



INFORMATION FOR PROSPECTIVE FRANCHISEES
REQUIRED BY THE FEDERAL TRADE COMMISSION

TO PROTECT YOU, WE'VE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION. WE HAVEN'T CHECKED IT, AND DON'T KNOW IF IT'S CORRECT. IT SHOULD HELP YOU MAKE UP YOUR MIND. STUDY IT CAREFULLY. WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR CONTRACT, DON'T RELY ON IT ALONE TO UNDERSTAND YOUR CONTRACT. READ ALL OF YOUR CONTRACT CAREFULLY. BUYING A FRANCHISE IS A COMPLICATED INVESTMENT. TAKE YOUR TIME TO DECIDE. IF POSSIBLE, SHOW YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT. IF YOU FIND ANYTHING YOU THINK MAY BE WRONG OR ANYTHING IMPORTANT THAT'S BEEN LEFT OUT, YOU SHOULD LET US KNOW ABOUT IT. IT MAY BE AGAINST THE LAW.

THERE MAY ALSO BE LAWS ON FRANCHISING IN YOUR STATE. ASK YOUR STATE AGENCIES ABOUT THEM.

FEDERAL TRADE COMMISSION
Washington, D.C. 20580



FRANCHISE OFFERING CIRCULAR

STROLLERFIT, INC.

(A Delaware Corporation)

100 E-Business Drive, Suite 290

Cincinnati, Ohio 45241

(513) 489-2920

www.strollerfit.com

Our franchise involves a distinctive method for the operation, marketing, promoting, advertising and managing of the StrollerFit® Core Business which offer exercise programs, classes and related retail product sales for the post-natal, pre-toddler period to parents (typically postpartum mothers) with children ages 6 weeks to 3 years old.

We offer, and grant, to qualified applicants, a franchise to operate a single StrollerFit® Core Business (the "Franchised Business") at an approved site within a specified geographic region (the "Territory") using the StrollerFit® marks and design (the "System"). The Initial Franchise Fee is \$3,750 and the estimated initial investment required ranges from \$4,990 - \$13,150 and includes a non-refundable fee of \$100 for career apparel. The StrollerFit® Core Business Franchise is designed so that it may either be operated as a part-time business or as a full time enterprise.

Risk Factors:

THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO SUE US ONLY IN OHIO. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE US IN OHIO THAN IN YOUR HOME STATE.

THE FRANCHISE AGREEMENT STATES THAT OHIO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information comparing franchisors is available. Call the state administrators listed in Exhibit F or your public library for sources of information.

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this offering circular. If you learn that anything in this offering circular is untrue, contact the Federal Trade Commission and the appropriate state authority listed in Exhibit F.

The Effective Date of this Offering Circular is _____ unless otherwise noted on an addendum for your state included in Exhibit D of this Offering Circular.

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1. THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

The Franchisor, Business Form, Names, Address

The Franchisor is StrollerFit® Inc. To simplify the language in this Offering Circular, "we," "us" or "our" means StrollerFit® Inc. "You" or "your" means the person who buys the Franchise. If a corporation, LLC or partnership buys the Franchise, "you" includes the Franchisee's owners, as appropriate. Capitalized terms not defined in this Offering Circular have the meaning described in the StrollerFit® Franchise Agreement ("Franchise Agreement" or "Agreement") attached as Exhibit A to this Offering Circular.

We were incorporated in the State of Delaware on March 25, 2004. Our principal place of business is 100 E-Business Drive, Suite 290, Cincinnati, Ohio 45241. We have a Predecessor, StrollerFit® LLC, an Ohio limited liability company. StrollerFit LLC was formed in the state of Ohio on April 23, 2001. Our Predecessor's principal business address was 10050 Montgomery Road, #322, Cincinnati, Ohio, 45242. All of the assets of StrollerFit® LLC were acquired by us through an Agreement of Merger between StrollerFit® LLC and StrollerFit® Inc., dated March 29, 2004. The Agreement of Merger was filed with the Secretary of State of Delaware on March 29, 2004, and on March 30, 2004 the Secretary of State for Ohio issued a certificate acknowledging the filing of the merger. We have no Affiliates at this time.

Our agents for service of process in states requiring franchise registration are disclosed in Exhibit F.

Our Business Activities and the Franchises to be Offered in this State

We offer, and award to qualified applicants, a franchise to establish and operate a single, StrollerFit® Core Business Franchise (the "Franchised Business") from one or more approved location(s) within a prescribed geographical area using the StrollerFit® trademarks, logos, programs, promotional materials and operating methods we've developed (the "StrollerFit® System" or "System"). As a Franchisee, you will be providing StrollerFit® exercise programs, classes and related retail product sales for the post-natal, pre-toddler period to parents (typically postpartum mothers) with children ages 6 weeks to 3 years old.

StrollerFit operated as a subsidiary of Diamond Cut, Inc, from 1997 to 2001. Diamond Cut Inc. was incorporated in the State of Ohio in September of 1995 and is owned and operated by our founder and president, Curt Conrad. StrollerFit LLC began offering franchises for sale in July of 2001. Prospects buying a franchise were disclosed with a Uniform Franchise Offering Circular in compliance with all applicable laws, and the franchise fee was paid in full upon execution of the Franchise Agreement. StrollerFit LLC also offered licenses for sale from July 2002 to February 2004. Licenses were sold in accordance with all applicable state licensing regulations. In accordance with the applicable State laws, in those states where licenses were granted, the contractual terms of the licenses prohibited the licensees from paying any fees or other sums to the licensor in the first six months in excess of \$500. No fees were required, or paid during that time period.

We believe that the market for services and products offered by StrollerFit® Core Business Franchises is developing. The primary market for these products and services consists of new mothers with babies under 36 months of age. Secondary customers include new fathers, relatives and anyone who plays an active role in a new baby's life. The StrollerFit® Core Business Franchise is designed so that it may either be operated as a part-time business or as a full time enterprise.

If we award you a Franchise, you will be competing with other weight loss, fitness and wellness businesses; health clubs; sports facilities such as racquetball clubs, tennis clubs and gyms; alternative fitness facilities (including home-use exercise equipment, personal weight loss and behavior modification programs, community centers); and other postnatal exercise programs and products. You should consider these competitive factors before deciding to buy a franchise.

As of the effective date of this Offering Circular, we own and currently operate 3 StrollerFit locations, one each in Illinois, Kentucky and Ohio.

We have and intend to develop and sell a line of proprietary branded products through distribution channels unrelated to the StrollerFit® franchise system. We have never offered franchises in any other line of business. Our Predecessor sold StrollerFit® franchises and licenses from July, 2001 through March, 2004. They have not sold franchises in any other line of business.

You should expect that additional changes in the System will take place; our limited experience makes it impossible to predict results and no guarantee can be made that you will be successful in operation of your Franchised Business.

Industry Regulations

There may be regulation and bonding requirements associated with the operation of a weight loss and fitness business in certain jurisdictions. If your state has requirements applicable to the services you will be providing through your StrollerFit® Core Business Franchise, your start up costs and time to open may be significantly more than shown in this Offering Circular. You should independently research and review the legal requirements of the health and fitness industry with your own attorney before you sign any binding documents or make any investments. It is your responsibility to research and comply with all industry-relevant laws and regulations.

For the certification of StrollerFit® Instructors, we recommend you follow the guidelines put forth by the American College of Sports Medicine ("ACSM"). These guidelines are posted on the ACSM website (www.acsm.org).

In general, many states require a sales and use tax license, a local business license and compliance with various state and local government regulations and authorities pertaining to retail stores. You must comply with all zoning, environmental, labor relations, sanitation, safety, fire and health codes and all other applicable laws, including those related to access by persons with disabilities. You should consult with your attorney and local, state and federal government agencies before entering into an Agreement to buy a StrollerFit® franchise to determine all legal requirements that you must comply with to consider their effects on you and cost of compliance. It is your sole responsibility, and on an ongoing basis, to investigate and comply with all local, state and federal laws, since they vary from place to place and can change over time.

This Offering Circular describes the terms and conditions on which we currently offer Franchises in this state. We reserve the right, in our sole discretion, to grant, or not to grant, a StrollerFit® Core Business Franchise to any prospective franchisee, regardless of the stage of the franchise contract process, costs expended by the prospective franchisee or otherwise. We may offer StrollerFit® Core Business Franchises in other states or countries, on economic and/or other terms, which differ from those offered by this Offering Circular and there may be instances where we have varied, or will vary, the terms on which we offer franchises to suit the circumstances of a particular transaction. We strongly urge you to carefully review all documents, including a comparison to any prior Agreement if a renewal or transfer of an existing franchise agreement is involved, as well as this Offering Circular, with independent advisors retained by you and who can provide legal, business and/or economic guidance, such as a lawyer and/or accountant.

You should understand that every detail of your Franchise will be important not only to you, but also to us and to all Franchisees. Therefore, during the term of the Franchise Agreement, you must, at all times, develop and operate your Franchised Business in compliance with all System Standards, as we may modify them in the future. Note that changes in the System Standards may require additional investments by you in your Franchised Business.

This Offering Circular contains a summary of various provisions of our program and the Franchise Agreement and other documents. We have summarized the main features of our program above and further information appears at appropriate points throughout this Offering Circular. Of course, the descriptions in this Offering Circular are required to be brief and are for general informational purposes only. In many cases, the Offering Circular contains only excerpts or summaries of other documents. The actual provisions of these documents will control in every case and you should refer to the Franchise Agreement and other documents for more complete information.

