance in your market, we provide specifications and/or required suppliers for the purchase or lease of certain items. Specifications may include standards for enhancing the System's image and minimum standards for safety, appearance and other factors. We design and modify specifications based upon the uniform and high standards necessary to retain and enhance the good will of the System. Specifications are issued to you in the Manuals or otherwise in writing. The categories for these purchases or leases are as follows:

STANDARD BUILDING PLANS AND SPECIFICATIONS AND/OR STANDARD RECOMMENDED FLOOR PLAN

We will loan to you a sample set of our standard recommended floor plan for you to conform to the Premises.

DESIGN SPECIFICATIONS

We will loan to you specifications of our requirements for design, decoration, layout, equipment, furniture, fixtures and signs for your LA Boxing Franchise. These items may be purchased from any approved supplier.

SPECIFICATIONS FOR LA BOXING UNIFORMS

We will loan to you specifications for LA Boxing uniforms for your employees that you must purchase directly from our approved suppliers.

INSURANCE

You must obtain and maintain insurance, at your expense, as we require, in addition to any other insurance that must be required by applicable law, your landlord, lender or otherwise. The policies must be written by an insurance company reasonably satisfactory to us with a Best rating of "B" or better, and include the risks, amount of coverage and deductibles as stated in the Manuals and Section 9.1 of the Franchise Agreement.

The cost of insurance purchased in accordance with our specifications will represent approximately 2% of your total purchases in connection with the establishment of your business, and 2% of your total purchases in the operation of your business. These percentages do not include worker's compensation insurance that will vary with the payroll amount and category of employees.

ADVERTISING

You must submit to us, for our approval, all materials to be used for Local Advertising, unless they have been approved before or they consist only of materials we have provided. All materials containing Proprietary Marks must comply with the specifications stated in the Manual and in accordance with Section 7.1 of the Franchise Agreement.

APPROVED SUPPLIES AND SUPPLIERS

You must purchase or lease equipment, supplies, inventory, advertising materials, construction services and other products and services used for the operation of your LA Boxing Franchise only from authorized manufacturers, contractors and other suppliers who demonstrate, to our continuing reasonable satisfaction: (i) the ability to meet our reasonable standards and specifications for the items; (ii) possess adequate quality controls and capacity to supply your needs promptly and reliably; and (iii) have been approved in writing by us and not later disapproved. We may approve a single supplier for any brand and may approve a supplier only as to certain brand or brands. In approving suppliers for the System, we may take into consideration the price and quality of the products or services and the reliability of the supplier and other factors. We may concentrate purchases with one or more suppliers to obtain the lowest prices and/or the best advertising support and/or services for any group of LA Boxing Franchisees or Company Units within the Chain. Approval of a supplier may be conditioned on requirements for the frequency of delivery, standards of service, including prompt attention to complaints, and concentration of purchases, as stated above, and may be temporary, pending our additional evaluation of the supplier. If we later disapprove a supplier, we will notify you in writing of the disapproval. You must cease purchasing from that supplier within a reasonable time after your receipt of our notice of disapproval.

We are not the sole supplier for any LA Boxing Products.

We provide material benefits to you based on your use of designated or approved sources through negotiated purchase arrangements with suppliers for your benefit and the benefit of the other franchisees.

Of your total purchases and leases that must conform to our specifications, we estimate that 50% will be purchased from us, in connection with the establishment of your franchised business. Of your total purchases and leases that must conform to our specifications, we estimate that 10% will be purchased from us.

APPROVAL OF NEW SUPPLIERS

If you propose to purchase or lease any equipment, supplies, inventory, advertising materials, construction services or other products or services from an unapproved supplier, you must submit to us a written request for approval, or request the supplier to do so itself. We have the right to require, as a condition of its approval that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at our option, either to us or to an independent, certified laboratory we designate for testing. We will not be liable for damage to any sample that may result from the testing process. You must pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the testing. You must also, as a condition to its approval, that the supplier present satisfactory evidence of insurance, for example, product liability insurance, protecting us and you from all claims from the use of the item within the System. We will give approval or disapproval in writing and delivered to you by regular mail within 10 days after all testing and the above conditions have been completed. We reserve the right, at our option, to reinspect the facilities and products of any approved supplier and continue to sample the products at the supplier's expense and to revoke approval upon the supplier's failure to continue to meet our standards and specifications. You will receive notification of approval or disapproval of a supplier within 7 days after we have investigated and inspected the supplier. Our criteria for supplier approval are available to you.

REVENUE FROM APPROVED SUPPLIES AND SUPPLIERS

Neither we, nor any of our affiliates receive payments, rebates or other consideration from approved suppliers. We reserve the right to be compensated by a supplier for creating or maintaining a relationship or arrangement with approved or recommended suppliers in the future.

PURCHASING OR DISTRIBUTION COOPERATIVES

There are currently no purchasing or distribution cooperatives that you must join or in which you may participate.

We do not discriminate among our Franchisees based upon a particular Franchisee's use of an approved supplier.

ITEM 9 - FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS FRANCHISE OFFERING CIRCULAR.

Obligation	Section In Agreement⁽¹⁾	Item In Franchise Offering Circular
a. Site selection and acquisition/lease	Section 4.1	ITEMS 6, 7, 8 and 11.
b. Pre-opening purchases/leases	Sections 4.1, 4.2, 4.3, 4.4, 4.8, 4.9, 4.11, 4.12, 4.14 and 4.15	ITEMS 5, 7, 8 and 11.
c. Site development and other pre-opening requirements	Sections 4.1, 4.2, 4.3, 4.4 and 4.9	ITEMS 5, 7, 8 and 11.
d. Initial and ongoing training	Sections 2.7, 2.8, 2.10 and 2.11(j)	ITEMS 6, 7, 8 and 11.
e. Opening	Section 4.4	ITEMS 7, 8 and 11.
f. Fees	ARTICLE 3 and Sections 2.7(a), 2.13, 4.1, 4.9(c), 4.21, 4.22, 6.2(a), 8.3, 9.7, 11.2(f)(vii), 13.9 and 14.1(b)	ITEMS 5, 6 and 7.
g. Compliance with standards and policies/Operating Manual	Sections 4.3, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.11, 4.13, 4.14, 4.15, 4.16, 4.17, 4.18, 4.19, 4.21, 7.1, 7.2, 7.3.	ITEMS 8, 11 and 14.

Obligation	Section In Agreement ⁽¹⁾	Item In Franchise Offering Circular
	7.4, 7.5, 7.6, 7.7, 8.1, 8.2, 8.4, 9.1, 9.2, 9.3, 9.5, 11.2, 20.3 and ARTICLE 6	
h. Trademarks and proprietary information	ARTICLES 5, 6 and 14	ITEMS 13 and 14.
i. Restrictions on products/services offered	Sections 4.5, 4.7, 4.10, 4.11, 4.12	ITEMS 8 and 16.
j. Warranty and customer service requirements	Sections 4.7, 4.17	ITEM 8.
k. Territorial development and sales quotas	Section 4.25	ITEM 12.
l. Ongoing product/service purchases	Sections 4.10, 4.11 and 4.12	ITEMS 6 and 8.
m. Maintenance, appearance and remodeling requirements	Sections 4.1, 4.2, 4.3, 4.6 and 4.21	ITEMS 6, 7 and 8.
n. Insurance	ARTICLE 9	ITEMS 6, 7 and 8.
o. Advertising	ARTICLE 7	ITEMS 6, 7, 8 and 11.
p. Indemnification	Section 15.2	ITEMS 6 and 8.
q. Owner's participation/management/staffing	Sections 4.9	ITEMS 6 and 15.
r. Records and reports	ARTICLE 8	ITEM 8.
s. Inspections and audits	ARTICLE 8	ITEMS 6, 8 and 11.
t. Transfer	ARTICLE 11	ITEMS 6 and 17.
u. Renewal	Section 17.2	ITEMS 6 and 17.
v. Post-termination obligations	ARTICLE 13	ITEM 17.
w. Non-competition covenants	ARTICLE 14	ITEM 17.
x. Dispute resolution	ARTICLE 18	ITEMS 6 and 17.

¹ Unless otherwise stated, all references are to the LA Boxing Franchise Agreement attached as Exhibit C.

ITEM 10 – FINANCING

We do not offer direct or indirect financing for anything. We do not assist in providing financing for you. We do not guarantee any notes or financial obligations you may incur in setting up and operating your franchise.

ITEM 11 - FRANCHISOR'S OBLIGATIONS

EXCEPT AS DISCLOSED BELOW, WE NEED NOT PROVIDE ANY ASSISTANCE TO YOU.

