

FRANCHISE DISCLOSURE DOCUMENT

5 STAR NUTRITION FRANCHISING, LLC

a Delaware limited liability company
8500 Shoal Creek, Building 4, Suite 150
Austin, Texas 78757
(512) 827-7267

franchise@5starnutrition.com
www.5starnutrition.com



The franchise is for the establishment and operation of a retail business that features nutritional supplements for sports nutrition, muscle building, weight management and general health and wellness using our distinctive system under the name and mark “5 Star Nutrition” (each a “5 Star Nutrition Business”).

The total investment necessary to begin operation of a 5 Star Nutrition franchise ranges from \$152,750 to \$286,400. This includes \$60,000 that must be paid to the franchisor or its affiliate(s).

The total investment necessary to begin operation of a 5 Star Nutrition area development business ranges from \$197,750 to \$351,400. This includes \$45,000 to \$65,000 that must be paid to the franchisor or its affiliate(s). If you sign a 5 Star Nutrition area development agreement (“Development Agreement”), which requires the development of at least three franchised 5 Star Nutrition Businesses, you will also pay a development fee equal to 100% of the initial franchise fee for the first 5 Star Nutrition Business to be developed under the Development Agreement plus 50% of the initial franchise fee for each additional 5 Star Nutrition Business to be developed under the Development Agreement.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and Development Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as “*A Consumer’s Guide to Buying a Franchise*,” which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Date of Issuance: January 2, 2024

How To Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation and/or litigation only in Texas. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Texas than in your own state.
2. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary for the operation of your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
3. **Inventory Control.** You must make inventory and supply purchases of at least \$15,000 or more per quarter, even if you do not need that much. Your inability to make these purchases or to maintain inventory levels at all times may result in termination of your franchise and loss of your investment.
4. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
5. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (See Item 21), calls into question the franchisor's financial ability to provide services and support to you.
6. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

**5 STAR NUTRITION
FRANCHISE DISCLOSURE DOCUMENT**

TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2: BUSINESS EXPERIENCE	3
ITEM 3: LITIGATION	4
ITEM 4: BANKRUPTCY	4
ITEM 5: INITIAL FEES	4
ITEM 6: OTHER FEES	5
ITEM 7: ESTIMATED INITIAL INVESTMENT	12
ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	17
ITEM 9: FRANCHISEE’S OBLIGATIONS	21
ITEM 10: FINANCING	24
ITEM 11: FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	24
ITEM 12: TERRITORY	32
ITEM 13: TRADEMARKS	35
ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	36
ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	37
ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	39
ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	40
ITEM 18: PUBLIC FIGURES	51
ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS	51
ITEM 20: OUTLETS AND FRANCHISEE INFORMATION	52
ITEM 21: FINANCIAL STATEMENTS	55
ITEM 22: CONTRACTS	55
ITEM 23: RECEIPTS	55

EXHIBITS

EXHIBIT A	-	FINANCIAL STATEMENTS
EXHIBIT B	-	FORM OF FRANCHISE AGREEMENT
EXHIBIT C	-	FORM OF AREA DEVELOPMENT AGREEMENT
EXHIBIT D	-	LIST OF FRANCHISED BUSINESSES
EXHIBIT E	-	LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM IN THE LAST YEAR
EXHIBIT F	-	OPERATIONS MANUAL TABLE OF CONTENTS
EXHIBIT G	-	AGENTS FOR SERVICE OF PROCESS AND LIST OF STATE ADMINISTRATORS
EXHIBIT H	-	GENERAL RELEASE
EXHIBIT I	-	STATE SPECIFIC ADDENDA

STATE EFFECTIVE DATES PAGE

RECEIPT PAGES

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor, its Parents, Predecessors and Affiliates

The Franchisor is 5 Star Nutrition Franchising, LLC, referred to in this Disclosure Document as “we,” “us” or “our.” We refer to the person interested in buying a franchise as “you” or “your.” If you are a corporation, partnership, limited liability company, or other business entity, certain provisions of the Franchise Agreement will apply to your owners. These will be addressed in this Disclosure Document where appropriate.

We were formed as a limited liability company under the laws of Delaware on August 7, 2023. We maintain our principal place of business at 8500 Shoal Creek, Building 4, Suite 150, Austin, Texas 78757. We do business under our corporate name and the name “5 STAR NUTRITION”. Our agents for service of process in Texas and the states that require franchise registration are listed in Exhibit G.

We have no predecessors, but our parent entity is Defyned Brands, LLC, a Delaware limited liability company that shares our principal business address.

We have never operated a 5 Star Nutrition Business, but our affiliate, 5 Star Nutrition, LLC (or its predecessor entities prior to January 1, 2018) has operated 5 Star Nutrition Businesses since 2008 and currently operates approximately 58 locations in 21 states.

5 Star Nutrition, LLC, a Delaware limited liability company which maintains its principal place of business at 8500 Shoal Creek, Building 4, Suite 150, Austin, Texas 78757, will serve as the required vendor for various “Defyned Brands” products that must be purchased by you and offered for sale at your 5 Star Nutrition Business. Each month you will be required to purchase a minimum amount of these products from 5 Star Nutrition, LLC in accordance with our standards and specifications.

Except as described in this Item 1, none of our affiliates or parent entities offer franchises in any line of business or provide products or services to our franchisees. We reserve the right to designate our affiliates as approved or required vendors to our franchisees at any time.

We sell franchises for the establishment and operation of retail businesses that feature nutritional supplements for sports nutrition, muscle building, weight management and general health and wellness using our distinctive system under the name “5 Star Nutrition” (the “5 Star Nutrition Businesses”). The 5 Star Nutrition Businesses do business under the mark “5 STAR NUTRITION.”

We first began to offer franchises in January of 2024. We are not engaged in any other businesses and have never offered franchises in any other lines of business.

The Franchise

We offer qualified applicants franchises for 5 Star Nutrition Businesses. The Franchise Agreement (Exhibit B to this Disclosure Document) gives you the right to establish and operate one 5 Star Nutrition Business at a specified location within a Protected Area. (See Item 12)

As a franchisee, you must operate your 5 Star Nutrition Business only from the location approved by us, and you may not engage in online sales via the Internet or other alternative channels of distribution. However, during the term of your Franchise Agreement, for so long as you remain in full compliance

with your obligations under such agreement, you will be entitled to receive Ten Percent (10%) of the Gross Sales generated from online sales of Defynd Brands products through our affiliate's website (www.5starnutrition.com) to customers located within one or more of the zip codes overlapping your Protected Area (as defined in your Franchise Agreement), provided that we reserve the right to divide one or more zip codes between multiple franchisees based on their Protected Area boundaries. The zip code(s) in which you will be entitled to a portion of such online sales revenues from the sale of Defynd Brands products are referred to in the Franchise Agreement as the "Revenue Split Zip Codes". The zip code in which your 5 Star Nutrition Business is actually located will be a "Revenue Split Zip Code", and we will determine, in our sole discretion, whether any other zip codes will be designated as your "Revenue Split Zip Codes". Your right to receive a portion of online sales revenues from the sale of Defynd Brands products to customers in the Revenue Split Zip Codes may, at our option, be temporarily or permanently terminated if you breach this Agreement, and any dispute as to the location of a customer for purposes of this paragraph shall be determined by us in our sole discretion.

5 Star Nutrition Businesses must operate in compliance with our business system, which consists of distinguishing characteristics utilized in each 5 Star Nutrition Business, including, without limitation, distinctive interior and exterior sign design and arrangement, décor, fixtures and furnishings; quality and uniformity of products and services offered; standards, specifications, methods, techniques, procedures for operations, inventory and management; training and assistance; record keeping and reporting; and marketing and promoting; all of which may be changed, improved and further developed by us and/or our affiliates from time to time (collectively, the "System").

You must understand, and at all times remain in compliance with, any laws, rules and regulations instituted by any applicable local, state or federal health agencies or other governmental authorities regulating the sale of nutrition supplements and other products sold at 5 Star Nutrition Businesses.

5 Star Nutrition Businesses must operate under the trade name and service mark "5 STAR NUTRITION" and the other trade names, service marks, trademarks, logos, emblems and other indicia of origin that we designate in writing for use by 5 Star Nutrition Businesses operating under the System (collectively, the "Marks").

The System includes our methods and procedures for the establishment, management and operation of 5 Star Nutrition Businesses, including our confidential information, our manuals, the Marks, and other business standards and policies.

The Franchise Agreement requires you to designate a "Principal Owner." Your Principal Owner will be the main individual responsible for your business, will be required to hold an equity interest in the franchisee entity, and must devote his or her full-time best efforts to operating the 5 Star Nutrition Business. Your Principal Owner must meet our qualifications and must be approved by us. Your current and future owners, including your Principal Owner, must sign a Guaranty and Assumption Agreement ("Guaranty"), guaranteeing your performance and binding themselves individually to the provisions of the Franchise Agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures. (See Item 15)

Qualified applicants may also enter into a 5 Star Nutrition area development agreement (the "Development Agreement") to develop multiple 5 Star Nutrition Businesses within a specifically described geographic area (the "Development Territory"). The size of the Development Territory will vary depending upon local market conditions and the number of 5 Star Nutrition Businesses to be developed. (See Item 12) The Development Territory will be determined before executing the Development Agreement and will be described in Attachment E to the Development Agreement. You must develop the number of 5 Star Nutrition Businesses contemplated by the Development Agreement in

the Development Territory according to a development schedule and must enter into a separate Franchise Agreement for each 5 Star Nutrition Business established.

The Franchise Agreement for the first 5 Star Nutrition Business to be developed under the Development Agreement will be in the form of Exhibit B to this Disclosure Document and will be signed on the same day that your Development Agreement is signed. For each additional 5 Star Nutrition Business developed under the Development Agreement, you must sign the then-current form of Franchise Agreement that we are then offering to new franchisees, which agreement may contain materially different terms from those included in our current form of Franchise Agreement; provided, however, that the initial franchise fees will be as provided in your Development Agreement, and the royalty percentage will be the same under each of your Franchise Agreements as in the Franchise Agreement attached as Exhibit B to this Disclosure Document.

The person or entity signing the Development Agreement is the “Developer”. The Development Agreement contains concepts like “Principals” and “Principal Owner” that are similar to those in the Franchise Agreement. In this Disclosure Document, the terms “Principals” and “Principal Owner” include those persons having similar obligations identified in both the Development Agreement and Franchise Agreement, and the terms “you” and “your” also include the Developer under the Development Agreement, unless we have noted otherwise. Any reference to the “Agreements” means the Development Agreement and the Franchise Agreement, as applicable.

Competition

The market for nutritional products and services is well established and highly competitive. There is active price competition among these types of businesses, as well as competition for management personnel and other employees, and for attractive commercial real estate sites. You must expect to compete with other specialized nutrition businesses as well as convenience stores, grocery stores and other large retail businesses that offer nutritional products as one part of a broader offering to their customers. Competitors may be locally owned companies, large regional chains, and nation-wide systems. These businesses are also affected by many other factors, including changes in laws and regulations, demographics, and economic conditions.

Industry Specific Regulation

The nutrition industry is heavily regulated. Many of the laws, rules and regulations that apply to business generally, like the Americans With Disabilities Act, Federal Wage and Hour Laws, and the Occupation, Health and Safety Act, also apply to nutrition businesses. However, other laws, rules and regulations have particular applicability to nutrition businesses.

You must comply with all federal, state, and local laws, rules and regulations governing the nutrition industry, including those specifically focused on the storage, offer, and sale of the products to be offered at your 5 Star Nutrition Business. This includes all rules and regulations issued by the Federal Trade Commission (the “FTC”), the Consumer Product Safety Commission, and the U.S. Food and Drug Administration (the “FDA”). You must also comply with any regulations promulgated by your local health department, if any, that impact your operations. The FDA and FTC rules and regulations may restrict your advertising or the representations you can make about certain products. Those regulations may also prohibit you from selling certain products, in some cases because of statements on their labels or advertising associated with those products. Furthermore, you must comply with all applicable FDA requirements contained in the Federal Food, Drug, and Cosmetic Act (and any similar state law) concerning the sale of vitamins, drugs, food supplements and other goods or services offered for sale at your 5 Star Nutrition Business. You must investigate and obtain all certifications, permits, or other licenses necessary for you to operate your 5 Star Nutrition Business.

You are solely responsible for determining the legal requirements in your state, obtaining and maintaining all applicable operational licenses, certifications and permits, paying any applicable licensing/certification fees, and taking all necessary actions, at your expense, to ensure that your 5 Star Nutrition Business remains in compliance with those requirements at all times.

You must, at your expense, comply with all payment card industry (“PCI”) and government security standards and requirements designed to protect cardholder data in connection with payments made via credit and debit cards. From time to time upon written notice to you, we may require you to implement certain procedures and protocols in order to comply with PCI standards and requirements. PCI standards apply to both technical and operational aspects of credit card and other payment card transactions and apply to all organizations which store, process or transmit cardholder data.

You should consider these laws and regulations when evaluating your purchase of a franchise. We recommend that you have your contract and this Disclosure Document reviewed by your attorney, accountant, and professional advisors.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer: Brian Marver

Brian Marver has served as our Chief Executive Officer since our formation in August of 2023. He also serves as Chief Executive Officer of our parent company, Defyned Brands, LLC, a position he has held since October 2023 and also previously held from January 2017 to January 2021. From January 2021 through September 2023, Mr. Marver served as Executive Chairman of Defyned Brands LLC. Mr. Marver offices in Austin, Texas.

Chief Marketing Officer: Cassandra Stoklosa

Cassandra Stoklosa has served as our Chief Marketing Officer since our formation. She also currently serves as Chief Marketing Officer of our parent company, Defyned Brands, LLC, a position she has held since September 2022. She previously worked as Defyned Brands, LLC's Vice President of Marketing from September 2021 to September 2022. From January 2019 to August 2021, Ms. Stoklosa served as Vice President of Marketing and Director of Digital Marketing at Nulo Pet Food in Austin, Texas. From October 2017 to December 2018, Ms. Stoklosa served as North American Media Buyer for Indeed, based in Austin, Texas. Ms. Stoklosa offices in Austin, Texas.

Director of Franchising: Mathew Reilly

Mathew Reilly has served as our Director of Franchising since our formation. He also currently serves as Director of New Stores of our affiliate, 5 Star Nutrition, LLC, a position he has held since May 2020. He previously worked as a Director of Operations at Fresh Fit Meals, based in Austin, Texas, from August 2017 to May 2020. Mr. Reilly offices in Austin, Texas.

Chief Technology Officer: Matthew Miller

Matthew Miller has served as our Chief Technology Officer since our formation. He also currently serves as Chief Technology Officer of our parent company, Defyned Brands, LLC, a position he has held since August 2021. He previously worked as a Senior Data Director at WP Engine in Austin, Texas from November 2019 to August 2021. From June 2017 to November 2019, Mr. Miller served as Senior Director of Analytics at Spreadfast, Inc. in Austin, Texas. Mr. Miller offices in Austin, Texas.

ITEM 3

LITIGATION

Lucas Cranor v. 5 Star Nutrition, LLC (Western District of Texas, Case No. 1:19-cv-00908-LY). On October 9, 2019, Lucas Cranor, a 5 Star Nutrition customer, filed a putative class action lawsuit in the United States District Court for the Western District of Texas, captioned *Cranor v. 5 Star Nutrition, LLC*, No. 1-19-CV-908-LY (the "Lawsuit"), on behalf of himself and other similarly situated individuals, generally alleging that 5 Star negligently, knowingly, and/or willfully placed automated text messages to Cranor's cellular phone in violation of the Telephone Consumer Protection Act, 47 U.S.C. § 227, et seq. (the "TCPA"). 5 Star has denied and continues to deny Cranor's allegations, including that Cranor, or any other consumers, have suffered any harm, monetary or otherwise, as a result of the allegations in the Lawsuit; and contends that Cranor and any other persons upon whose behalf Cranor purported to bring the Lawsuit are not entitled to any monetary recovery, injunctive relief, or any other relief. The parties settled the Lawsuit on a confidential basis, and the Lawsuit was dismissed with prejudice in July of 2021.

Environmental Research Center, Inc. v. Brick & Mortar Distributing, LLC; 5 Star Nutrition LLC; and Does 1-100 (Superior Court of the State of California County of Alameda, Case No. RG 18928347). On November 13, 2018, Environmental Research Center, Inc. ("ERC"), a non-profit corporation acting as a private enforcer in the public interest, filed this action alleging that Defendants violated California Health & Safety Code Section 25249.5 et seq. ("Proposition 65") by manufacturing,

distributing or selling products that cause an exposure to a Proposition 65 listed chemical without first providing a clear and reasonable warning. ERC sought civil penalties, injunctive relief, fees and costs. The lawsuit was settled and a Consent Judgment was entered. For purposes of the Consent Judgment, the parties agreed that “each defendant is a business entity each of which has employed ten or more persons at all times relevant to this action, and qualifies as a ‘person in the course of doing business’ within the meaning of Proposition 65. Brick & Mortar manufactures, distributes, and/or sells [the products at issue].” However, the parties also agreed that “Nothing in [the] Consent Judgment nor compliance with [the] Consent Judgment shall constitute or be construed as an admission by any Party ... of any fact, issue of law, or violation of law.” The Consent Judgment also states that Brick & Mortar and 5 Star Nutrition “denies all material allegations.” The Consent Judgment was entered on March 19, 2019. Brick & Mortar and 5 Star Nutrition agreed to pay \$100,000 and to provide a Proposition 65 warning for any covered product manufactured for sale in California, distributed into California, or sold in California which exposes a person to lead or cadmium above agreed-upon limits. Brick & Mortar and 5 Star Nutrition also agreed to perform certain product testing. The Consent Judgment applies to 29 specifically enumerated products. For any given product, the testing requirement could sunset as soon as March 2024 (depending on when testing for any given product began and the test results). The warning requirement for the 29 specifically enumerated products does not sunset.

United States of America v. Defyned Brands a/k/a 5 Star Nutrition, LLC (U.S. District Court for the Western District of Texas – Austin Div., Case No. 1:23-cr-213-DH) The United States Attorney for the Western District of Texas, in Austin, and the U.S. Food and Drug Administration (“FDA”) have charged our parent company, Defyned Brands, LLC, and our affiliate, 5 Star Nutrition, LLC, with three misdemeanor counts of misbranding, alleging sales of three products from September 2018 to July 2020, which violated FDA statutes in the following manner: inclusion of an ingredient that the FDA has not formally recognized as a dietary ingredient. These charges have been resolved through a plea agreement executed as of December 15, 2023, by and between our parent and affiliate, on one hand, and the U.S. Attorney and U.S. Department of Justice – Consumer Protection Branch, on the other hand, which provides for a guilty plea to the three misdemeanor charges, entry into a compliance agreement and payment of a financial penalty of \$4.5 million, to be paid in 90 equal monthly installments until paid in full.

Except for the three items listed above, no litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee of \$25,000 when you sign the Franchise Agreement.

If you have previously signed a 5 Star Nutrition franchise agreement(s) with us and you have remained in compliance with all terms of such agreement(s), then your initial franchise fee for your second and subsequent franchise agreements will be reduced by 20% (currently a \$5,000 discount per agreement).

If you are a current or former employee of us or our affiliate and you purchase a franchise for a location at which our affiliate is already operating a company-owned 5 Star Nutrition Business, then your initial franchise fee will be reduced to \$15,000 for that location.

In addition to the discounts described above, we offer a 20% discount (currently a \$5,000 discount) off of the initial franchise fee under your first Franchise Agreement if you are an active-duty U.S. military member, U.S. military reserve member, or honorably discharged veteran of the U.S. armed forces; you will participate on a full-time basis in the on-site operation of the franchised business, and you own at least 51% of the equity in the franchisee entity.

Initial Inventory Package

At least 30 days prior to opening your 5 Star Nutrition Business, you must purchase an initial inventory package costing approximately \$45,000, which must include at least \$35,000 of Defynd Brands products to be purchased from our affiliate, 5 Star Nutrition, LLC.

The fees described above in this Item 5 are not refundable and are imposed uniformly.

Development Fee

When you sign a Development Agreement, which requires the development of at least three franchised 5 Star Nutrition Businesses, you must pay a development fee equal to the total of \$25,000 (or 100%) of the initial franchise fee for the first 5 Star Nutrition Business to be developed and \$10,000 (or 50%) of the initial franchise fee for each additional 5 Star Nutrition Business to be developed. The pro rata portion of the development fee allocable to each 5 Star Nutrition Business will be credited against the initial franchise fee due for that 5 Star Nutrition Business. The remaining half (\$10,000) of the initial franchise fee due for the second and subsequent 5 Star Nutrition Businesses must be paid to us when you sign the Franchise Agreement for the applicable 5 Star Nutrition Business. The development fee is calculated in the same manner for all franchisees entering into Development Agreements under this offering, but the actual dollar amount paid will vary depending on the number of 5 Star Nutrition Businesses you must develop. The development fee is not refundable.

ITEM 6

OTHER FEES

Fees⁽¹⁾	Amount	Due Date	Remarks
---------------------------	---------------	-----------------	----------------

Fees⁽¹⁾	Amount	Due Date	Remarks
Royalty Fees	7.5% of your Gross Sales	Payable weekly (with payments due every Tuesday for royalties accrued during the prior work week, which begins on Monday and ends on the following Sunday), provided that if the scheduled due date is not a business day, then the next business day after the due date. We reserve the right to change the payment schedule upon 30 days' notice to you.	See Note 2 for the definition of "Gross Sales." We require you to pay the royalty fees by electronic funds transfer (automatically deducted from your designated account) or any other means we reasonably specify.

Fees⁽¹⁾	Amount	Due Date	Remarks
Local Advertising and Cooperatives	1% of your Gross Sales	Payments for local advertising expenses will be paid to local advertisers, except that if we establish and administer an advertising Cooperative in your area then the contributions to the Cooperative may be paid to us. Typically, local advertising payments are due when billed by the local advertiser.	See Note 2 for the definition of Gross Sales. We may require details of your local advertising expenditures, and we have the right to request receipts and conduct audits up to once per month to confirm your compliance with the local advertising requirements. We may increase the amount you must spend on local marketing on not less than 30 days' written notice to you (up to a maximum of 3% of your Gross Sales). We have the right to designate any geographic area in which two or more company-owned or franchised 5 Star Nutrition Businesses are located as a region for purposes of establishing an advertising cooperative ("Cooperative"). Any amounts you contribute to your Cooperative will be credited against your individual local advertising requirement. If we have any company-owned 5 Star Nutrition Businesses that are located in your Cooperative territory, those company-owned 5 Star Nutrition Businesses will not have the power to unilaterally increase your required Cooperative contributions.
Brand Development Fund	Currently, \$0, but we reserve to implement a Brand Development Fund upon written notice to you.	If implemented, this fee will be payable weekly at the same time royalties are due. We reserve the right to change the payment schedule upon 30 days' notice to you.	See Note 2 for the definition of Gross Sales. If implemented, the Brand Development Fund contribution will be in addition to your local advertising requirements. We will require you to pay the Brand Development Fund contribution by electronic funds transfer. We may implement the Fund or increase the required contribution amount on not less than 30 days' written notice to you (up to a maximum of 3% of your Gross Sales).