The Franchised Business involves substantial business risks that cannot be eliminated. The risks may be greater for a new franchise concept/franchisor with limited experience, such as this one. Significant investment beyond that outlined in this Offering Circular may be required to succeed. Your volume, profit and possible success are primarily dependent on your financial, management and other resources, your personal business, marketing, management judgment and other skills, your willingness to work hard and smart as well as your proper use of the System. We cannot and do not guarantee your success.

2. BUSINESS EXPERIENCE

Chairman: Michael Oestreicher

From December 1989 to July 2002, Mr. Oestreicher was a partner of the law firm of Thompson Hine LLC (Cincinnati, Ohio branch). He also served as the U.S. Representative (and subsequently Senior U.S. Advisor) for the Canton of Neuchatel, Switzerland and to the Economic Development for Western Switzerland from 1981 to 2003, in which he oversaw and advised concerning the economic promotion efforts in the U.S. of those areas of Switzerland. He has also served as advisor or board member to various other companies over the past 20 years. Mr. Oestreicher joined us in April 2004 as our part-time Chairman and CEO, and continues to practice law as Of Counsel to Thompson Hine LLC.

Chief Executive Officer: Susan E. Sherman

Ms. Sherman joined StrollerFit in March 2005 as the Vice President. From 2001 to present Ms. Sherman was the COO and Executive Director of the 501(c)(3) non-profit foundation, "National Speaking of Women's Health Foundation". From 1999 through 2001 she was the Principal of the independent consulting firm, Sherman Business Consulting specializing in new business development strategies and operations. From 1997 through 1999 Ms. Sherman was Vice President – Strategic development for the Observatory Group Inc, in Cincinnati Ohio, and from 1991 through 1997 she was employed by the Health Alliance of Greater Cincinnati, Ohio starting in 1991 as a Physician Recruiter and Assistant Director, Marketing through 1994, then as the Administrator for The Christ Hospital Medical Associates, and finally from 1996 and 1997 as Vice President, of Alliance Primary Care. Ms. Sherman has a BS Degree in Biology, 1987 - Graduated with Honors from Indiana University, Bloomington, Indiana and a MS Degree in Hospital and Health Administration, 1990 Xavier University, Cincinnati, Ohio.

Chief Operating Officer: Sean Fitzgerald

In 1993, Mr. Fitzgerald co-founded Pickups Plus, Inc., a retailer-turned-national franchise chain headquartered in Cincinnati, Ohio, serving as Vice President and director of franchise activities (and later as Chief Operating Officer) until March, 2003. From April 2003 until March 2004, he held the position of Key Account Manager at West Chester Holdings Inc. of Monroe, Ohio. He assumed his current position with us in April, 2004. Mr. Fitzgerald plays a key role in the development, support and management of all aspects of franchise operations. He is also responsible for franchise sales and marketing.

Director of Franchising: Debbie Schmidt

Debbie joined StrollerFit in October 2004 as Director of Franchising. In this role Debbie is focused on the growth and development of StrollerFit Core Business Franchises. From 1999 – 2004 Debbie was the Human Resource Manager for the Cold Spring Kroger where she managed, recruited and evaluated personnel. From October, 1981 to the present Debbie Schmidt has owned and continues to operate a Jazzercise franchise. In addition to her role with StrollerFit she continues to enjoy teaching Jazzercise classes.

Director of Franchise Support Services: Elizabeth Brougher

Elizabeth joined StrollerFit in September 2004 as the Director of Franchise Support Services. She earned a B.S. in Sports Medicine from the University of Evansville in 2001 and an M.S. in Exercise Science from Ball State University in 2004. In 2001 Elizabeth worked with the Watauga Medical Center in Boone, North Carolina as an Exercise Physiologist prescribing exercise for cardiac rehab patients. From August 2001 to May 2002, Elizabeth worked in the Human Performance Lab at Appalachian State University performing fitness assessments and offering counseling to members of the community. During 2004 Elizabeth participated in a research study at the Cincinnati Children's Hospital training high-school aged athletes in strength, core stability, plyometrics, and speed and as a graduate student she was employed as a lead preschool teacher at the Child Study Center from 2002-2004.

Founder: Curt Conrad

Mr. Conrad began his career in the fitness industry in September 1987 as a Program Director (and later Personal Trainer) for Bally Health and Tennis Corporation at its Blue Ash, Ohio location. In 1995, he founded Diamond Cut, Inc., a fitness development company based in Cincinnati, Ohio that served both corporate and private clients. This led to his development of the StrollerFit® System in 1997 and the formation of our Predecessor in April 2001. He assumed the position of President and Chief Development Officer with StrollerFit® Inc. upon our incorporation in April 2004 and until March 2006. Mr. Conrad remains actively involved with StrollerFit, Inc. as an advisor, board member and shareholder.

3. LITIGATION

Except as described below, no litigation is required to be disclosed in this Offering Circular:

StrollerStrides, LLC, v. StrollerFit, Inc. and Diamond Cut, Inc. (Case No. 05 CV 1125IEG). On May 27, 2005, a competitor, StrollerStrides, LLC filed a complaint in the United States District Court, Southern District of California, against us and Diamond Cut, Inc., alleging the following six causes of action: False Designation of Origin, Cybersquatting, Common Law

Trademark Infringement, Federal Trademark Dilution, State and Common Law Trademark Dilution and Unfair Competition. On September 29, 2005, prior to filing its responsive pleading denying the allegations the lawsuit was settled. The resolution of the dispute did not involve the payment of any money by one party to the other.

Neither we nor any person listed in Item 2 of the UFOC 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. 78a et seq., suspending or expelling these persons from membership in any association or exchange.

4. BANKRUPTCY

No person identified in Items 1 or 2 of this Offering Circular has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this Item.

5. INITIAL FRANCHISE FEE

The Initial Franchise Fee is \$3,750, is entirely non-refundable and is uniform as to all franchises currently being offered. You must pay the Initial Franchise Fee in a lump sum when you sign the Franchise Agreement. The Initial Franchise Fee becomes part of our general funds and there is no limit on its use.

The Initial Franchise Fee covers training for one person and an initial StrollerFit® Managing Instructor, if that person is not the Franchisee and has been approved by us (see Item 11 for more information on our Training Program), and a StrollerFit® Core Business Franchise Starter Kit (includes marketing materials, training video, handbooks).

You will also pay us a nonrefundable fee of \$100 for the career apparel we will provide to you, which you and/or your Instructors are required to wear during all activities related to your StrollerFit® Core Business Franchise.

6. OTHER FEES

NAME OF FEE⁽¹⁾	AMOUNT	DUE DATE	REMARKS
Royalty Fee	The greater of 15% of Gross Class Revenues ⁽²⁾ or Monthly Minimum royalty: 1 st 90 days—no minimum, after 90 days, \$150/mo	Percentage and minimum royalties are due on the 5th day after each royalty period (currently monthly).	Commencing with the royalty period in which you begin your StrollerFit® operations or 90 days after the effective date of the Franchise Agreement, whichever is earlier.
Credit Card or Electronic Fund Transfer ("EFT") Services ⁽³⁾	3% of each sales transaction	As required	For customer purchases using credit cards or EFT. Automatically deducted from your account at the time of transaction. A copy of our then current EFT and credit card information from will be provided to you in the Operations Manual.

NAME OF FEE ⁽¹⁾	AMOUNT	DUE DATE	REMARKS
Interest and Late Fees	Interest is highest applicable legal rate for open account business credit. (Not to exceed 1.5% per month) Administrative late fee of \$25 for each late report and payment.	Payable on demand.	Interest on all amounts owed us. We may require payment by cashier's check for repeated late payments.
Recertification Fee	\$250	Before successor term begins.	If we award you a successor franchise, you and/or your Managing Instructor must be re-certified (by either us or a nationally accredited fitness certifying agency approved by us).
Convention/Meetings Fee	To be determined, plus all additional costs of attendance.	To be determined.	If we hold a convention or a meeting, we reserve the right to charge a reasonable fee to cover our costs of the event. You must attend all mandatory events, and bear all costs of meetings.
Customer Satisfaction, Quality Control Programs	To be determined.	On demand.	We may institute various programs for auditing customer satisfaction and/or other quality control measures; you may be required to pay the costs of these programs.
Required Inventory Costs	\$590	As required	You will need to replenish what is sold periodically. See Item 7.
Internet Access Fees	\$20 to \$100	Monthly or as you arrange	To the service provider of your choice
Audit Expenses	Cost of audit, and understatement plus interest.	Within 15 days of invoice.	Costs of audit payable if a discrepancy of Gross Class Revenues is greater than 5%.
Additional Trainee/Refresher Training Fees	To be determined, plus travel, living and incidental expenses.	As agreed.	We charge a fee for the initial training of additional trainees (the Initial Franchise Fee covers training for one person only). We may also charge a fee for optional and mandatory refresher/additional training programs.
On-Site Consultations	To be determined, plus travel, living and incidental expenses.	As arranged.	We may provide on-site assistance for which we may charge a fee.
Management Fees ⁽⁴⁾	A fee reasonable under the circumstances and in our Business Judgment per day, plus	Deducted from funds of your Franchise.	Only payable if you are in default.