FRANCHISE AGREEMENT

MANDATORY OBLIGATIONS BEFORE OPENING OF THE LA BOXING FRANCHISE

After the LA Boxing Franchise Agreement is signed and before opening your LA Boxing Franchise, we will provide you through us or our Designee with the following assistance and services as long as you are not in default under your LA Boxing Franchise Agreement:

(a) **Site Selection Assistance.** We must approve the proposed site for your Premises in writing before beginning any construction of improvements. We will supply to you our site selection criteria. We will also provide an

on-site evaluation in response to your request for site selection assistance and approval. However, we will not provide on-site evaluation for any proposed site before receipt of the materials required in the Manuals. We will not unreasonably withhold approval of any site that meets our standards for demographic characteristics, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area, the proximity to other businesses, the nature of other businesses in proximity to the site and other commercial characteristics, the size, appearance and other physical characteristics of the site, and any other factors that we consider relevant in approving or disapproving a site. We will review site approval submissions on a first-in basis. If we do not approve the selected site, you have 30 days to submit a new site within the Reserved Area for our written approval. **WE DO NOT REPRESENT THAT WE HAVE ANY SPECIAL EXPERTISE IN SELECTING SITES. OUR APPROVAL OF A SITE IS NOT A REPRESENTATION OR WARRANTY THAT THE LA BOXING FRANCHISE WILL BE PROFITABLE OR THAT YOUR SALES WILL ATTAIN ANY PREDETERMINED LEVELS. APPROVAL IS INTENDED ONLY TO INDICATE THAT THE PROPOSED SITE MEETS OUR MINIMUM CRITERIA FOR IDENTIFYING SITES. OUR APPROVAL OR DISAPPROVAL OF A PROPOSED SITE DOES NOT IMPOSE ANY LIABILITY ON US.** (Section 2.1 of the Franchise Agreement).

(b) **Plans and Specifications.** We will loan to you our standard recommended floor plan. [Subsection 2.2(a)(i) of the Franchise Agreement.]

(c) **Design Specifications.** We will loan to you our specifications for design, decoration, layout, equipment, furniture, fixtures and signs for your LA Boxing Franchise. [Subsection 2.2(a)(ii) of the Franchise Agreement.]

(d) **Uniform Requirements.** We will provide you with specifications for LA Boxing uniforms for your employees that you must purchase from our approved suppliers. [Subsection 2.2(a)(iii) of the Franchise Agreement.]

(e) **Business Planning Assistance.** After this Agreement is signed by the parties, we will review and comment on any business plan and pro forma financial projections you prepare. **WE DO NOT REPRESENT THAT WE HAVE ANY SPECIAL EXPERTISE IN REVIEWING OR DEVELOPING BUSINESS PLANS. OUR REVIEW AND COMMENTARY OF A BUSINESS PLAN OR FINANCIAL PROFORMA IS NOT A REPRESENTATION OR WARRANTY THAT THE LA BOXING FRANCHISE WILL BE PROFITABLE OR THAT YOUR SALES WILL ATTAIN ANY PREDETERMINED LEVELS. OUR REVIEW AND COMMENTARY IS INTENDED ONLY TO PROVIDE INFORMATION SHARING TO YOU AND SUCH REVIEW AND COMMENTARY DOES NOT IMPOSE ANY LIABILITY ON US.** (Section 2.3 of the Franchise Agreement.)

(f) **Accounting, Cost Control and Inventory Control Systems.** We will provide you with standardized accounting, cost control and inventory control systems. (Section 2.4 of the Franchise Agreement.)

(g) **Lists, Forms and Schedules.** We will loan to you a list of required equipment, supplies, materials, inventory and other items necessary to operate your LA Boxing Franchise, a list of approved suppliers of all items, and an initial set of forms, including the standard brochure and various operation forms, for example, standardized periodic reporting forms for reporting accounting information, cost analysis and purchase order forms. We will also make available to you a schedule of items that must be purchased from us and a schedule of recommended items to be purchased from third-party suppliers. These forms and schedules are set forth in the Manuals. **WE DO NOT WARRANT THE COMPLETENESS, LEGALITY OR ENFORCEABILITY OF ANY AGREEMENTS OR FORMS. YOU MUST RETAIN YOUR OWN COUNSEL TO REVIEW AND CONFORM SUCH AGREEMENTS AND DOCUMENTS TO ALL APPLICABLE FEDERAL AND STATE LAWS.** (Section 2.5 of the Franchise Agreement.)

(h) **Employee Information and Assistance.** We will give to you a standardized interviewing/selection system. You must perform the hiring, disciplining, supervising, promoting and firing of your employees and the establishment of their salaries as further provided in Section 4.8. (Section 2.6 of the Franchise Agreement.)

(i) **Initial Training.** We will provide Initial Training for up to 3 Trainees. (Section 2.7 of the Franchise Agreement.) Details of Initial Training are described below under the heading **TRAINING PROGRAM.**

(j) **Loan of the Manuals.** We will loan you one registered copy of each volume of the Manuals. (Section 2.8 of the Franchise Agreement.) To protect our reputation and good will and to maintain uniform standards of operation under the Proprietary Marks, you must conduct your business in accordance with the Manuals. (Section 6.1 of the Franchise Agreement.) You must at all times treat and maintain the Confidential Information as confidential and our trade secrets. The Manuals must, at all times, be kept in a secure area within the Premises. You must strictly limit access to the Confidential Information to your employees, to the extent they have a "need to know" in order to perform their jobs. You must report the theft, loss or destruction of the Manuals, or any portion of the Manuals, immediately to us. Upon the theft, loss or destruction of any Manuals, we will loan you a replacement copy at a fee of \$250 for each Manual. A partial loss or failure to update any Manual is considered a complete loss. You must not at any time, without our written consent, copy, record or otherwise reproduce any of the Confidential Information. All persons, whom you permit to have access to the Manuals or any other Confidential Information, must first sign a confidentiality agreement. [Subsection 6.2(c) of the Franchise Agreement.]

(k) **Pre-Opening Inspection.** We will inspect your Franchise Location before you open. We will provide you with advice, as we deem appropriate, to insure that you conform to applicable Franchise standards before the Opening Date. (Section 2.9 of the Franchise Agreement.)

(l) **Pre-Opening On-Site Training; Opening Supervisor.** We will make available to you pre-opening, on-site training for a Business Day by our Opening Supervisor, in most instances to be conducted at your LA Boxing Franchise shortly before the Opening Date. The on-site training program involves a review of required equipment, systems and operations. The Opening Supervisor will also observe boxing and fitness training classes and oversee the operation. We will pay the expenses of the Opening Supervisor. (Section 2.10 of the Franchise Agreement.) Details are described below under the heading "Training Program."

Except as otherwise stated above, these obligations of ours will be satisfied at Initial Training, or within 30 days after Initial Training.

DISCRETIONARY OBLIGATIONS BEFORE OPENING OF THE LA BOXING FRANCHISE

None

MANDATORY OBLIGATIONS AFTER BEGINNING OPERATIONS

The obligations we or our Designee will perform during the operation of your LA Boxing Franchise are as follows as long as you are not in default under your LA Boxing Franchise Agreement:

(a) **Accounting Services.** We will provide you with a bookkeeping format for reporting Gross Revenue utilizing forms that we develop from time-to-time for membership sales, product sales, and general and administrative activities. [Subsection 2.11(a) of the Franchise Agreement.]

(b) **Field Visits.** We will provide assistance to you in the development and operation of your LA Boxing Franchise by means of periodic visits by one of our field representatives. [Subsection 2.11(b) of the Franchise Agreement.]

(c) **Telephone Assistance.** We will provide informational assistance by telephone, including consultation on matters involving operations, sales techniques, advertising, promotion and business methods. [Subsection 2.11(c) of the Franchise Agreement.]

(d) **Advertising and Public Relations Campaigns.** We will generally promote your business through advertising and public relations campaigns. [Subsection 2.11(d) of the Franchise Agreement.]

(e) **Local Advertising.** We will provide you advice on Local Advertising. [Subsection 2.11(e) of the Franchise Agreement.]

(f) **Promotional Methods and Materials.** We will provide you with promotional methods and materials

we may develop. [Subsection 2.11(f) of the Franchise Agreement.]

(g) **Research and Development.** We will continue to research and develop new equipment, products and services, introductions and techniques, as we deem appropriate in our sole discretion. We may conduct market research and testing to determine consumer trends and the salability of new products and services. If we choose you, and if you accept, you must participate in our market research programs, in test marketing new products and services in the LA Boxing Franchise and by providing us with timely reports and other relevant information regarding that market research. If you participate in any test marketing, you must purchase a reasonable quantity of the products or services being tested in order to effectively promote and make a good faith effort to sell them. (Subsection 2.11(k) of the Franchise Agreement.)

DISCRETIONARY OBLIGATIONS AFTER BEGINNING OPERATIONS

Radio and Television Commercials. We may provide a preapproved radio script and camera-ready television commercials (not including airtime) for your use in your ADI. [Subsection 2.11(g) of the Franchise Agreement.]

Periodic Assistance. We may provide advisory assistance in the operation and promotion of the LA Boxing Franchise, as we deem advisable. Advisory assistance may include additional training and assistance, communication of new developments, improvements in equipment and supplies, and new techniques in advertising, service and management relevant to the operation of the LA Boxing Franchise. [Subsection 2.11(h) of the Franchise Agreement.]

Refresher or Additional Training. We may provide refresher training programs, seminars, or advanced management training for you and your employees at our principal training facility in Costa Mesa, California, as may be required at our option, which you or your Manager must attend. Training is not required more often than once a year. However, if you receive an unsatisfactory inspection report from us and fail to promptly remedy the deficiencies, your Manager and designated employees must attend refresher training as soon as reasonably possible. You must pay for all expenses associated with these programs including the then prevailing standard training fee we charge for these programs and all travel, meals and lodging costs of your attendees. [Subsection 2.11(i) of the Franchise Agreement.]