Fees⁽¹⁾	Amount	Due Date	Remarks
Initial Launch Expense	\$10,000	This amount must be spent during the period beginning 14 days before the opening of your 5 Star Nutrition Business and ending 30 days after such opening date.	You must carry out an initial launch promotion for your 5 Star Nutrition Business in accordance with our standards.
Taxes	An amount levied by applicable tax authorities	As incurred and upon demand	This includes all sales taxes, personal property taxes, excise taxes, value added taxes and other taxes on account of services or goods provided by us. Among other things, you must pay to us when due any federal, state or local sales, gross receipts, use, value added, excise or other taxes levied or assessed against us on any initial franchise fees, periodic fees and other payments paid to us under your Franchise Agreement, including any income tax, franchise or other tax levied or assessed against us for the privilege of doing business in your state or on account of services or goods provided by us.
Technology Fees	\$500 per month	Payable monthly as determined by us from time to time. We reserve the right to change the payment schedule upon 30 days' notice to you.	We reserve the right to increase this fee upon 30 days' prior notice to you.
Relocation Fee	50% of our then-current initial franchise fee	On demand	You must pay this amount to us upon our demand after we have granted you the right to relocate your 5 Star Nutrition Business. We reserve the right to approve or disapprove a proposed location for any reason.

Fees⁽¹⁾	Amount	Due Date	Remarks
Purchase of Defynded Brands Products for Resale	Minimum quarterly amount of Defynded Brands products that you must purchase from our affiliate shall be calculated as follows (based on calendar quarters): (a) \$15,000 per quarter if your Gross Sales were less than \$100,000 in the prior quarter; and (b) if your Gross Sales exceeded \$100,000 in the prior quarter then your minimum purchase requirement for the next quarter will increase by \$5,000 for each additional \$25,000 you achieve in Gross Sales. For example, you must purchase \$20,000 per quarter if your Gross sales were between \$100,000 and \$124,999 in the prior quarter; you must purchase \$25,000 per quarter if your Gross sales were between \$125,000 and \$149,999 in the prior quarter, etc.; with the minimum purchase amount adjusted quarterly based on such formula.	Payable quarterly as determined by us from time to time. We reserve the right to change the payment schedule upon 30 days' notice to you.	While you may choose to purchase higher volumes, you must purchase at least the minimum amount of Defynded Brands products from our affiliate each quarter for resale at your 5 Star Nutrition Business. In addition to minimum purchases of Defynded Brands products, you must also maintain a total inventory of products (including Defynded Brands products and other approved third-party products) worth at least \$40,000 at all times. Your failure to purchase the minimum level of Defynded Brands products from our affiliate (or maintain total inventory of at least \$40,000 at all times) will constitute a material breach of your Franchise Agreement.
Minimum Purchase and Inventory Noncompliance Fees	\$3,000 per violation	On demand	This fee will be charged this fee each time you: (a) fail to purchase at least the applicable minimum amount of Defynded Brands products per quarter from our affiliate; or (b) fail to maintain a total inventory of products (including Defynded Brands products and other approved third-party products) worth at least \$40,000 at all times, as measured on the last day of each month.
Interest	The lesser of 18% per year or the maximum lawful rate	On demand	We may charge interest on all overdue amounts.

Fees⁽¹⁾	Amount	Due Date	Remarks
Late Fees	\$200 for each delinquent amount owed to us	On demand	In addition to interest payable to us on any late payments, we may charge you a late fee for any delinquent amounts due under the Franchise Agreement.
Management Fee	If applicable, this fee will be equal to 10% of your 5 Star Nutrition Business' Gross Sales, plus our related costs, including any travel, lodging and meal expenses for our personnel engaged in operating your business.	Weekly	If we have given you notice that you are in default, then we may (but are not obligated to) assume interim management of your 5 Star Nutrition Business during the pendency of any cure period. If we elect to assume interim management of your 5 Star Nutrition Business we will have the right to charge a reasonable weekly fee for our management services.
Additional or Remedial Training	Our then-current daily fee for additional training, plus our related costs for travel, lodging and meals. Our current daily rate is \$500 per trainer.	When billed.	If you request or if we believe it is appropriate or necessary, you may be required to complete additional or remedial training, and we will (subject to availability) provide one or more trained representatives to conduct such training either at our headquarters, on-site at your location or at another location designated by us, in our sole discretion. We may increase this fee upon 30 days' written notice to you. If you request additional training (beyond that provided in our initial training program) or we require you to complete additional training after you begin operation, then you will have to pay this fee, which covers training at our headquarters or other location designated by us. You must also pay the expenses of you and your personnel attending training (e.g. travel, lodging and meals). See Item 11.

Fees⁽¹⁾	Amount	Due Date	Remarks
Transfer Fee (Franchise Agreement)	50% of our then-current initial franchise fee (or 25% of our then-current initial franchise fee if the transfer is to an existing 5 Star Nutrition franchisee in good standing with us).	Prior to transfer	If you are an individual transferring your rights and obligations under the Franchise Agreement to an entity owned solely by you, the transfer fee shall be reduced to a flat fee of \$2,500.
Transfer Fee (Development Agreement)	50% of our then-current initial franchise fee (or 25% of our then-current initial franchise fee if the transfer is to an existing 5 Star Nutrition franchisee in good standing with us).	Prior to transfer	If you are an individual transferring your rights and obligations under the Development Agreement to an entity owned solely by you, the transfer fee shall be reduced to a flat fee of \$2,500.
Successor/ Renewal Fee	25% of our then-current initial franchise fee	Upon renewal	In order to renew your Franchise Agreement you must, among other things, sign a successor franchise agreement and pay us a successor/renewal fee.
Securities Offering Fee	Our reasonable costs and expenses associated with the proposed offering.	When billed	We limit our review to the manner in which the offering materials treat you and our relationship.
Supplier Review Fee	An amount equal to the greater of \$1,000 or the actual costs and expenses we incur in connection with the evaluation of your proposed supplier or product (including, but not limited to, testing and inspection costs)	When billed	If you request approval of a new supplier or product, you or the proposed supplier will be required to pay for the cost of the inspection and the testing, and you must also pay us the supplier review fee.

Fees⁽¹⁾	Amount	Due Date	Remarks
Mystery Shopper Fees	Currently \$0, but if implemented this fee could be up to \$100 per month	If implemented, these fees will be due monthly. We reserve the right to change the payment schedule upon 30 days' notice to you.	While we have not done so as of the date of this Disclosure Document, we reserve the right to implement a mystery shopper program upon written notice to you. If we implement such a program, either directly or through a third-party vendor, you will be required to pay us (or, at our instruction, our designated third-party vendor) mystery shopper program fees in an amount up to \$100 per month, as determined by us from time to time.
Indemnification	Varies according to loss	On demand	You must indemnify us if your actions result in loss to us.
Audit Fee	An amount equal to all costs and expenses in connection with the audit (in addition to any unpaid amounts owed to us with interest on those unpaid amounts at a rate of 18% per year or the maximum lawful rate)	When billed	In addition to paying us any unpaid amounts uncovered in the audit (plus interest), you will be required to reimburse us for all costs related to the audit (including, without limitation, legal and accounting fees and costs) if an examination or audit shows you have understated any amount owed to us by 2% or more.
Insurance Fee	A reasonable amount based on our expenses	On demand	If you fail to maintain the required insurance, we may, at our option (but are not required to), obtain it for you. If we do, we will charge you a fee, plus our expenses.

Fees⁽¹⁾	Amount	Due Date	Remarks
Annual Conference Fee	An amount not to exceed \$1,000 per person (not including your actual out-of-pocket costs related to attendance).	Prior to attending conference	Each year you (or your designated representative approved by us) must pay all your costs to attend our annual conference and also pay us our then-current registration fee (up to a maximum of \$1,000 per person). Annual conferences will be held at a location selected by us. If we schedule an annual franchise conference, you must attend. If you fail to attend an annual franchise conference without our prior written consent, you will be required to pay us the applicable registration fees for one person within 10 days following the date of the applicable conference.
Enforcement Costs	Will vary	As incurred	You must pay our costs of enforcement (including attorney's fees and costs) if you do not comply with the Franchise Agreement or Area Development Agreement.

Notes:

(1) All fees and expenses described above are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to, us. Unless we have noted differently, we may increase these amounts based on changes in market conditions, our cost of providing services and future policy changes, but we have no present plans to increase any fees.

(2) "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the 5 Star Nutrition Business, whether for cash or credit and regardless of collection in the case of credit. Without limited the foregoing, "Gross Sales" includes: (a) All proceeds from the sale of goods purchased with coupons, gift cards/certificates or vouchers; provided that funds received by you upon selling a gift card/certificate or voucher are not deemed to be part of your Gross Sales until the gift card/certificate or voucher is redeemed for goods at your 5 Star Nutrition Business, at which time you must count the retail value of the products sold in determining Gross Sales for royalty purposes and for other fees calculated in respect of Gross Sales (i.e. because you are not required to record and report sales proceeds for royalty purposes when the coupon, gift card/certificate or voucher is sold, you are required to pay royalties based on the retail value of the products provided in exchange for the coupon, gift card/certificate or voucher unless the gift card/certificate or voucher is redeemed at a different 5 Star Nutrition Business); and (b) Your share of revenues from any vending machines or other equipment, machines or devices installed in the 5 Star Nutrition Business. "Gross Sales" does not include (i) sales taxes you collect from customers of the 5 Star Nutrition Business, if the taxes are actually transmitted in a timely manner to the appropriate taxing authority; (ii) returns to shippers or manufacturers; and (iii) proceeds from isolated sales of trade fixtures not constituting any part of the products and services offered for sale at the 5 Star Nutrition Business or having any material effect upon the ongoing operation of the 5 Star Nutrition Business.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

FRANCHISE AGREEMENT

Type of Expenditure	Amount Low - High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (1)	\$25,000	Lump Sum	On execution of Franchise Agreement	Us
Utility and Security Deposits	\$250 - \$2,000	As Arranged	As Arranged	Lessor or utility companies, as applicable
Business Licenses/Permits (2)	\$250 - \$1,000	As Arranged	As Arranged	Permitting Authorities
Construction/Leasehold Improvements (3)	\$8,500 - \$40,000	As Arranged	As Arranged	Contractor
Architect/Design Fees (3)	\$0 - \$7,500	As Arranged	As Arranged	Architect/Engineers
Rent (3 months) (4)	\$4,500 - \$21,000	As Arranged	As Arranged	Landlord
Signage (5)	\$10,750 - \$28,000	As Arranged	As Invoiced	Suppliers
Furniture, Fixtures and Equipment (6)	\$24,000 - \$36,000	As Arranged	As Invoiced	Suppliers
POS/Computer Software and Hardware (7)	\$12,300 - \$19,500	As Arranged	As Invoiced	Suppliers
Office Supplies (8)	\$500 - \$1,000	As Arranged	As Invoiced	Suppliers
Inventory (9)	\$40,000 - \$55,000	As Arranged	As Invoiced	Suppliers/our affiliate
Professional Services (10)	\$1,000 - \$5,000	As Arranged	As Invoiced	Accountants, Lawyers, etc.
Insurance (11)	\$1,000 - \$2,500	As Arranged	As Arranged	Insurance broker

Type of Expenditure	Amount Low - High	Method of Payment	When Due	To Whom Payment is to be Made
Training Expenses (12)	\$4,700 - \$10,900	As Arranged	As Invoiced	Your employees and suppliers of travel, lodging and meals
Initial Launch Marketing (13)	\$10,000 - \$12,000	As Arranged	As Arranged	Ad agency and advertisers
Additional Funds – Initial 3 months (14)	\$10,000 - \$20,000			
TOTAL	\$152,750 - \$286,400			

Notes:

(1) Our standard initial franchise fee is \$25,000, but if you have previously signed a 5 Star Nutrition franchise agreement(s) with us and you have remained in compliance with all terms of such agreement(s), then your initial franchise fee for your second and subsequent franchise agreements will be reduced by 20% (currently a \$5,000 discount). Additionally, if you are a current or former employee of us or our affiliate and you purchase a franchise for a location at which our affiliate is already operating a company-owned 5 Star Nutrition Business, then your initial franchise fee will be reduced to \$15,000 for that location.

(2) This amount represents the estimated cost of applicable licenses and permits required to begin operations. Licensing requirements will vary by state.

(3) These estimates are based on our affiliate's prior experience in establishing 5 Star Nutrition Businesses. 5 Star Nutrition Businesses will typically be located in commercially zoned retail shopping or entertainment areas. Due to the cost of land acquisition and new construction, we anticipate that the premises for 5 Star Nutrition Businesses will be leased unless the franchisee already owns the applicable premises before purchasing a 5 Star Nutrition Business franchise. These estimates assume that you will lease the applicable premises or already own the premises before purchasing a 5 Star Nutrition Business franchise and do not include costs of land acquisition. The leasehold improvements estimate is based on the cost of adapting our prototypical architectural and design plans to a facility containing approximately 1,000 to 1,800 square feet. The leasehold improvement ranges will be affected by various factors, like the location of the 5 Star Nutrition Business and local market conditions. The estimates assume that the landlord will provide connections to adequate electrical, gas, water and sewage service. Your actual costs may or may not include site preparation and finish-out costs, depending on the arrangements you negotiate with your landlord. These estimates do not contemplate any tenant improvement allowance assistance by the landlord. These costs are our best estimate based on commercial leasing and remodeling/finish-out costs that our affiliate has experienced with existing 5 Star Nutrition Businesses. These estimates may vary substantially based on your ability to negotiate with your landlord and your financial strength, as well as on local commercial leasing and labor rates and other local conditions.

(4) This estimate includes projected rental costs for your first 3 months of operation based on our affiliate's experience, but your rental costs may vary significantly based on the rental rates in your market and the site you choose for your 5 Star Nutrition Business.

(5) This amount includes the cost of both interior and exterior signage required for your 5 Star Nutrition Business.

(6) This estimate includes the furniture, fixtures and equipment meeting our standards and specifications as necessary to meet our minimum requirements for your 5 Star Nutrition Business.

(7) This amount includes the estimated purchase costs of your point-of-sale system, telephone system and computer hardware and software (including, without limitation, back office software meeting our specifications and manufactured by a manufacturer approved in writing by us) that you must use in the operation of your 5 Star Nutrition Business. (See Item 11).

(8) We estimate that this range will cover the cost of your initial office supplies and other miscellaneous items needed to begin operation of your 5 Star Nutrition Business.

(9) At least 30 days prior to opening your 5 Star Nutrition Business, you must purchase an initial inventory package costing approximately \$45,000 (but that total could range anywhere from \$40,000 to \$55,000), which must include at least \$35,000 of Defynd Brands products to be purchased from our affiliate, 5 Star Nutrition, LLC. We estimate that this range will cover the cost of all initial inventory items needed to fully stock your 5 Star Nutrition Business prior to beginning operations. Your inventory will need to be replenished as needed after beginning operations, all inventory items must meet our standards and specifications, and all inventory items must be purchased through suppliers designated or approved by us.

(10) This estimate is for the cost to establish a business entity to hold the franchise and for a legal and/or business review the franchise documentation. The cost of professional services can vary widely.

(11) This amount represents an estimate of the down payment on your annual insurance premiums. You must obtain the insurance coverage described in the Franchise Agreement. We and our affiliates, officers, directors, members and agents must be named as an additional insured on these policies. Your cost of insurance may vary depending on the insurer, the location of your 5 Star Nutrition Business, your claims history, and other factors.

(12) We provide initial training to you (or your initial General Manager, if you will not serve in that role) and up to one other person at no additional charge. Therefore, these amounts include only your out-of-pocket costs for the training of these people. We may, at our option, charge you a fee of \$500 per day for each additional person attending the initial training program. You must pay all expenses that you and your employees incur in connection with attending the initial training program, like travel, lodging, meals and wages. These costs will vary depending upon your selection of salary levels, lodging and dining facilities while at training, and mode and distance of transportation.

(13) You must carry out an initial launch campaign for the 5 Star Nutrition Business in compliance with our written specifications during the period beginning 14 days before the 5 Star Nutrition Business' opening date and ending 30 days after the opening date. We must approve all advertising items, methods and media used in your initial launch campaign.

(14) You will need additional funds during the start-up phase of your business to pay employees, purchase inventory and supplies and pay other expenses. These estimates do not include any amount for an owner's draw or salary. We estimate the start-up phase to be 3 months from the date you open for business. These amounts do not include any estimates for debt service. You must also pay the royalties and other related fees described in Item 6 of this Disclosure Document. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves. We relied on the experience of our affiliate in establishing other 5 Star Nutrition Businesses to compile these estimates.

Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions, our cost of providing services and future policy changes. At the present time, we have no plans to increase payments we control.

We do not offer any financing for your initial franchise fee or any portion of your initial investment. Unless otherwise stated, the amounts described above are not refundable.

AREA DEVELOPMENT AGREEMENT

Expenditure (Note 1)	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Area Development Fee (Note 2)	\$45,000 – \$65,000	Lump Sum	Upon entering into Area Development Agreement	Us
Initial Investment for Your First Franchised Business (Note 3)	\$152,750 - \$286,400	See FRANCHISE AGREEMENT table above in this Item 7.		
TOTAL (Note 4)	\$197,750 - \$351,400			

Note 1 - Generally: The estimates set forth in this table assume that you will be entering into an Area Development Agreement for the right to open and operate anywhere from three to five franchised 5 Star Nutrition Businesses within a Development Area and includes the cost of opening the first 5 Star Nutrition Business. Each Area Development Agreement requires the development of at least three franchised 5 Star Nutrition Businesses.

Note 2 – Development Fee: The Initial Development Fee ranges from \$45,000 (for three 5 Star Nutrition Businesses) to \$65,000 (for five 5 Star Nutrition Businesses). If you commit to develop more than five franchised 5 Star Nutrition Businesses then your Initial Development Fee will increase by \$10,000 for each additional 5 Star Nutrition Business to be developed.

Note 3 – Initial Investment for First Franchised Business: The figure in this row represents the estimated initial investment required to open your first franchised 5 Star Nutrition Business under a Franchise Agreement.

Note 4 – Area Developer Initial Investment: Other than the Initial Development Fee, these figures do not include the costs associated with opening a second or subsequent franchised 5 Star Nutrition Businesses, which will involve additional costs.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a uniform image and uniform quality of services and products at the 5 Star Nutrition Businesses and in conjunction with the System, you must maintain and comply with our quality standards and specifications. You must equip and decorate your 5 Star Nutrition Business in accordance with our then-current approved specifications and standards pertaining to equipment, furniture, fixtures, trade dress and inventory, and you must purchase certain items from suppliers that we approve or designate (which will include us or our affiliates). In addition to meeting our specifications and standards, it is solely your responsibility to ensure that your 5 Star Nutrition Business complies with all local, state and federal laws, building code requirements, the Occupational Safety and Health Act and the Americans with Disabilities Act (ADA).

Required Purchases From Us and our Affiliates

You currently have no obligation to purchase or lease from us or our affiliates the real estate or construction services used in establishing the 5 Star Nutrition Business, but we will provide you with our prototypical designs and specifications for a 5 Star Nutrition Business. You must design and construct your 5 Star Nutrition Business in accordance with our standards and specifications, and you must, at your expense, hire, and coordinate with, your chosen architectural or design services vendor (which must be properly licensed and qualified for such work under any applicable laws) as needed to prepare plans and drawings specific to your 5 Star Nutrition Business space.

Branded Items

We require you to purchase all 5 Star Nutrition branded items, such as clothing, marketing materials, paper products (e.g. forms, stationary, etc.) and promotional items only from us, our affiliate or a third-party supplier designated by us in writing.

Defynd Brands Products and Other Inventory Items

Our affiliate, 5 Star Nutrition, LLC, is the sole designated source for certain Defynd Brands inventory items that must be stocked and offered for sale at your 5 Star Nutrition Business at all times. Such products include a variety of items sold under the following labels: “NutraOne”, “Anabolic Warfare”, “FoxyFit”, “Blue Spruce” and any other labels or trade names designated by our parent company in the future (collectively, the “Defynd Brands” products). We reserve the right to also designate 5 Star Nutrition, LLC as the sole designated supplier for one or more inventory items that are not part of the Defynd Brands product line.

We reserve the right to impose additional sourcing/supplier requirements, from time to time, for certain products or services that must be used in the operation of your 5 Star Nutrition Business, and we reserve the right to require you to purchase some or all of such products and services directly from us or our affiliates.

Designated Third Party Suppliers

We reserve the right to designate specific third-party suppliers for the products and services used and sold in the 5 Star Nutrition Businesses. We also reserve the right to change or add designated

suppliers from time to time at our option upon written notice to you. We will maintain a list of specific approved products and services that must be purchased only from our designated suppliers. The approved products lists may be modified by us from time to time, at our option, upon written notice to you.

As of the date of this Disclosure Document, we have identified the following products and services that you must purchase from our designated or approved third party suppliers and use or offer for sale in connection with the establishment and operation of your 5 Star Nutrition Business.

Point-of-Sale and Back-Office Software

You must use only the point-of-sale and back-office software systems meeting our standards and specifications and manufactured by our approved vendor.

Marketing Services

We will require you to use our approved marketing vendors for certain branding and marketing services.

Accounting Software

You must use QuickBooks Online or Xero as your accounting software, but we reserve the right to designate one of these two vendors as the only approved accounting software vendor upon written notice to you.

Changes to Designated Suppliers

We reserve the right to add, remove or otherwise change designated sources for any products or services in our sole discretion at any time. For example, we may elect to designate required vendors for various items, such as interior or exterior signage, in the future. Therefore, the lists of designated suppliers and approved products and services may be modified by us from time to time, at our option, upon written notice to you.

Approved Suppliers

If we have approved suppliers (including manufacturers, distributors and other sources) for any items, supplies, materials, fixtures, furnishings, equipment, computer systems and other products used or offered for sale at the 5 Star Nutrition Business, you must obtain these items from those suppliers. Approved suppliers are those who demonstrate on a continuing basis the ability to meet our then-current standards and specifications, who have adequate quality controls and the capacity to supply the needs of the 5 Star Nutrition franchise network promptly and reliably, whom we have approved in writing and whom we have not later disapproved. We may designate ourselves or our affiliates as approved or designated suppliers of any item. Before opening your 5 Star Nutrition Business (and from time to time as needed during operation of your 5 Star Nutrition Business), you must purchase from approved suppliers certain items required for the operation of a 5 Star Nutrition Business.

We have the right to make available to you for resale in the 5 Star Nutrition Business certain merchandise identifying the System. This may include 5 Star Nutrition clothing and memorabilia. If we make this type of merchandise available, we may require you to purchase it from us, our affiliate or a supplier we designate in amounts necessary to meet your customer demand.

If we require that an item be purchased from an approved supplier and you wish to purchase it from a supplier we have not approved, you must submit to us a written request for approval. You must not purchase or lease the item from the supplier until and unless we have approved the supplier in writing. We have the right to require you to submit information, specifications and samples to us to enable us to determine whether the item complies with our standards and specifications and that the supplier meets our criteria. We also have the right to inspect the supplier's facilities, and to have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial compatibility, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We may re-inspect the facilities and products of any approved supplier, and may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. If we revoke our approval of any supplier, you must promptly discontinue use of that supplier. You must pay for the cost of any inspections and tests (including our administrative expenses), and you must also pay us an amount equal to the greater of \$1,000 or the actual costs and expenses we incur in connection with the evaluation of your proposed supplier or product. Nothing requires us to approve any particular supplier and we are not required to notify you of our approval or disapproval within any specified period of time. Our specifications for products and criteria for supplier approval are generally issued through written communications and are available to franchisees and approved suppliers.