NAME OF FEE ⁽¹⁾	AMOUNT	DUE DATE	REMARKS
	compensation, other costs, travel and living expenses of appointed manager.		
Territory Adjustment Fee ⁽⁵⁾	\$250	At the time of your application for adjustment	Must be submitted in writing and subject to approval by StrollerFit, Inc. in our Business Judgment.
Transfer Fee	\$1,000	At the time of your application for a transfer.	

(1) All fees described in this Item are applicable to each StrollerFit® Core Business Franchise unless otherwise noted. All fees are imposed by and payable to us and are non-refundable unless otherwise noted. If we implement one, you must participate in an electronic funds transfer and reporting program, which would authorize us to utilize a pre-authorized bank debit system. All royalties owed and any other amounts designated by us must be received or credited to our account by pre-authorized bank debit by end of business on the 5th day after a royalty period. You authorize us to debit your account by an amount equal to the minimum continuing royalty if a royalty payment is not received when due, and to collect the balance of any amounts owed in accordance with the Franchise Agreement. We may also require that any amounts owed or to be owed to us and/or any of the Franchisor-Related Persons/Entities be paid by charges against your credit card, and you must provide us with appropriate authorizations on our request.

(2) Gross Class Revenues includes all charges and/or revenues which are, or could be, received or earned by you from any customer for the payment of the fees to participate in any and all StrollerFit® classes and programs. Gross Class Revenues does not include any revenues associated with sale of Designated Equipment or Products other than classes. All sales and/or billings for class and program fees, coupons and gift certificates, whether collected or not, will be included in Gross Class Revenues, with no deduction for credit card or other charges. Gross Class Revenues does not include sales tax collected and paid when due to the appropriate taxing authority and actual customer refunds, adjustments and credits.

(3) Your customers may purchase Classes or Products through our website, using a credit card or EFT bank service and processing program. Should you choose to provide your customers with EFT services, you will be charged a \$25 set up fee, and an additional \$1.00 per new customer. You will also be charged a fee of \$1.00 for each customer changing her payment method. All fees are due upon sign up, or change in method of payment.

(4) If we deliver a notice of default to you, in addition to our other rights and remedies, we have the right to appoint a manager to operate your Franchised Business until you have cured all defaults (or if the defaults are not curable, indefinitely). We will keep all funds from the operation of the Franchised Business during the period of management by us in a separate fund and all expenses of the Franchised Business, including compensation, other costs and travel and living expenses of our appointed manager, will be charged to and paid out of the fund. If the fund we maintain is insufficient to pay the expenses of the Franchised Business in a reasonable business-like manner, we will notify you and you must, within 5 business days, deposit in the fund the amount we require to attain a reasonable balance in the fund.

(5) If we receive a request to modify the originally agreed upon boundaries of your Territory in a manner that does not increase the size of the territory in terms of population or

geography, and we, in our Business Judgment agree to such a modification, you will be required to pay a Territory Adjustment Fee of \$250, and sign a General Release.

7. INITIAL INVESTMENT

Certain estimated costs for opening and operating during the initial phase of the business.

DESCRIPTION	ESTIMATED AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYABLE
Initial Franchise Fee ⁽¹⁾	\$3,750	Lump Sum	On signing Franchise Agreement	Us
Expenses While Training ⁽²⁾	\$200 - \$1,800	As arranged	As incurred	Transportation Lines, Hotels, etc.
Certifications	\$0 - \$300	As arranged	Prior to opening	Approved certification agencies
Equipment	\$100 - \$1,000	As arranged	As incurred, prior to opening	Approved Suppliers, Vendors
Replenishment Inventory ⁽³⁾	\$0-\$1,000	As arranged	As incurred, prior to opening	Approved Suppliers, Vendors
Initial Inventory	\$590 - \$1,000			
Insurance ⁽⁴⁾	\$150 - \$500	As arranged	As arranged	Insurance Agencies
Grand Opening Program ⁽⁵⁾	\$50 - \$500	As arranged	As arranged	Vendors
Computer hardware/software	\$0- \$2,000	As arranged	Prior to opening	Vendors
Uniforms ⁽⁶⁾	\$100	Lump Sum	Prior to opening	Us
Business Licenses ⁽⁷⁾	\$50 - \$100	Upon Application		Local or State governmental agencies
Employee Wages	\$0 - \$500	As arranged		
Additional Funds – 3 months ⁽⁸⁾	\$0 - \$600	As arranged	As incurred	Employees, Approved Suppliers, Utilities, Vendors, etc.
TOTAL ⁽⁹⁾	\$4,990 - \$13,150			

(1) The Initial Franchise Fee is entirely nonrefundable. We do not finance any fees.

(2) You must arrange your transportation and pay the expenses for transportation, meals and lodging for you and your Managing Instructor (if any) while attending the 2-day training program. The amount you spend will depend on several factors, including the distance you have to travel and the type of accommodations you choose. We based this estimate upon attendance of 1 person.

(3) Replenishment Inventory is the estimated cost for you to replenish your initial inventory of approved products for resale that are obtained from approved suppliers. The

composition of your inventory and related expenses can vary depending upon product availability, manufacturer pricing, shipping costs and other factors, including how much inventory you choose to carry. However, you are required to maintain a minimum Required Inventory throughout the franchise term (please see Item 8 for more information); currently the minimum required expenditure on the initial required inventory is \$590. See Item 6 above.

(4) Throughout the term of the Franchise Agreement, you must maintain in force insurance policies as specified in the Manuals or otherwise. We may specify the types and amounts of coverage required under these policies and require different and/or additional kinds of insurance at any time. You will provide us with the annual certificates of the required coverage. Each insurance policy must:

a) name us, our Affiliates, shareholders, officers and directors as additional insureds;

b) contain waivers of subrogation in favor of us and our Affiliates (which shall be operative only so long as available in the State having jurisdiction over an affected claim and provided further that no policy of insurance is invalidated thereby);

c) be written as primary policies which provide that any insurance that we may carry is strictly excess, secondary and non-contributing with any insurance carried by you;

d) contain a provision that we, although named as an additional insured, shall nevertheless be entitled to recovery under the policy for any loss occasioned to us, our agents and/or employees by reason of your negligence, or the negligence of your employees or agents;

e) provide thirty (30) days' prior written notice to us of any material modifications, cancellation, or expiration of these policies;

f) be endorsed as needed to provide cross-liability coverage for you and us; and

g) provide for severability of interests.

(5) It is estimated that you will spend at least \$50 on a grand opening marketing program to support the opening your Franchised Business. We will furnish advice and guidance to you with respect to your program. It is also anticipated, but not required, that you will spend at least \$50 in each royalty period for local advertising and promotion of your StrollerFit® Core Business Franchise. You must submit upon our request written verification of your expenditures.

(6) You and your Instructors are required to wear applicable uniforms/logo wear as may be required by us.

(7) You must obtain any local or state business licenses as applicable.

(8) The StrollerFit® Core Business Franchise is designed so that it may either be operated as a part-time business or as a full time enterprise. Additional Funds is an estimate of the funds needed to cover business (not personal) expenses during the first 3 months of operation of the Franchised Business. New businesses (franchised or not) often have larger expenses than revenues. As with most businesses, your costs will depend on factors such as how much you follow our recommended systems, your technical, marketing and general business skills, local economic conditions, the local market for your business, competition, local cost factors, location and the sales levels achieved by you. This is only an estimate, and we do not guarantee that the amounts specified will be adequate. You will need substantial additional funds during the 3 months of initial operation (and perhaps for longer periods). The 3-month period from beginning business covers the time by which most Franchisees are fully in operation, but

does not necessarily mean that you will have reached "break-even" or any other financial position by that time. In addition, the estimates presented relate only to costs associated with the Franchised Business and do not cover any personal, "living" or other expenses you may have. In preparing the figures in this chart, we relied on our Founder's seven years experience developing and working with the StrollerFit concept.

(9) Costs to begin operations and other financial requirements may be more or less than the figures specified above, as a function of the size of business (staff, anticipated volume of business, etc.) which you intend to operate, the area in which you intend to operate and other factors, as mentioned above. Many of these factors are primarily under your control in your independent operation of the business. We have made no provision for capital or other reserve funds necessary for you to reach "break-even" or any other financial position nor do any of these estimates include any finance charges, interest or debt service obligations or any royalties or other franchise-related fees. You should not assume that revenues from your customers will necessarily cover your initial (or other) expenses and we cannot reliably estimate when (if ever) you will reach "break-even" or any other financial position. We do not have that ability for units owned and operated by us and we certainly do not have that ability for any units owned and operated by you. You should review these figures carefully with a business advisor, such as an accountant, before making any decision to contract to purchase a StrollerFit® Franchise. We have based the Additional Funds estimate on our Business Judgment and limited experience in this market.

Since costs can vary with each Franchisee, we strongly recommend that you (a) obtain independent estimates from third-party vendors and your accountant of the costs which would apply to your proposed establishment and continued operation of a StrollerFit® Franchise, (b) discuss with current StrollerFit® Franchisees their economic experiences (including initial costs) in opening and operating a StrollerFit® Franchise (although there may be a limited number of franchisees to speak with because we are a start up franchise company), (c) research applicable regulations and their impact on your costs and operations and (d) carefully evaluate the adequacy of your total financial resources and reserves.