LA Boxing's Temporary Operation of Your Franchise Business. At our option, if: you fail to keep your LA Boxing Franchise open for business during normal business hours; you are absent from your LA Boxing Franchise more than 5 days or abandon the Premises; you or the Franchise Owner dies or becomes permanently incapacitated and the franchise or the ownership interest in your franchise is not assigned promptly under Section 11.4 of the Franchise Agreement; you materially breach any of our standards and specifications for the operation of your LA Boxing Franchise; or your LA Boxing Franchise is terminated and we elect to purchase your business assets as provided in Section 13.4 of the Franchise Agreement; then, we are entitled (but have no obligation) to enter your Premises and to operate and manage your LA Boxing Franchise for your (or your estate's) account until the LA Boxing Franchise is terminated, transferred to a party under Subsection 11.2(f) of the Franchise Agreement, purchased by us, or until you resume control over your LA Boxing Franchise and operate it in accordance with this Agreement. Our operation and management will not continue for more than 90 days without your written consent or the consent of the representatives of your estate. If we operate your LA Boxing Franchise, we will account to you or your estate for all net income from the operation less our reasonable expenses incurred in, and a reasonable management fee for, our operation of your LA Boxing Franchise. (Section 2.13 of the Franchise Agreement.)

ADVERTISING PROGRAMS

LOCAL ADVERTISING

You must spend during each month during the Term, beginning on the Opening Date, at least 5% of monthly Gross Revenues for Local Advertising. [Subsection 7.1(a) of the Franchise Agreement.]

WEB SITE ADVERTISING

Any Web Site is deemed Local Advertising under the Franchise Agreement and is subject to, among other things,

our prior written consent. Before establishing a Web Site, you must submit to us a sample of the Web Site format and information in the form and manner that we reasonable require. In addition to any other applicable requirements, you must comply with our standards and specifications for Web Sites as set forth in the Manuals. You must establish your Web Site as part of any Web Site that we establish and/or establish electronic links to any Web Site we establish. If you propose any material revision to your Web Site or any information contained in your Web Site, you must submit each revision to us for our prior written approval. (Section 7.3 of the Franchise Agreement.)

REGIONAL COOPERATIVE ADVERTISING

We have the right, in our discretion, to establish a regional advertising cooperative in any ADI. You must immediately upon our request become a member of the Cooperative for the ADI where some or all of your Exclusive Territory is located. Your LA Boxing Franchise will not be required to be a member of more than one Cooperative. You must contribute to the Cooperative the amount the Cooperative determines and that amount will be credited against your obligation for Local Advertising; provided, however, you will not be required to contribute to any Cooperative in excess of 2% of your monthly Gross Revenues. We will determine who is responsible for the administration of each Cooperative. Cooperatives are not required to but are expected to operate from written documents. Upon the establishment of your Cooperative, you will be provided a copy of any written document governing the Cooperative. The Cooperative will determine whether and when financial statements of the Cooperatives' activities will be prepared; however, we have the right to inspect the financial records of any Cooperative. We also have the right to change, dissolve or merge any Cooperatives. Each Cooperative will render quarterly reports to us of its advertising expenditures. We do not receive any portion of the contributions to the Cooperative. (Section 7.2 of the Franchise Agreement.)

MARKETING FUND (Section 7.5 of the Franchise Agreement.)

(a) If we institute an Advertising Contribution requirement, we will create a special fund called the "LA Boxing Marketing Fund" (the "Marketing Fund"), into which the Advertising Contributions are deposited, and is for the benefit of all Franchise Units and Company Units who contribute to the Marketing Fund. The Marketing Fund does not currently exist.

(b) The Marketing Fund is administered by the Marketing Fund Committee (the "MFC"). You and the other Franchisees will elect or appoint 2 members and we will appoint 2 members to the MFC to serve for a one-year term corresponding to the calendar year. The 4-member MFC will by a majority vote determine the selection and placement of national and regional advertising. Each MFC member has one vote. If the MFC is deadlocked, our President will decide. The Marketing Fund is maintained and operated by the MFC as a fiduciary to you and used to meet the costs of conducting regional and/or national advertising and promotional activities on a regional or national scale (including the cost of advertising campaigns, test marketing, marketing surveys, public relations activities and marketing materials) we deem beneficial to the System. We are authorized to charge the Marketing Fund fees at reasonable market rates for advertising, marketing or promotional services actually provided by us, in lieu of engaging third party agencies to provide these services.

(c) All expenditures are at the sole discretion of the MFC. The MFC may spend in any calendar year more or less than the total Advertising Contributions to the Marketing Fund in that year. The MFC may borrow from us or other lenders on behalf of the Marketing Fund to cover deficits of the Marketing Fund or cause the Marketing Fund to invest any surplus for future use by the Marketing Fund.

(d) You must authorize us to act as your sole agent to enter into contracts with parties offering promotion, discount or other programs whereby you would receive rebates or marketing allowances ("Rebates") from handling items offered for sale by the parties. All Rebates will be paid to us and we will contribute them to the Marketing Fund. You must assign all of your right, title and interest in all Rebates to us, and authorize us to furnish any proof of purchase evidence as may be required in accordance with the contracts. All rebates received by us from our Company-Units will also be contributed to the Marketing Fund.

(e) The MFC will retain our independent certified public accountants to prepare an annual audit of the Marketing Fund, at the expense of the Marketing Fund, and send a copy of the audit to you and all other Franchisees within 90 days after the end of each fiscal year.

3:15 - 4:30

4:30

Ring Time

Anthony Geisler

Dismissal

FRIDAY

8:30 - 10

10 - 10:15

10:15 - 12

12 - 1 pm

1 - 2:15

2:30

Item

Professional

Wrap up/Questions

Anthony Geisler

Break

Wrap up/Questions

Anthony Geisler

Lunch Break

Teach a class of your choice

Class

Dismissal

Salesperson Training Program

MONDAY

8:30 - 9:30

9:30 - 10:00

10:00 - 10:15

10:15 - 11:00

11:00 - 12:00

12:00 - 1:00

1:00 - 2:00

2:00 - 3:00

3:00 - 4:00

4:00 - 5:00

5:00

Item

Professional

General Overview & Company History

Chris Poland

Basic Sales Strategies

Chris Poland

Break

Chris Poland

Basic Sales Strategies

Chris Poland

Role-Playing

Chris Poland

Kickboxing Class

Anthony Geisler

Lunch Break

Anthony Geisler

Overview

Chris Poland

Paperwork Training

Chris Poland

Q & A

Chris Poland

Dismissal

TUESDAY

8:30 - 9:00

9:00 - 10:00

10:00 - 10:15

10:15 - 11:15

11:15 - 12:00

12:00 - 1:00

1:00 - 2:00

2:00 - 3:30

3:30 - 4:30

Item

Professional

Test

Class

Isolating and Overcoming Objections

Chris Poland

Break

Anthony Geisler

Isolating and Overcoming Objections

Chris Poland

Role-Playing

Anthony Geisler

Boxing Class

Chris Poland

Lunch Break

Anthony Geisler

Closing the Deal

Chris Poland

Role-Playing

Anthony Geisler

Chris Poland

LA BOXING FRANCHISEE INITIAL TRAINING PROGRAM

Owner Training Program

MONDAY

8:30 - 9:30
9:30 - 10
10 - 10:15
10:15 - 11
11 - 12 pm
12 - 1 pm
1 - 3:15
3:15 - 4:30
4:30

Item	Professional
General Overview & Company History	Anthony Geisler
Company Start-up	
Break	
Company Start-up	
Forms & Paperwork	
Lunch Break	
Accounting	Anthony Geisler
Boxing Class	Anthony Geisler
Dismissal	

TUESDAY

8:30 - 10
10 - 10:15
10:15 - 12
12 - 1 pm
1 - 1:45
1:45 - 3:15
3:15 - 4:30
4:30

Item	Professional
Accounting	Anthony Geisler
Break	
Accounting	Anthony Geisler
Lunch Break	
Accounting	Anthony Geisler
Membership - ASF Training	
Kickboxing Class	Anthony Geisler
Dismissal	

WEDNESDAY

8:30 - 10
10 - 10:15
10:15 - 12
12 - 1 pm
1 - 3:15 pm
3:15 - 4:30
4:30

Item	Professional
Membership - ASF Training	Anthony Geisler
Break	
Instructors & Sales - Payroll	Anthony Geisler
Lunch Break	
Instructors & Sales - Payroll	Anthony Geisler
Jui-Jitsu Class	Anthony Geisler
Dismissal	

THURSDAY

8:30 - 10
10 - 10:15
10:15 - 11:30
11:30 - 12
12 - 1 pm
1 - 1:30
1:30 - 3:15

Item	Professional
Sales Calls	Anthony Geisler
Break	
Advertising	Anthony Geisler
Apparel & Accessories	Anthony Geisler
Lunch Break	
Apparel & Accessories	Anthony Geisler
Gym Layout	Anthony Geisler

3:15 - 4:30

4:30

FRIDAY

8:30 - 10

10 - 10:15

10:15 - 12

12 - 1 pm

1 - 2:15

2:30

Ring Time	Anthony Geisler
Dismissal	

Item	Professional
Wrap up/Questions	Anthony Geisler
Break	
Wrap up/Questions	Anthony Geisler
Lunch Break	
Teach a class of your choice	Class
Dismissal	