Purchases According to Specifications

You must comply with all of our standards and specifications relating to the purchase of all inventory, paper products, signage, décor items, supplies, materials, fixtures, furnishings, equipment, computer systems and other items and services used or offered for sale at the 5 Star Nutrition Business. Among other things, the following must comply with our specifications:

Site Selection and Construction

You must locate and obtain a site for the 5 Star Nutrition Business that satisfies our site selection requirements within five (5) months after signing the Franchise Agreement. If you fail to meet such 5-month deadline but you are, in our reasonable discretion, making a diligent good faith effort to obtain an approved location then we will grant you a one-month cure period to find, and obtain possession of, an approved location. If you have not obtained an approved location within six (6) months after signing the Franchise Agreement, such failure will constitute a material default under the Franchise Agreement. You must submit your proposed site to us, and we will notify you of our approval or rejection of the proposed site within 15 days of receiving all applicable site submittal information. You must develop architectural and design plans as needed for the construction or remodeling of your 5 Star Nutrition Business and provide them to us for review. We have the right to review your plans and will notify you of our acceptance or objections within 15 days after we receive your plans, provided that if we do not notify you of acceptance within that time, your plans will be deemed rejected unless and until later approved by us. Any objections we make will also include a reasonably detailed list of changes that you must make for the plans to be acceptable. We will notify you within 15 days after we receive your revised plans if they are acceptable or require further changes.

Advertising and Promotional Materials

You agree that any advertising, promotion and marketing you conduct will be completely clear and factual and not misleading and will conform to the highest standards of ethical marketing and the promotion policies that we prescribe periodically. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted to us for approval at least 15 days before you use them, or deliver them to a third party for use, in any advertisement. If you do not receive written approval within 10 days after our receipt of such materials, we will be deemed to have disapproved such materials. You may not use any advertising or promotional materials that we have disapproved. Our approval of any advertising material may be withdrawn in our sole discretion at any time.

Insurance

You must obtain and maintain insurance policies protecting you and us and various related parties against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense related to or connected with the operation of the 5 Star Nutrition Business. All policies must be written by a responsible insurance carrier or carriers rated “A” or better by the A.M. Best Company, Inc., and all policies must name us and our affiliates, officers, directors, members and agents as additional insureds on the policies. Copies of your certificates of insurance must be promptly sent to us upon our request. At a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time in writing), you must carry: (1) comprehensive general liability insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability, professional liability (physical abuse and sexual misconduct), and fire damage coverage, in the amount of \$1,000,000 combined single limit per occurrence, \$3,000,000 general aggregate; (2) employment related practices liability insurance, including third party coverage, in an amount not less than \$1,000,000 per occurrence and \$1,000,000 aggregate, with a deductible of less than \$10,000 unless we approve a higher deductible in writing; (3) property insurance coverage to include coverage for replacement costs of all franchisee-owned contents and tenant improvements at each location, and business interruption insurance for a period adequate to re-establish normal business operations, not to be less than six months; (4) automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than \$1,000,000 per accident; (5) an “umbrella” policy providing excess coverage with limits of not less than \$1,000,000 per occurrence and \$1,000,000 aggregate, which must be excess to the general liability and automobile liability coverage required herein; (6) workers’ compensation (Coverage A) with statutory limits complying with the laws of the applicable state, and employer’s liability (Coverage B) with limits not less than \$1,000,000 per accident, \$1,000,000 disease policy limit, and \$1,000,000 disease per employee (such insurance shall include a waiver of subrogation endorsement in favor of us); and (7) such other insurance as may be required by us from time to time or by the landlord of the 5 Star Nutrition Business premises at, and by the state or locality in, which the 5 Star Nutrition Business is located.

Purchasing Arrangements

Because we only recently began selling franchises, neither we nor our affiliates had any revenues from the sale of products or services to franchisees in the fiscal year ended December 31, 2023, nor did we or our affiliates receive any rebates, refunds or other payments from any designated sources because of transactions with our franchisees during such time period.

Our affiliate, 5 Star Nutrition, LLC will begin selling various required products to our franchisees once we have franchised locations established, and each franchisee will be required to purchase a minimum amount of such products on a quarterly basis, as described above in Item 6 of this Disclosure Document. 5 Star Nutrition, LLC, will be the sole designated source for certain Defynd Brands inventory items that must be stocked and offered for sale, including a variety of items sold under the following labels: “5 Star Nutrition”, “NutraOne”, “Anabolic Warfare”, “FoxyFit”, “Blue Spruce” and any other labels or trade names designated by us or our affiliate or parent company in the future. We reserve the right to also designate 5 Star Nutrition, LLC as the sole designated supplier for one or more inventory items that are not part of the Defynd Brands product line. All of the products sold will be subject to to-be-determined markups by 5 Star Nutrition, LLC, and such entity will profit from the sale of those products to our franchisees.

We may negotiate certain purchase arrangements (including price terms) for the purchase of certain items, including inventory items, with suppliers for the benefit of franchisees. In doing so, we seek to promote the overall interests of our franchise system and our interests as the franchisor. We or our affiliates may receive rebates, refunds, discounts or other material consideration from approved or designated sources based on purchases or leases by our franchisees, but we do not currently receive any such rebates or other material consideration. We will not provide material benefits to franchisees based upon their use of designated or approved suppliers. There are currently no purchasing or distribution cooperatives for the System.

Your obligations to purchase or lease goods, services, supplies, fixtures, equipment, inventory items, and computer hardware and software and other items from us or our designee, from suppliers we approve, or under our specifications are all considered “required purchases.” The magnitude of required purchases in relation to all purchases you make to establish and operate the 5 Star Nutrition Business is difficult to determine due to the highly variable nature of expenditures necessary to establish and operate the 5 Star Nutrition Business, as described in Item 7. We estimate that your total initial required purchases will range between 80% and 90% of the cost of your initial purchases or leases. We estimate your required purchases for the operation of the 5 Star Nutrition Business will range between 80% and 90% of your annual purchases or leases.

Except for ownership in us and our affiliate, 5 Star Nutrition, LLC, and our parent company, none of our officers own an interest in any privately-held suppliers or any material interest in any publicly-held suppliers of the 5 Star Nutrition franchise system. From time to time our officers may own non-material interests in publicly-held companies that may be suppliers to our franchise system.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Section III.A. of Franchise Agreement Section 6.7 of Development Agreement	Items 8 and 11
b. Pre-opening purchases/leases	Sections III., VIII., IX. and XIII. of Franchise Agreement Section 6.7 of Development Agreement	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Sections III., VII. and VIII. of Franchise Agreement Section 3 of Development Agreement	Items 1, 7, 8 and 11
d. Initial and ongoing training	Sections VI.B. and VIII.A. of Franchise Agreement Section 6.6 of Development Agreement	Items 6, 7 and 11
e. Opening	Sections III., IX.F. and Exhibit C of Franchise Agreement Section 3 of Development Agreement	Items 7 and 11

Obligation	Section in Agreement	Item in Disclosure Document
f. Fees	Sections V. and IX. of Franchise Agreement Section 2 of Development Agreement	Items 5, 6 and 11
g. Compliance with standards and policies/Manuals	Sections III., IV., VII., VIII., IX., X., XI., XII., XIII. of Franchise Agreement Sections 3 and 9 of Development Agreement	Items 8, 11, 14 and 16
h. Trademarks and proprietary information	Sections X. and XI. and Exhibit B of Franchise Agreement Attachment B of Development Agreement	Items 11, 13 and 14
i. Restrictions on products/services offered	Section VIII. of Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Section VIII.H. of Franchise Agreement	Item 16
k. Territorial development and sales quotas	Section 3 of Development Agreement	Item 12
l. Ongoing product/service purchases	Sections VIII. and IX. of Franchise Agreement	Items 8, 11 and 16
m. Maintenance, appearance and remodeling requirements	Sections IV. and VIII. of Franchise Agreement	Item 8
n. Insurance	Section XIII. of Franchise Agreement	Items 7 and 8

Obligation	Section in Agreement	Item in Disclosure Document
o. Advertising	Section IX. of Franchise Agreement	Items 6, 8 and 11
p. Indemnification	Section XVI. of Franchise Agreement Section 11 of Development Agreement	Item 6
q. Owner's participation/ management/staffing	Sections VII. and VIII. of Franchise Agreement Section 6 of Development Agreement	Items 1, 11 and 15
r. Records and reports	Sections III., V., IX. and XII. of Franchise Agreement	Item 11
s. Inspections and audits	Sections III., VI., VIII. and XII. of Franchise Agreement	Items 6, 8 and 11
t. Transfer	Section XV. of Franchise Agreement Section 8 of Development Agreement	Items 6, 12 and 17
u. Renewal	Section IV. of Franchise Agreement Section 3 of Development Agreement	Items 6, 12 and 17
v. Post-termination obligations	Section XIX. of Franchise Agreement Section 7.6 of Development Agreement	Item 17

Obligation	Section in Agreement	Item in Disclosure Document
w. Noncompetition covenants	Section XI. and Exhibit B of Franchise Agreement Section 9 and Attachment B of Development Agreement	Item 17
x. Dispute resolution	Section XX.F. of Franchise Agreement Section 12.6 of Development Agreement	Item 17

ITEM 10

FINANCING

We do not offer direct or indirect financing, and we do not guarantee your notes, leases or other obligations.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations: Before you open your 5 Star Nutrition Business, we or our designee will:

1. Share our site selection guidelines and give you the site selection assistance we believe to be necessary. (Section III.A. of Franchise Agreement and Section 5.1 of Development Agreement);
2. Review your proposed site for compliance with our site selection guidelines and accept or not accept the site and your proposed lease or contract of sale within 15 days after receiving your complete site information. (Section III.A. of Franchise Agreement);
3. Provide access to our Manuals (to be provided in electronic format only, using a system determined by us in our sole discretion), which we may amend from time to time at our sole discretion upon written notice to you. (Franchise Agreement, Section VI.A.);
4. Provide you a list of approved suppliers and access to the Defynd Brands products that must be purchased from our affiliate, 5 Star Nutrition, LLC, and sold at your 5 Star Nutrition Business (but we do not assist you with delivery or installation of any equipment, signs, or fixtures, and we only deliver opening inventory and supplies to you to the extent that such items are Defynd Brands products purchased from our affiliate). (Franchise Agreement, Section VI.I.);

5. Conduct an initial training program. (Franchise Agreement, Sections VI.B. and VIII.A.); and

6. Provide you on-site opening assistance (up to a maximum of 3 days). (Franchise Agreement, Section VI.C.).

Post-Opening Obligations: During the operation of your 5 Star Nutrition Business, we will:

1. Conduct periodic evaluations of your operations. (Franchise Agreement, Section VI.E.)

2. If and when established by us in our sole discretion, we will administer a Brand Development Fund and provide any advertising and promotional materials that we develop for local advertising. (Franchise Agreement, Sections VI.F. and IX.)

3. Give you any advice and any written materials we may develop on the techniques of managing and operating 5 Star Nutrition Businesses. We are not obligated to advise or assist you regarding the prices to be charged to your customers, but we reserve the right, to the fullest extent allowed by applicable law, to advise you regarding maximum or minimum prices to be charged (Franchise Agreement, Section VI.G.)

4. Provide you with continued access to the Defyned Brands products that must be purchased from our affiliate, 5 Star Nutrition, LLC, and sold at your 5 Star Nutrition Business, and provide you with access to any other merchandise we may develop or approve for resale. (Franchise Agreement, Section VI.H.)

5. Give you updated lists of approved suppliers as we deem appropriate. (Franchise Agreement, Section VI.I.)

6. Provide additional training programs and seminars, at our option. (Franchise Agreement, Sections VI.B. and VIII.A.)

7. Provide to you, on loan, proprietary software programs (if any) as may be developed by us or on our behalf for use in the System. We reserve the right to charge reasonable license fees. (Franchise Agreement, Section VI.D.)

Site Selection and Construction

You must identify and secure a site for your 5 Star Nutrition Business within a non-exclusive Designated Search Area. In reviewing your proposed site, we consider various factors, including the condition of the site, the location of the site, population, and other demographic factors. We must accept the site as meeting our standards before you may sign a lease, begin any construction or renovations, or use such site for your 5 Star Nutrition Business. You cannot place a 5 Star Nutrition Business at a site we have not first accepted in writing. We share our site selection guidelines to assist you in selecting a site that meets our guidelines. (Section III.A. of Franchise Agreement) Your failure to obtain a site that we accept and open your 5 Star Nutrition Business within nine (9) months after the effective date of your Franchise Agreement will constitute a material default under the Franchise Agreement, for which we may terminate your Franchise Agreement.

When you identify a proposed site, you must submit to us a site submission package, which will include, among other things, a description of the site, a completed Site Evaluation Form and evidence that

the site satisfies our site selection guidelines, and all other specific information required by us. You will also be required to submit a copy of the proposed lease (which incorporates a rider in substantially the form of Exhibit I to the Franchise Agreement) or contract of sale for the site, and any other information we may require. We will have 15 days after we receive all required information to review and accept or not accept the proposed site and lease or contract of sale. Our acceptance of a site does not guarantee that a 5 Star Nutrition Business will be profitable or successful at that site. (Section III.A. of Franchise Agreement)

Promptly following our acceptance of the site, you must enter into a lease or contract of sale for the site. You must provide us with a copy of the signed lease or contract of sale within 10 days of signing it. (Section III.A. of Franchise Agreement)

You are responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the construction and operation of the 5 Star Nutrition Business, and you must conform the applicable premises as needed to comply with any local ordinances and building codes at your expense. (Franchise Agreement, Section III.C.) Before beginning construction of the 5 Star Nutrition Business, you must (i) obtain all approvals, clearances, permits, licenses and certifications required for the lawful construction or remodeling and operation of the 5 Star Nutrition Business, and (ii) certify in writing to us that they have been obtained and that the insurance coverage required under the Franchise Agreement is in full force and effect. At our request, you must provide to us copies of all such approvals, clearances, permits, licenses and certifications. (Franchise Agreement, Section III.C.)

After you obtain an approved site for your 5 Star Nutrition Business, we will schedule a design/construction meeting with you to review the proposed layout for your location. We will provide you with our prototypical design specifications for a 5 Star Nutrition Business. You must, at your expense, hire, and coordinate with, an architectural or design services vendor as needed to prepare tailored architectural plans and drawings specific to your location. You must obtain, at your sole expense, appropriate engineering, design, construction and other services necessary for the construction of the 5 Star Nutrition Business. Any architect(s), engineer(s) or other construction professionals that you may select to assist with the construction of your 5 Star Nutrition Business must be approved by us before beginning their work on the 5 Star Nutrition Business. We may, but are not obligated to, provide you with a list of approved architect(s), engineer(s) and construction professionals that you may use in the development of your 5 Star Nutrition Business. (Franchise Agreement, Section III.D.)

You must submit the proposed site-specific architecture and design plans and specifications to us for review within 5 days after you receive them. We will notify you of our acceptance of, or our objections to, the plans within 15 days of receiving them. If we fail to notify you of an acceptance of the plans within the 15-day period, your plans will be deemed rejected. If we object to the plans, we will provide you with a reasonably detailed list of the changes needed to make the plans consistent with our System standards. We will notify you within 15 days of receiving revised plans incorporating such changes, whether the revised plans are acceptable. If we fail to notify you of an acceptance within such 15-day period, your revised plans will be deemed rejected. Our review of the plans is only for the purpose of determining compliance with our System standards, and our acceptance of the plans does not constitute a representation, warranty, or guarantee, express or implied, that the plans are accurate or free of error concerning their structural application. We are not responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances or regulations of any federal, state, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor are we responsible for any errors, omissions, or discrepancies of any nature in the plans. (Franchise Agreement, Section III.D.)

We estimate that it will be approximately 4 to 7 months from the time you sign the Franchise Agreement to the time you begin operations. This time period may be shorter or longer depending on the modifications that must be made to the site to accommodate your 5 Star Nutrition Business and other factors, such as delays or difficulties in obtaining financing, building permits, zoning and local ordinances, weather conditions, shortages of materials or delayed installation of equipment, fixtures or signs. You must obtain an approved site and begin construction of your 5 Star Nutrition Business within 6 months after signing the Franchise Agreement and begin operating the business within 9 months after signing the Franchise Agreement, unless we give you a written extension. Failure to meet these deadlines may result in termination of your Franchise Agreement. (Franchise Agreement, Section III.E and F.)

If you sign an Area Development Agreement, you must submit each of your proposed sites to us prior to your required opening deadlines under your Development Agreement. The timing and process for our evaluation and approval of your proposed sites is described in the paragraphs above in this Item 11. In reviewing your proposed sites, we consider various factors, including the condition of the site, the location of the site, population, and other demographic factors.

We must accept the site as meeting our standards before you may sign a lease, begin any construction or renovations, or use such site for your 5 Star Nutrition Business, and each site proposed under a Development Agreement will be evaluated under our then-current site selection standards and guidelines (which may change from time to time in our discretion). You cannot place a 5 Star Nutrition Business at a site we have not first accepted in writing. We share our site selection guidelines to assist you in selecting a site that meets our guidelines.

Advertising

You must participate in an initial launch promotion campaign and all advertising and promotional programs that we may authorize or develop from time to time. During the period beginning 14 days prior to your 5 Star Nutrition Business' opening and ending 30 days after the opening date (the "Initial Launch Period"), you must carry out an Initial Launch promotion in accordance with our standards. You must spend at least \$10,000 on advertising and promoting your 5 Star Nutrition Business during the Initial Launch Period. We will assist you in organizing your Initial Launch Period promotions, and we must approve all advertising items, methods and media you use in connection with such Initial Launch Period promotions. Your Initial Launch promotion costs are in addition to the required local advertising expenditures described below. (Franchise Agreement, Section IX.D., F.)

Local Advertising

You must spend at least one percent (1%) of your Gross Sales each month on advertising and promotion of the 5 Star Nutrition Business in the Protected Area (See Item 12 for a description of the Protected Area). In our sole discretion, on not less than 30 days' written notice, we may increase the amount you must spend on local marketing in the Protected Area; however, in no event will you be required to spend more than three percent (3%) of your Gross Sales on local marketing in the Protected Area. You must submit to us any reports (including substantiating receipts) detailing your local advertising expenditures that we may require. (Franchise Agreement, Section IX.)

We are not required to spend any minimum amount on advertising in your area.

You must place and pay the cost of a business listing acceptable to us, which may, at our option, be an Internet business listing(s), in such directories and categories as we may specify from time to time in the Manuals or otherwise in writing. This cost, if required by us, may be credited against your required local advertising expenditures. (Franchise Agreement, Section IX.G.)

All advertising and promotions you place in any medium must be conducted professionally, must conform to our standards and requirements and must be approved by us before use, as described in Item 8.

You may not advertise, promote, post or list information relating to the 5 Star Nutrition Business on the Internet (through the creation of a Website or otherwise) without our prior written consent, but we may, at our option, include information about your 5 Star Nutrition Business on our Website.

We can designate any geographic area in which 2 or more company-owned or franchised 5 Star Nutrition Businesses are located as a region for an advertising cooperative (“Cooperative”). We may require Cooperatives to be formed, changed, dissolved or merged from time to time. If we do form a Cooperative, the Cooperative must be organized and governed as we determine. Any Cooperatives we authorize will be for the exclusive purpose of administering advertising programs and developing promotional materials for members in local advertising. If a Cooperative is established for a geographic area that includes all or part of your Protected Area, you will be required to contribute up to one-half of one percent (0.5%) of your Gross Sales (provided that the contribution amount may be increased by majority vote of the Cooperative members, with each franchised unit in the Cooperative being entitled to one vote), and you must execute the applicable Cooperative documents promptly upon our request and participate as a member of the Cooperative. Your Cooperative contributions will be applied toward satisfaction of your individual local advertising requirements, and in no event will your required contributions to a Cooperative exceed your individual local advertising requirements. You must also submit to the Cooperative and to us all statements and reports that we, or the Cooperative, may require. Cooperative contributions will be maintained and administered under the Cooperative’s governing documents, which we reserve the right to create and modify in our sole discretion, and the Cooperative will be operated solely as a conduit for the collection and expenditure of advertising contributions. (Franchise Agreement, Section IX.B.)

Brand Development Fund and Regional Advertising

In addition to local advertising (individually or through a Cooperative), we may, at our option, establish a Brand Development Fund (“Fund”) upon written notice to our franchisees. Once such Fund is established, you will be required to make weekly contributions to the Fund. When the Fund is first implemented, your weekly contributions will be an amount equal to one percent (1%) of your Gross Sales. In our sole discretion on not less than 30 days’ written notice, we may increase the amount you must contribute to the Fund; provided, however, that in no event will you be required to contribute more than three percent (3%) of your Gross Sales to the Fund. Your required contributions to the Fund are in addition to amounts you are required to spend for local advertising.

We or someone we designate will administer the Fund. The Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the Fund. We will direct all programs financed by the Fund, including the creative concepts, materials, endorsements, and the geographic market and media placement and allocation thereof. The Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; developing and implementing various brand development and brand building programs, strategies and campaigns; administering national, regional and multi-regional advertising programs, including, without limitation, promotional texts, e-mails, and other electronic communications, conducting customer and franchisee surveys, contributions to conventions, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; the cost of developing and maintaining an internet website and enhancing search engine optimization; developing and maintaining gift card, membership and other customer loyalty programs; and supporting public relations, market research and other advertising, promotion and marketing activities.

We are not required to spend any minimum amount of the Fund contributions in your market or any other market, to make expenditures for you that are equivalent or proportionate to your Fund contributions or to ensure that any particular franchisee benefits directly or in proportion to its contributions to the Fund. Except for a portion of the Fund spent on our Website development and maintenance (a portion of which may include promotion of the franchise system and soliciting the sale of franchises using the Website), the Fund is not used to solicit the sale of franchises. 5 Star Nutrition Businesses owned by us and our affiliates may, but are not required to, contribute to the Fund on the same basis as a franchisee under the terms of a standard franchise agreement for a 5 Star Nutrition Business.

Presently, we anticipate that Fund advertising will be conducted primarily through electronic media or print media on a regional basis, and that the majority of our advertising will initially be developed in-house or by our designated vendors. We may use the Fund to directly place advertising in your local or regional market; however, we may also use the Fund to create and prepare marketing materials or advertising programs that will be provided to you so that you may directly place or implement such materials or programs in your local or regional market. Any amounts that you spend to place or implement advertising materials created by the Fund in your local or regional market will be credited towards your local advertising obligations.

The Fund contributions will be accounted for separately from our other funds and will not be used to defray our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Fund and its programs, including, without limitation, conducting market research; preparing advertising, promotion and marketing materials; and collecting and accounting for contributions to the Fund. We will prepare an annual statement of the Fund's operations and will make it available to you if you request it. Any amounts in the Fund that are not spent in the fiscal year in which they accrue will be applied toward advertising activities or our expenses incurred in administering the Fund and its programs in the following fiscal year. We are not required to have the Fund statements audited.

We may terminate the Fund at any time on 30 days prior written notice to you. If we terminate the Fund, all unspent monies will be distributed to the contributors in proportion to their respective contributions during the preceding 12-month period. (Franchise Agreement, Section IX.C.)

As of the date of this Disclosure Document, no Fund monies have been collected or spent.

We presently do not have an advertising council or a franchisee advisory council, but we reserve the right to establish such councils at our option in the future.

Computer Systems

You must purchase, install and at all times use our designated point-of-sale/computer systems at your 5 Star Nutrition Business. If the computer system is updated or modified by the manufacturer from time to time you may be required to purchase the modified or upgraded version. The required computer software is used to generate, compile, store and manage 5 Star Nutrition Business sales information. You must purchase this software and any related computer hardware from suppliers approved by us. The required computer system and related technology costs approximately \$12,300 to \$19,500. We reserve the right to require you to pay a periodic helpdesk/maintenance services fee to an approved maintenance and support vendor in connection with maintaining and updating your computer system, but we currently do not require you to spend any minimum amount on helpdesk/maintenance services.

You must also maintain at least one computer at the 5 Star Nutrition Business that meets our minimum standards, has Internet access via high-speed Internet connection, is capable of running the software we require from time to time, and is able to transmit and receive e-mails. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by 5 Star Nutrition Businesses.