Although we make no estimates or representations regarding financial performance of a StrollerFit® Franchise, we recommend that, in addition to the additional funds shown, you have sufficient personal savings and/or income so that you will be self-sufficient and need not draw funds from the Franchised Business for at least 3 months after start-up. We cannot predict if you will have reached positive cash flow by that time or not.

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We currently require that you maintain a Required Inventory of various Designated Equipment and Products as set out in Exhibit 9.2 (C) to the Franchise Agreement. The items and quantities in Exhibit 9.2 (C) may be modified and added to periodically on 30 days advance written notice to you.

In the future, we may provide you with the following products and services, all of which you may have to obtain only from us (and/or a designee of ours): exercise products (including "home gym" accessories, videos, mats, music CDs), dietary supplements, apparel and other inventory items; and computer software and hardware. You may be charged for these products and/or services. Since we are just beginning to grant franchises, we have no figures on the amount of revenues that we may receive from purchases by franchisees.

We do not condition our delivery of material benefits, such as the grant of a successor or additional franchise, on your use of designated or approved sources. However, failure to use approved items might, like other matters, be a default under the Franchise Agreement and, in

general, any Franchisee in default would not be granted a successor or additional franchise and might even be subject to Termination.

How We Issue and Modify Standards and Approvals of Suppliers and Products

You must purchase, use and offer each of, and only, the types, brands and/or quality of equipment, products and services we designate. You may not offer or deal with any products, services or suppliers not approved by us. We formulate and will provide you (through the Manuals or other means) with any applicable specifications for equipment, inventory, website layouts, customer service requirements and other items, all of which are subject to change by us. Approved suppliers may include, and may be limited to, us and/or companies affiliated with us. We may designate a single supplier or multiple suppliers, and may concentrate purchases with one or more suppliers.

We may approve, revoke or deny approval of particular items or suppliers in our Business Judgment. You can request the approval of an item, service or supplier by notifying us in writing and submitting any information and/or materials we may request. Generally, we condition our approval of a supplier based on the proposed item meeting our exact specifications. We have no contractual obligation to notify you within a specific period of time whether or not you are authorized to purchase or use the proposed item or to deal with the proposed supplier. However, we plan to notify you within 7 business days of receiving adequate information and/or materials relating to the item being evaluated. Currently, we do not receive revenue or other benefits from suppliers in relation to items purchased by our Franchisees, but we plan to do so in the future.

Proportions of Required Purchases

We estimate that assuming the estimated minimum initial costs to begin operations and other financial obligations are within the ranges described in Item 7 of this Offering Circular, the proportion of your purchases and leases of goods and services from approved suppliers or of products that meet our specifications to be approximately 50% to 70% of all the purchases and leases in establishing your Franchised Business and approximately 30% to 50% of your ongoing costs of operating your Franchised Business.

In the fiscal year ending December 31, 2005, approximately 7% of our total revenue was from product sales of required inventory products purchased by the franchisees from us.

Negotiation of Purchase Arrangements

Currently, we do not negotiate purchase arrangements, such as volume discounts, with approved suppliers for the benefit of our Franchisees, but we may do so in the future.

Purchasing or Distribution Cooperatives

Currently, there are no formal or mandatory purchasing or distribution cooperatives in the System, but we reserve the right to institute them in the future.

9. FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN OFFERING CIRCULAR
a. Site selection and acquisition/lease	2.2, 3.1	11, 12
b. Pre-opening purchases/leases	3.1, 3.2, 9.2, Exhibit 9.2(B)	5, 6, 7, 8
c. Site development and other pre-opening requirements	3.1, 3.2, 10.4	5, 7
d. Initial and ongoing training	5.1, 5.2, 10.4	5, 6, 7, 11
e. Opening	3.2	7, 11
f. Fees	3.2, 5.1, 5.2, 9.1 - 9.2, 9.4, 9.6, 11.1, 12.2, 13.2, 14.3, 15.5	5, 6, 7, 11
g. Compliance with standards and policies/Operations Manual	1.1, 2.1, 2.3, 5.3, 9.2 (B), 10.1 - 10.3, 11.2	8, 11
h. Trademarks and proprietary information	6.1 - 6.4, 8.1, 16.1	13, 14, 17
i. Restrictions on products/services offered	2.2, 2.3, 9.2(B), 10.2, Exhibit 9.2(B)	8, 12, 16
j. Warranty and customer service requirements	10.3 (C)	
k. Territorial development and sales quotas	2.2	12
l. Ongoing product/service purchases	4, 9.2 (B), 10.2, Exhibit 9.2(B)	8
m. Maintenance, appearance and remodeling requirements	3.3, 10.1	17
n. Insurance	7.5	6
o. Advertising	2.3, 3.2, 11.1	7, 11
p. Indemnification	7.3, 13.3, Exhibit 1,	None
q. Owner's participation/management/staffing	5.1, 10.4, 15.5	6, 7, 15
r. Records/Reports	12.1 - 12.2	6
s. Inspections/Audits	4, 10.4 (D), 12.1 - 12.2	6
t. Transfer	13.1 - 13.4	6, 17
u. Renewal	14.1 - 14.4	6, 17
v. Post-Termination obligations	8.1, 8.2, 16.1 - 16.2	17
w. Non-Competition covenants	8.2, 16.2	17
x. Dispute resolution ⁽¹⁾	17.1 - 17.9	9, 17
y. Other	None	None

(1) The Franchise Agreement contains a simple dispute resolution clause which states that if the parties cannot resolve their differences amicably they will proceed to litigation. There are no mandatory arbitration clauses. You should read Sections 17 and 19 of the Franchise Agreement and you may want to consult an attorney regarding the effect of these provisions.

10. **FINANCING**

We do not offer direct or indirect financing. We do not guarantee any of your obligations.

11. FRANCHISOR'S OBLIGATIONS

Except as listed below, we need not provide any assistance to you.

Our Pre-Opening Obligations to You. We have the following obligations to you before you open your StrollerFit® Core Business Franchise to the public:

A. We will provide you with initial training and Instructor certification (Franchise Agreement, Section 5.1).

B. We will provide you with the then-current handbooks, training videos, DVD's, Starter Kit, marketing materials and website/email account access. (Franchise Agreement, Sections 5.2 and 11.3)

C. We will loan you a copy of (or provide you electronic access to) the Manuals (Franchise Agreement, Section 5.3). Currently, the Operations Manual contains a total of 158 pages. A copy of the Table of Contents to the Manuals is attached to this Offering Circular as Exhibit E.

D. We will furnish guidance on your grand opening marketing plan (Franchise Agreement, Section 3.2).

E. We will furnish you with standards, specifications and other requirements for your StrollerFit® Core Business Franchise (Franchise Agreement, Section 10.1; see Item 8).

Our Obligations During the Operation of Your StrollerFit® Core Business Franchise. We have the following obligations to you during the operation of your business:

A. We will furnish ongoing guidance in the operation of your StrollerFit® Core Business Franchise. We may provide this guidance electronically, in writing or telephonically, through training programs and/or on-site consultations, among other methods. We may charge a reasonable fee for any on-site consultations. (Franchise Agreement, Section 5.2).

B. We will provide you access to: franchisee support resources; updated Manuals and marketing materials; and ongoing web hosting of your designated StrollerFit® franchise webpage (Franchise Agreement, Sections 5.2, 5.3, 11.3).

C. Although we are not contractually obligated to do so, we will offer assistance in developing and/or finding Instructors and provide you with retail pricing guidelines.

Advertising

Local Marketing

It is anticipated that you will spend at least \$50 for local advertising and promotion of your StrollerFit® Core Business Franchise each royalty period. If we request it, you will submit verification of your expenditures in a form prescribed by us. Appropriate local advertising expenditures may include classified telephone directory listings and advertising. The value of discounts, coupon redemptions and/or products or services given without charge will not be considered to meet your local advertising obligation. You must use all materials and programs designated by us as mandatory.

Your advertising must be in good taste and conform to ethical and legal standards and our requirements. At your initial training we will provide you with marketing materials in one or

more multi-media formats which may include a marketing video, a DVD or CD ROM containing certain templates, forms, logos, print ads, starter brochures and access to the StrollerFit® website. You must at all times maintain up to date information on your designated StrollerFit® sub-website pages which will be accessible to all potential customers using the Internet. You do not need to obtain our approval to use the marketing materials that we provide to you at initial training if you use them in substantially the same form. However, you may not use any other advertising materials (including promotional materials and any use of the Marks and/or other forms of commercial identification) for any media, electronic or otherwise, without our prior written approval, subject to our Business Judgment. Although we are not obligated to review the proposed advertising materials within a specific time period, we typically will notify you of our decision within 7 business days.

Computer Hardware and Software

In the future, we may introduce to the System computer software and hardware (including point of sale and back office systems) which you may, but shall not be required to purchase, use, maintain and update at your expense, as specifications and requirements may be modified over time. In some cases, these components may only be available through us or approved vendors. You must maintain your systems online to allow us access to your StrollerFit® Core Business Franchise data and information. You must comply with our then-current Terms of Use and Privacy Policies and any other requirements regarding all computer and other systems, including Internet usage. You must pay all supplier and/or licensor (which may include us) charges for use, maintenance, support and/or updates to the required systems. We do not have a contractual obligation under the Franchise Agreement to provide any maintenance, repairs, upgrades or updates on any software or hardware. There are no contractual limitations on the frequency and cost of upgrades and/or updates to the systems or programs. (Franchise Agreement, Sections 4 and 12.1).