Salesperson Training Program

MONDAY

8:30 - 9:30

9:30 - 10:00

10:00 - 10:15

10:15 - 11:00

11:00 - 12:00

12:00 - 1:00

1:00 - 2:00

2:00 - 3:00

3:00 - 4:00

4:00 - 5:00

5:00

Item	Professional
General Overview & Company History	Chris Poland
Basic Sales Strategies	Chris Poland
Break	Chris Poland
Basic Sales Strategies	Chris Poland
Role-Playing	Chris Poland Anthony Geisler
Kickboxing Class	Anthony Geisler
Lunch Break	
Overview	Chris Poland
Paperwork Training	Chris Poland
Q & A	Chris Poland
Dismissal	

TUESDAY

8:30 - 9:00

9:00 - 10:00

10:00 - 10:15

10:15 - 11:15

11:15 - 12:00

12:00 - 1:00

1:00 - 2:00

2:00 - 3:30

3:30 - 4:30

Item	Professional
Test	Class
Isolating and Overcoming Objections	Chris Poland Anthony Geisler
Break	
Isolating and Overcoming Objections	Chris Poland Anthony Geisler
Role-Playing	Chris Poland
Boxing Class	Anthony Geisler
Lunch Break	
Closing the Deal	Chris Poland Anthony Geisler
Role-Playing	Chris Poland

4:30 - 5:00

Q & A

Chris Poland

5:00

Dismissal

WEDNESDAY

8:30 - 10:00

Item**Professional**

Marketing Strategies

Anthony Geisler

10:00 - 10:15

Break

10:15 - 11:00

Marketing Strategies

Anthony Geisler

11:00 - 12:00

Setting Goals

12:00 - 1:00

Kickboxing Class

Anthony Geisler

1:00 - 2:00

Lunch Break

2:00 - 3:00

Cleaning Responsibilities

Anthony Geisler

3:00 - 4:30

Computer Training

Anthony Geisler

4:30 - 5:00

Q & A

Anthony Geisler

5:00

Dismissal

THURSDAY

8:30 - 10:00

Sales Calls

Chris Poland

10:00 - 10:15

Break

10:15 - 10:45

Apparel & Accessories

Anthony Geisler

10:45 - 12:00

Product Knowledge

Anthony Geisler

12:00 - 1:00

Jiu-Jitsu Class

Anthony Geisler

1:00 - 2:00

Lunch Break

2:00 - 3:30

Telephone Inquiry Script

Chris Poland

3:30 - 4:15

Role-playing

Chris Poland

4:15 - 4:30

Test

Class

4:30 - 5:00

Q & A

Chris Poland

5:00

Dismissal

FRIDAY

8:30 - 10:00

Referrals

Chris Poland

10:00 - 10:15

Break

10:15 - 12:00

Overview

Chris Poland

12:00 - 1:00

Lunch Break

1:00 - 2:00

Conditions vs. Objections

Anthony Geisler

2:00 - 3:00

Final Exam

Class

3:00 - 3:30

Opportunities

Anthony Geisler

3:30 - 5:00

Wrap-up Questions

Anthony Geisler

5:00

Dismissal

Chris Poland

LA Boxing Instructor Training**MONDAY****Item****Professional**

8:30 - 9 am

9 - 10:00

10 - 10:15

10:15 - 11

11 - 12 pm

12 - 1 pm

1 - 2:00

2 - 2:30

2:30 - 4

4 - 5:00

5:00

Introduction & Orientation	Anthony Geisler
Tour Facility & Martial Arts History	
Break	
Dress Code & Selling Gear	Anthony Geisler
Stretch Seminar	Sean McCully
Learn Boxing Class	
Lunch Break	
Boxing Class Break Down & Notes	Greg Beilfuss
Pad Work & Equipment Lecture	
Kids Class Training	
Dismissal	

TUESDAY

8:30 - 9:30

9:30 - 10

10 - 10:15

10:15 - 12

12 - 1 pm

1 - 2:00

2 - 3:00

3 - 4:30

4:30

Item	Professional
Learn Group Kickboxing	Sean McCully
Kickboxing Class Break Down & Notes	
Break	
Demonstrate & Discuss Private Lesson Techniques	
Lunch Break	
Stretch Training	Greg Beilfuss
Nutrition Seminar	
Pad Work	
Dismissal	

WEDNESDAY

8:30 - 9:15 am

9:15 - 10

10 - 10:15

10:15 - 11:30

11:30 - 12

12 - 1 pm

1 - 2:00

2 - 2:30

2:30 - 3:30

3:30 - 5

5:00

Item	Professional
Morning Stretch & Hand Wrap Review	Greg Beilfuss
Pad Work	
Break	
Customer Appreciation & Problem Resolution	Anthony Geisler
Private Lesson Format	
Lunch Break	
Review Martial Arts History	Greg Beilfuss
Group Class Review	
Prep for Teaching Private Lesson on Own	
Watch Kids Class & Review	
Dismissal	

THURSDAY

8:30 - 9:30

9:30 - 10

10 - 10:15

10:15 - 11:30

Item	Professional
Stretch & Learn/Teach Kickboxing Class	Sean McCully
Equipment Review	
Break	
Teach Private lesson	

11:30 - 12

12 - 1 pm

1 - 2:00

2 - 2:30

2:30 - 4

4 - 5:00

5:00

Private Lesson Discussion

Lunch Break

Strength Training Review & Discussion

Sean McCully

Write Class Format

Selling Private Lessons

Chris Poland

Take Boxing Class

Dismissal

FRIDAY

8:30 - 9 am

9 - 10:00

10 - 10:15

10:15 - 11:30

11:30 - 12

12 - 1 pm

1 - 2 pm

2 - 3:00

3 - 3:30

3:30

Item

Professional

Photos

All Instructors

Pad work

Sean McCully

Break

Private Lesson Test

Stretch

Learn/Teach Boxing Class

Group Lunch Break

Questions & Answer Session

All Instructors

Certificates

Dismissal

FAILURE TO COMPLETE INITIAL TRAINING

If any Trainee fails to satisfactorily complete Initial Training, as reasonably determined by us, we may: (i) at your expense and direction, retrain the Trainee or train another Trainee; or (ii) elect to terminate this Agreement and refund the Initial Franchise Fee and other fees collected under this Agreement to you without interest, less our out-of-pocket costs and our standard fees for the training provided (currently \$500 per day per person). [Subsection 2.7(b) of the Franchise Agreement.]

PRE-OPENING ON-SITE TRAINING; OPENING SUPERVISOR (MANDATORY)

We will make available to you pre-opening, on-site training for a Business Day by our Opening Supervisor, in most instances to be conducted at your LA Boxing Franchise shortly before the Opening Date. The on-site training program involves a review of required equipment, systems and operations. The Opening Supervisor will also observe boxing and fitness training classes and oversee the operation. We will pay the expenses of the Opening Supervisor. (Section 2.10 of the Franchise Agreement.)

REFRESHER OR ADDITIONAL TRAINING (MANDATORY)

We may provide refresher training programs, seminars, or advanced management training for you and your employees at our principal training facility in Costa Mesa, California, and must be attended by you or your Manager. Training is not required more often than once a year. However, if you receive an unsatisfactory inspection report from us and fail to promptly remedy the deficiencies, your Manager and designated employees must attend refresher training as soon as reasonably possible. You must pay for all expenses associated with these programs including the then prevailing standard training fee we charge for these programs and all travel, meals and lodging costs of your attendees. [Subsection 2.11(i) of the Franchise Agreement.]

NEW MANAGER TRAINING (MANDATORY)

If we have permitted the Manager to be an individual other than you, and the Manager fails to satisfy his or her obligations under Subsection 4.9(b) of the Franchise Agreement due to death, disability, termination of employment or for any other reason, you must satisfy these obligations until you designate a new Manager of your LA Boxing Franchise acceptable to us who has successfully completed Initial Training. You must pay for the expenses associated with Initial Training, including the then prevailing standard training fee we charge for Initial Training (currently \$500 per day per person). [Subsection 4.9(c) of the Franchise Agreement.]

EXPERIENCE OF INSTRUCTOR

Mr. Anthony Geisler, our President, is responsible for all aspects of training. The Initial Training program will be conducted by members of the training staff who have significant work experience in the boxing and fitness business, physical education coaching, and professional boxing experience ranging from 3 to 12 years in businesses of the type we are offering you. See ITEM 2 for Mr. Geisler's and other staff biographies and training experience.

FRANCHISEE ATTENDANCE IN DISCRETIONARY TRAINING PROGRAM

There is no discretionary training program.

ITEM 12 - TERRITORY

EXCLUSIVE TERRITORY

Your Exclusive Territory is defined in Sections 1.3 and 19.1 of the Franchise Agreement. The written boundaries of your territory will be defined by designated U. S. Postal Zip Code(s). During the Term, if you are not in default, we agree not to open a Company-Owned Unit or franchise another LA Boxing Franchise within your Exclusive Territory. You will be assigned a protected territory based upon population density, whether your location is in a metropolitan or rural area, but generally we will not place another franchise within 5 miles of the location of your LA Boxing gym, and your protected territory will have a population base of not less than 100,000 people. However, we reserve for ourselves the rights stated in Section 5.7 of the Franchise Agreement, which are superior to your rights under this Agreement.

Subject to the above, we may open and operate Company Units and grant LA Boxing Franchises to other LA Boxing Franchisees or engage any other method of distribution, in our complete discretion; wherever we determine, including in close proximity to the Premises, and regardless of whether the additional unit or units have an adverse impact on your Franchise Business.