Except as stated above, neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades or updates to your hardware or software. Except as stated above, there are currently no optional or required maintenance/upgrade contracts for the computer system. The software programs and computer hardware used at 5 Star Nutrition Businesses are designed to enable us to have independent access to the information generated and stored by the system at all times, and there is no contractual limitation on our access to, or use of, the information we obtain from your computer systems.

We may revise our specifications for the hardware and any software used in the 5 Star Nutrition Business as we deem necessary, including the designation of specific brands or models of accounting software or other software used for word processing, spreadsheets and other office functions, that you must use in the operation of your 5 Star Nutrition Business. In addition, you must update and upgrade the hardware and software from time to time as we require, and you must install any other hardware or software for the operation of the 5 Star Nutrition Business that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. The licensors of the required software may develop enhancements and upgrades for their programs that you may be required to obtain. We cannot estimate how often those licensors may develop updates, upgrades or enhancements, or whether we will require you to obtain them, or their cost to you. There are, however, no limitations on the frequency and cost of the updates, upgrades or enhancements.

Confidential Operations Manuals

After you sign the Franchise Agreement, we will give you access to our Manuals (to be provided in electronic format only, using a system determined by us in our sole discretion), which we may amend from time to time at our sole discretion upon written notice to you. A copy of the table of contents of the Manuals is attached as Exhibit F to this Disclosure Document. Our current Manual, including all appendices, currently contains 228 pages. We consider the contents of the Manuals to be proprietary, and you must treat them as confidential. You may not make any copies of the Manuals.

Training

At least 15 days (but no more than 45 days) before the Opening Date of your 5 Star Nutrition Business, your Principal Owner and your General Manager must have attended and completed our initial management training program to our satisfaction, which shall be based on our evaluation of your performance and mastery of operating requirements as taught throughout the training program. We require at least two people to attend and successfully complete our initial management training program before you open for business. (Franchise Agreement, Section VIII.A. and Section 6.6 of Development Agreement)

Currently, our initial management training program is conducted in Austin, Texas, and lasts for approximately 10 days. We provide instructors and training materials for your initial management training program at no charge for up to two individuals, but you must pay all expenses that you and your personnel incur in connection with initial training, including costs of travel, lodging, meals and wages. If you wish to send more than two individuals to the initial training program, we reserve the right to charge you up to \$500 per day for each of the additional attendees. We may also charge a reasonable training fee

(up to \$500 per day per attendee) for training all successor or replacement personnel. (Franchise Agreement, Section VIII.A. and Section 6.6 of Development Agreement)

The materials used in training include the Manuals as well as other presentation materials. Our training will be directed by Mathew Reilly, our Director of Franchising, who has 3 years of experience operating 5 Star Nutrition Businesses and 10+ years of total experience in the nutrition industry. Mr. Reilly's experience is further described in Item 2 of this Disclosure Document. The training program will be conducted by Mathew Reilly and other qualified members of our staff, including management personnel and employees with at least one year of experience. We may also draw upon the experience of other training professionals.

In addition to the initial management training program, we will provide such on-site pre-opening and opening assistance as we reasonably deem necessary. In connection with the opening of your 5 Star Nutrition Business, one or more of our representatives will provide on-site assistance to you at your 5 Star Nutrition Business for up to 3 days. However, if you have previously opened a 5 Star Nutrition Business, we may, at our option, provide you with less than 3 days of on-site opening assistance as we deem appropriate.

Our initial training program is offered as needed during the year depending on the number of new franchisees entering the System, the number of other personnel needing training, and the scheduled opening of new 5 Star Nutrition Businesses. The subjects covered and other information relevant to our initial training program are described below.

TRAINING PROGRAM⁽¹⁾

Subject	Classroom Hours	On-the-Job Hours	Location
Phase I:			
Introduction to 5 Star Operations and focus on 5 Star Experience initial training		40	Company Owned location TBD
Phase II:			
Introductions to 5 Star Support Team and Leadership	1.5		Austin, TX
Site selection, lease, construction, signage	4		Austin, TX
Product selection, offerings and processes	2		Austin, TX
Inventory management, receiving, ordering, loss prevention	3		Austin, TX
Building a team	3		Austin, TX
Marketing: Ecom, social media, and omnichannel promotions	2		Austin, TX
Local Store Marketing, resources and tools	3		Austin, TX
Live Local Store Marketing		8	Austin, TX
POS 101 and setup your POS	8		Austin, TX
Franchise Director role, communication and general expectations	4		Austin, TX
Payments, collections, P&Ls, finance	4		Austin, TX
Pre-Opening review and gameplan	8		Austin, TX

TOTAL HOURS**42.5 hours****48 hours**

- (1) Our initial training program is subject to change without notice to reflect updates in the materials, methods and manuals and changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the trainees.

We may require your Principal Owner and General Manager to attend additional training programs and seminars from time to time (up to twice per year for up to 5 days total) as scheduled by us. We have the right to charge a reasonable fee for these additional training programs and seminars (currently a daily rate of up to \$500 per trainer), and we may require you to attend, and pay reasonable registration fees for, our annual franchisee conventions if we elect to host such conventions. You must pay all expenses that you or your personnel incur in connection with any training programs, conventions or seminars, including the cost of travel, lodging, meals and wages. (Franchise Agreement, Section VIII.A.)

ITEM 12**TERRITORY**

The Franchise Agreement gives you the right to operate a 5 Star Nutrition Business at a site we accept as meeting our site selection guidelines (the “Location”). You must select the site for your 5 Star Nutrition Business from within the non-exclusive “Designated Search Area” identified in Exhibit C to your Franchise Agreement. The Designated Search Area will be agreed upon by you and us before your execution of the Franchise Agreement and may range from a portion of a city or an unincorporated area to a single or multi-county area.

Franchise Agreement

If you remain in compliance with the Franchise Agreement and any other agreement you have with us or our affiliates, we and our affiliates will not establish, or authorize anyone except you to establish, a 5 Star Nutrition Business located in the geographic area identified as the “Protected Area” in Exhibit C of the Franchise Agreement (the “Protected Area”) during the term of the Franchise Agreement. Your Protected Area will be defined by zip codes or as a circular geographic area around your 5 Star Nutrition Business, but we have not established a minimum size for each Protected Area as the exact size of each Protected Area will be determined on a case-by-case basis. We determine the boundaries of each Protected Area on a case-by-case basis based on various factors, including (i) traffic patterns; (ii) the population in the surrounding area; (iii) proximity to retail centers, residential areas, businesses and other potential customer sources; and (iv) other site-specific data as applicable.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You cannot relocate the 5 Star Nutrition Business without our consent. If you lose possession of the Location through no fault of your own, you may apply to us for our approval to relocate your 5 Star Nutrition Business to another site in the Protected Area. Such request must be submitted to us as soon as possible (but in no event longer than 10 days) after the date you discover you will be unable to continue the operation of the 5 Star Nutrition Business at the Location. If we grant you the right to relocate your 5 Star Nutrition Business, you must comply with our reasonable site selection and construction procedures as outlined in the Franchise Agreement, and you must pay us a relocation fee.

Minimum Inventory Purchase Requirements

You are not required to achieve any particular sales volume or market penetration to maintain your rights in the Protected Area, but we do impose minimum quarterly inventory purchase requirements (as described in Item 6 of this Disclosure Document). While you may choose to purchase higher volumes, you must purchase at least the following amount of Proprietary Defyned Brands Products from us or our affiliate each quarter for resale at your 5 Star Nutrition Business: (a) \$15,000 per quarter if your Gross Sales were less than \$100,000 in the prior quarter; and (b) if your Gross Sales exceeded \$100,000 in the prior quarter then your minimum purchase requirement for the next quarter will increase by \$5,000 for each additional \$25,000 you achieve in Gross Sales. For example, you must purchase \$20,000 per quarter if your Gross sales were between \$100,000 and \$124,999 in the prior quarter; you must purchase \$25,000 per quarter if your Gross sales were between \$125,000 and \$149,999 in the prior quarter, etc.; with the minimum purchase amount adjusted quarterly based on such formula. In addition to minimum purchases of Proprietary Defyned Brands Products, you must also maintain a total inventory of products (including Proprietary Defyned Brands Products and other approved third-party products) worth at least \$40,000 at all times. Your failure to purchase the minimum quarterly level of required Proprietary Defyned Brands Products from us or our affiliate or maintain the minimum total inventory level will constitute a material breach of the Franchise Agreement.

We may reduce your rights in the Protected Area or terminate your Franchise Agreement if you fail to meet your minimum quarterly inventory purchase requirements or fail to maintain the required amount of inventory, as measured on the last day of each month.

You must operate the 5 Star Nutrition Business only at the Location approved by us, and you may only solicit and service clients that are located within your Protected Area. You may not solicit or service customers through any alternative channels of distribution (including the Internet, catalog sales, telemarketing and other direct marketing sales).

We retain all rights not expressly granted to you in the Franchise Agreement. Among other things, this means we can:

(i) Operate, and license others to operate, 5 Star Nutrition Businesses at any location outside the Protected Area.

(ii) Develop and establish other business systems (including systems that offer products or services similar to those offered at 5 Star Nutrition Businesses) using other names or marks, and grant licenses to use those systems, both within and outside the Protected Area;

(iii) Advertise and promote the System both within and outside the Protected Area;

(iv) acquire, or be acquired by, any competing system or other third party, including a competing system that has one or more units located within your Protected Area; and

(v) except for the restriction against the establishment of another 5 Star Nutrition Business in the Protected Area, to engage, directly or indirectly, at wholesale, retail or otherwise, in the offer, license and sale of 5 Star Nutrition products and services and any and all similar or dissimilar services and products, whether under the 5 Star Nutrition Marks or under other names or marks, both within and outside the Protected Area, through any other method of distribution, including, but not limited to, Internet sales, sales at grocery stores or other retail outlets, mail order catalogs, and any other systems,

programs or alternative channels of distribution at our discretion, regardless of the competitive impact on your 5 Star Nutrition Business.

Development Agreement

Under the Development Agreement, we grant you a Development Territory. We determine the Development Territory boundaries before you sign the Development Agreement based on various market and economic factors like market demographics, the penetration of 5 Star Nutrition Businesses and similar businesses in the market, the availability of appropriate sites and growth trends in the market. The Development Territory may be all or a portion of a city, a single or multi-county area, or some other area, and will be described in Attachment E to the Development Agreement.

You must develop 5 Star Nutrition Businesses in the Development Territory in accordance with the Development Schedule described in Section 3 of the Development Agreement. You and we agree to the Development Schedule before signing the Development Agreement.

Under the Development Agreement, you must submit each of your proposed sites to us prior to the required opening deadlines under your Development Agreement. The timing and process for our evaluation and approval of your proposed sites is described in Item 11 of this Disclosure Document. In reviewing your proposed sites, we consider various factors, including the condition of the site, the location of the site, population, and other demographic factors.

We must accept the site as meeting our standards before you may sign a lease, begin any construction or renovations, or use such site for your 5 Star Nutrition Business, and each site proposed under a Development Agreement will be evaluated under our then-current site selection standards and guidelines (which may change from time to time in our discretion). You cannot place a 5 Star Nutrition Business at a site we have not first accepted in writing. We share our site selection guidelines to assist you in selecting a site that meets our guidelines.

If you stop operating any 5 Star Nutrition Business during the term of the Development Agreement, you must develop a replacement 5 Star Nutrition Business within a reasonable time (not to exceed 210 days) after you stop operating the original 5 Star Nutrition Business. If you transfer your interest in a 5 Star Nutrition Business during the term of the Development Agreement in compliance with the related Franchise Agreement for the 5 Star Nutrition Business, the transferred 5 Star Nutrition Business will continue to be counted in determining whether you have complied with the Development Schedule, unless the transferred business is no longer operated as a 5 Star Nutrition Business. In that case, you must develop a replacement 5 Star Nutrition Business with a reasonable time (not to exceed 210 days) after the transferred business ceases to operate as a 5 Star Nutrition Business.

If you comply with the Development Agreement and all other agreements that you or your affiliates have with use or our affiliates, then we and our affiliates will not establish, or authorize anyone except you to establish, a 5 Star Nutrition Business located in the Development Territory during the term of the Development Agreement. We retain all other rights, including, but not limited to, the right (i) to operate, and license others to operate, 5 Star Nutrition Businesses at any location outside the Development Territory, including locations that are adjacent to or surrounded by the Development Territory; (ii) within and outside the Development Territory to develop and establish other business systems (including systems that distribute products or services similar to those offered by 5 Star Nutrition Businesses) using other names or marks and to grant licenses to use those systems; (iii) to advertise and promote the System both within and outside the Development Territory; (iv) to acquire, or be acquired by,

any competing system or other third party, including a competing system that has one or more units located within your Development Territory; and (v) except for the restriction in the Development Agreement against the establishment of another 5 Star Nutrition Business in the Development Territory, to engage, directly or indirectly, at wholesale, retail or otherwise, in the offer, license and sale of any and all other services and products, under the Marks or under other names or marks, within and outside the Development Territory, through any other method of distribution, including, but not limited to, sales at grocery stores or other retail outlets, mail order catalogs, Internet sales, and any other systems, programs or alternative channels of distribution at our discretion, regardless of the competitive impact on your 5 Star Nutrition Business.

If you fail to comply with the Development Schedule, or otherwise materially default under the Development Agreement, then we may (in addition to our other remedies) terminate or modify your territorial rights, reduce the area of territorial rights, or reduce the number of 5 Star Nutrition Businesses that you may establish. When the Development Agreement expires or is terminated, you cannot develop additional 5 Star Nutrition Businesses in the Development Territory (but you may complete development of and/or operate 5 Star Nutrition Businesses under then-existing Franchise Agreements), and we may develop or authorize others to develop 5 Star Nutrition Businesses in the Development Territory and exercise all rights not expressly granted to you under your Franchise Agreements.

Except as described above, continuation of your territorial protection under the Development Agreement does not depend on the achievement of a certain sales volume, market penetration, or other contingency, and we may not alter your Development Territory except as described above.

National/Regional Accounts

We reserve the right under the Franchise Agreement to contract or enter into strategic alliances with “National Accounts” to provide nutrition services and related products. A “National Account” means a customer that conducts its business in two or more locations and who has a contract or strategic alliance with us or our affiliates for the provision of products or services to its outlets, employees or customers. If we or our affiliates contract or enter into a strategic alliance with a National Account which has outlets, employees or customers in your Protected Area, we will contact you and provide you with an opportunity to provide products and/or services, as applicable, to the National Account outlets, employees or customers located within your Protected Area under the terms and conditions agreed to between us or our affiliate and the National Account.

If, within 5 days of the date we first attempt to contact you regarding a National Account opportunity, you are unable for any reason, including not being qualified, to service such National Account, or you elect not to provide the contracted for services or products to the National Account in accordance with the agreed terms and conditions for such National Account, then we or our affiliates or designees, including other 5 Star Nutrition franchisees, will have the right to provide the products and/or services, as applicable, to such National Account, and you will have no right to the National Account throughout the term of our contract or strategic alliance (including any renewal periods), and you will not be entitled to receive any compensation or proceeds from the provision of products and services to such National Account.

Rights of First Refusal

Except for development rights granted under an Area Development Agreement, we generally do not grant any options, rights of first refusal or similar rights to obtain additional franchises. If you wish to obtain an additional franchise, you must enter into a separate Franchise Agreement for that franchise.

Neither we nor our affiliates have established or have present plans to establish franchises, company-owned outlets or other channels of distribution offering and selling products and services similar to those to be offered by you under different trademarks. There are, however, no restrictions in the Franchise Agreement or Development Agreement that would prohibit us from doing so.

You may use the Internet to advertise only on our website and only to the extent expressly permitted under, and in compliance with, the Franchise Agreement.

ITEM 13

TRADEMARKS

The Franchise Agreement gives you a license to operate a 5 Star Nutrition Business under the mark “5 STAR NUTRITION” and to use any future Marks we authorize. The Development Agreement does not grant you any rights to use, or interest in, the Marks.

Our affiliate, 5 Star Nutrition, LLC, has applied for registration of the following Marks with the U. S. Patent and Trademark Office on the Principal Register. At the appropriate times, 5 Star Nutrition, LLC intends to renew the registrations and to file all appropriate affidavits.

Mark	Register	Registration Number	Registration Date	Serial Number	Application Date
5 STAR NUTRITION	Principal	5089389	Nov. 29, 2016	86817689	Nov. 12, 2015
5 STAR NUTRITION logo	Principal	5281859	Sept. 5, 2017	86813295	Nov. 9, 2015
5 NUTRITION	Principal	Pending	Pending	97763922	Jan. 23, 2023
5 NUTRITION logo	Principal	Pending	Pending	97763929	Jan. 23, 2023

We do not have a federal registration for some of our principal trademarks. Therefore, those trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use those trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There is no presently effective determination of the U.S. Patent and Trademark Office, the trademark trial and appeal board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which is relevant to their ownership, use or licensing.

We know of no superior prior rights or infringing use that could materially affect your use of the Marks, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

Our rights to the Marks and the proprietary System know-how are derived from a nonexclusive perpetual license (the “Intercompany License”) between us and our affiliate, 5 Star Nutrition, LLC. The Intercompany License grants us the right to use the Marks and the proprietary information related to the System, such as the know-how and the Manuals, for the purpose of licensing them to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany License is terminable only for material breach of the Intercompany License agreement and only if we do not cure or begin to cure the breach within 90 days after notice. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

We are not obligated to protect your rights to use the Marks or to protect you against claims of infringement or unfair competition. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the Marks if the proceeding is resolved unfavorable to you.

You must promptly notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Owners must agree not to communicate with any person other than us, our designated affiliate, and our or their counsel about any infringement, challenge or claim. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or Patent and Trademark Office (or other) proceeding, from any infringement, challenge or claim concerning any of the Marks. You must sign all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding or to otherwise protect and maintain our or their interest in the Marks.

You may not use any of the Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must sign any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your Owners may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so.

We have the right to substitute different trade names, service marks, trademarks and indicia of origin for the Marks at any time for any reason, including if the Marks can no longer be used, or if we determine, in our sole discretion, that the substitution will be beneficial to the System. If we do, we may require you to promptly discontinue or modify your use of any Mark or use one or more additional or substitute Marks at your sole expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents, and do not have any pending patent applications, that are material to the franchise. We do claim copyright protection and proprietary rights in the original materials used in the System, including our Manuals, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials and other written materials relating to the operation of 5 Star Nutrition Businesses and the System. We treat all of this information as trade secrets, and you must treat any of this information we communicate to you confidentially.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

You and your owners must agree not to communicate or use our confidential information for the benefit of anyone else during and after the term of the Franchise Agreement. You and your owners must also agree not to use our confidential information at all after the Franchise Agreement terminates or expires. You and your owners can give this confidential information only to your employees who need it to operate your 5 Star Nutrition Business. You must have your General Manager and any of your other personnel who have received or will have access to our confidential information, sign similar covenants. (See Item 15)

If you or your owners develop any new concept, process or improvement in the operation or promotion of your 5 Star Nutrition Business, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You and your owners agree that any of these concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

When you sign the Franchise Agreement, you must designate an individual to serve as your “Principal Owner.” The Principal Owner must be an individual holding an equity ownership interest in you, or, if you are an individual, you will be the Principal Owner. The Principal Owner must devote his or her full-time best efforts to operating the 5 Star Nutrition Business, must meet our qualifications and must be approved by us in advance. The same person must act as the Principal Owner under your Development Agreement and your Franchise Agreements for all 5 Star Nutrition Businesses operated by you and, if applicable, your affiliates.

Your Principal Owner must devote his or her full time and best efforts to the supervision of your operations under the Development Agreement and the Franchise Agreements. Without our written consent, your Principal Owner may not engage in any business other than the development and operation of your 5 Star Nutrition Business. Your Principal Owner must satisfy our training requirements and must personally guarantee your performance under the Franchise Agreement. Furthermore, each of your current and future owners must personally guaranty your performance under the Franchise Agreement by signing a Guaranty and Assumption Agreement (“Guaranty”) substantially in the form attached as Exhibit A to the 5 Star Nutrition Franchise Agreement (which is included as Exhibit B to this Disclosure Document). Your owners will be individually, jointly and severally bound by all of your obligations under the Franchise Agreement. (See Item 1) Owners’ spouses must also personally guaranty your performance under the Franchise Agreements and the Development Agreement, if applicable.

At least 30 days before the 5 Star Nutrition Business opens for business, you must designate an individual who meets our qualifications to serve as your General Manager and supervise the operation of your 5 Star Nutrition Business. Your 5 Star Nutrition Business must always be operated under the supervision of an on-premises manager who has completed our required training program. Your Principal Owner may serve as the General Manager of your 5 Star Nutrition Business. With our written consent, you may elect to designate an individual other than your Principal Owner as General Manager. Even if we permit you to designate a General Manager to supervise your operations under the Franchise Agreement, your Principal Owner must actively oversee your operations on a full-time basis and remains ultimately responsible for the General Manager’s performance and the performance of your 5 Star Nutrition Business. The General Manager must successfully complete our initial training program, must devote his or her full time and best efforts to the supervision of your operations under the Franchise Agreement and may not engage in any other business. Each 5 Star Nutrition Business must have a different General Manager.

You must notify us promptly if your Principal Owner or any General Manager cannot continue or no longer qualifies to serve in their assigned role, as applicable. You will have 30 days from the date of the notice (or from any date that we independently determine the Principal Owner or General Manager no longer meets our standards) to take corrective action acceptable to us. During that 30-day period, you must provide for interim management of your operations in compliance with the Franchise Agreement.

At our request, you must have your owners, General Manager and any other personnel who will have access to our training, sign covenants not to compete, and such persons must maintain the confidentiality of information they have access to through their relationship with you. (See Item 14) These covenants will be in substantially the form of Exhibit B to the Franchise Agreement (which is Exhibit B to this Disclosure Document). We have the right, in our sole discretion, to decrease the period of time or geographic scope of the noncompetition covenants or eliminate the noncompetition covenant altogether for any person who must sign an agreement described in this paragraph. (See Item 17)

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All products and services you offer at the 5 Star Nutrition Business must conform to our standards and specifications. (See Item 8) These are described in our Manuals and other writings. You must not deviate from our standards and specifications unless we first give you written consent to do so. You must also comply with all applicable laws and regulations and secure all appropriate governmental approvals for the 5 Star Nutrition Business.

You must offer and sell only the products and services that we have expressly approved in writing, and you must offer and sell each of the products and services we authorize for sale at 5 Star Nutrition Businesses. You must stop selling any products or services that we disapprove in writing. There is no limitation on our right to add or remove items from our list of approved products and services, and you must promptly comply with any changes that we make to such list. You must provide all services and products in compliance with the procedures, processes and standards contained in our Manuals or other written instructions prepared by us. You must not use or offer nonconforming items, unless we first give you our written consent. You must open and operate the 5 Star Nutrition Business during the hours we specify in the Manual or otherwise in writing.

We may make available to you, and may require you to purchase from us, our affiliates or our designated suppliers for resale, certain merchandise, such as Defyned Brands nutrition products, 5 Star Nutrition-brand clothing or memorabilia, in amounts necessary to meet your and your customer's demand.

You are only granted the right to operate a 5 Star Nutrition Business at the approved Location, and you must use only the method, manner and style of distribution that we prescribe (or may in the future prescribe) in writing, in the Manuals or otherwise. You must comply with the terms of any distribution program and sign any documents or instruments that we require.

You are authorized to offer products and services only to retail customers at retail prices. You are not authorized to offer any products or services at wholesale.

You must install all equipment, machines and activities as we require at your 5 Star Nutrition Business, and you may only install and offer at your 5 Star Nutrition Business the specific equipment, machines and activities as we have expressly approved in the Manuals or otherwise in writing.

We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices you may charge your customers for products or services.