You must regularly monitor your assigned StrollerFit® email account and use it as your primary StrollerFit® Core Business Franchise email account.

You will use the computer for basic accounting practices, receiving and responding to emails, submitting monthly reports, and maintaining, and updating your designated StrollerFit® webpage (www.strollerfit.com). We will have access to all data captured by these computers relating to the operation of your StrollerFit® Core Business Franchise.

There is no contractual limitation on our use of the data, although any use by us shall be for reasonable business purposes.

Currently we require that, at a minimum, your computer system supports Internet access, an email account, and printing capabilities. If you do not currently own an adequate computer system, we estimate that you would spend approximately \$2,000 acquiring one. Factors affecting this estimate include your choice of vendor, peripherals, software, and Internet service provider.

We do not warrant or have any responsibility for the software or hardware you must obtain. Any warranty you may have on equipment or software will be limited to that provided by the applicable manufacturer or licensor.

Selection of the Location of Your Business

You will select the location(s) of your StrollerFit® Core Business Franchise site and we will evaluate and either approve or disapprove each of your sites (typically within 10 days). We consider factors such as safety, size (a minimum area of 100 x 50 feet), ground surface conditions and availability of parking in evaluating a proposed site(s).

The square footage of actual sites is expected to vary to some extent. We will consider the site size as an evaluation factor with any proposed location, (along with the other merits of each proposed site), but currently we will not consent to a proposed site that is less than 5,000 square feet. We may change these size limitations and other policies as we consider appropriate. We may establish other facility specifications, which we will provide in the Manuals or through other written or electronic instruction.

You must have our written acceptance of a site location within 60 days from the date of your Franchise Agreement. If you do not have our written acceptance of a site location within 90 days from the date of your Franchise Agreement, we may terminate the Agreement and you will not receive a refund. (Franchise Agreement, Section 3.1).

Typical Length of Time to Open Your Business

The typical length of time between the signing of the Franchise Agreement and the payment of the Initial Franchise Fee and the opening of a Franchise is 90 days. If you do not meet all of your pre-opening obligations (see Sections 3.1 and 3.2 of the Franchise Agreement) within 90 days, we may terminate the Agreement and you will not receive a refund. Factors affecting this length of time include securing an approved site, obtaining applicable business licenses/permits and completion of training and certification. You may not open your StrollerFit® Core Business Franchise or begin holding classes until we give you your opening notice.

Training

Initial Training and Certification

You and your Managing Instructor if you have one, (see Item 15 and Section 10.4 of the Franchise Agreement for a definition of this position) must complete our 2-day Initial Training Program to our satisfaction before you open your StrollerFit® Core Business Franchise to the public. The program will include video-based training as well as classroom training at our corporate offices in Cincinnati, Ohio or at one of our Area Director Facilities. The Initial Franchise Fee covers the cost of the Initial Training Program (not including travel, living and incidental expenses) for you and your Managing Instructor (if you have one) and we will charge a reasonable fee for training and certification of additional and/or subsequent Instructors. We can choose to eliminate or shorten training for persons with comparable experience. You must pay all transportation, food, lodging costs and personal expenses that you incur during training. Currently, we offer training and certification on an as-needed basis. (Franchise Agreement, Section 5.1). Alternatively, if you are eligible and approved by StrollerFit, Inc., we may provide you with video or DVD training materials and you may self train by using the videos and DVDs and providing us with a video or DVD of your application of the training so that we may watch and evaluate the ability of you and/or your Managing Instructor to conduct the StrollerFit® classes and to gain StrollerFit® certification.

In addition to our Initial Training Program, you or your Managing Instructor will be required to obtain a CPR certification, including infant CPR and attend and successfully complete a certification course approved by us (which may be administered by us or a nationally accredited fitness certifying agency approved by us). To be eligible to participate in the StrollerFit® certification course, we require you or your Managing Instructor to have either (1) a certification from a StrollerFit® approved agency or (2) a four year degree from an accredited college in a Fitness related field.

You and/or any of your Instructors must complete the certification program within 60 days after signing the Franchise Agreement. The training will conclude with a certification test to

ensure that you or your Managing Instructor can demonstrate the proficiency in the System. In some circumstances, the certification may be completed as part of the Initial Training Program. If we provide you with the certification program separately from the Initial Training Program (in the case of an additional or new Instructor), you will pay us a \$250 certification fee (see Item 6), and you will be responsible for paying all other related expenses.

Debbie Schmidt and/or Elizabeth Brougher will be teaching and/or supervising the Training Program courses (please see Item 2 for their biographies).

Our current Initial Training Program curriculum is as follows:

COURSE	INSTRUCTIONAL MATERIALS	CLASSROOM TRAINING (HOURS/DAYS)	ON THE JOB TRAINING (HOURS/DAYS)	INSTRUCTOR
Introduction	Operation Manual	1 Hour		Debbie Schmidt and/or Elizabeth Brougher
Operations	Operation Manual	6 hours		Debbie Schmidt and/or Elizabeth Brougher
Marketing	Operation Manual	2 hours		Debbie Schmidt and/or Elizabeth Brougher
Exercise Programs	Operation Manual		8 hours	Debbie Schmidt and/or Elizabeth Brougher
TOTAL		9 hours	8 hours	

Ongoing Training, Recertification

We can require that you and/or your Instructors attend additional and/or refresher training programs, including national and regional conferences, conventions and meetings, as we may reasonably require to correct, improve and/or enhance your operations, the System and its members. You will be responsible for all travel, living, incidental and other expenses for you and your personnel attending optional or mandatory training programs, seminars or meetings. We may charge a reasonable fee for any training program, conference, convention or other event.

If you are awarded a successor franchise after your initial 2 year franchise term, you must be re-certified by us or a nationally accredited fitness certifying agency approved by us before beginning your successor term. If you elect to be recertified by us, we will charge a recertification fee of \$250 per Instructor and you will be responsible for all other related expenses (travel, Instructor compensation, etc.). (Franchise Agreement, Section 14.3).

12. TERRITORY

Location and Customers

The Franchise awarded is for the operation of a single StrollerFit® Core Business Franchise at an approved location(s) within a prescribed geographical area (the "Territory"). You may not change the location(s) from which you operate your StrollerFit® Core Business Franchise without our prior written consent, which may be granted at our sole discretion. Our current policy

allows you to solicit or service customers located anywhere, except that you may not solicit or service national or regional accounts which are currently being serviced or solicited by us or other StrollerFit® Core Business Franchises. If you would like to use the Marks or System at another location, then you must have our prior written consent. We may award you additional franchises, but only at our sole discretion.

Territory

Your Territory is determined by population density, market potential, demographics, proximity of hospitals, fitness facilities, parks, parent-baby retail outlets, and by direct market information inquiries made by us within a particular area. Your Territory will be designated by us and described in Exhibit 2.2 to the Franchise Agreement. In determining "market size" we obtain population density figures from government census information. We also consider the number of hospitals within a proposed geographic area. Territories for medium-sized markets typically are approximately 30 square miles. However, we reserve the right to specify a larger or smaller territory according to market size and/or other relevant factors.

We generally limit our territories to a minimum population of 30,000 and maximum population of 300,000.

Except as provided in the Franchise Agreement, and provided that you are in Good Standing, we will not locate or award a franchise for another StrollerFit® Core Business Franchise within your Territory. We may award franchises for, and/or operate ourselves (or through an affiliated company), StrollerFit® Businesses or other businesses of any type to be located anywhere in adjacent and/or other territories. You have no rights to, and will not attempt to restrict the establishment, operation or otherwise of, any Similar Business or other business (whether or not using the Marks and/or System) located outside your Territory, irrespective of how close any these business(es) may be to your Territory or the distance from, impact on, or vicinity of, your StrollerFit® Core Business Franchise or the number of StrollerFit® Core Business Franchises in any area or market.

Distribution Channels

We and Franchisor-Related Persons/Entities expressly reserve the rights to sell StrollerFit® Brand (or any other brand) Products and Services (whether or not competitive) to customers located anywhere (including within your Territory) using any channel of distribution located anywhere (for example through the internet), subject to Section 2.3(B) of the Franchise Agreement and certain conditions for specific opportunities in relation to national or regional accounts as described below. In addition, you will comply with any future System Standards regarding intra-franchise sales and System-wide co-operation. For example, we may implement a System Standard that would allow customers of any StrollerFit® Core Business Franchise to buy a coupon which could be redeemed at any other StrollerFit® location.

Site License

A "Site License" is one type of national or regional account distribution opportunity that we may enter into, in which we award a fitness center, or other business, chain the rights to operate a StrollerFit® Core Business Franchise at its locations within your Territory at any time. If you are in Good Standing you will receive 25% of the net class revenues actually received by us from a StrollerFit® Core Business Franchise operated by a Site Licensee within your Territory. The right to receive these proceeds is subject to our right to set off payments due to us (see Section 9.5 of the Franchise Agreement).

Host Location

A second type of national or regional account distribution opportunity is a "Host Location" arrangement in which a facility such as a medical out-patient provider will offer StrollerFit® classes and products to its patients at its location, with the actual services and product to be provided by a StrollerFit® franchisee. The following terms and conditions apply to Host Location Opportunities:

We will provide you with a right of first refusal for any Host Location Opportunity in your Territory, subject to the process described below, and to your being in Good Standing and meeting our then-current financial, operational and other business standards for the award of a Host Location Opportunities to Franchisees.