You must operate your LA Boxing Franchise only at the location within your Exclusive Territory described on the cover page, or, if none is stated, the Premises must be designated by you and approved by us and set forth in Exhibit A, after you select a site in accordance with Section 4.1. The location cannot be changed without our prior written consent and compliance with our relocation procedures. You must not solicit business outside your Exclusive Territory through the use of an 800 number, catalog, direct mail, Internet Web Site or other advertising or solicitation method without our prior written consent.

OUR RESERVED RIGHTS

The license of the Intellectual Property granted to you has limited exclusivity and that, in addition to our right to use and grant others the right to use the Intellectual Property inside and outside the Exclusive Territory, all rights not expressly granted in this Agreement to you, concerning the Intellectual Property or other matters, are expressly reserved for us, including the right to sell LA Boxing Products and services authorized for the LA Boxing Franchise using our trademarks through dissimilar channels of distribution including National Accounts and under any terms that LA Boxing deems appropriate within or outside the Exclusive Territory, without offering or providing you the right to participate.

If we acquire a Competitive Business and units of the Competitive Business encroach upon your Exclusive Territory, we will have 1 year from the date of acquisition of the Competitive Business to sell or consolidate the encroaching units without being in default under this Agreement.

We will not compensate you for any sales made within your Exclusive Territory.

We do not have any present intentions to sell similar products and services using either the Proprietary Marks or other trademarks through dissimilar channels of distribution or through a different franchised system.

MINIMUM PERFORMANCE STANDARD

The grant of your LA Boxing Franchise is expressly conditioned upon your successful penetration of the market in the Exclusive Territory. You must promote actively and aggressively the products and services of your LA Boxing Franchise within the Exclusive Territory. You must maintain minimum Gross Revenues every calendar year during the Term of at least 80% of the "designated average" of Gross Revenues of all franchisees within the System, including you, except during the first calendar year (partial or full) of the Term, when no performance standard is in effect. The "designated average" is the average Gross Revenues of all Franchisees within the System during each calendar year of the Term, without taking into consideration those franchisees that are in the top and bottom 20th percentile of Gross Revenues during this period. Your failure to maintain the minimum performance standard is a material breach of this Agreement. **THIS MINIMUM PERFORMANCE STANDARD IS NOT AN EARNINGS CLAIM (SEE ITEM 19) AND DOES NOT INFER THAT YOU WILL EXPERIENCE GROSS REVENUES OF ANY PARTICULAR LEVEL.**

ITEM 13 - TRADEMARKS

Sections 2.12 and 5.2 of the LA Boxing Franchise Agreement grant to you the right to use the Proprietary Property we designate only in the manner we authorize and permit and only for the operation of your LA Boxing Franchise.

REGISTRATIONS AND APPLICATIONS

We derive our right to use and to license others to use the trademark "LA Boxing" from a trademark assignment agreement with LA Boxing Aliso Viejo, Inc. dated March 29, 2004. The following trademarks are registered on the principal register of the United States Patent and Trademark Office ("USPTO"):

<u>Trademark</u>	<u>Registration Date</u>	<u>Registration Number</u>
LA Boxing	11/19/03	76,438,310

The Franchise Agreement grants you the right to operate your business under the name LA Boxing and under any other proprietary marks currently used or that we may use in the future in the operation of your LA Boxing Franchise.

LA Boxing has used the Proprietary Marks and has acquired common law rights in the Proprietary Marks as a result of this use.

PROCEEDINGS

There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the Trademark Administrator of any state or any court. There are no currently pending infringement, opposition or cancellation proceedings. There is no currently pending material litigation involving the Proprietary Marks. There are no decided infringement, cancellation or opposition proceedings where we unsuccessfully fought to prevent registration of a trademark in order to protect the Proprietary Marks we sublicense.

AGREEMENTS

There are no other agreements currently in effect that limit our rights to use or license the use to you of the Proprietary Mark and other Proprietary Property in any manner material to you.

INFRINGING USES

There are no infringing uses or superior prior rights actually known to us that could materially affect your use of the Proprietary Mark. However, our registration of the Proprietary Mark does not prohibit others from using the Proprietary Mark or confusingly similar variations of the Proprietary Mark who may have established prior rights to the use of the Proprietary Mark, or confusingly similar variations of the Proprietary Mark, in the territories where neither we nor our Franchisees have operated or advertised under the Proprietary Mark and that are not within the natural zone of expansion for future Franchisees or Company Units, provided others do so in good faith and without actual knowledge of our existence or our Franchisees' use of the Proprietary Mark. We would therefore be unable to prohibit the use of the Proprietary Mark by others who had prior use of the Proprietary Mark or confusingly similar variations of the Proprietary Mark at the time we first used them. If others establish prior rights to the Proprietary Mark in certain territories, we may be restricted in our ability to use the Proprietary Mark when expanding into those territories.

YOUR RIGHTS AND OBLIGATIONS WITH RESPECT TO THE PROPRIETARY PROPERTY INCLUDING THE PROPRIETARY MARK

Your rights to use the Proprietary Mark are derived solely from your Franchise Agreement and are limited to the operation of your LA Boxing Franchise under your Franchise Agreement and all applicable standards, specifications, and operating procedures we require during the Term. Any unauthorized use of the Proprietary Property including the Proprietary Mark is a breach of your Franchise Agreement and an infringement of our rights in and to the Proprietary Mark. Your use of the Proprietary Property and any good will established by your use inures to our exclusive benefit. The LA Boxing Franchise Agreement does not confer any good will or other interest in the Proprietary Property to you, other than the right to operate an LA Boxing Franchise in compliance with the LA Boxing Franchise Agreement. All provisions of the LA Boxing Franchise Agreement applicable to the Proprietary Mark apply to any other trademarks, service marks, commercial symbols, designs, artwork, and logos that we may adopt, use, authorize and sublicense to you to use during the Term.

You must use the Proprietary Mark as the sole trade identification of your LA Boxing Franchise, and must identify your LA Boxing Franchise in the form we require as the independent owner of the LA Boxing Franchise. You must use all Proprietary Marks and other commercial symbols that we may sublicense in full compliance with rules we enact. You must not use, and are prohibited from using any Proprietary Mark (including any future commercial marks we license) in the sale of any unauthorized product or service or in any manner we have not explicitly authorized. You cannot use the Proprietary Mark as, or part of, your corporate or partnership name. You must follow our instructions in complying with any fictitious, trade or assumed name statutes for the LA Boxing trade name. You must not use the Proprietary Property as security for any obligation or indebtedness. Without our prior written approval, you must not use the Proprietary Mark as part of any e-mail address, Web Site, domain name or any other electronic media (including use with any prefix, suffix or other modifying words, term designs, or symbols), or in any other manner connected with a Web Site, advertisements on a Web Site, or other similar electronic media.

Upon any claim of infringement, unfair competition or other challenge to your right to use any Proprietary Property, or if you become aware of any use of or claims to any Proprietary Property by persons other than us or our Franchisees, you must notify promptly (within 7 days) us in writing. You must not communicate with anyone except us and our counsel in any infringement, challenge or claim except under judicial process. We have sole discretion as to whether we take any action in any infringement, challenge or claim, and the sole right to control any litigation or other proceeding involving any infringement, challenge or claim of any Proprietary Property. You must sign all instruments and documents, render all assistance, and do all acts that our attorneys deem necessary or advisable in order to protect and maintain our interest in any litigation or proceeding involving the Proprietary Property or otherwise to protect and maintain our interests in the Proprietary Property.

YOUR INDEMNIFICATION BY US

We indemnify you against and will reimburse you for all damages that you are held liable in any proceeding involving your use of any Proprietary Property in accordance with the LA Boxing Franchise Agreement, provided that you: (a) have timely notified us of the claim; (b) have otherwise complied with the LA Boxing Franchise Agreement; (c) allow us sole control of the defense and settlement of any claim; and (d) cooperate fully with us and our counsel in the defense of the action.

MODIFICATION

If we deem it advisable, in our sole discretion, to modify or discontinue the use of the Proprietary Mark and/or use one or more additional or substitute names or marks, including due to the rejection of any pending registration or revocation or cancellation of any existing registration of the Proprietary Mark or the rights of senior users, you must do so at your sole expense within 30 days of our request. We are liable solely to reimburse you for your reasonable direct expenses in modifying or discontinuing the use of a Proprietary Mark and substituting a different Proprietary Mark (these expenses may not include any of your expenditures to promote a modified or substitute Proprietary Mark).

ITEM 14 - PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

PATENTS

We do not own any rights in any patents material to the LA Boxing Franchise.

COPYRIGHTS

We claim all common law copyrights covering various materials used in our business and the operation of Company Units and Franchises, including advertising and promotional literature and the Manuals. We do not license our copyrights in these materials to you under the LA Boxing Franchise Agreement.

There are no agreements currently in effect that significantly limit our rights to use or license the use to you of the copyrights in any manner material to you.

The Manuals are loaned to you as discussed in ITEM 11.

The copyrights have not been registered in the United States Copyright Office but may be at our sole discretion.

There are currently no effective determinations of the United States Copyright Office or any court regarding any of our copyrights, nor are there any currently effective agreements between us and third parties pertaining to our copyrights that will or may significantly limit your use of our copyrighted materials. Upon any infringement of or challenge to your use of any copyrighted work, you must immediately notify us. We have sole discretion to take any action, as we deem appropriate.