Except as described above, we do not impose other restrictions in the Franchise Agreement on the customers to whom you may offer or sell products and services.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreement attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section IV.A	5-year initial term
b. Renewal or extension of the term	Section IV.B	One additional 5-year term
c. Requirements for franchisee to renew or extend	Section IV.B	Your renewal right permits you to remain as a franchisee after the initial term of your franchise agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this Disclosure Document, except that the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees executing successor agreements. Other requirements are: Give written notice; update the 5 Star Nutrition Business; not be in default; pay all money owed; retain right to Location; pay us a renewal fee; sign general release; comply with our then-current standards, and remodel as required to meet our then-current standards for building design, image and décor, qualifications and training requirements.

Provision	Section in Franchise Agreement	Summary
d. Termination by franchisee	Not Applicable	Not Applicable (your termination rights are subject to state law)
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section XVIII.	We may terminate on your default.
g. “Cause” defined – curable defaults	Section XVIII.C.	For any default except those specified as non-curable you have up to 30 days to cure (5 days for failure to submit a required report or pay monies; 24 hours for misuse of the Marks or your sale of any products not authorized by us in writing; 7 days if you fail to obtain the required insurance coverages; 10 days if you fail to comply with the noncompetition covenants; 10 days if you fail to secure any required license(s) by the date the 5 Star Nutrition Business is ready and/or required to open for business or you fail to maintain such licenses, and fail to cure such default within 10 days following notice from us). In addition, your Franchise Agreement may be terminated if you or your affiliates are in default under a Development Agreement or other agreement with us and fail to cure such default within the applicable cure period, and vice versa.
h. “Cause” defined – non-curable defaults	Sections XVIII.A. and XVIII.B.	Insolvency; general assignment for benefit of creditors; bankruptcy; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; foreclosure proceedings not dismissed within 30 days; operation of 5 Star Nutrition Business at location that we have not accepted; failure to construct the 5 Star Nutrition Business in accordance with requirements; failure to begin business within the

Provision	Section in Franchise Agreement	Summary
		required time period; abandonment or forfeiture of right to do business; conviction (or no contest plea) of certain crimes; threat to public health or safety; unauthorized transfer; failure to comply with certain confidentiality covenants; false records or submission of false reports; breach of any covenants or false representations; failure to comply with quality assurance program or any failure or refusal to allow inspection by Franchisor; default under any other franchise agreement and failure to cure; repeated defaults whether or not cured; assets, property or interests “blocked” under any terrorism laws or regulations or other violation of such laws or regulations.
i. Franchisee’s obligations on termination/nonrenewal	Section XIX.	Stop operating your 5 Star Nutrition Business and using the System’s confidential methods, procedures, techniques and marks; cancel any registration containing the Marks; not use any imitation of the Marks; pay amounts due and our damages and enforcement costs; comply with confidentiality and non-competition covenants; return all Manuals and other proprietary materials; furnish list of advertising/sales promotion materials bearing the Marks; at our option, sell or assign us your rights in business telephone numbers, advertising and promotional materials, furnishings equipment, and the premises; modify the appearance of the 5 Star Nutrition Business to our satisfaction.
j. Assignment of contract by franchisor	Section XV.A.	We may transfer our rights without restriction.

Provision	Section in Franchise Agreement	Summary
k. “Transfer” by franchisee – defined	Sections XV.B. and XV.C.	You must not transfer any direct or indirect interest in you, the Franchise Agreement or the assets of the franchised business without our consent.
l. Franchisor’s approval of transfer by franchisee	Section XV.B.	We must consent and you must meet conditions before transferring.
m. Conditions for franchisor approval of transfer	Section XV.B.	Pay all amounts due; not be in default; sign a general release; pay transfer fee; remain liable for pre-transfer obligations. Transferee must meet our criteria, complete required training, guarantee obligations; enter into then-current franchise agreement and upgrade the 5 Star Nutrition Business.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section XV.D.	On 30 days’ written notice, we have the option to purchase any interest in you or your franchise being transferred on the same terms and conditions offered by a third party.
o. Franchisor’s option to purchase franchisee’s business	Sections XIX.A(8) and (9) and XIX.B.	Upon termination or expiration we have the option to purchase your advertising materials bearing the Marks at your cost (subject to applicable depreciation). We have the option to acquire the Location and the assets of the 5 Star Nutrition Business from you (subject to any rights of approval retained by the owner of the leasehold) at fair market value. If you own the land where the 5 Star Nutrition Business is located, we have the option to lease the land (and any building on the land used for the operation of the 5 Star Nutrition Business), at a reasonable commercial rent. We have the option to have the lease for the premises of the 5 Star Nutrition Business assigned to us.

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	Section XV.E.	On death or permanent disability of you or an Owner, the person's interest must be transferred to someone we approve within 6 months.
q. Non-competition covenants during the term of the franchise	Section XI.C.(1)	You may not divert any of your business or customers to a competitor or operate, or have an interest in, a business which is the same as, or similar to, a 5 Star Nutrition Business, regardless of location.
r. Non-competition covenants after the franchise is terminated or expires	Sections XI.C.(2)	For 2 years after termination or expiration you may not divert any of your business or customers to a competitor or have an interest in any business that is similar to the franchised business at the Location, within the Protected Area, within a 50-mile radius of your Location, or within a 50-mile radius of any 5 Star Nutrition Business then in existence or under construction.
s. Modification of the agreement	Sections XI.A. and XX.P.	Except for changes we can make unilaterally, changes require mutual agreement. You must comply with the Manuals as amended.
t. Integration/merger clause	Sections XX.O and XX.AA.	Only the terms of the Franchise Agreement, this Disclosure Document and other related written agreements signed by the parties are binding. No other representations or promises are binding.
u. Dispute resolution by arbitration or mediation	Section XX.F.	Claims, controversies or disputes from or relating to the Franchise Agreement must be mediated, except for actions we bring for monies owed, injunctive or other equitable relief, or relief relating to real property.

Provision	Section in Franchise Agreement	Summary
v. Choice of forum	Sections XX.F., XX.G. and XX.M	Unless contrary to applicable state law: Mediation at the American Arbitration Association offices nearest to our principal place of business, except actions for monies owed, injunctive relief, or relief related to real property, the Marks or confidentiality information. Venue for any litigation is the state courts in Travis County, Texas, and Federal Courts in the Western District of Texas. Any dispute or action between you and us will be of our and your individual claims. None of your claims will be litigated on a class-wide basis or otherwise consolidated with any claims of any third parties.
w. Choice of law	Section XX.H.	Unless contrary to applicable state law, Texas law governs (except for Texas' conflict of law rules).

The following table lists certain important provisions of the Development Agreement and related agreements. You should read these provisions in the agreement attached to this Disclosure Document.

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	Section 4	The earlier of (a) the date your development obligations are complete or (b) 12:00 Midnight on the last day of the Development Schedule
b. Renewal or extension of the term	Section 3	We may extend the term of the Development Agreement to allow you to develop a replacement 5 Star Nutrition Business
c. Requirements for franchisee to renew or extend	Section 3	If the extension is to permit you to develop a replacement 5 Star Nutrition Business, you must timely develop a replacement 5 Star Nutrition Business.
d. Termination by franchisee	Not Applicable	Not Applicable (your termination rights are subject to state law)
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Sections 7.1 to 7.3	We may terminate on your default.

Provision	Section in Development Agreement	Summary
g. “Cause” defined – curable defaults	Sections 7.2 and 7.3	For any default except those specified as non-curable you have 30 days to cure (except only 5 days for failure to submit a required report or pay monies, and only 24 hours for misuse of the Marks). In addition, your Development Agreement may be terminated if you or your affiliates are in default under any Franchise Agreement and fail to cure such default within the applicable cure period, and vice versa.
h. “Cause” defined – non-curable defaults	Section 7.1	Insolvency; general assignment for benefit of creditors; bankruptcy; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; foreclosure proceedings not dismissed within 30 days; failure to qualify for grant of license, comply with development schedule, develop replacement 5 Star Nutrition Business or execute a required Franchise Agreement; conviction of certain crimes; threat to public health or safety; unauthorized transfer; failure to comply with certain confidentiality covenants; false records or submission of false reports; breach of any covenants or false representations; failure to effect approved transfer upon death or permanent disability; misuse of the Marks; or assets, property or interests “blocked” under any terrorism laws or regulations or other violation of such laws or regulations.

Provision	Section in Development Agreement	Summary
i. Franchisee's obligations on termination/nonrenewal	Section 7.6	You will have no right to establish or operate any 5 Star Nutrition Business for which a Franchise Agreement has not been signed; you must pay amounts due and our damages and enforcement costs; and comply with confidentiality and non-competition covenants.
j. Assignment of contract by franchisor	Section 8.1	We may transfer our rights without restriction.
k. "Transfer" by franchisee – defined	Section 8.2	You must not transfer any direct or indirect interest in you, the Development Agreement or the assets of the franchised business without our consent.
l. Franchisor's approval of transfer by franchisee	Section 8.2	We must consent and you must meet conditions before transferring.
m. Conditions for franchisor approval of transfer	Section 8.2	Pay all amounts due; not be in default; sign a general release; pay transfer fee; remain liable for pre-transfer obligations. Transferee must meet our criteria, complete required training, guaranty obligations; enter into then-current development agreement and pay training, legal and accounting costs associated with transfer.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 8.5	On 30 days written notice, we have the option to purchase an interest being transferred on the same terms and conditions offered by a third party.
o. Franchisor's option to purchase franchisee's	Not Applicable	Not Applicable

Provision	Section in Development Agreement	Summary
business		
p. Death or disability of franchisee	Section 8.6	On death or permanent disability of you or an Owner, the person's interest must be transferred to someone we approve within 6 months.
q. Non-competition covenants during the term of the franchise	Section 9.2	You may not operate or have an interest in a business which is similar to the franchised business.
r. Non-competition covenants after the franchise is terminated or expires	Section 9.2	For 2 years you may not divert any of your business or customers to a competitor or have an interest in any business that is similar to the franchised business within the Development Territory or within a 50-mile radius of the location of any 5 Star Nutrition Business then in existence or under construction.
s. Modification of the agreement	Section 12.2	Except for changes we can make unilaterally, changes require mutual agreement. You must comply with the Manuals as amended.
t. Integration/merger clause	Section 12.2	Only the terms of the Development Agreement, this disclosure document and other related written agreements signed by the parties are binding. No other representations or promises are binding.
u. Dispute resolution by arbitration or mediation	Section 12.6	Claims, controversies or disputes from or relating to the Development Agreement must be mediated, except for actions we bring for monies owed, injunctive or other equitable relief, or relief relating to real property.
v. Choice of forum	Section 12.7	Unless contrary to applicable state law: Mediation at the American Arbitration Association offices nearest to our principal place of business, except

Provision	Section in Development Agreement	Summary
		actions for monies owed, injunctive relief, or relief related to real property, the Marks or confidentiality information. Venue for any litigation is the state or federal courts in the county or judicial district in which our principal place of business is located (currently Travis County, Texas); provided, however, with respect to any action which includes injunctive relief or other extraordinary relief, we may bring such action in any court in any state which has jurisdiction.
w. Choice of law	Section 12.8	Unless contrary to applicable state law, the Development Agreement will be interpreted and construed under Texas law (except for Texas' conflict of law rules).

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote the franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Franchise Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees

or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Brian Marver at 8500 Shoal Creek, Building 4, Suite 150, Austin, Texas 78757 or (512) 827-7267, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2021 to 2023⁽¹⁾

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company-Owned	2021	53	55	+2
	2022	55	60	+5
	2023	60	56	-4
Total Outlets	2021	53	55	+2
	2022	55	60	+5
	2023	60	56	-4

Notes:

1. All numbers are as of our fiscal year end, which ends at the end of the 52-week period closest to December 31st of each year; provided, however, that we intend to change to a standard December 31st fiscal year end beginning in 2024.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

Table No. 3
Status of Franchised Outlets
For years 2021 to 2023

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
All States	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets
For years 2021 to 2023⁽¹⁾

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of Year
Alabama	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of Year
Arkansas	2021	2	1	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
Colorado	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
Florida	2021	0	0	0	0	0	0
	2022	0	2	0	0	0	2
	2023	2	1	0	0	0	3
Georgia	2021	3	0	0	0	0	3
	2022	3	2	0	0	0	5
	2023	5	0	0	0	0	5
Illinois	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	1	0	1
Indiana	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	2	0	1
Iowa	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Louisiana	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
Maryland	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Massachusetts	2021	2	0	0	0	0	2
	2022	2	0	0	1	0	1
	2023	1	1	0	0	0	2
Mississippi	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
Missouri	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
New Mexico	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
New York	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
North Carolina	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of Year
	2023	2	0	0	0	0	2
Oklahoma	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Rhode Island	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Tennessee	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
Texas	2021	15	0	0	0	0	15
	2022	15	2	0	0	0	17
	2023	17	0	0	2	0	15
Virginia	2021	7	1	0	0	0	8
	2022	8	1	0	0	0	9
	2023	9	0	0	1	0	9
Totals	2021	53	2	0	0	0	55
	2022	55	7	0	2	0	60
	2023	60	2	0	6	0	56

Notes:

1. All numbers are as of our fiscal year end, which ends on December 31st.

Table No. 5
Projected Openings As Of December 31, 2023

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Current Fiscal Year
Florida	0	1	0
Illinois	0	1	0
Indiana	0	1	0
Maryland	0	1	0
Texas	0	1	0
Total	0	5	0

The name and business address and telephone number of each of our current franchisees and area developers is attached to this Disclosure Document as Exhibit D.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee and area developer who had a business terminated, cancelled, not

renewed or otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document is listed on Exhibit E to this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

As of the date of this Disclosure Document, we are not offering any existing franchised outlets to prospective franchisees, including those that either have been reacquired by us or are still being operated by current franchisees pending a transfer. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this Disclosure Document.

As of the date of this Disclosure Document, we have no current or former franchisees who have signed provisions restricting their ability to speak openly to you about their experience with the 5 Star Nutrition franchise system.

As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with the 5 Star Nutrition franchise system.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit A is our unaudited balance sheet dated as of December 31, 2023. Because we have only been offering franchises since January of 2024, we do not yet have available all the financial statements that would otherwise be required to be contained in this Disclosure Document. Our fiscal year ends on December 31st.

ITEM 22

CONTRACTS

Attached to this Disclosure Document as Exhibit B is a copy of the current form of 5 Star Nutrition Franchise Agreement (with attachments), and attached as Exhibit C is a copy of the 5 Star Nutrition Area Development Agreement (with attachments).

ITEM 23

RECEIPTS

Attached as the last 2 pages of this Disclosure Document are duplicate Receipt pages to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT A TO THE FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

5 STAR NUTRITION FRANCHISING, LLC

FINANCIAL STATEMENTS

THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

SEE FOLLOWING PAGE

5 Star Nutrition Franchising, LLC

Balance Sheet

As of December 31, 2023

Financial Row	Amount
Assets	
Current Assets	
Bank	
10212 encore - Franchising	\$100,000
Total Assets	\$100,000
Liabilities & Equity	
Current Liabilities	
20005 - Intercompany Payable	\$38,385
Total Current Liabilities	\$38,385
Equity	
30000 - Contributions	\$100,000
Retained Earnings	(\$38,385)
Total Equity	\$61,615
Total Liabilities & Equity	\$100,000

EXHIBIT B TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

5 STAR NUTRITION
FRANCHISE AGREEMENT

Ex. A to the Franchise Disclosure Document issued as of: 1/2/2024

**5 STAR NUTRITION
FRANCHISE AGREEMENT**

TABLE OF CONTENTS

	<u>Page</u>
I. DEFINITIONS	2
II. GRANT.....	4
III. SITE SELECTION, CONSTRUCTION AND OPENING DATE	5
IV. TERM AND RENEWAL	8
V. FEES.....	9
VI. OUR OBLIGATIONS	11
VII. YOUR REPRESENTATIONS, WARRANTIES AND COVENANTS	12
VIII. OPERATIONS	16
IX. ADVERTISING	23
X. MARKS	26
XI. CONFIDENTIALITY AND NONCOMPETITION COVENANTS.....	27
XII. BOOKS AND RECORDS	30
XIII. INSURANCE.....	31
XIV. DEBTS AND TAXES	33
XV. TRANSFER	33
XVI. INDEMNIFICATION.....	36
XVII. INDEPENDENT CONTRACTOR.....	37
XVIII. TERMINATION	37
XIX. POST-TERMINATION.....	40
XX. MISCELLANEOUS	43

EXHIBITS

Exhibit A	Owners' Guaranty and Assumption Agreement
Exhibit B	Confidentiality and Noncompetition Agreement
Exhibit C	Designated Search Area, Franchise Location, Protected Area, and Opening Date
Exhibit D	Ownership and Management Information
Exhibit E	Electronic Funds Transfer Authorization
Exhibit F	Lease Addendum Terms
Exhibit G	Assignment of Telephone Numbers
Exhibit H	State Specific Addenda

**5 STAR NUTRITION
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (this “**Agreement**”) is made and entered into this ____ day of _____, 20__ (the “**Effective Date**”), by and between 5 Star Nutrition Franchising, LLC, a Delaware limited liability company having its principal business address at 8500 Shoal Creek, Building 4, Suite 150, Austin, Texas 78757 (“**Franchisor**,” “**we**,” “**us**,” or “**our**”), and _____, a _____ having its principal business address at _____ (“**Franchisee**,” “**you**,” or “**your**”).

RECITALS:

WHEREAS, we and our affiliates, as the result of the expenditure of significant time, skill, effort and money, have established and developed a distinctive System (as defined below) for the operation of retail businesses that feature nutritional supplements for sports nutrition, muscle building, weight management and general health and wellness, which operate under our System and the Marks (as defined below), all of which we may periodically change, improve, and/or further develop from time to time (collectively, the “**5 Star Nutrition Businesses**” and individually a “**5 Star Nutrition Business**”);

WHEREAS, the distinguishing characteristics utilized in each 5 Star Nutrition Business include, without limitation, distinctive interior and exterior sign design and arrangement, décor, fixtures and furnishings; quality and uniformity of products and services offered; standards, specifications, methods, techniques, procedures for operations, inventory and management; training and assistance; record keeping and reporting; and marketing and promoting; all of which may be changed, improved and further developed by us and/or our affiliates from time to time (collectively, the “**System**”);

WHEREAS, 5 Star Nutrition Businesses operate under the System and are identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin designated by us (the “**Marks**,” as further defined below);

WHEREAS, you wish to obtain a franchise to establish and operate a 5 Star Nutrition Business using the Marks and the System at the Franchise Location (defined below) specified in Exhibit C to this Agreement and receive the training and other assistance provided by us in connection therewith;

WHEREAS, you understand and acknowledge the importance of our high standards for products and client service and the necessity of operating the 5 Star Nutrition Business franchised hereunder in conformity with our standards and specifications; and

WHEREAS, we are willing to grant you a franchise to do so upon the terms and conditions set forth in this Agreement in reliance on your application and your representations made in the application and in this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, you and we agree as follows:

I. DEFINITIONS

“5 Star Nutrition Business” means the 5 Star Nutrition Business operated by you at the Franchise Location pursuant to this Agreement, including all assets used in connection with its operation.

“Affiliate” or **“Affiliates”** of a named person means any person or entity that is controlled by, controlling or under common control with the named person.

“Anti-Terrorism Laws” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

“Brand Development Fund” or **“Fund”** means the brand fund described in Section IX.C. of this Agreement.

“Business Day” means each day other than a Saturday, Sunday, U.S. holidays or any other day on which the Federal Reserve is not open for business in the United States.

“Computer System” means the computer hardware and software (including, without limitation, back office software) meeting our specifications and manufactured by a manufacturer designated in writing by us from time to time for use in the operation of 5 Star Nutrition Businesses.

“Confidential Information” means all proprietary information relating to the establishment and operation of 5 Star Nutrition Businesses, including, without limitation: (i) our standards and specifications, including equipment, product, and supplier standards and specifications as well as our product formulations, processes and components; (ii) site selection criteria; (iii) operating requirements and techniques and any other trade secrets, processes and procedures used in operating 5 Star Nutrition Businesses; (iv) advertising and marketing plans, programs and strategies; (v) research, development and test programs for products, services and operations; (vi) the contents of our Manuals and training programs; (vii) information regarding the operating and financial results of 5 Star Nutrition Businesses, other than your 5 Star Nutrition Business; (viii) computer programs and systems, including electronic data files and passwords; (ix) all customer information and vendor information; (x) Improvements (as defined in Section XI.D.); and (xi) all other knowledge or know-how concerning the operation of a 5 Star Nutrition Business which may be communicated to you by virtue of operating under the terms of this Agreement, and all related information that we designate as confidential.

“Control” or **“Controlling Interest”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

“Cooperative” means an advertising cooperative, as described in Section IX.B. of this Agreement.

“Designated Search Area” means the non-exclusive geographic area described in Exhibit C to this Agreement within which you will locate a site for your 5 Star Nutrition Business.

“Force Majeure” means acts of God, strikes, lockouts or other industrial disturbances, war, acts of terrorism, riot, pandemic/epidemic, fire or other catastrophe or other forces beyond a party’s control.

“Franchise Location” means the address of the premises, located by you and accepted by us, at which your 5 Star Nutrition Business is located, as listed in Exhibit C to this Agreement.

“General Manager” means any person designated pursuant to Section VII.E.(2) of this Agreement to manage the day-to-day on-site operations of the 5 Star Nutrition Business to be operated under this Agreement.

“Gross Sales” means the total selling price of all services and products and all income of every other kind and nature related to the 5 Star Nutrition Business, whether for cash or credit and regardless of collection in the case of credit. Without limiting the foregoing, “Gross Sales” includes: (a) all proceeds from the sale of goods purchased with coupons, gift cards/certificates or vouchers; provided that funds received by you upon selling a gift card/certificate or voucher are not deemed to be part of your Gross Sales until the gift card/certificate or voucher is redeemed for goods at your 5 Star Nutrition Business, at which time you must count the retail value of the products sold in determining Gross Sales for royalty purposes and for other fees calculated in respect of Gross Sales (i.e. because you are not required to record and report sales proceeds for royalty purposes when the coupon, gift card/certificate or voucher is sold, you are required to pay royalties based on the retail value of the products provided in exchange for the coupon, gift card/certificate or voucher unless the gift card/certificate or voucher is redeemed at a different 5 Star Nutrition Business); and (b) Your share of revenues from any vending machines or other equipment, machines or devices installed in the 5 Star Nutrition Business. “Gross Sales” does not include (i) sales taxes you collect from customers of the 5 Star Nutrition Business, if the taxes are actually transmitted in a timely manner to the appropriate taxing authority; (ii) returns to shippers or manufacturers; and (iii) proceeds from isolated sales of trade fixtures not constituting any part of the products and services offered for sale at the 5 Star Nutrition Business or having any material effect upon the ongoing operation of the 5 Star Nutrition Business.

“Gross Sales Report” means the weekly report, in the form we require, due on the same day as the corresponding royalty payments during the term of this Agreement, itemizing the Gross Sales of the 5 Star Nutrition Business for the applicable royalty period.

“Manual” or **“Manuals”** means our confidential operations manual, which may consist of one or more manuals, containing our mandatory and suggested standards, specifications and operating procedures relating to the development and operation of 5 Star Nutrition Businesses and your obligations under this Agreement. The term also includes alternative or supplemental means of communicating information to you, including bulletins, videotapes, audio tapes, compact discs, flash drives, CD-ROMs and other electronic communications.

“Marks” means the trade names, trademarks, service marks, logos, emblems and other indicia of origin that we have designated, and may hereafter designate, in writing for use in connection with the System, including, but not limited to, the mark “5 STAR NUTRITION”.