A. A right of first refusal regarding a Host Location Opportunity will be processed as follows:

1. We will provide you written notice of a Host Location Opportunity expected to be physically located in your Territory.

2. You will have 15 days in which to advise us in writing that you wish to participate in the Host Location Opportunity. If you do not notify us within this period, then we may pursue the Host Location Opportunity and/or grant any other person/entity the right to participate in the Host Location Opportunity without any liability to you.

3. If you timely notify us in writing that you do wish to participate in the Host Location Opportunity, then we may condition your participation on compliance with those terms and conditions as we consider appropriate to the particular Host Location Opportunity. These conditions may include:

a) your signing the then-current agreements and related documents used by us in connection with the award of the applicable Host Location Opportunity;

b) payment of all initial fees and any other applicable fees;

c) meeting any eligibility requirements as are then generally applied by us to candidates for a Host Location Opportunity; and

d) your (and any Affiliate and owner of yours) signing a General Release, as defined in Article 20 of the Franchise Agreement.

If you do not meet the conditions applicable to the award of the Host Location Opportunity and/or any opening requirements that may be included in any Host Location Opportunity agreements, then we and/or any Affiliate may pursue the Host Location Opportunity and/or grant any other person/entity the right to participate in it, without any liability to you.

Changes

We (and/or our Affiliates) can acquire, be acquired by, merge, affiliate or dual brand with, or engage in any transaction with other businesses (whether competitive or not), with franchises/outlets located anywhere. We (and/or our Affiliates) may also acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere. We can develop or become associated with other concepts (including dual branding and/or other franchise systems), whether or not using the StrollerFit®

System and/or the Marks, and award franchises under other concepts for locations anywhere. These transactions may include arrangements involving competing outlets and brand conversions (to or from the StrollerFit® Marks and System). These transactions are expressly permitted under this Agreement, and you agree to participate at your expense in any conversion as instructed by us, without any liability to you.

In the future we may offer pre-natal and/or toddler programs or products not related to the StrollerFit® Core Business Franchise, but the nature of these and the structure by which we will introduce these into the marketplace has not been determined. It is possible that we would offer these programs to our StrollerFit® Core Business Franchise franchisees but it is equally possible that we would structure these programs in a way that entirely excludes StrollerFit® Core Business Franchise franchisees.

E-Commerce/Email Business and Special Accounts

Your use of the Internet, World Wide Web, and other electronic or other means of marketing and distribution of goods and/or services can be restricted by us in our Business Judgment. As a pre-opening condition, you must have completed and uploaded your approved StrollerFit® WebPages to our main StrollerFit® Website located at www.StrollerFit.com. You must keep your StrollerFit® WebPages fully operational and updated at all times. You will not market or sell through any venue(s) or channels of distribution other than your StrollerFit® Core Business Franchise without our written permission. You agree to participate in any Special Account(s) (as defined in Article 20 of the Franchise Agreement) only as we may direct.

We, the Franchisor-Related Persons/Entities and anyone we designate may offer/provide any Products and/or Services or otherwise through the Internet, World Wide Web, direct mail and/or other similar venues (no matter where the customer is located), whether or not in connection with any use of the Marks and/or System. Our current policy on our direct retail sales to Special Accounts, or through the Internet or by direct mail (subject to your being in Good Standing) is to credit to you a portion of our revenues (or net income) from sales to customers who designate your StrollerFit® Core Business Franchise at the time of purchase by entering your StrollerFit® Core Business Franchise account number. These credits may be applied to your royalty and/or other obligations/activities as we consider appropriate in our Business Judgment. This policy and any related terms and conditions may be changed and/or eliminated by us at any time in our Business Judgment.

Site Licenses and Host Location opportunities are included within the definition of Special Accounts under the Franchise Agreement.

Relocation

If your StrollerFit® site is damaged, condemned or rendered unsafe or unusable, or if there is a change in the character of the location of your Store sufficiently detrimental to its business potential to warrant its relocation, you must find an alternative location from which to hold classes and continue your StrollerFit® operations. Any relocation for any reason requires our prior written consent, must be within your Territory and will be at your expense.

Modification of Your Rights in the Territory

We grant a Franchise based on our expectation that you will continuously and diligently follow all System requirements. If you fail to meet any Performance Standards as described in the Franchise Agreement, or are not otherwise in Good Standing, as also defined in the Franchise Agreement, we may reduce, eliminate or otherwise modify your rights in the Territory, including any right of first refusal. "Performance Standards" includes StrollerFit® System

Standards (as set out in the Franchise Agreement, this section, the Manuals or otherwise). We do not make any representation or assurance that you can or will achieve any performance minimums.

We require that you will at all times during the operation of your StrollerFit® Core Business Franchise, maintain an inventory of various Designated Equipment, and Products as set out in Exhibit 9.2 (C) of the Franchise Agreement. The items and quantities on the Exhibit 9.2 (C) may be altered/deleted/changed and added to periodically on 30 days' advance written notice from us to you. The low level of royalty rates is based, in part, on (a) your commitment to maintain the Required Inventory and not to use and/or obtain any Designated Equipment, Products and/or Services from any source other than the source we require and (b) the fact that we do not charge royalties on revenues received from sales of Designated Equipment or Products

13. TRADEMARKS

We have granted you the non-exclusive right to use the Mark "StrollerFit®" and any other trademarks, trade names, service marks, designs and logos currently used in the Franchised Business (the "Marks") that we may authorize in the future. The Marks may only be used at the location we approve for your Franchised Business and for the sale of products and services we authorize.

The following service mark was registered on the Principal Register of the United States Patent and Trademark Office by Diamond Cut, Inc. on September 21, 1999:

STROLLERFIT (Registration No. 2279881) – wordmark only.

This servicemark was assigned by Diamond Cut, Inc and Curt W. Conrad to StrollerFit® LLC through an Assignment and Assumption Agreement signed on March 27, 2004, and subsequently acquired by us through the merger of StrollerFit®, LLC and StrollerFit®, Inc., on March 29, 2004. The Assignment and Assumption Agreement, and the Agreement of Merger between StrollerFit®, LLC and StrollerFit®, Inc. were both filed with the United States Patent Office on May 4, 2004.

We also registered the following marks on the Principal Register of the United States Patent and Trademark Office:

PowerMom (Registration No. 3027408) – Registered December 13, 2005

StrollerFriends (Registration No. 3027407) – Registered December 13, 2005

StrollerFit Exercise With Your Baby (Registration No. 3027493) – Registered December 13, 2005

MommyMuscle (Registration No. 3034731) – Registered December 27, 2005

We own all rights in the Marks. You will use the Marks solely for the identification of your StrollerFit® Core Business Franchise. You may not use any of our Marks (or any modified version) as part of your business entity or trade name. We must approve your corporate and/or trade name prior to its use. You may not use our Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. Currently, there are no agreements that limit our right to use or license our Marks.

Additionally, we filed applications on June 25, 2004 with the United State Patent and Trademark Office for federal trademark registration on the Principal Register for the following wordmarks:

mommymuscle - Class 16 (Serial Number 78441685)

PowerMom - Class 16 (Serial Number 78441667); and

on July 26, 2005, we filed an application with the United State Patent and Trademark Office for federal trademark registration on the Principal Register for the stylized logo and wordmark "Strollerfit" – Class 41 (Serial Number 78678694) and for the following wordmarks:

mommymuscle - Class 9 (Serial Number 78441685)

mommymuscle - Class 25 (Serial Number 78678515)

mommymuscle - Class 28 (Serial Number 78678515)78449243).

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court. There are no pending infringement, opposition or cancellation proceedings or material litigation, involving the Marks. There are no infringing uses actually known to us that could materially affect your use of these trademarks, service marks, trade names, logotypes or other commercial symbols in this state.

You must notify us immediately of any apparent or actual infringement of, or challenge to your use of the Marks, or any claim by any person of any rights in the Marks. You will not communicate with any third party with concerning any claim. We have the exclusive right to control any settlement, litigation or proceeding arising out of or related to these matters. The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed to you by us, or if the proceeding is resolved unfavorably to you.

You must comply, at your expense, with any directions from us to discontinue, modify, substitute or add Marks. We cannot and do not guarantee that a modification, discontinuance or otherwise may not be required for any reason, and we will have no liability or obligation to you. You will not make any claim related to any modification, discontinuance or other action, and/or with any dispute regarding the Marks.

You should understand that there is always a possibility there might be one or more businesses similar to the businesses covered by the franchises offered in this Offering Circular, operating in or near the area(s) where you may do business, using a name and/or trademarks similar to ours and with superior rights to the name and/or trademarks. We strongly suggest that you research this possibility, using telephone directories, local filings and other means, before you pay any money, sign any binding documents or make any binding commitments.

14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There currently is a Patent Pending for the **mommy**muscle™ fit 'n fun mat for a "SYSTEM FOR EXERCISE AND CHILD DEVELOPMENT" that was filed with the United States Patent and Trademark Office on October 6, 2005 (Serial No. 11/224,977).

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials, although we claim common law copyrights in our Manuals and other materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us that could materially affect your use of the copyrighted materials in any state. No agreement requires us to protect or defend any copyrights or you in connection with any copyrights.