If we deem it advisable to modify or discontinue use of any copyrighted work and/or use one or more new or derivative copyrighted work, you must do so and our sole obligation in this event is to reimburse you for your tangible costs (for example, changing equipment) of complying with this obligation.

We are required by the LA Boxing Franchise Agreement to defend you against any infringement, unfair competition or other claim respecting your use of any copyrighted work. We are obligated to indemnify you against, and to reimburse you for, all damages that you are held liable in any proceeding from the use of any patent or copyrighted work and of all costs you reasonably incur in the defense of any claim, provided that you have notified us of the claim as described in ITEM 13 and have used the copyrighted work in accordance with the LA Boxing Franchise Agreement.

Under the LA Boxing Franchise Agreement, you must not contest, directly or indirectly, our ownership, title, right or interest in its copyrights, trade secrets, methods, procedures or any other intellectual property right that are part of our business or contest our sole right to register, use or license others to use the copyrights, trade secrets, methods, or any

other intellectual property right procedures:

There are no infringing uses actually known to us that could materially affect your use of the copyrights in this state or any other state where your LA Boxing Franchise is to be located.

We intend to arrange for the renewal (common law copyright is only good for 1 year) of the copyright on the Manuals.

Section 6.2 of the Franchise Agreement prohibits you from copying the Manuals.

CONFIDENTIAL INFORMATION

The Manuals and other copyrighted materials made available to you contain confidential and proprietary information and are our trade secrets. We possess and will develop and acquire certain confidential and proprietary information and trade secrets consisting of the following categories of information, methods, techniques, procedures and knowledge we or our Franchisees develop (the "Confidential Information") including: (1) our methods, techniques, equipment and installation, specifications, standards, policies, procedures, information, concepts, systems, and knowledge of the experience in our development, operation and franchising; (2) our marketing and promotional programs for LA Boxing; (3) knowledge of specifications for and knowledge of suppliers of certain materials, equipment, furniture and fixtures for LA Boxing; and (4) knowledge of our customer lists, operating results and financial performance.

We will disclose to you all parts of the Confidential Information as are required for the operation of the LA Boxing Franchise during Initial Training, in the Manuals, and in guidance and assistance furnished to you during the Term, and you may learn additional Confidential Information during the Term. You must disclose the Confidential Information to your employees only to the extent reasonably necessary. During and after the Term, you, your owners, independent contractors, agents, and employees must: (i) not use the Confidential Information in any other business or capacity, including any derivative or spin-off of the LA Boxing concept; (ii) maintain the absolute secrecy and confidentiality of the Confidential Information during and after the Term; (iii) not make unauthorized copies of any portion of the Confidential Information disclosed or recorded in written or other tangible form; and (iv) adopt and implement all procedures that we prescribe to prevent unauthorized use or disclosure of, or access to, the Confidential Information.

All persons, whom you permit to have access to the Manuals or any other Confidential Information, must first sign our form of Confidentiality Agreement. Nothing contained in the LA Boxing Franchise Agreement will be construed to prohibit you from using the Confidential Information in the operation of your LA Boxing Franchise under your Franchise Agreement.

ITEM 15 - OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are not our employee but are your own boss subject to our rights under your Franchise Agreement. We encourage you to be active in the operation of your LA Boxing Franchise but we do not require any personal participation on premises by you. We do not require any personal participation of any specific person affiliated with a corporate or partnership Franchisee. Your LA Boxing Franchise is not a "passive" investment and you must provide day-to-day supervision of the operation of your LA Boxing business.

Unless we otherwise agree in writing, you must be 1 of the 3 Trainees. Any of the trainees may act as Manager. The Manager must devote his or her best full-time efforts to the management and operation of your LA Boxing Franchise. You may hire any Manager acceptable to us rather than be the Manager but this will increase the cost of operation of your LA Boxing Franchise and may impair results. Any replacement or additional Managers that you hire must satisfactorily complete Initial Training before managing your LA Boxing Franchise, unless we otherwise agree in writing. Your Manager need not have any equity interest in your franchise. You must pay for the expenses of additional Initial Training, including tuition, travel, lodging, meals and salary. Your Managers must sign our form of Noncompetition and Confidentiality Agreement before you grant access to the Manuals or any other Confidential Information.

If the Franchise Agreement is signed by 2 or more individuals or by a business entity, you must designate in

writing an individual as the Manager upon signing this Agreement. We have the right to rely solely on instructions of the Manager concerning the operation of the LA Boxing Franchise until we receive a duly signed written notice changing the designated Manager. The Manager must devote his or her best full-time efforts to the management and operation of your LA Boxing Franchise.

If we have permitted the Manager to be an individual other than the Franchise Owner, and the Manager fails to satisfy his or her obligations provided in Subsection 4.9(b) of the Franchise Agreement due to death, disability, termination of employment or for any other reason, the Franchise Owner must satisfy these obligations until you designate a new Manager of your LA Boxing Franchise acceptable to us who has successfully completed Initial Training.

ITEM 16 - RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

USE OF THE PREMISES

You must use your Premises only for the operation of your LA Boxing Franchise business. You must keep your LA Boxing Franchise open for business and in normal operation for the minimum hours and days as we reasonably require in the Manuals or otherwise in writing except as may be limited by local law or the landlord's rules and regulations.

APPROVED PRODUCTS AND SERVICES

You must sell or offer for sale only the products and services that meet our reasonable uniform standards of quality and quantity; have been expressly approved for sale in the Manuals or otherwise in writing by us to consumers only from your LA Boxing Franchise; not sell any items for redistribution or resale; sell or offer for sale all approved products and services; refrain from any deviation from our standards and specifications for providing or selling the products and services without our written consent; and discontinue selling and offering for sale any products and services that we reasonably disapprove on a System-wide basis in writing at any time;

SALES RESTRICTIONS

You are not restricted in the customers to whom you may sell approved products or services, or the prices the products are sold or services are rendered. You must not solicit business outside your Exclusive Territory through the use of an 800 number, catalog, direct mail, Internet Web Site or other advertising or solicitation method without our prior written consent.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS FRANCHISE OFFERING CIRCULAR.

Provision	Section in Franchise Agreement	Summary
a. Term of the franchise	Section 17.1	The initial term of the Franchise Agreement is 10 years beginning on the Agreement Date.
b. Renewal or extension of the term	Section 17.2	You have the right to renew for an unlimited number of additional terms of 10 years each, if you meet the requirements for renewal.
c. Requirements for you to renew or extend	Sections 17.2 and 17.3 ⁽¹⁾	<ol style="list-style-type: none"> 1. You must give us written notice of your intention to exercise the option; 2. You must complete to our reasonable satisfaction, all maintenance, refurbishing, renovating and upgrading we require; 3. If renovation or maintenance of your LA Boxing Franchise is not possible or feasible, you must relocate

Provision	Section in Franchise Agreement	Summary
		<p>your LA Boxing Franchise within your Exclusive Territory but not within the protected territory of a Company Unit or another Franchise Unit;</p> <p>4. You must not be in default of your Franchise Agreement or any other agreement with us;</p> <p>5. You must sign and deliver to us a Successor LA Boxing Franchise Agreement;</p> <p>6. You must comply with all other requirements we impose under the Successor LA Boxing Franchise Agreement;</p> <p>7. You must sign a general release of all claims against us and our officers, directors, shareholders, agents and employees; and</p> <p>8. You must be entitled to continue to occupy your Premises for the entire Succeeding Term or must obtain our approval of a new location for your LA Boxing Franchise within your Exclusive Territory but not within the exclusive territory of a Company Unit or another Franchise Unit.</p> <p>We may elect not to enter into a successor LA Boxing Franchise Agreement if:</p> <p>(i) we provide you with written notice of its intention not to enter into a successor LA Boxing Franchise Agreement at least 180 days before the end of your Franchise Agreement; (ii) we have no more than one Franchise (excluding Company Units) then operating under the System in the ADI you serve; and (iii) the refusal to enter into a successor LA Boxing Franchise Agreement is not for the purpose of converting your Premises to a Company Unit.</p>
d. Termination by you	Section 12.1	If you are in substantial compliance with the LA Boxing Franchise Agreement and we materially breach the LA Boxing Franchise Agreement and fail to cure the breach within a reasonable time (at least 30 days), after written notice of breach is delivered to us, you may terminate the LA Boxing Franchise Agreement. You may also terminate the Franchise Agreement on any grounds available under law.
e. Termination by us without cause	None	None
f. Termination by us with cause ²	Sections 12.2, 12.3 and 12.4	We may only terminate your Franchise Agreement with cause.
g. "Cause" defined – defaults which can be cured	Section 12.4	Any default other than those specified in Sections 12.2 and 12.3 of your Franchise Agreement may be cured within 30 days of written notice from us of the default.
h. "Cause" defined – defaults which cannot be cured ³	Sections 12.2 and 12.3	<p>The following defaults may not be cured:</p> <ol style="list-style-type: none"> 1. Violation of environmental laws; 2. Insolvency or general assignment for creditors; 3. Filing in bankruptcy; 4. Adjudication of bankruptcy; 5. Filing for appointment of a receiver or custodian; 6. Appointment of a receiver or custodian; 7. Filing for composition with creditors; 8. Judgment of \$5,000 or more remains unsatisfied;