“Opening Date” means the date that your 5 Star Nutrition Business is scheduled to open to the public as specified in Exhibit C to this Agreement.

“Owners” mean those persons and entities which, collectively and individually, hold an ownership interest in you and in any entity directly or indirectly controlling you.

“Principal Owner” means the Owner designated by you and approved by us as meeting our qualifications who is responsible for overseeing the day-to-day operation of the 5 Star Nutrition Business.

“Protected Area” means the geographic area assigned to you upon your acquisition of the Franchise Location and described in Exhibit C to this Agreement, within which you will be afforded the protections described in Section II.B. of this Agreement.

“Software Programs” means the proprietary or other software programs we develop or acquire and require for use by 5 Star Nutrition Businesses.

“System” means our comprehensive methods and procedures for the establishment, management and operation of 5 Star Nutrition Businesses, including the Confidential Information, our Manuals, Proprietary Defynded Brands Products and software systems (if any), the Marks and other business standards and policies, the distinguishing characteristics of which include, without limitation, distinctive exterior and interior design, decor, color scheme, and furnishings; special processes or techniques we have developed; uniform standards, specifications, policies and procedures for operations; quality and uniformity of the products and services offered; any Proprietary Defynded Brands Products and software systems we may develop, procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which we may change, improve, further develop or otherwise modify from time to time.

“Taxes” means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed by federal tax authorities on our net income.

II. GRANT

A. Grant of Rights. We hereby grant you the right, and you accept the obligation, to establish and operate a 5 Star Nutrition Business under the Marks and the System in accordance with this Agreement at the approved Franchise Location. This Agreement only grants you the right to operate a 5 Star Nutrition Business from the Franchise Location, and your operations must be limited to offering services and products to customers at such Franchise Location. You are not authorized to offer any products or services at wholesale or to solicit or offer products or services outside of your Protected Area. You shall not engage in sales via the Internet or other alternative channels of distribution; however, during the term of this Agreement, for so long as you remain in full compliance with your obligations hereunder, you will be entitled to receive Ten Percent (10%) of the Gross Sales generated from online sales of Defynded Brands products through our affiliate’s website (www.5starnutrition.com) to customers located within one or more of the zip codes overlapping your Protected Area, provided that we reserve the

right to divide one or more zip codes between multiple franchisees based on their Protected Area boundaries. The zip code(s) in which you will be entitled to a portion of such online sales revenues from the sale of Defynd Brands products are referred to herein as the “Revenue Split Zip Codes”, and your “Revenue Split Zip Codes” are listed in Exhibit C to this Agreement. The zip code in which your 5 Star Nutrition Business is actually located will be a “Revenue Split Zip Code”, and we will determine, in our sole discretion, whether any other zip codes will be designated as your “Revenue Split Zip Codes”. Notwithstanding the foregoing, your right to receive a portion of online sales revenues from the sale of Defynd Brands products to customers in the Revenue Split Zip Codes may, at our option, be temporarily or permanently terminated if you breach this Agreement, and any dispute as to the location of a customer for purposes of this paragraph shall be determined by us in our sole discretion.

B. Protected Area. Your Protected Area will be described in Exhibit C. Except as provided in Section II.C. and subject to your full compliance with this Agreement and any other agreement between you or your Affiliates and us or our Affiliates, neither we nor any of our Affiliates will establish, or authorize any person or entity other than you to establish, a 5 Star Nutrition Business in the Protected Area during the term of this Agreement.

C. Reserved Rights. The rights granted to you under this Agreement are nonexclusive, and we and our Affiliates have and retain all rights within and outside the Protected Area except those expressly granted to you. Accordingly, we, our Affiliates, and any other authorized person or entity will have the right, among others, (i) to operate, and license others to operate, 5 Star Nutrition Businesses at any location outside the Protected Area, including locations that are adjacent to or surrounded by the Protected Area; (ii) within and outside the Protected Area to develop and establish other business systems (including systems that offer products or services similar to those offered at 5 Star Nutrition Businesses) using other names or marks and to grant licenses to others to use those systems; (iii) to advertise and promote the 5 Star Nutrition System both within and outside the Protected Area; (iv) to acquire, or be acquired by, any competing system or other third party, including a competing system that has one or more units located within your Protected Area; and (v) except for the restriction in Section II.B. against the establishment of another 5 Star Nutrition Business in the Protected Area, to engage, directly or indirectly, at wholesale, retail or otherwise, in the offer, license and sale of “5 Star Nutrition” branded services and products and any and all similar or dissimilar services and products, whether under the Marks or under other names or marks, both within and outside the Protected Area, through any other method of distribution, including, but not limited to, Internet sales, sales at grocery stores or other retail outlets, mail order catalogs, and any other systems, programs or alternative channels of distribution at our discretion, regardless of the competitive impact on your 5 Star Nutrition Business.

III. SITE SELECTION, CONSTRUCTION AND OPENING DATE

A. Site Selection and Acquisition. You must obtain possession of a Franchisor-approved location for your 5 Star Nutrition Business within five (5) months of the Effective Date of this Agreement. If you fail to meet such 5-month deadline but you are, in our reasonable discretion, making a diligent good faith effort to obtain a Franchisor-approved location then we will grant you a one-month cure period to find, and obtain possession of, a Franchisor-approved location. If you have not obtained a Franchisor-approved location within six (6) months of the Effective Date, such failure will constitute a material default under this Agreement. You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for your 5 Star Nutrition Business and for constructing and equipping the 5 Star Nutrition Business at such site within the Designated Search Area. You acknowledge and agree that you acquire no rights in and to the Designated Search Area, other than the right to

search for, and select, a site for your 5 Star Nutrition Business from within its boundaries. Following your selection, and our acceptance, of a site for your 5 Star Nutrition Business, the Franchise Location will be identified in Exhibit C to this Agreement, and the Designated Search Area will be of no further force or effect.

(1) To assist you in your selection of a site for your 5 Star Nutrition Business, we will provide to you: (i) our written site selection guidelines and such other site selection assistance as we deem advisable; and (ii) such on-site evaluation as we may deem necessary; provided, that we will not provide an on-site evaluation for any proposed site before receiving all relevant information and materials required pursuant to Section III.A(2) below.

(2) Before acquiring a site for your 5 Star Nutrition Business, you shall submit to us, in the form specified by us, a description of the site, evidence satisfactory to us demonstrating that the site satisfies our site selection guidelines, and such other information and materials as we may reasonably require, including, but not limited to, a copy of the proposed lease (which must incorporate a lease addendum/rider in substantially the form attached hereto as Exhibit F) or a contract of sale for the site if you plan to purchase the site.

(3) We shall have fifteen (15) days after receiving all required site information to accept or reject, in our sole discretion, the proposed site as the location for your 5 Star Nutrition Business. No site may be used for a 5 Star Nutrition Business unless it is first accepted in writing by us, and you shall not make any binding commitment with respect to a site for your 5 Star Nutrition Business unless the site is first accepted in writing by us. You acknowledge and agree that you are solely responsible for locating and investigating a prospective site and negotiating a lease (or purchase agreement, if applicable) for such site, and our acceptance of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the 5 Star Nutrition Business operated at that site will be profitable or otherwise successful.

(4) Promptly following our acceptance of the site for your 5 Star Nutrition Business, you shall acquire the site by purchase or lease, at your expense. You must deliver to us a copy of the fully executed lease (or contract of sale, if applicable) within ten (10) days after its execution.

(5) After we accept the site and you acquire the site as required hereunder, the address of the site shall be entered on Exhibit C to this Agreement as the "Franchise Location", and the "Protected Area" around the Franchise Location will be determined and described on Exhibit C.

B. Franchise Location; Relocation. You have been granted the right to operate a 5 Star Nutrition Business only from the Franchise Location listed in Exhibit C to this Agreement. This Agreement does not grant you the right or license to operate the 5 Star Nutrition Business (or to offer or sell any products or services) from any location other than the Franchise Location approved by us. You must not relocate your 5 Star Nutrition Business without our express prior written consent. If you are unable to continue the operation of your 5 Star Nutrition Business at the Franchise Location because of the occurrence of an event of Force Majeure or for other reasons not constituting an event of default under this Agreement, you may request our consent to relocate the 5 Star Nutrition Business to another location in the Protected Area. Such request must be submitted to us as soon as possible (but in no event longer than 10 days) after the date you discover you will be unable to continue the operation of the 5 Star Nutrition Business at the Franchise Location. If we grant you the right to relocate your 5 Star Nutrition Business,

you must pay us a relocation fee equal to Fifty Percent (50%) of our then-current initial franchise fee and comply with all of our site selection and construction procedures as outlined in this Agreement.

C. Licenses; Permits. You are solely responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the construction and operation of the 5 Star Nutrition Business at the Franchise Location, and you must conform the premises as needed to comply with any local ordinances and building codes at your expense. Before beginning any construction or remodeling of the 5 Star Nutrition Business, you must (i) obtain all approvals, clearances, permits, licenses and certifications required for the lawful construction or remodeling and operation of the 5 Star Nutrition Business, and (ii) certify in writing to us that such items have been obtained and that the insurance coverages specified in Section XIII. of this Agreement are in full force and effect. At our request, you agree to provide to us copies of all such approvals, clearances, permits, licenses and certifications.

D. Construction and Finish Out. After you obtain an approved site for your 5 Star Nutrition Business, we will schedule a design/construction meeting with you to review our recommended layout for your location. We will provide you with our prototypical design specifications for a 5 Star Nutrition Business, but you must, at your expense, hire and coordinate with, an architectural or design services vendor as needed to prepare tailored architectural plans and drawings specific to your Franchise Location space. You must also obtain, at your sole expense, all appropriate engineering, design, construction and other services necessary for the construction of the 5 Star Nutrition Business. Any architect(s), engineer(s) or other construction professionals that you may select to assist with the construction of your 5 Star Nutrition Business must be approved by us before beginning their work on the 5 Star Nutrition Business. We may, but are not obligated to, provide you with a list of approved architect(s), engineer(s) and construction professionals that you may use in the development of your 5 Star Nutrition Business.

(1) You must submit the proposed site-specific architecture and design plans and specifications to us for review within five (5) days after you receive them. We will notify you of any objections to the plans. We have the right to review your plans and will notify you of our acceptance or objections within 15 days after we receive your plans, provided that if we do not notify you of acceptance within that time, your plans will be deemed rejected unless and until later approved by us. Any objections we make will also include a reasonably detailed list of changes that you must make for the plans to be acceptable. We will notify you within 15 days after we receive your revised plans if they are acceptable or require further changes. You acknowledge that our review of the plans is only for the purpose of determining compliance with our System standards, and that our acceptance of the plans does not constitute a representation, warranty, or guarantee, express or implied, that the plans are accurate or free of error concerning their structural application. We are not responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances or regulations of any federal, state, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor are we responsible for any errors, omissions, or discrepancies of any nature in the plans.

(2) You must promptly commence, and diligently pursue, construction of the 5 Star Nutrition Business once we have approved your construction plans. During construction, you agree to provide us with such periodic progress reports as we may reasonably request, and we reserve the right to conduct one or more on-site inspections of the construction progress as we deem appropriate. You agree to notify us of the scheduled date for completion of construction no later than thirty (30) days prior to such date. Within a reasonable time after the date construction is completed, we will, at our option, conduct an inspection of the completed 5 Star Nutrition Business.

You must not open the 5 Star Nutrition Business for operation without our written authorization, which will be conditioned upon your strict compliance with this Agreement and our standards and specifications.

E. Opening Date. You must open the 5 Star Nutrition Business and commence operations within nine (9) months of the Effective Date of this Agreement, unless you obtain a written extension of such time period from us. You acknowledge that time is of the essence. Before the Opening Date, you must complete all exterior and interior preparations for the 5 Star Nutrition Business, including installation of all equipment, fixtures, furnishings and signs, pursuant to the plans and specifications we have approved, and you must comply with all other pre-opening obligations established by us. If you fail to comply with any of these obligations, we have the right to prohibit you from opening the 5 Star Nutrition Business. Your failure to timely open the 5 Star Nutrition Business in compliance with these provisions will constitute a material default under this Agreement.

IV. TERM AND RENEWAL

A. Term. Unless sooner terminated as provided in this Agreement, the term of this Agreement will begin on the Effective Date (as defined above) and will continue until five (5) years from the Effective Date.

B. Successor Agreements. You may, at your option, renew your franchise rights by executing a successor franchise agreement with us based on our then-current form of franchise agreement, and successor franchise agreement shall have a term of 5 years. You shall have the right to execute one (1) successor franchise agreement, subject to any or all of the following conditions which must, at our option, be met prior to, and at, the time of renewal:

(1) You must give us written notice of your election to execute a successor franchise agreement with us not less than six (6) months nor more than twelve (12) months before the end of the initial term;

(2) You shall, at your sole cost and expense, renovate and modernize the 5 Star Nutrition Business as we may require, including, without limitation, the repair, replacement, and/or renovation, as determined by us, of any needed equipment (including, without limitation, any equipment, electronic payment systems, computer hardware, and software systems, collectively, the "Equipment"), signs, interior and exterior decor items, fixtures, furnishings, supplies and other products and materials required for the operation of the 5 Star Nutrition Business as we may require to reflect the then-current standards and image of the System, as described in our Manuals or otherwise as provided in writing by us (collectively, the "Remodeling Items"). In addition, you shall acquire, at your sole cost and expense, and install any new or additional Equipment and Remodeling Items reasonably required to offer and sell any new products or services designated by us from the 5 Star Nutrition Business and/or provide "5 Star Nutrition" branded products by alternative means required by us under our then-current standards;

(3) You must not be in default of this Agreement, neither you nor your Affiliates may be in default of any other agreement with us or any of our Affiliates; and you and your Affiliates must have substantially and timely complied with the terms and conditions of such agreements during their respective terms;

(4) You must have timely satisfied all monetary obligations owed to us and our Affiliates under this Agreement and any other agreement between you or any of your Affiliates and us or any of our Affiliates;

(5) You must present evidence satisfactory to us that you have the right to remain in possession of the Franchise Location during the entire renewal term or obtain our consent to a new site for the 5 Star Nutrition Business;

(6) You must execute our then-current form of successor franchise agreement, which will supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, except that the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees executing successor agreements;

(7) You and your Owners must execute a general release of any and all claims against us, our Affiliates, and our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, state or local laws, rules, regulations or orders;

(8) You must pay us a successor fee equal to twenty-five percent (25%) of our then-current initial franchise fee; and

(9) You must comply with our then-current qualification and training requirements.

V. FEES

A. Initial Franchise Fee. You agree to pay us an initial franchise fee of Twenty-five Thousand Dollars (\$25,000) upon the execution of this Agreement (the "Initial Franchise Fee"). The Initial Franchise Fee shall be deemed fully earned and non-refundable in consideration of the administrative and other expenses incurred by us in granting the franchise hereunder and for our lost or deferred opportunity to grant such franchise to any other party.

B. Royalty Fee. During the term of this Agreement, you agree to pay us continuing weekly royalty fees in an amount equal to 7.5% of your Gross Sales (with payments due each Tuesday for royalties accrued during the prior work week, which begins on Monday and ends on the following Sunday). You must pay the royalty fees via electronic funds transfer, or any other means we reasonably specify. The royalty fees will be due on Tuesday of each week during the term of this Agreement, provided that if the date on which a royalty payment would otherwise be due is not a Business Day, then payment shall be due on the next Business Day. On each royalty due date during the term of this Agreement, you must provide a Gross Sales Report to us for the applicable royalty period.

C. Technology Fees. Each month during the term of this Agreement you must pay us monthly Technology Fees in the amount of \$500 per month. Such fees shall be due each month throughout the term of this Agreement for services to be provided in the upcoming week. We may, in our sole discretion, increase the amount of the Technology Fees upon 30 days' prior written notice to you.

D. Mystery Shopper Fees. We may, at our option, implement a mystery shopper program upon written notice to you. If we implement such a program, either directly or through a third-party vendor, you will be required to pay us (or, at our instruction, our designated third-party vendor) periodic mystery shopper program fees

in an amount up to \$100 per month, as determined by us from time to time. Such fees shall be due on the first day of each month for services to be provided in the upcoming month.

E. Other Fees and Payments. In addition to the initial franchise fee and weekly royalty payments, you must pay when due all other fees or amounts described in this Agreement and in any other agreement between you and us or our Affiliates.

F. Past Due Amounts; Acceptance and Application of Payments.

(1) Any payment not actually received by us on or before the applicable due date will be deemed past due. All past due obligations under this Agreement will bear interest from the date due until paid at the lesser of eighteen percent (18%) per annum, or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment. You also agree to pay us a late payment fee equal to \$200 for each delinquent payment under this Agreement.

(2) Our acceptance of any payments delivered subsequent to the applicable due date shall not be deemed to be a waiver by us of any preceding breach by you or your Owners of any terms, provisions, covenants or conditions of this Agreement.

(3) We have the right to apply any payment we receive from you to any amounts you owe us or our Affiliates under this Agreement or any other agreement, even if you have designated the payment for another purpose or account. We may accept any check or payment in any amount from you without prejudice to our right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) You have no right to withhold any payments due to us on account of our breach or alleged breach of this Agreement, and no right to offset any amount due to us against any obligation that we may owe to you.

(5) Each payment to be made to us shall be made free and clear and without deduction for any Taxes.

G. Electronic Funds Transfer. You agree to execute Exhibit E to this Agreement and all other documents necessary to permit us to withdraw funds from your designated bank account by electronic funds transfer ("EFT") in the amount of the royalty fees, the Brand Development Fund contributions (described in Section IX.C.), and any other amounts due under this Agreement at the time such amounts become due and payable under the terms of this Agreement. Any fee calculated by reference to Gross Sales will be based on the information we obtain pursuant to Section XII.C. of this Agreement or the Gross Sales Report. If we have not received a Gross Sales Report within the time period required by this Agreement, then we may process an EFT for the applicable royalty period based on the most recent Gross Sales Report provided to us by you; provided, that if a Gross Sales Report for

the applicable royalty period is subsequently received and reflects (i) that the actual amount of the fee due was more than the amount of the EFT, then we will be entitled to withdraw additional funds through EFT from your designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then we will credit the excess amount to the payment of your future obligations. Should your bank fail to honor any EFT for any reason, you agree that you will be responsible for promptly delivering such payment directly to us and reimbursing us for any service charge or other costs or expenses we incur. If any payments are not received when due, interest may be charged in accordance with Section V.F. Upon written notice to you, we may designate another method of payment.

H. Annual Conference Fees. You must pay us our then-current registration fees for our annual franchise conference (up to a maximum of \$1,000 per person as determined by us), which we may host at a location selected by us. If we schedule an annual franchise conference, you must attend. If you fail to attend an annual franchise conference without our prior written consent, you will be required to pay us the applicable registration fees for one person within 10 days following the date of the applicable conference.

I. Initial Inventory Package. At least 30 days prior to opening your 5 Star Nutrition Business, you must purchase an initial inventory package costing approximately \$45,000, which must include at least \$35,000 of Defynd Brands products to be purchased from our affiliate, 5 Star Nutrition, LLC.

VI. OUR OBLIGATIONS

We agree to provide the following services or cause them to be provided to you:

A. Manuals. Access to one (1) set of the Manuals (to be provided in electronic format only, using a system determined by us in our sole discretion), which we may amend from time to time at our sole discretion upon written notice to you.

B. Training. An initial training program for your Principal Owner (and General Manager if applicable), and additional training programs in accordance with Section VIII.A. Upon your reasonable request or if we determine it to be necessary from time to time during the term of this Agreement, you will attend remedial training on-site at your location or at another location designated by us, in our sole discretion; provided, that remedial training will be conducted subject to the availability of our personnel, and provided further, that we may require you to pay the daily fee we are then charging for remedial training (currently \$500 per trainer per day), and pay or reimburse us for all expenses incurred by our representatives, including the costs of travel, lodging, and meals.

C. Opening Assistance. Such on-site pre-opening and opening assistance as we reasonably deem necessary. In connection with the opening of your 5 Star Nutrition Business, one or more of our representatives shall provide on-site assistance to you at your 5 Star Nutrition Business for up to 5 days in connection with your initial opening. However, if you have previously opened or operated a 5 Star Nutrition Business, we may, at our option, provide you with less than 5 days of on-site opening assistance, as we deem appropriate.

D. Software Programs. For a reasonable fee, any Software Programs that we acquire or develop for use in the System; provided, that we are under no obligation to develop or acquire such Software Programs.

E. Inspections. Inspections of the 5 Star Nutrition Business and evaluations of the products and services offered and sold at and from the 5 Star Nutrition Business from time to time as reasonably determined by us.

F. Advertising. Administration of a Brand Development Fund in accordance with Article IX. We may also provide to you, at a reasonable cost, any advertising and promotional materials we may develop from time to time for use in marketing and promoting 5 Star Nutrition Businesses.

G. Operational Advice. Advice and written materials concerning techniques for managing and operating 5 Star Nutrition Businesses, including new developments and improvements in the System.

H. Collateral Merchandise; Equipment; Décor Items. From time to time in our discretion and at a reasonable cost, certain merchandise identifying the System, such as clothing or other System memorabilia, in sufficient amounts to meet customer demand, and/or certain equipment, décor items or other products and services.

I. Approved Suppliers. From time to time as we deem appropriate, a list of approved suppliers.

VII. YOUR REPRESENTATIONS, WARRANTIES AND COVENANTS

A. Your Investigation of this Franchise.

(1) You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement.

(2) Whenever we have expressly reserved in this Agreement, or are deemed to have, a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, then except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including, without limitation, our judgment of what is in the best interests of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by us; (ii) our decision or the action we take promotes our financial or other individual interest; (iii) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned operations; or (iv) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

B. Your Organization. If you are a corporation, partnership, limited liability company or other legal entity:

(1) You are duly organized and validly existing under the law of the state of your formation;

(2) You are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification;

(3) Your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the operation of 5 Star Nutrition Businesses. You warrant and represent that neither you nor any of your Affiliates or Owners own, operate or have any financial or beneficial interest in any business (other than a 5 Star Nutrition Business or other business licensed by us or our affiliate) that is the same as or similar to a 5 Star Nutrition Business (including any business that offers products or services related to health, wellness, muscle building, weight management or sports nutrition);

(4) The execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under your written partnership or limited liability company agreement and have been duly authorized; and

(5) You have provided to us prior to the execution of this Agreement, and will from time to time during the term of this Agreement at our request provide to us, copies of your articles of incorporation and bylaws or, as applicable, your written partnership or limited liability company agreement, other governing documents, any amendments to them, resolutions authorizing your entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of your stock or other ownership interests and any other documents that we may reasonably request.

C. Your Owners.

(1) If you are a corporation, partnership, limited liability company or other legal entity, the ownership interests in you are accurately and completely described in Exhibit D. You agree to maintain at all times a current list of all your Owners and to make your list of Owners available to us upon request.

(2) If you are a corporation, you agree to maintain stop-transfer instructions against the transfer on your records of any of your equity securities and to conspicuously endorse each stock certificate with a statement, in a form satisfactory to us, that it is held subject to all restrictions imposed upon assignments by this Agreement. If you are a partnership or limited liability company, your written partnership or limited liability company agreement shall provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.

(3) Unless otherwise agreed in writing by us, you must cause each of your Owners to execute the Guaranty and Assumption Agreement attached as Exhibit A to this Agreement, jointly and severally guarantying your performance under this Agreement and otherwise binding themselves to the terms of this Agreement as stated therein.

D. Your Financial Covenants.

(1) You have provided to us your most recent financial statements. These financial statements present fairly your financial position at the dates indicated therein and the results of your operations and cash flow for the years then ended. Each of the financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the

applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments or obligations of any nature, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements.