In general, our proprietary information includes "Confidential Information" as defined in Section 8 of the Franchise Agreement, and involves, among other things: 1) manuals, training,

techniques, processes, policies, procedures, systems, data and knowledge regarding the development, marketing, operation and franchising of a StrollerFit® Core Business Franchise; 2) exercise programs, designs, specifications and information regarding Products and Services; 3) all information regarding customers and suppliers, including any statistical and/or financial information and all. We disclose to you Confidential Information and your only interest in them is the right to use them under your Franchise Agreement.

You must agree to maintain the confidentiality of all Confidential Information during and after the term of the Franchise Agreement. You must agree that you will not use any of the Confidential Information in any other business or in any manner we do not specifically authorize in writing. You also agree to fully and promptly disclose all ideas, techniques and other similar information relating to the franchise business that are conceived or developed by you and/or your employees. We will have an ongoing right to use, and to authorize others to use, these ideas, etc. without compensation or other obligation.

You must have each of your employees, agents, principals, and Affiliates sign and deliver to you an agreement containing substantially the same provisions described in this Item 14 (in forms specified by us) and will deliver to us copies on request. (Franchise Agreement, Section 8.1). If your StrollerFit® Core Business Franchise is to be located and/or operated within, in conjunction with or as part of another business, or is operated at a Host Location, you must arrange for the other business and its personnel (as specified by us) to enter into the appropriate arrangements to protect our Intellectual Property and other interests, including signing agreements with us regarding non-competition, confidentiality, non-solicitation of employees and customers and indemnity/insurance arrangements.

15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We anticipate that you will operate your StrollerFit® Core Business Franchise and that you will be the StrollerFit® Certified Instructor. A "StrollerFit® Certified Instructor" is a person (who may be you, your Managing Instructor and/or an employee) who has successfully completed our training program and possesses all necessary certifications to deliver the StrollerFit® Classes and Programs. Your StrollerFit® Core Business Franchise must employ at least one StrollerFit® Certified Instructor at all times. If you are a corporate entity or "passive investor" (for example, a spouse who finances the operation for his/her spouse), you will be permitted to avoid certification itself and instead allow certain aspects of the StrollerFit® Core Business Franchise to be managed and conducted by a Managing Instructor (see below).

A "Managing Instructor" is a person (who may be you or your designee) who is responsible for certain aspects of operating the Franchised Business; we do not require these non-franchisees to have an equity interest in the Franchised Business. However, the Managing Instructor must meet all of the following requirements at least 30 days before participating in any aspect of your StrollerFit® Core Business Franchise:

- A. complete the StrollerFit® training program to our satisfaction;
- B. pass all StrollerFit® certifications;
- C. receive our written approval.

You will be responsible for all costs associated with each of your Managing Instructors' training, certification and other related expenses. You, each of your Managing Instructors and any other of your StrollerFit® Certified Instructors must always meet our then current training and

standards. You must keep us advised, in writing, of all management and non-management personnel involved in the operation or otherwise of your StrollerFit® Core Business Franchise.

You are solely responsible for the fulfillment of your obligations in the operation of your Franchised Business, including providing and signing the monthly reports, certifications, maintaining insurance, collecting waivers, and the hiring and supervision of your Managing and/or StrollerFit® Certified Instructors, among other things. You are not permitted to delegate business responsibilities to your Managing Instructor. However, you may delegate operational class activities that otherwise would be performed by you (such as conducting classes, training instructors, and other non-business and non-financial aspects of the Franchised Business) to your Managing Instructor, subject to our approval. Each of your Instructors, employees, agents, principals and any Affiliates are required to sign a form of confidentiality agreement as described in Item 14 of this Offering Circular and Article 8 of the Franchise Agreement.

You may be required to participate in an in-person annual review process which may be conducted by a StrollerFit® corporate trainer, corporate representative or Area Director.

16. RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL

You must operate your Franchised Business in accordance with the System Standards, (which we may modify occasionally in our Business Judgment) particularly with respect to the products and services you will be required to offer through your Franchised Business. You must purchase, use and offer each of and only the types, brands and/or quality of Products and Services we designate. We have established Required Inventory minimums (the current specifications of which are set out in our Manuals and Exhibit 9.2 (C) to the Franchise Agreement) which you must meet for both opening and ongoing inventories. Your StrollerFit® inventory will generally include Starter Kits, apparel and non-apparel products, and equipment used in the StrollerFit® classes. The amount and types of mandatory inventory items may change over time, and may require additional investment by you; there is no contractual limitation on our right to add to, delete from, or modify the Required Inventory specifications.

In some cases, you may be permitted to sell, distribute or promote non-competitive products if we grant our prior written approval. However, we expect that this permission will be granted only on a very limited basis. Non-competitive products are defined as any StrollerFit® approved products that may be sold by you that are not currently being produced or distributed by us or for which we currently have no approved supplier.

You are expressly prohibited from selling, distributing or promoting any competitive products unless we grant our prior written approval. Approval of competitive products will be conditioned on the proposed product being truly equivalent to the StrollerFit® branded or designated product (i.e. but for the branding element the products are essentially and functionally identical). This allows you to buy "generic" products (like exercise tubes or bands) from a third party in lieu of the StrollerFit® branded version of that product. However, we would not deem as equivalent a generic exercise mat that does not have the same functional visual features (e.g. shapes or animal figures) as the branded StrollerFit® mat since those features are integral to the product's use in the StrollerFit® programs and go beyond mere branding.

You may not use your Franchised Business for any other purposes other than the operation of a Franchised Business in full compliance with the Franchise Agreement and Manuals, without our prior written approval. You will not engage in any other business or activity that may conflict with your obligations under the Franchise Agreement or reduce the Gross Class Revenues of your StrollerFit® Core Business Franchise. See Items 8 and 12 of this Offering Circular for restrictions on products and services and customers you may service.

17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in their entirety in the Agreement attached as Exhibit A to this Offering Circular.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Term of the franchise	2.1	2 years for a new Franchise.
b. Renewal or extension of the term	14.1	An additional 1 year term and subsequent 1 year terms thereafter, subject to compliance with certain requirements, and in our Business Judgment.
c. Requirements for you to renew or extend	14.2 – 14.3	Written notice from you of election for renewal; be in Good Standing; compliance with all Agreements, current operational, qualification and training requirements; execution of new agreements and General Release; recertification and payment of recertification fee.
d. Termination by you	None	None
e. Termination by us without cause	None	None
f. Termination by us with cause	15.1 – 15.5	We can terminate your Franchise if you commit any of the violations listed below.
g. "Cause" defined-defaults which can be cured	15.1 B and C	Failure to comply with any payment obligation or any other provision of the Franchise Agreement (including the System Standards as set out in the Manuals) other than those listed below and in section 15 (A), of the Agreement.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
h. "Cause" defined-defaults which cannot be cured	3.1, 15.1 (A)	Failure to: locate an approved site; submit and certify monthly reports. Misrepresentations or omissions by you in application for Franchise; make an unauthorized transfer; abandon or lose right to use approved location and do not deliver classes for 2 weeks; Bankruptcy; conviction of felony or other misconduct that adversely affects the StrollerFit® Franchise; unauthorized use of Confidential Information, the Marks or Manuals; 5 or more customer complaints in any 12-month period; commit 3 or more breaches of any agreement.
i. Your obligations on termination/non-renewal	16.1 – 16.2	Cease operations; cease use of Marks; de-identify business; return Manuals and other Confidential Information; cancel all fictitious business name registrations; discontinue representation as a StrollerFit® franchisee; pay all amounts owed. Certain obligations continue, including payment, indemnity, non-competition and confidentiality.
j. Assignment of contract by us	13.1	No restrictions on our right to transfer.
k. "Transfer" by you-definition	13.2	Includes any voluntary or involuntary assignment, sale, gift, pledge or any grant of any security or other interest (partial or whole, direct or indirect), by you.
l. Our approval of transfer by you	13.2	Transfer subject to our prior written consent.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
m. Conditions for our approval of transfer	13.2	You must be in compliance with all agreements and the Manuals; Transferee qualifies; Transferee assumes your obligations; All amounts and reports due us are remitted; All debts payable to third parties are assumed by transferee; All required reports or other documents submitted; Transferee completes training program; Transferee obtains all required permits, licenses and insurance; Lessors and other parties consent to transfer; Execution of Franchise Agreement by transferee; Payment of \$1,000 transfer fee; Execution of release; Amount financed subordinate to obligations of transferee to us; Execution of non-competition agreement; Compliance with laws and regulations. Additional requirements for transfer to a controlled corporation.
n. Our right-of-first-refusal to acquire your business	13.4	We have the right to match offer, require terms and conditions.
o. Our option to purchase your business	13.3	We have a limited right to purchase your business, and any or all of its assets/equipment. We must give you written notice within 60 days of the Termination/expiration of the Franchise Agreement.
p. Your death or disability	13.2	Any transfer in the event of death or disability must be completed within 6 months and will be governed by the transfer provisions of Article 13 of the Franchise Agreement.
q. Non-competition covenants during the term	8.2	No involvement in any Similar Business.
r. Non-competition covenants after the franchise is terminated or expires	8.2, 16.2, 17.4	No involvement in Similar Business for 18 months within marketing area or the Territory.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
s. Modification of the agreement	17.5	Agreement may be modified in writing by all parties. Manuals and System are subject to change by us and you must promptly comply.
t. Integration/merger clause	19	Only the terms of the Franchise Agreement are binding (assuming they comply with State law). Any other promises are not enforceable.
u. Dispute resolution by arbitration or mediation	None – Dispute resolution is by agreement or by litigation 17.1 – 17.9	Except for a few types of claims, all disputes are resolved through good faith negotiation, or through litigation; Limited rights of appeal and pre-trial discovery; Waiver of jury or court trial; Limitation of types and amount of damages and periods to bring claims..
v. Choice of forum	17.1	Good faith negotiation to be decided by the parties followed by litigation in the County of Hamilton, State of Ohio. Please see the state specific addenda to the Offering Circular and Franchise Agreement in Exhibit D to this Offering Circular.
w. Choice of law	19.14	Laws of the State of Ohio apply. Please see the state-specific addenda to the Offering Circular and Franchise Agreements in Exhibit D to this Offering Circular.