Provision	Section in Franchise Agreement	Summary
		9. Execution of levy; 10. Filing of foreclosure suit; 11 Sale of your assets after levy; 12. Abandonment; 13. Threat to public safety remains uncorrected; 14. Failure to maintain cleanliness or sanitation; 15. Conviction of any offense that might materially adversely affect the System; 16. You deny us our right of inspection or audit; 17. You engage in deleterious conduct; 18. Unauthorized assignment; 19. Breach of confidentiality or noncompetition provisions of your Franchise Agreement; 20. You knowingly maintain false books or records; 21. Failure to timely transfer on your death or incapacity; 22. Uncured default under your lease; 23. You misuse any of the Proprietary Property; and 24. Three or more notices of default for same or similar default during any 12 consecutive months.
i. Your obligations on termination/nonrenewal	Sections 14.1(b), 15.2 ARTICLES 6 and 13 ⁴	You must: 1. Not compete with us or any of our LA Boxing Franchisees for 24 months after the end of your Franchise Agreement within 25 miles of any LA Boxing Franchise or Company-Owned Unit then in operation or under construction; 2. Indemnify us from any losses or damages we sustain as a result of your LA Boxing Franchise; 3. Maintain confidentiality of all our Confidential Information; 4. Cease operating your LA Boxing Franchise; 5. Pay all amounts you owe to us; 6. Comply with our option to purchase your LA Boxing Franchise; 7. Distinguish your Premises from any indicia of the System; 8. Avoid unfair competition with us; 9. Return all Proprietary Property to us; 10. Discontinue use of the Proprietary Marks; 11. Assign your lease to us; and 12. Pay us liquidated damages.
j. Assignment of contract by us	Section 11.1	There are no restrictions on our right to assign our interest in your Franchise Agreement. We have the right to assign this Agreement to any person without your consent provided the transfer is part of a merger or sale of the entire System and the transferee has sufficient business experience, aptitude and financial resources to competently assume our obligations under this Agreement.
k. "Transfer" by you definition	Sections 11.2, 11.3 and 11.4	Transfer means any sale, assignment, transfer, conveyance or gift, whether voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, of any direct or indirect interest in your Franchise Agreement or in your LA Boxing Franchise. A transfer

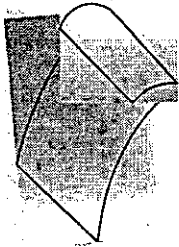
Provision	Section in Franchise Agreement	Summary
		of less than 25% of the voting rights or ownership interests in the above and a transfer to any other original owner of your LA Boxing Franchise is not considered a transfer.
l. Our approval of transfer by you	Sections 11.2 and 11.3	We have the right to approve or disapprove of any transfers.
m. Conditions for our approval of transfer	Sections 11.2 and 11.3	<ol style="list-style-type: none"> 1. We do not exercise our right of first refusal; 2. You are not in default under any agreement you have with us or any Affiliate; 3. You must sign a general release of us; 4. The transferee may not have any other business that competes with us or any LA Boxing Franchise; 5. The transferee must sign our then-current form of LA Boxing Franchise Agreement; 6. The transferee must pay a transfer fee of \$10,000; 7. We must interview and approve the transferee; 8. The transferee must satisfactorily complete our application procedures; 9. The transferee must renovate your LA Boxing Franchise as we specify; 10. The transferee must properly assume all your obligations, including your lease; 11. The transferee must successfully complete Initial Training ; and 12. We must approve of the proposed terms of sale or other factors involved in the transfer.
n. Our right of first refusal to acquire your business	Section 11.6	We have the option to purchase on the same terms as contained in the Offer. We will give you written notice of election within 30 days after our receipt of the Offer notice and all required information.
o. Our option to purchase your business	Section 13.4	We have the right (but not the duty), exercisable upon written notice to you given within 30 days after termination of the LA Boxing Franchise Agreement, to purchase for cash any assets of your LA Boxing Franchise at the fair market value.
p. Your death or disability	Section 11.4	<p>You or your representative must:</p> <ol style="list-style-type: none"> 1. Provide a replacement manager satisfactory to us; and 2. Upon your death, your LA Boxing Franchise must be transferred within 12 months of your death in accordance with the transfer provisions of your Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Subsection 14.1(b)(i)	<p>You must not:</p> <ol style="list-style-type: none"> 1. Influence any Business Associate of us to modify its relationship with us; 2. Have any involvement with any Competitive Business; or 3. Interfere with our business or any of our other LA Boxing Franchisees.
r. Non-competition covenants after the franchise is terminated or expires	Subsection 14.1(b)(ii)	<p>You must not, for 24 months after the end of your Franchise Agreement:</p> <ol style="list-style-type: none"> 1. Influence any Business Associate of us to modify its relationship with us; 2. Have any involvement with any Competitive

Provision	Section in Franchise Agreement	Summary
s. Modification of the agreement	Sections 6.3, 14.1(d), 20.1 and 20.2	Business, within 5 miles of any LA Boxing Franchise then in operation or under construction; or 3. Interfere with our business or any of our other LA Boxing Franchisees. Your Franchise Agreement must not be modified without the consent of both you and us except: 1. We may change the contents of the Manuals; 2. We may modify the System; and 3. A court may modify any provision of your Franchise Agreement in accordance with applicable law.
t. Integration/merger clause	Sections 16.5(A) and 20.14	Only the terms of the LA Boxing Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	ARTICLE 18	All disputes must be resolved first by mediation and, if mediation is not successful, then by arbitration except claims involving: 1. The Proprietary Property; 2. Any lease or sublease of real property; 3. Your obligations upon termination or expiration of your Franchise Agreement; 4. Any transfers; 5. Matters involving claims of danger, health or safety; and 6. Requests for restraining orders, injunctions or similar procedures. YOU MUST ALSO WAIVE YOUR RIGHTS TO A JURY TRIAL AND CLAIMS FOR PUNITIVE DAMAGES.
v. Choice of forum	Section 18.1, 18.2 and 18.4	Any action or arbitration proceeding begun for the purpose of enforcing the Franchise Agreement will be filed in the courts and arbitration board where our principal business address is located at the time of the filing of the action. This may be superceded by state law. See Addendum, if any, attached to this Franchise Offering Circular.
w. Choice of law	Section 18.4, 18.6	Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or the United States Arbitration Act (9 U.S.C. Sections 1 et seq.), the LA Boxing Franchise Agreement is interpreted under the laws of California. This may be superceded by state law. See Addendum, if any, attached to this Franchise Offering Circular.

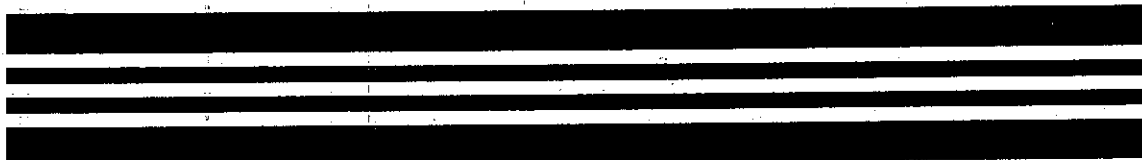
¹ **Reinstatements and Extensions.** If any termination or expiration of the Term would violate any applicable law, we may reinstate or extend the Term for the purpose of complying with the laws, for the duration we provide in written notice to you, without waiving any of our rights under, or otherwise modifying, the LA Boxing Franchise Agreement.

² **Restrictions on Termination or Non-Renewal Under State Law.** These states have statutes that may supersede the Franchise Agreement in your relationship with LA Boxing including the areas of termination and renewal of your Franchise: ARKANSAS [Ark. Code Sections 4-72-210 to 4-72-210], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-

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133e *et seq.*], DELAWARE [Code Sections 2251 to 2556], HAWAII [Rev. Stat. Section 482E-6], ILLINOIS [Chapter 815 ILSC 705/19 AND 705/20], INDIANA [Stat. Sections 23-2.2.7 and 23-2.5-1], MICHIGAN [Stat. Section 19:854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51 to 75-24-61], MISSOURI [Stat. Section 407.400 to 407.410], NEBRASKA [Rev. Stat. Section 87-401 to 87-410], NEW JERSEY [Stat. Section 56:10-1 to 56:10-12], RHODE ISLAND [Stat. Section 19-28.1-14], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574], WASHINGTON [Code Section 19.100.180], and WISCONSIN [Stat. Section 135.01 to 135.07]. These and other states may have court decisions that may supersede the Franchise Agreement in your relationship with LA Boxing including the areas of termination and renewal of the Franchise.

³ **Termination on Bankruptcy.** A provision in your LA Boxing Franchise Agreement that terminates your LA Boxing Franchise upon your bankruptcy may not be enforceable under Title 11, United States Code Section 101 *et seq.*

⁴ **Restrictions on Our Post-Termination Rights.** These states have statutes that limit our ability to restrict your activity after the LA Boxing Franchise Agreement has ended: California Business and Professions Code Section 16,600, Florida Statutes Section 542.335, Michigan Compiled Laws Section 445.772 *et seq.*, Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, Washington Code Section 19.86.030. Other states have court decisions limiting our ability to restrict your activity after the LA Boxing Franchise Agreement has ended.

ITEM 18 - PUBLIC FIGURES

We do not use any public figure to promote our LA Boxing Franchise, but reserve the right to do so in the future.