(2) At our request, you agree to provide us with any and all loan or other documents regarding the financing of the 5 Star Nutrition Business.

(3) You agree to maintain at all times during the term of this Agreement sufficient working capital to fulfill your obligations under this Agreement.

E. Your Management.

(1) You agree to designate upon the execution of this Agreement, and to retain at all times during the term of this Agreement, an individual to serve as your Principal Owner. The Principal Owner must meet our qualifications and must be approved by us. Unless a separate General Manager is approved by us as described in Section VII.E(2), your Principal Owner must devote full time and best efforts to the direct supervision of the 5 Star Nutrition Business(es) operated by you and your Affiliates. Without our written consent, your Principal Owner shall not engage in any business other than the operation of your 5 Star Nutrition Business(es). Your Principal Owner and any General Manager whom we approve must be empowered with full authority to act for you.

(2) You agree to designate not later than thirty (30) days before the Opening Date and to retain at all times during the term of this Agreement a General Manager who meets our qualifications to supervise the operation of your 5 Star Nutrition Business. Your Principal Owner may serve as the General Manager of your 5 Star Nutrition Business, provided that he or she may not serve as the General Manager for more than one 5 Star Nutrition Business at the same time. Subject to our written consent, you may elect to designate an individual other than your Principal Owner for the position of General Manager. Your General Manager must devote full time and best efforts to the supervision of the 5 Star Nutrition Business operated by you and your Affiliates and, without our written consent, shall not engage in any other business. You acknowledge and agree that the appointment of a General Manager will not relieve your Principal Owner of his or her supervisory responsibilities for the operation of your 5 Star Nutrition Business. You and your Principal Owner shall remain fully responsible for your General Manager's performance. Each 5 Star Nutrition Business must have a different General Manager.

(3) If, during the term of this Agreement, your General Manager is not able to continue to serve in such capacity for any reason or no longer qualifies to serve in such role in accordance with this Agreement, you shall promptly notify us and designate a replacement within thirty (30) days after the General Manager ceases to serve, such replacement being subject to the same qualifications listed above (including the completion of all training and obtaining all certifications required by us). You shall provide for interim management of the 5 Star Nutrition Business until such replacement is so designated, and such interim management must be conducted in accordance with the terms of this Agreement. Any failure to comply with the requirements of this Section VII.E shall be deemed a material event of default.

(4) You shall inform us in writing if you appoint any assistant managers for your 5 Star Nutrition Business. The assistant managers, if applicable, shall meet our qualifications, shall devote full time and best efforts to the day-to-day operation and management of the 5 Star Nutrition Business and shall not engage in any other business activity without our prior written consent.

(5) The names of your Principal Owner and General Manager shall be listed in Exhibit D to this Agreement, and you agree to keep such information current at all times during the term of this Agreement. You must promptly notify us in writing if your Principal Owner or General Manager cannot continue or no longer qualifies to serve in that capacity and must take corrective action acceptable to us within thirty (30) days after any such notice. During such thirty (30) day period, you must provide for interim management of your operations in accordance with this Agreement. Any failure to comply with this Section VII.E. will be a material breach of this Agreement.

F. Legal Compliance. In addition to complying with your obligations under this Agreement, you agree to comply with all applicable federal, state and local laws, rules, regulations, ordinances and orders. Such laws, rules, regulations, ordinances and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all such laws, rules, regulations, ordinances and orders, and to adhere to them at all times during the term of this Agreement. Without limiting the foregoing, you certify that neither you nor any of your Owners, employees or anyone associated with you is listed in connection with any Anti-Terrorism Law, and you agree not to hire or have any dealings with a person so listed. You further certify that you have no knowledge or information that, if generally known, would result in you, your Owners, employees, or anyone associated with you being so listed. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws and, in connection with such compliance, you represent and warrant that none of your property or interests are subject to being “blocked” under any of the Anti-Terrorism Laws and that you and your Owners are not otherwise in violation of any of the Anti-Terrorism Laws. You also agree to comply with all payment card infrastructure (“PCI”) industry and government security standards and requirements designed to protect cardholder data. PCI standards apply to both technical and operational aspects of credit card and other payment card transactions and apply to all organizations which store, process or transmit cardholder data. You also agree to comply with all federal, state, and local laws, rules and regulations governing the nutrition industry, including those specifically focused on the storage, offer, and sale of the products to be offered at your 5 Star Nutrition Business. This includes all rules and regulations issued by the Federal Trade Commission (the “FTC”), the Consumer Product Safety Commission, and the U.S. Food and Drug Administration (the “FDA”). You must also comply with any regulations promulgated by your local health department, if any, that impact your operations. The FDA and FTC rules and regulations may restrict your advertising or the representations you can make about certain products. Those regulations may also prohibit you from selling certain products, in some cases because of statements on their labels or advertising associated with those products. Furthermore, you must comply with all applicable FDA requirements contained in the Federal Food, Drug, and Cosmetic Act (and any similar state law) concerning the sale of vitamins, drugs, food supplements and other goods or services offered for sale at your 5 Star Nutrition Business. You must investigate and obtain all certifications, permits, or other licenses necessary for you to operate your 5 Star Nutrition Business. You acknowledge and agree that you shall be solely responsible for any costs, expenses, damages or other liabilities incurred by you or us as a result of, or in connection with, your failure to comply with any applicable laws or PCI standards.

G. Powers of Attorney. You hereby appoint us as your true and lawful attorney-in-fact, with full power and authority (i) to assign to us upon the termination or expiration of this Agreement (a) all rights to the telephone numbers of the 5 Star Nutrition Business, any related business listings, and all rights to any website listings or services, search engines or systems, and any other business listings related to the 5 Star Nutrition Business and (b) at our option, your interest in any lease for the Franchise Location and any equipment used in the operation of the 5 Star Nutrition Business; and (ii) to obtain any and all returns and reports related to the 5 Star Nutrition Business that you file with any local, state or federal taxing authority. Such powers of attorney shall survive the expiration or termination of this Agreement, and you agree to execute such forms and documents as we deem necessary to appoint us your true and lawful attorney-in-fact with full power and authority for the foregoing purposes.

H. Continuing Obligations. You and you Owners make the foregoing representations, warranties and covenants understanding that such representations, warranties and covenants are continuing obligations. You agree to cooperate with us to verify your and your Owners' continuing compliance with such representations, warranties and covenants. Any failure to comply with these representations, warranties and covenants will constitute a material event of default under this Agreement.

VIII. OPERATIONS

A. Training. Your Principal Owner and General Manager must successfully complete our initial management training program to our satisfaction at least 15 days (but no more than 45 days) prior to the opening of your 5 Star Nutrition Business. You must have at least two people complete our training program to our satisfaction, and at our option, we can require up to three people to attend and successfully complete our initial management training program before you open for business. Any successor or replacement Principal Owner or General Manager must successfully complete our management training program within a reasonable time after such persons are designated, provided that each successor or replacement must successfully complete training no more than thirty (30) days after the date on which his or her predecessor ceased to be employed by you (or ceased to serve as Principal Owner, as applicable). If the 5 Star Nutrition Business operated under this Agreement undergoes a transfer of ownership, the new Principal Owner (and the General Manager if different from the Principal Owner) must attend and complete our initial management training program to our satisfaction no later than 30 days from the date of such transfer. These persons, and any of your other personnel whom we may designate, must attend and complete any additional training that we may require from time to time. In addition, we may, at our option, conduct periodic franchisee conventions at a location designated by us, and your Principal Owner and/or General Manager must attend such conventions. At our option, we may certify your Principal Owner or General Manager (following their completion of all applicable training as required by us) as a "Certified Trainer" authorized to provide and conduct one or more designated training programs (as determined by us) for new or replacement employees at your 5 Star Nutrition Business; provided, however, that we reserve the right to test any employees trained by a Certified Trainer and to require any Certified Trainer and any of your employees to successfully complete additional training programs conducted by us from time to time. Initial management training for your Principal Owner and General Manager is provided at our offices in Austin, Texas (or other location(s) we designate) at no charge; however, we reserve the right to charge a reasonable fee for training any additional persons (a daily rate of up to \$500 per person), including any successor or replacement personnel, and for any additional training programs. Such additional training shall be conducted at locations we designate. You are responsible for any and all expenses incurred in connection with any initial or additional training and attendance at any franchisee conventions, including, without limitation, the costs of travel, lodging, meals and wages incurred by you and your personnel. If

any Principal Owner or General Manager fails, in our sole judgment, to satisfactorily complete our management training program, and you fail to cure such default within ninety (90) days following written notice from us, we may terminate this Agreement.

B. Standards Compliance. You acknowledge the importance of maintaining uniformity among all of the 5 Star Nutrition Businesses and the importance of complying with all of our standards and specifications relating to the operation of the 5 Star Nutrition Businesses. To protect the reputation and goodwill of the System and to maintain high standards of operation under the Marks, you agree to conduct your business in accordance with the Manuals, other written directives which we may issue to you from time to time, and any other manuals and materials created or approved for use in the operation of 5 Star Nutrition Businesses.

C. Maintenance of the 5 Star Nutrition Business. You agree to maintain the 5 Star Nutrition Business in a high degree of sanitation and repair, and to make such additions, alterations, repairs and replacements as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, décor, and equipment (including, but not limited to, Computer Systems) as we may reasonably direct. You also agree to obtain, at your expense, any new or additional equipment (including, but not limited to, Computer Systems), fixtures, supplies and other products and materials which we may reasonably require for you to offer and sell new services or products from the 5 Star Nutrition Business or to provide such services or products by alternative means. No alterations, improvements or changes of any kind in design, equipment, signs, interior or exterior decor items, fixtures or furnishings shall be made in or about the 5 Star Nutrition Business without our prior written approval.

D. Upgrade of the 5 Star Nutrition Business. Promptly upon our request, you must make improvements, renovations, updates and upgrades to the 5 Star Nutrition Business to conform it to our then-current standards and specifications. Without limiting the foregoing, you agree that, if we request, you will make any capital improvements required by this Section VIII.D. on or after the third anniversary of the Opening Date, or at such other time during the term of this Agreement that a majority of the 5 Star Nutrition Businesses then operated by us or our Affiliates have made, or are utilizing best efforts to make, such improvements.

E. Sourcing and Minimum Purchase Requirements for Defynd Brands Products.

(1) You agree to comply with all of our standards and specifications for the purchase of all inventory, supplies, materials, fixtures, furnishings, equipment, Computer Systems, and other products used or offered for sale at the 5 Star Nutrition Business. If we have approved or designated suppliers (which may include us or our Affiliates or third party manufacturers, distributors and other sources) for any such item, you agree to obtain these items from those suppliers, and you acknowledge and agree that we reserve the right to receive rebates, refunds or other compensation from such suppliers. Our approved or designated suppliers are those who demonstrate on a continuing basis the ability to meet our standards and specifications; who have adequate quality controls and the capacity to supply the needs of the 5 Star Nutrition franchise network promptly and reliably over an extended period of time; and who have been approved in writing by us and who have not thereafter been disapproved by us. We may designate ourselves, our Affiliates or a third party as an approved or designated supplier, or as the sole approved or designated supplier of any item. You agree that we and our Affiliates may derive revenue based on your purchases and leases (including, without limitation, from charging you for products and services we or our Affiliates provide to you and from payments made to us or our Affiliates by suppliers that we

designate or approve for some or all of our franchisees), and that you may be required to purchase minimum quantities of products based on the number of products and services that your 5 Star Nutrition Business is providing.

(2) You acknowledge and agree that we and our affiliates have developed, or may develop, for use in the System certain products (including, but not limited to, supplements, weight management products, muscle building products and various other nutrition, health and wellness products) which are proprietary and constitute trade secrets of ours (collectively, “**Proprietary Defyned Brands Products**”). Because of the importance of high quality and uniformity of production and the significance of such Proprietary Defyned Brands Products to the System, it is to the mutual benefit of the parties that we closely control the production and distribution of such Proprietary Defyned Brands Products. Accordingly, you agree that you shall purchase solely from us or our affiliate, or from a source designated by us, all such Proprietary Defyned Brands Products. Furthermore, you agree to purchase from us or our affiliate for resale to your customers certain merchandise associated with the System as we shall require, including all Proprietary Defyned Brands Products (including “5 Star Nutrition” brand or other proprietary branded items), such as supplements, weight management products, muscle building products and various other nutrition, health and wellness products, clothing, memorabilia and promotional products bearing the Marks, in amounts required by us. While you may choose to purchase higher volumes, you must purchase at least the following amount of Proprietary Defyned Brands Products from us or our affiliate each quarter for resale at your 5 Star Nutrition Business: (a) \$15,000 per quarter if your Gross Sales were less than \$100,000 in the prior quarter; and (b) if your Gross Sales exceeded \$100,000 in the prior quarter then your minimum purchase requirement for the next quarter will increase by \$5,000 for each additional \$25,000 you achieve in Gross Sales. For example, you must purchase \$20,000 per quarter if your Gross sales were between \$100,000 and \$124,999 in the prior quarter; you must purchase \$25,000 per quarter if your Gross sales were between \$125,000 and \$149,999 in the prior quarter, etc.; with the minimum purchase amount adjusted quarterly based on such formula. In addition to minimum purchases of Proprietary Defyned Brands Products, you must also maintain a total inventory of products (including Proprietary Defyned Brands Products and other approved third-party products) worth at least \$40,000 at all times. Your failure to purchase the minimum quarterly level of required Proprietary Defyned Brands Products from us or our affiliate or maintain the minimum total inventory level will constitute a material breach of this Agreement. Without limiting our other remedies, we may, at our option, charge you a non-compliance fee in the amount of \$3,000 each time you: (a) fail to purchase the required amount of Proprietary Defyned Brands Products per quarter from us or our affiliate; or (b) fail to maintain a total inventory of products worth at least \$40,000, as measured on the last day of each month.

(3) You shall require all signs, decorations, paper goods (including all forms and stationery used in connection with the franchised business), and other items which may be designated by us from time to time to bear the Marks in the form, color, size, location and manner prescribed by us.

(4) If you wish to use any item or service that we have not yet evaluated or (for items that we require you to purchase from designated or approved suppliers) if you wish to purchase or lease any such item from a supplier that we have not yet approved, you must submit a written request for approval to us. You cannot purchase or lease any such item unless the supplier has been approved in writing by us. We are not required to approve any particular supplier. We will have the right to require you to submit information, specifications and samples to us to enable us to determine whether the item complies with our standards and specifications and that the supplier meets our criteria. We also have the right to send our representatives to inspect the supplier’s facilities and to have samples from the supplier be delivered to us or to an independent laboratory designated by us for testing. You or the proposed supplier will be required to pay for the cost of the inspection and the test (including our administrative

expenses), and you must also pay us an amount equal to the greater of \$1,000 or the actual costs and expenses we incur in connection with the evaluation of your proposed supplier or product. We may, at our option, waive or refund the fee paid to us if the new item or service is approved for use by all our franchisees. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We reserve the right to re-inspect from time to time the facilities and products of any approved supplier and to revoke our approval of the supplier if the supplier fails to continue to meet any of our criteria. If we revoke our approval of any supplier, you agree to promptly discontinue use of that supplier. Your failure to comply with the provisions of this Section VIII.E. shall be deemed a material breach under this Agreement.

F. Operational Requirements. You agree to operate the 5 Star Nutrition Business in full conformity with our methods, standards and specifications as set forth in the Manuals and as from time to time otherwise prescribed in writing. Without limitation of the foregoing, you agree:

(1) To sell or offer for sale all products and services (meeting our standards and specifications) we require using the method and manner of distribution we prescribe. Distribution methods must be expressly authorized by us in writing in the Manuals or otherwise;

(2) To sell and offer for sale only the products and services that we have expressly approved for sale in writing; to discontinue selling and offering for sale any products or services and any method or manner distribution which we may disapprove in writing at any time;

(3) To maintain in sufficient supply and to use and sell at all times only those items, products, materials, and supplies that conform to our standards and specifications; to conduct all services in accordance with our standards, specifications and procedures; to use and sell the brand and/or type of products we require; and to refrain from deviating from our standards and specifications by using or offering non-conforming products or services without our prior written consent;

(4) To permit us or our agents, at any reasonable time, to remove samples of any items from your 5 Star Nutrition Business, without payment, in amounts reasonably necessary for testing to determine whether such samples meet our then-current standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform to our specifications;

(5) To purchase or lease and install, at your expense, all fixtures, furnishings, equipment, Computer Systems, decor items (including holiday decorations), signs, music systems and audio/video equipment and technology, and related items that we may reasonably direct from time to time (and such items must be used in accordance with our standards and specifications for audio/video content and decibel levels); and to refrain from installing or permitting to be installed in or about the 5 Star Nutrition Business, without our prior written consent, any fixtures, furnishings, equipment, decor items, signs, vending machines or other items not previously approved as meeting our standards and specifications;

(6) To grant us and our agents the right to enter the 5 Star Nutrition Business or otherwise observe your operations at any reasonable time to conduct inspections or evaluations; to cooperate with our

representatives conducting the inspections or evaluations by rendering such assistance as they may reasonably request; and, upon notice from us or our agents (and without limiting our other rights under this Agreement), to take any and all steps that may be necessary to correct promptly any deficiencies detected during an inspection or evaluation. If you fail for any reason to correct such deficiencies within a reasonable time, as determined by us, we will have the right and authority (but no obligation) to correct the deficiencies and to charge you a reasonable fee, payable on demand, for our expenses in taking the corrective action (including, without limitation, any necessary re-inspection or re-evaluation);

(7) To at all times operate your 5 Star Nutrition Business under the direct, on-site supervision of at least one person who has successfully completed our management training program pursuant to Section VIII.A of this Agreement; to at all times maintain a competent, conscientious, trained staff and to take any and all steps necessary to ensure that your employees preserve good customer relations and comply with any dress code we may prescribe;

(8) To only install and offer at the 5 Star Nutrition Business such equipment, machines and activities (such as vending machines or other devices) as we have expressly approved in the Manuals or otherwise in writing;

(9) To keep the 5 Star Nutrition Business open and in operation for the days and hours that we may prescribe from time to time;

(10) To maintain a competent, conscientious, properly trained staff in numbers sufficient to promptly service customers, and to take such steps as are necessary to ensure that such employees preserve good customer relations and comply with such uniform/dress code requirements as we may prescribe;

(11) To install and maintain the proper equipment and telecommunications line(s) necessary, and in accordance with our specifications, to permit us to access and retrieve by telecommunication any information stored on your computer system and related systems (thereby permitting us to inspect and electronically monitor information concerning the 5 Star Nutrition Business' Gross Sales and such other information as may be contained or stored in such equipment and software). At all times during the term of this Agreement, you shall obtain and maintain continuous and reliable high-speed Internet access or other means of electronic communication, as specified by us from time to time. It shall be a material default under this Agreement if you fail to maintain such equipment, lines, and communication methods in operation and accessible to us at all times throughout the term of this Agreement. We shall have access as provided herein at such times and in such manner as we shall from time to time specify;

(12) To honor all credit, charge, courtesy or cash cards or other credit devices required or approved by us. You must obtain our written approval prior to honoring any previously unapproved credit, charge, courtesy or cash cards or other credit devices. You shall ensure that the 5 Star Nutrition Business adheres to the standards applicable to electronic payments, including PCI (Payment Card Industry) standards or any equivalent thereof. If required by us or by one of the credit card companies, you shall provide us with evidence of compliance with the applicable standards and provide, or make available, to us copies of any audit, scanning results or related documentation relating to such compliance. Any costs associated with an audit or to gain compliance with these standards (including any penalties) shall be borne by you. You shall immediately (in any event within 24 hours) notify us if you suspect, or have been notified by any third party of, a possible security breach related to the cashless

system (or related cashless data) used in the 5 Star Nutrition Business;

(13) To not issue gift certificates, coupons or other cash equivalent certificates or devices for use at the 5 Star Nutrition Business without our prior written approval. You must accept all Franchisor issued or approved gift cards and/or certificates presented by customers for purchase of goods or services. You shall sell, issue, and honor only those gift cards and/or certificates (together "Gift Cards") that have been prepared utilizing the standards provided by us in the Manuals or otherwise in writing. You shall fully honor all Gift Cards regardless of whether a Gift Card was issued by you or by another 5 Star Nutrition Business. You shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by us in the Manuals or otherwise in writing, including those relating to procedures by which you shall (i) request reimbursement for Gift Cards issued by other 5 Star Nutrition Businesses, and (ii) make timely payments to us, other operators of 5 Star Nutrition Businesses, and/or third-party service providers for Gift Cards issued from your 5 Star Nutrition Business that are later honored by a 5 Star Nutrition Business owned or otherwise controlled by our affiliate or another 5 Star Nutrition Business operator. In connection with the foregoing, the administration of all Gift Card proceeds and reimbursements shall be controlled by us or our affiliates; and

(14) To obtain, at your sole expense, and maintain at all times during the term of this Agreement, such twenty-four (24)-hour monitored security system equipment and services as may from time to time be required by us for the protection of the 5 Star Nutrition Business and your employees and customers. All security system equipment and services must meet the then-current standards and specifications established by us.

G. Computer Systems. You agree to use the Computer System that we specify from time to time (if any) for use in the operation of the 5 Star Nutrition Business. You acknowledge that we may modify the specifications and the components of any such Computer System from time to time. As part of the Computer System, we may require you to obtain specified computer hardware and/or software, including, without limitation, a license to use Software Programs developed by us or others. Changes to the Computer System specifications may require you to incur costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System during the term of this Agreement. You acknowledge that we cannot estimate the future costs of the Computer System (or additions or modifications thereto) and that the cost to you of obtaining the Computer System (including software licenses) or additions or modification thereto may not be fully amortizable over the remaining term of this Agreement. Nonetheless, you agree to incur such costs. Within sixty (60) days after you receive notice from us, you agree to obtain the components of the Computer System that we require. You further acknowledge and agree that we have the right to charge a reasonable systems fee for any software or systems modifications and enhancements specifically made for us that are licensed to you and other maintenance and support services that we or our Affiliate may furnish to you.

H. Customer Complaints. You agree to process and handle all consumer complaints connected with or relating to the 5 Star Nutrition Business, and to promptly notify us of all safety or health violations or allegations of such violations, claims exceeding One Hundred Dollars (\$100), and any other material claims against or losses suffered by you. You also agree to maintain, and to promptly notify us of, any communications with governmental authorities affecting the 5 Star Nutrition Business during the term of this Agreement and for one (1) year after the expiration or earlier termination hereof.

I. Internet Website. You agree to install and maintain all hardware and software needed to access the Internet at the bit speed we require from time to time. You further agree that you will not establish any website or other account or listing on the Internet except as provided herein.

(1) Without our prior written approval, which we may give or withhold in our sole discretion, you may not develop, create, generate, own, or otherwise use any computer and/or electronic media (including but not limited to Internet websites, social media accounts, etc.) in connection with the 5 Star Nutrition Business. If we grant our approval for your use of an Internet website (including any social media pages), you must appoint us as a co-administrator of your account with ability to modify content, and you acknowledge that the form, content and appearance of any Internet website you use must comply with the System standards and must be approved by us in writing before being used. Accordingly, you agree that you have no authority to, and you will not, establish any website that creates any association with the Marks or the System, or post any advertisements, messages or materials on the Internet (including, but not limited to, social media websites such as Facebook, Instagram, Pinterest, Google, Yelp and Twitter) that depict or display the Marks or suggest an association with the System, without our express prior written consent. Without limitation of the foregoing, if we require, any Internet website created by or for you must contain a hypertext link to our Internet website in the form we require, and no other hypertext links to third party Internet websites unless previously approved in writing by us. Notwithstanding our approval of a website, we reserve the right to revoke our approval at any time that the website fails to continue to meet our standards, and you agree that upon such revocation, you will immediately discontinue use of the website.