The Franchise Agreement provides for a good faith negotiation to settle disputes. The good faith negotiation will occur at a location to be decided by the parties. Failing resolution of the dispute, the parties may proceed directly to litigation in the county in which our then current headquarters is located, and that may cost you more than if those proceedings took place near your residence or business. You and we will generally bear each of our own costs in any dispute, but the court can assess costs and attorneys' fees against a losing party.

You should understand that we intend to fully enforce all of the provisions of the documents you sign (including the Franchise Agreement). Statements made by us here or in addenda, as a condition or registration in a state, should not be construed as any indication that you and we have not had a meeting of the minds on any subject covered by those statements. As to any law that might make void or unenforceable any provision contained in any of the documents you sign, whether as a result of statements we are required to make or otherwise, we reserve the right to challenge the enforceability and/or effect of that law in any legal proceeding.

Various states, including but not limited to the following, have statutes which may supersede the Franchise Agreement in your relationship with the franchisor including areas of termination and renewal of your franchise: ARKANSAS [Code Sections 4-72-201-4-72-210], CALIFORNIA [Bus. & Prof. Code Sections 20000-200043], CONNECTICUT [42-133e et seq.],

DELAWARE [Code, Title 6, Chapter 25, Sections 2551-2556], HAWAII [Rev. Stat. 482E-6], ILLINOIS [815 ILCS 705/1 – 705/44], INDIANA [Code Sections 23-2-2.7 (1) - (7)], IOWA [Sections 523H.1-523H.17], MICHIGAN [19.854 (27)], MISSISSIPPI [Code Sections 75-24-51-75-24-63], MISSOURI [Stat. Sections 407.400-407.410] NEBRASKA [Re. Stat. Sections 87-401 - 87-410], NEW JERSEY [Rev Stat. Sections 56:10-1-56:10-12], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code Sections 13.1-557 through 13.1-574], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03], DISTRICT OF COLUMBIA [Code Sections 29-1201-29-1208], PUERTO RICO [Annotated Laws Sections 278 - 278d], VIRGIN ISLANDS [Annotated Code Sections 130 - 139]. These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your Franchise.

The provision in the Franchise Agreement which provides for termination upon your bankruptcy may not be enforceable under Federal Bankruptcy Law (11 U.S.C. §101, et seq).

18. ARRANGEMENTS WITH PUBLIC FIGURES

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

19. EARNINGS CLAIMS

We do not authorize any representations, express or implied, or any other information, regarding potential sales, costs, earnings or other results of your StrollerFit® Core Business Franchise.

How well you might do depends almost entirely on factors outside our control, including your general business ability, your resources, how closely you follow our system, your location, competition and how good a businessperson you are. We do not authorize any sales, cost or income projections, or estimates of any kind to you, nor should you rely on any projections or estimates of any type from anyone.

We do not authorize our employees, salespersons or anyone else to make any claims or statements regarding prospects or chances of success, actual or potential sales, costs, earnings, income or profits of, or other financial matters regarding, any StrollerFit® Core Business Franchise. We are not able to predict gross revenues, expenses, profit or other results for franchised or company-owned StrollerFit® Core Business Franchise and do not, and will not, review or comment on your proposed budget, business plan or otherwise.

If, at any time, you believe that any claim(s) or statement(s) regarding prospects or chances of success, actual or potential sales, costs, earnings, income or profits of, or other financial matters regarding, any StrollerFit® Core Business Franchise have been made to you, you must provide a written statement regarding the same next to your signature on the Franchise Agreement. If any claim or statement has been made to you, it was not authorized, and is inherently unreliable. If you do rely upon any unauthorized claim or statement information, promise, representation and/or warranty notwithstanding this instruction, you do so at your own risk.

Before signing any binding documents or making any investment, you should make your own independent investigation regarding the possible purchase of a StrollerFit® Core Business Franchise. This investigation should include speaking with current and past StrollerFit® Franchisees (if any). You should also speak with independent advisors, such as an attorney and/or accountant, to assist your determination of the suitability of your possible investment in a StrollerFit® Core Business Franchise.

20. LIST OF OUTLETS

A list of the names, addresses and phone numbers of all current StrollerFit® franchisees (as of the date of this Offering Circular) is attached as Exhibit G to this Offering Circular.

The names and last known home addresses and telephone numbers of every franchisee who has had an outlet terminated, canceled, not renewed or otherwise has voluntarily or involuntarily ceased doing business under the franchise agreement during the last fiscal year or have not communicated with us within the last 10 weeks of the date of this Offering Circular are also included in Exhibit G.

2006 PROJECTED OPENINGS

STATE	FRANCHISE AGREEMENTS SIGNED BUT UNITS NOT OPENED	PROJECTED FRANCHISED NEW UNITS IN FISCAL YEAR 2006	PROJECTED COMPANY-OWNED UNITS OPENING IN FISCAL YEAR 2006
California	3	5	0
Colorado	1	4	0
Delaware	0	1	0
Florida	1	6	0
Georgia	1	3	0
Illinois	0	3	0
Indiana	1	4	0
Kentucky	1	4	0
Louisiana	1	1	0
Maryland	1	1	0
Massachusetts	0	2	0
Missouri	0	1	0
Michigan	0	2	0
Nevada	0	4	0
New Jersey	1	4	0
New York	1	5	0
North Carolina	1	3	0
Ohio	1	4	0
Oklahoma	0	4	0
Pennsylvania	1	4	0
South Carolina	0	3	0
Texas	1	5	0
Virginia	1	4	0
Washington	0	3	0
Totals:	17	80	0

STROLLERFIT® CORE BUSINESS FRANCHISED UNITS
STATUS SUMMARY FOR THE FISCAL YEARS ENDING DECEMBER 31, 2003 / DECEMBER
31, 2004 / DECEMBER 31, 2005*

State/Country	Transfers	Cancelled or Terminated	Not Renewed	Reacquired by Franchisor	Left the System - Other	Total from Left Columns	Franchises Operating at Year End
Arizona	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
California	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/3*
Colorado	0/0/0	0/0/1	0/0/0	0/0/0	0/0/0	0/0/1	0/0/3
Delaware	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1*
Florida	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/8*
Illinois	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Indiana	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/5*
Kentucky	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Massachusetts	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Michigan	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Missouri	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1*
North Carolina	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/2*
Nevada	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/2*
New Jersey	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
New Mexico	0/3**/0	0/0/1	0/1/1	0/0/1*	0/0/0	0/4/2	3/4/6*
Oklahoma	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1*
Pennsylvania	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0	1/0/0	0/0/0
South Carolina	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Texas	0/7*/0	0/0/1	0/0/0	0/0/0	0/0/0	0/7/1	1/9/18*
Virginia	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Washington	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Wisconsin	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Alaska	0/10**/0	0/0/3	0/1/1	0/0/1	1/0/0	1/11/4	4/13/58

* These numbers reflect franchised units that have opened since December 31, 2005, and are current as of March 27, 2006.

** Transfers were existing licensees that converted to franchisees in 2004.

**STATUS OF COMPANY OWNED STORES SUMMARY FOR THE FISCAL YEARS ENDING
DECEMBER 31, 2003 / DECEMBER 31, 2004 / DECEMBER 31, 2005**

State/Country	Stores Closed During Year	Transfers	Stores Opened During Year	Total Stores Operating at Year End
Indiana	0 / 0 / 0	0 / 0 / 1	0 / 0 / 1	0 / 0 / 0
Illinois	0 / 0 / 0	0 / 0 / 0	0 / 0 / 1	0 / 0 / 1
Kentucky	0 / 0 / 0	0 / 0 / 0	0 / 0 / 1	0 / 0 / 1
Ohio*	0 / 0 / 0	0 / 0 / 0	0 / 0 / 1	0 / 0 / 1
Total	0 / 0 / 0	0 / 0 / 1	0 / 0 / 3	0 / 0 / 3

*This company owned store opened in February, 2006.

21. FINANCIAL STATEMENTS

Attached to this Offering Circular as Exhibit B are the audited financial statements of StrollerFit Inc. dated December 31, 2004, and December 31, 2005. Our fiscal year end is December 31.

22. CONTRACTS

The following agreements are attached as exhibits to this Offering Circular:

Exhibit A	Franchise Agreement with Exhibits
Exhibit C	Statement of Prospective Franchisee
Exhibit I	Receipt of Offering Circular

23. RECEIPT

2 copies of an acknowledgment of your receipt of this Offering Circular appear as Exhibit I. Please sign and date one copy and return it to us. Retain the other copy for your records. You should also complete and return the Statement of Prospective Franchisee (Exhibit C) to us before you sign any Franchise Agreement or pay any sums.