-or-

ITEM 19 - EARNINGS CLAIMS

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of your LA Boxing Franchise. Actual results vary from LA Boxing Franchise to LA Boxing Franchise. We cannot estimate the results of any particular LA Boxing Franchise.

We specifically instruct our sales personnel, agents, employees and officers that they are not permitted to make any claims or statements as to the earnings, sales or profits, or prospects or chances of success, nor are they authorized to represent or estimate dollar figures as to any Franchise Business or Company-Owned Unit.

ITEM 20 - LIST OF OUTLETS

LA BOXING FRANCHISES STATUS SUMMARY FOR YEARS 2006/2005/2004

STATE*	TRANSFERS	CANCELED OR TERMINATED	NOT RENEWED	REACQUIRED BY LA BOXING	LEFT THE SYSTEM OTHER	TOTAL ⁽²⁾ FROM LEFT COLUMNS	FRANCHISES OPERATING AT YEAR END
CA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	6/6/2
CO	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/0
CT	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0/	0/0/0/	0/0/0
FL	0/0/0	0/0/0	0/0/0	0/0/0/	0/0/0/	0/0/0/	1/0/0
MA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
NV	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0

STATE*	TRANSFERS	CANCELED OR TERMINATED	NOT RENEWED	REACQUIRED BY LA BOXING	LEFT THE SYSTEM OTHER	TOTAL FROM LEFT COLUMNS ⁽²⁾	FRANCHISES OPERATING AT YEAR END
NJ	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
NM	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
NY	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
TX	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
UT	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
VA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
TOTALS	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	12/10/3

* No other states are involved.

^{1/} Note: All numbers are as of February 28, 2006 for each category.

^{2/} The numbers in the "Total" column may exceed the number of Franchises affected because several events may have affected the same Franchise. For example, the same Franchise may have had multiple owners. **NOT APPLICABLE.**

We do not own or operate company-owned businesses of the type we are offering you.

PROJECTED OPENINGS AS OF FEBRUARY 28, 2006

STATE ¹	FRANCHISE AGREEMENTS SIGNED BUT UNIT NOT OPEN	PROJECTED NEW FRANCHISES IN THE NEXT FISCAL YEAR	PROJECTED COMPANY OWNED OPENINGS IN NEXT FISCAL YEAR
CA	6	3	0
CO	0	1	0
CT	1	0	0
FL	1	1	0
MA	0	0	0
NV	0	0	0
NJ	4	0	0
NM	0	0	0
NY	2	1	0
TX	3	1	0
UT	1	0	0
VA	1	1	0
TOTALS	19	8	0

¹ No other states are involved.

Attached as Exhibit D is a complete list of the names, addresses and telephone numbers of all LA Boxing Franchisees under a LA Boxing Franchise Agreement with us.

The following contains the names, last known home addresses and home telephone numbers of all LA Boxing

Franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a LA Boxing Franchise Agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the effective date of this Franchise Offering Circular. **NONE**

ITEM 21 - FINANCIAL STATEMENTS

Attached as Exhibit E is our Independent Auditor's Report of audited financial statements for the periods January 1, 2006 to February 28, 2006, January 1, 2005 to December 31, 2005, and February 27, 2004 to December 31, 2004.

Our next fiscal year ends December 31, 2006.

ITEM 22 - CONTRACTS

The following contracts, agreements and other relevant documents are attached as Exhibits to this Franchise Offering Circular:

Exhibit C **LA Boxing Franchise Agreement**

Exhibit B **State Law Addendum**

ITEM 23 - RECEIPT

The last page of the Offering Circular is a detachable document acknowledging receipt of the Offering Circular by you. The Acknowledgment of Receipt by the Prospective Franchisee is attached as Exhibit F.

**EXHIBIT A - LIST OF STATE ADMINISTRATORS
AND AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	California Commissioner of Corporations Department of Corporations 1350 Front Street, Room 2034 San Diego, CA 92101 (866) 275-2677 (619) 525-4233	California Commissioner of Corporations Department of Corporations 1350 Front Street, Room 2034 San Diego, CA 92101
HAWAII	Business Regulation Division Securities Compliance Department of Commerce and Consumer Affairs 1010 Richards Street Honolulu, HI 96813 (808) 586-2727	Director of Hawaii Department of Commerce and Consumer Affairs 1010 Richards Street Honolulu, Hawaii 96813
ILLINOIS	Illinois Attorney General 500 S. Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, IL 62706
INDIANA	Indiana Secretary of State Securities Division Room E-11 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-7042	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202
MICHIGAN	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau 6546 Mercantile Way P.O. Box 30222 Lansing, MI 48910
MINNESOTA	Franchise Examiner Minnesota Department of Commerce 85 7 th Place East, Suite 600 St. Paul, MN 55101-3165 (612) 296-6328	The Commissioner of Commerce of Minnesota Department of Commerce 85 7 th Place East, Suite 600 St. Paul, MN 55101

NEW YORK	Bureau of Investor Protection and Securities New York State Department of Law 23 rd Floor 120 Broadway New York, NY 10271 (212) 416-8211	Secretary of State of the State of New York 162 Washington Avenue Albany, NY 10271
NORTH DAKOTA	Franchise Examiner Office of Securities Commissioner 600 East Blvd., 5th Floor Bismarck, ND 58505 (701) 328-4712	North Dakota Securities Commissioner State Capitol Bismarck, ND 58505
OREGON	Department of Consumer and Business Services Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	Department of Consumer and Business Services Labor and Industries Building Salem, Oregon 97310 (503) 378-4140
RHODE ISLAND	Chief Securities Examiner Division of Securities 233 Richmond St., Ste. 232 Providence, RI 02903-4232 (401) 277-3048	Director of Rhode Island Department of Business Regulation Suite 232 233 Richmond Street Providence, RI 02903-4232
SOUTH DAKOTA	Franchise Administrator Division of Securities 118 West Capital Pierre, SD 57501-5070 (605) 773-4013	Director of South Dakota Division of Securities 118 West Capitol Street Pierre, SD 57501-2017
VIRGINIA	Chief Examiner State Corporate Commission Division of Securities and Retail Franchising 1300 E. Main St., 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street Richmond, VA 23219
WASHINGTON	Administrator Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions General Administration Building Securities Division - 3 rd Floor West 210-11 th Street SW Olympia, WA 98504
WISCONSIN	Franchise Administrator Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701 (608) 266-8559	Commissioner of Securities of Wisconsin 101 East Wilson Street Madison, WI 53702
FEDERAL TRADE COMMISSION		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6 th Street NW Washington, D.C. 20580 (202) 326-3128

**EXHIBIT B—REGISTRATION STATE ADDENDA
TO FOC AND FRANCHISE AGREEMENT**

**CALIFORNIA ADDENDUM TO
FRANCHISE OFFERING CIRCULAR**

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

2. Neither LA Boxing, nor any person or franchise broker in ITEM 2 of the FOC is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78 *et seq.*, suspending or expelling such persons from membership in that association or exchange.

3. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

4. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*

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

6. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

7. The franchise agreement requires binding arbitration. The arbitration will occur in Orange County, California. The prevailing party is entitled to recover reasonable pre-institution and post-institution attorneys' fees, court costs and all expenses even if not taxable as court costs. *Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.*

8. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise (California Corporation Code §§ 31000 through 31516).

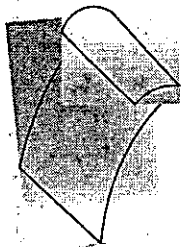
9. Business and Professions Code § 20010 voids a waiver of your rights under the Franchise Relations Act. (Business and Professions Code §§ 2000 through 20043).

Other State Addenda

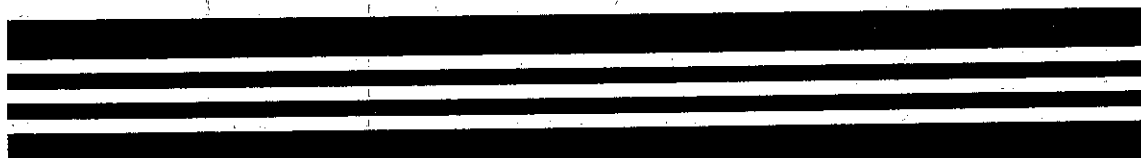
The states of California, Hawaii, Illinois, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia and Washington require that the FOC and Franchise Agreement be amended to conform to their state's franchise laws as part of the state's registration and approval of the franchise offering. This must be done before we offer or sell any franchises in those states or to residents of these states. If we have registered in any of these states, attached are the applicable Addenda to the FOC and Franchise Agreement that apply only to residents of that state and/or where the LA Boxing Franchise will be located in such state.

EXHIBIT C - LA BOXING FRANCHISE AGREEMENT

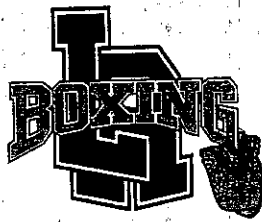
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LA BOXING FRANCHISE AGREEMENT

Between

LA Boxing Franchise Corporation,
a California corporation

(Franchisor)

and

(Franchisee)

Dated: _____, 2006

Location:

or

Reserved Area: _____

© LA BOXING FRANCHISE CORPORATION

3195-H Red Hill Avenue

Costa Mesa, California 92626

(714) 668-0911