(2) You agree that you have no authority to, and you will not, register any domain name in any class or category that uses or creates any association with the Marks (including any abbreviation, acronym, phonetic variation or visual variation of the Marks) or the System without our express prior written consent. You must obtain our written approval for your domain name prior to use. Your domain name must be registered in our name and licensed to you by us. On termination or expiration of this Agreement, the license of the domain name to you will automatically terminate and you agree to undertake all such actions that we require to disassociate yourself with the domain name.

(3) We may establish an Internet website that provides information about the System and the products and services offered by 5 Star Nutrition Businesses. If we establish an Internet website, we will have sole discretion and control over the website, including timing, design, contents and continuation. We may include at the website interior pages containing information about our franchisees' 5 Star Nutrition Businesses, and we may require you to prepare all or a portion of the page for your 5 Star Nutrition Business, at your expense, using a template that we provide, with all such information subject to our approval prior to posting. We may use the Brand Development Fund monies to establish and maintain the website.

(4) We also have the sole right (but no obligation) to develop an Intranet through which we and our franchisees can communicate by e-mail or similar electronic means. If we develop an Intranet, you agree to participate in strict compliance with our standards, protocols and restrictions, including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements. We may, in our sole discretion, charge a reasonable fee for Intranet usage, which you agree to pay in accordance with our invoice.

J. Business Licenses. You must secure and maintain, at your sole cost, any and all state, county, and/or local business licenses required for the operation of the 5 Star Nutrition Business. You must comply with all

federal, state, county, municipal, or other local laws and regulations that may apply to your 5 Star Nutrition Business. Before opening your 5 Star Nutrition Business you must obtain (and you must at all times maintain) all applicable licenses, and you must obtain and maintain any applicable real estate permits (*e.g.*, zoning), real estate licenses, and other operational licenses as needed. You will not be permitted to open your 5 Star Nutrition Business until, among other things, you have obtained all applicable licenses. You are solely responsible for obtaining and maintaining any applicable licenses and all expenses related thereto. You are also solely responsible for complying with all applicable laws and regulations governing the 5 Star Nutrition Business. Accordingly, you are solely responsible for any liability arising under any local, state or federal laws or regulations, and you must indemnify us for any costs, expenses and liabilities we incur as a result of, or in connection with, any violations at your 5 Star Nutrition Business.

K. Prices of Products Sold at Your 5 Star Nutrition Business. We may from time to time establish maximum, minimum or other pricing requirements for the products and services to be sold at your 5 Star Nutrition Business to the fullest extent allowed by law.

IX. ADVERTISING

A. Local Advertising. Recognizing the value of advertising and marketing to the goodwill and public image of 5 Star Nutrition Businesses, you agree to spend at least one percent (1%) of your Gross Sales each month on local advertising and promotion of your 5 Star Nutrition Business in the Protected Area. In our sole discretion, we may increase the amount you must spend on local marketing in the Protected Area upon not less than thirty (30) days' written notice to you (up to a maximum of 3% of your Gross Sales). At our request, you must submit to us a report (including substantiating receipts) detailing your local advertising expenditures during the time period specified in the request. In addition, we have the right to review your books and records from time to time to determine your expenditures for local advertising and promotion. If we determine that you have not spent the requisite amounts, we may require you to pay such unexpended amounts to us to apply to local advertising in the Protected Area.

B. Cooperatives. We have the right, but not the obligation, to designate any geographic area in which two (2) or more company-owned or franchised 5 Star Nutrition Businesses are located as a region for purposes of establishing an advertising cooperative ("Cooperative"). If we do establish one or more Cooperatives, each Cooperative will be organized and governed as, and will begin operations on a date, we determine in accordance with the Cooperative governing documents prepared or approved by us. Furthermore, we may modify or dissolve any Cooperative in our sole discretion from time to time upon written notice to the Cooperative members, and we may designate that specific vendors be used by any Cooperative. Cooperatives will be organized for the exclusive purpose of administering advertising programs and developing promotional materials for local advertising and will be operated solely as a conduit for the collection and expenditure of advertising contributions. No advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without our prior approval of such materials and plans. If a Cooperative is established for a geographic area that includes all or part of your Protected Area, you will be required to contribute each month to the Cooperative (provided that the contribution amount will be set by majority vote of the Cooperative members to as high as 1% of each member's Gross Sales, with each franchised unit in the Cooperative being entitled to one vote), and you must execute the applicable Cooperative documents promptly upon our request and participate as a member of the Cooperative. Among other things, this means that (i) you must submit to the Cooperative and to us all advertising receipts, statements and reports that we or the Cooperative may require, and (ii) you must contribute to the Cooperative the

amounts required by the Cooperative's governing documents; provided, that your Cooperative contributions will be applied to satisfy a portion (or potentially all) of your individual local advertising requirements under Section IX.A. In no event will your required contributions to a Cooperative exceed your individual local advertising requirements set forth in Section IX.A.

C. Brand Development Fund. We may, at our option, establish a Brand Development Fund (the "Brand Development Fund" or "Fund"). If we provide you with notice that we have established a Brand Development Fund, you will initially be required to make weekly contributions to such Brand Development Fund in an amount equal to one percent (1%) of your Gross Sales. In our sole discretion, we may increase the amount you must contribute to the Fund upon not less than thirty (30) days' written notice to you; provided, however, that we shall not require you to contribute more than three percent (3%) of your Gross Sales to the Fund. Your required contributions to the Fund are in addition to amounts you are required to spend for local advertising under Sections IX.A and IX.B. Fund contributions will be due and payable at the same time and in the same manner that royalty fee payments are due and payable.

(1) We will direct all programs financed by the Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation thereof. You agree that the Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; developing and implementing various brand development and brand building programs, strategies and campaigns; administering national, regional and multi-regional advertising programs, including, without limitation, promotional texts, e-mails, and other electronic communications, conducting customer and franchisee surveys, contributions to conventions, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; the cost of developing and maintaining an Internet website and enhancing search engine optimization; developing and maintaining gift card, membership and other customer loyalty programs; and supporting public relations, market research and other advertising, promotion and marketing activities.

(2) The Fund will be accounted for separately from our other funds and will not be used to defray our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Fund and its programs, including, without limitation, conducting market research; preparing advertising, promotion and marketing materials; and collecting and accounting for contributions to the Fund. We may spend, on behalf of the Fund, in any fiscal year an amount greater or less than the aggregate contribution of all 5 Star Nutrition Businesses to the Fund in that year, and the Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Fund will be used to pay advertising costs before other assets of the Fund are expended. We will prepare an annual unaudited statement of monies collected and costs incurred by the Fund and furnish the statement to you upon written request. We have the right to cause the Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified herein. 5 Star Nutrition Businesses owned by us and our Affiliates may, but are not required to, contribute to the Fund on the same basis as a franchisee under the terms of a standard franchise agreement for a 5 Star Nutrition Business.

(3) You acknowledge that the Fund is intended to maximize recognition of the Marks and patronage of 5 Star Nutrition Businesses. Although we will endeavor to utilize the Fund to develop advertising and marketing materials and programs that will benefit all 5 Star Nutrition Businesses, we have no obligation of any kind to ensure that expenditures by the Fund in, or affecting, any geographic area are proportionate or equivalent to

the contributions to the Fund by 5 Star Nutrition Businesses operating in that geographic area or that any 5 Star Nutrition Business will benefit directly or in proportion to its contributions to the Fund from the development of advertising and marketing materials or the placement of advertising. We may use a portion of the monies contained in the Fund to establish regional marketing funds and/or to establish and maintain a website for 5 Star Nutrition Businesses, which may include one or more pages dedicated to promotion of the franchise program and franchise sales. Except as expressly provided in this section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, the Fund.

(4) We reserve the right, upon thirty (30) days' prior written notice to you, to defer, reduce or suspend contributions to (and, if suspended, deferred or reduced, to reinstate such contributions) and to suspend operations of, the Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Fund. If the Fund is terminated, all unspent monies on the date of termination will be distributed to the contributors to the Fund in proportion to their respective contributions to the Fund during the preceding twelve (12) month period.

(5) We may, in our sole discretion and business judgment, use the Fund to directly or indirectly place advertising in any areas, which may or may not include your local or regional market; however, we also intend to use the Fund to create and prepare marketing materials or advertising programs that will be provided to you so that you may directly place or implement such materials or programs in your local or regional market.

D. Promotional Programs. We may, from time to time in our sole discretion, develop and administer advertising and sales promotion programs designed to promote all 5 Star Nutrition Businesses. We will be responsible for the design and administration of such programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies. If we do establish these programs, you agree to participate in them in accordance with the terms and conditions we establish. The standards and specifications we establish for such programs shall be final and binding upon you.

E. Advertising Standards. You agree that any advertising, promotion and marketing you conduct, whether required by this Agreement or voluntarily undertaken by you, will be completely clear and factual and not misleading and will conform to the highest standards of ethical marketing and the promotion policies that we prescribe from time to time. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted to us for approval at least fifteen (15) days before you use them or deliver them to a third party for use in any advertisement. If you do not receive written approval within ten (10) days after our receipt of such materials, we will be deemed to have disapproved such materials. You may not use any advertising or promotional materials that we have disapproved. Our approval of any advertising material may be withdrawn in our sole discretion at any time.

F. Initial Launch. During the period beginning fourteen (14) days prior to the Opening Date and ending thirty (30) days after the Opening Date (the "Initial Launch Period"), you must carry out an Initial Launch promotion for your 5 Star Nutrition Business in accordance with our standards. You must spend at least Ten Thousand Dollars (\$10,000) on advertising and promoting your 5 Star Nutrition Business during the Initial Launch Period. We will assist you in organizing your Initial Launch Period promotions, and we must approve all advertising items, methods and media you use in connection with such Initial Launch Period promotions. This \$10,000 Initial Launch marketing cost is in addition to your required local advertising expenditures. In order to ensure that the Initial Launch Period advertising is completed according to our standards and specifications, you

must, upon our request, provide us with all receipts showing the amounts spent by you and how those amounts were spent in furtherance of your Initial Launch marketing campaign.

G. Business Listings. If required by us, you shall place and pay the cost of a business listing acceptable to us, which may, at our discretion, be an Internet business listing(s), in such directories and categories as we may specify from time to time in the Manuals or otherwise in writing. This cost, if required by us, may be credited against your required local advertising expenditures.

X. MARKS

A. Your Right to Use the Marks. We grant you the right to use the Marks during the term of this Agreement in accordance with this Agreement and our standards and specifications.

B. Your Agreements Regarding the Marks. You expressly acknowledge that:

(1) As between us and you, we are the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them.

(2) Neither you nor any of your Owners will take any action that would prejudice or interfere with our rights or those of our Affiliates in and to the Marks. Nothing in this Agreement shall give you any right, title, or interest in or to any of the Marks, except the right to use the Marks in accordance with the terms and conditions of this Agreement.

(3) Any and all goodwill arising from your use of the Marks will inure solely and exclusively to our benefit and to the benefit of our Affiliates, and upon expiration or termination of this Agreement, no monetary amount shall be attributable to any goodwill associated with your use of the Marks.

(4) You agree not to contest, or assist others to contest, the validity of, or our or our Affiliates' interest in the Marks.

(5) Any unauthorized use of the Marks will constitute an infringement of our or our Affiliates' rights in the Marks and a material event of default under this Agreement. You agree to provide us with all assignments, affidavits, documents, information and assistance related to the Marks that we or our Affiliates reasonably request, including all such instruments necessary to register, maintain, enforce and fully vest the rights of us or our Affiliates in the Marks.

(6) We have the right to substitute different trade names, trademarks, service marks, logos and commercial symbols for the current Marks to use in identifying the System and the 5 Star Nutrition Businesses operating under the System if the current Marks no longer can be used, or if we, in our sole discretion, determine that substitution of different marks will be beneficial to the System. If we do so, you agree, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute marks.

C. Your Use of the Marks. You further agree that you will:

(1) Operate and advertise the 5 Star Nutrition Business only under the name “5 Star Nutrition” without prefix or suffix, unless otherwise authorized or required by us. You agree not to use the Marks as part of your corporate or other legal name.

(2) Identify yourself as an independent owner and operator of a franchised 5 Star Nutrition Business in conjunction with any use of the Marks, including, but not limited to, use on invoices, order forms, receipts and contracts, and display a notice in such content and form and at such conspicuous locations at the 5 Star Nutrition Business or on any vehicle used in the operation of the 5 Star Nutrition Business as we may designate in writing.

(3) Not use the Marks to incur any obligation or indebtedness on our behalf.

(4) Comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

D. Infringement. You agree to notify us promptly of any apparent infringement of or challenge to your use of any Mark and of any claim by any person of any rights in any Mark. You and your Owners shall not communicate with any person other than us, our Affiliates, our and their counsel, and your counsel in connection with any such apparent infringement, challenge or claim. We will have complete discretion to take any action we deem appropriate in connection with any infringement of, or challenge or claim to, any Mark and the right to control exclusively, or to delegate control of, any settlement, litigation, Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. You agree to execute all such instruments and documents, render such assistance, and do such acts or things as may, in our opinion, be reasonably necessary or advisable to protect and maintain our or our Affiliates’ interests in the Marks.

XI. CONFIDENTIALITY AND NONCOMPETITION COVENANTS

A. Manuals. The Manuals, which shall be provided to you in electronic format only, are our sole property, and you shall not copy or reproduce the Manuals or any portions thereof (whether electronic, paper or otherwise) at any time for any reason. If you become aware of any copies of the Manuals then you must notify us of their existence immediately and send such copies to us (or destroy such copies if requested by us). You and your Owners must at all times maintain the Manuals, and the information contained in them, as confidential in compliance with this Article XI. You may make the Manuals available only to those of your Owners and employees who must have access to them in order to operate the 5 Star Nutrition Business. You must ensure that your employees, agents and any others with access to the Manuals do not copy, duplicate, record or otherwise reproduce the Manuals, in whole or in part, or make them available to any unauthorized person for any reason. We have the right to add to or modify the Manuals from time to time in our sole discretion. You agree to comply with the terms of all additions and modifications to the Manuals and to keep your copy of the Manuals current. If there is a dispute about the contents of the Manuals, the terms of the master copy maintained by us shall control. The entire contents of the Manuals, and our mandatory specifications, procedures and rules prescribed from time to time, shall constitute provisions of this Agreement as if they were set forth herein.

B. Nondisclosure of Confidential Information. We will disclose to you those parts of our Confidential Information we deem necessary or advisable from time to time for the establishment and operation of the 5 Star Nutrition Business. You agree that you and your Owners will not acquire any interest in the Confidential Information, other than the right to use the Confidential Information disclosed to you in operating the 5 Star Nutrition Business during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. You agree to disclose the Confidential Information only to your Owners and employees and only to the extent reasonably necessary for them to operate the 5 Star Nutrition Business pursuant to this Agreement. Our Confidential Information is proprietary, includes trade secrets owned by us and our Affiliates, and is disclosed to you solely on the condition that you agree, and you do hereby agree, that you: (i) will not use the Confidential Information in any other business or capacity; (ii) will maintain the confidentiality of the Confidential Information during and after the term of this Agreement; (iii) will not make unauthorized copies of any portion of the Confidential Information; and (iv) will adopt and implement all reasonable procedures that we prescribe from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure of the Confidential Information to 5 Star Nutrition Business personnel and others. These covenants shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Owners.

C. Noncompetition Covenants. You and your Owners specifically acknowledge that, pursuant to this Agreement, you and they will receive access to valuable training and Confidential Information which are beyond your and their present skills and experience, including, without limitation, information regarding operational, sales, promotional and marketing methods and techniques of the System. You and your Owners further acknowledge that such specialized training and Confidential Information provide a competitive advantage, and that gaining access to them is a primary reason for entering into this Agreement. Accordingly, you and your Owners agree as follows:

(1) With respect to you, during the term of this Agreement (or with respect to each of the Owners, for so long as such person satisfies the definition of "Owner" under this Agreement), except as otherwise approved in writing by us, neither you nor any of your Owners shall, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, legal entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of 5 Star Nutrition Businesses to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business (other than a 5 Star Nutrition Business or other business licensed by us or our affiliate) that is the same as or similar to a 5 Star Nutrition Business (including any business that offers products or services related to health, wellness, muscle building, weight management or sports nutrition) and which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

(2) With respect to you, for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of your interest in, this Agreement (or, with respect to each of the Owners, commencing upon the earlier of (i) the expiration or termination of, or transfer of all of your interest in, this

Agreement or (ii) the time such individual or entity ceases to satisfy the definition of “Owner” under this Agreement) and continuing for two (2) years thereafter, except as otherwise approved in writing by us, neither you, nor any of your Owners shall, directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person, legal entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of 5 Star Nutrition Businesses to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business (other than a 5 Star Nutrition Business or other business licensed by us or our affiliate) that is the same as or similar to a 5 Star Nutrition Business (including any business that offers products or services related to health, wellness, muscle building, weight management or sports nutrition) and which is, or is intended to be, located (i) at the Franchise Location, (ii) within the Protected Area, (iii) within a fifty (50)-mile radius of the Franchise Location, or (iv) within a fifty (50)-mile radius of the location of any 5 Star Nutrition Business then in existence or under construction.

(3) You agree that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill associated with the Marks and the System or our other business interests. Each covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section XI.C. is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which we are a party, you and your Owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section XI.C.

(a) You and your Owners acknowledge that we will have the right, in our sole discretion, to reduce the scope of any covenant set forth in this Section XI.C. without your or their consent, effective immediately upon notice to you; and you and your Owners agree to promptly comply with any covenant as modified.

(b) You and your Owners expressly agree that the existence of any claims you or they may have against us, whether arising under this Agreement or otherwise, shall not constitute a defense to the enforcement by us of the covenants in this Section XI.C, and that the 2-year non-competition period shall be tolled during any periods of non-compliance and shall be extended for a time period equal to the duration of the non-compliance.

D. Improvements. If you, your employees, or Owners develop any new concept, product, process or improvement in the operation or promotion of a 5 Star Nutrition Business (an “Improvement”), you agree to promptly notify us and provide us with all related information, without compensation. Any such Improvement shall become our sole property and we shall be the sole owner of all related patents, patent applications, and other intellectual property rights. You and your Owners hereby assign to us any rights you or they may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. You and your Owners agree to assist us in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and

provide us with all necessary documentation for obtaining and enforcing such rights. You and your Owners hereby irrevocably designate and appoint us as your and their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section XI.D. are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe your or their rights therein.

E. Injunctive Relief. You and your Owners acknowledge that any failure to comply with the requirements of this Article XI. shall constitute a material event of default under this Agreement and further acknowledge that such a violation would result in irreparable injury to us for which no adequate remedy at law may be available. You and your Owners accordingly consent to the issuance of an injunction prohibiting any conduct by you or them in violation of the terms of this Article XI., without the requirement that we post a bond. You and your Owners agree to pay all court costs and reasonable attorneys' fees and costs that we incur in connection with the enforcement of this Article XI., including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of this Article, or any part of it.

F. Execution of Covenants by Your Owners and Management. You agree to require and obtain the execution of covenants similar to those set forth in Sections XI.B. and C. from all General Managers, and, at our request, any assistant managers or other of your personnel. These covenants must be substantially in the form set forth in Exhibit B; however, we reserve the right, in our sole discretion, to decrease the scope of the noncompetition covenant set forth in Exhibit B or eliminate such noncompetition covenant altogether for any person that is required to execute such agreement.

XII. BOOKS AND RECORDS

A. Maintenance of Books and Records. You must maintain during the term of this Agreement, in accordance with generally accepted accounting principles and in the form and manner we prescribe from time to time in the Manuals, full, complete and accurate books, records and accounts of your 5 Star Nutrition Business, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers. In addition, you must use an accounting/bookkeeping vendor which meets our minimum standards and specifications and prepares all financial reports in a form approved by us containing all information requested by us. You agree to preserve all books and records for at least three (3) years from the date of preparation.

B. Reporting. In addition to other reports required by this Agreement, you agree to submit to us, in the form we prescribe from time to time and at your expense:

(1) At our request, a monthly income statement (which may be unaudited), signed by your treasurer, chief financial officer or comparable officer attesting that it is true, complete and correct.

(2) Not later than March 15th after the end of each calendar year during the term of this Agreement, your complete annual financial statements (which may be unaudited), including a balance sheet, profit and loss statement, and statement of cash flows, prepared in accordance with generally accepted accounting principles by an independent certified public accountant satisfactory to us (or, in the alternative, you may prepare

internal annual financial statements signed by your treasurer, chief financial officer or comparable officer attesting that they are true, complete and correct) and showing the results of your operations during such calendar year. We may require you to prepare audited financial statements, at our discretion, if we determine or have reason to believe, that you are not accurately reporting your revenues or other financial information to us for any reason.

(3) Not later than five (5) days after filing, copies of your federal income tax returns (including any extension requests) and within five (5) days after the end of each calendar quarter, copies of your state sales tax returns. If your 5 Star Nutrition Business is in a state which does not impose a sales tax, you agree to submit a copy of your state income tax return (including any extension requests) not later than five (5) days after filing.

(4) At the times reasonably required by us, such other forms, reports, records, information and data as we may reasonably designate.

C. Audits. We or our designees will have the right at all reasonable times to review, audit, examine and copy your books and records relating to your 5 Star Nutrition Business. If any required payments to us are delinquent, or if an examination or audit should reveal that any payments have been understated in any report to us, then you must pay to us upon demand the amount overdue or understated with interest determined in accordance with Section V.F. If an examination or audit discloses an understatement in any report of two percent (2%) or more, you must, in addition, reimburse us for all costs and expenses connected with the audit (including, without limitation, legal and accounting fees and costs). These remedies shall be in addition to any other remedies we may have at law or in equity.

D. No Waiver. Our receipt or acceptance of any of the statements furnished or amounts paid to us (or the cashing of any check or processing of any electronic fund transfer) will not preclude us from questioning the correctness thereof at any time, and, in the event that any errors are discovered in such statements or payments, you must immediately correct the error and make the appropriate payment to us.

E. Authorization to Release Information. You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, suppliers, manufacturers, contractors, vendors and other persons or entities with whom you do business to disclose to us any financial information in their possession relating to you or the 5 Star Nutrition Business which we may request. You further authorize us to disclose to prospective franchisees or other third parties data from your reports if we determine, in our sole discretion, that such disclosure is necessary or advisable.

F. Power of Attorney. You hereby appoint us as your true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by you with any state and/or federal taxing authority pertaining to your franchisee entity or the 5 Star Nutrition Business. This power of attorney shall survive the expiration or termination of this Agreement.

XIII. INSURANCE

A. Insurance Coverage Requirements. Not later than sixty (60) days before the Opening Date, you must procure, at your expense, an insurance policy or policies protecting you, us, our Affiliates, successors and assigns, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring at or in connection with the operation of the 5 Star Nutrition Business. You must maintain these policies in full force and effect at all times during the term of this Agreement. All required insurance policies must be purchased from an insurance provider approved by us (which must be A rated or better by AM Best), must include a one-year tail following the termination, expiration or transfer of this Agreement, must name us as a co-insured and a certificate holder, must provide us with 30 days' notice prior to any termination or expiration, and shall otherwise be reasonably acceptable to us and must include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time in writing), the following:

(1) Comprehensive general liability insurance written on an occurrence form, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability, professional liability (physical abuse and sexual misconduct), and fire damage coverage, in an amount not less than \$1,000,000 per occurrence, \$3,000,000 general aggregate. The general liability coverage shall include a waiver of subrogation endorsement in favor of us and shall not limit or exclude contractual liability;

(2) Employment related practices liability insurance, including third party coverage, in an amount not less than \$1,000,000 per occurrence and \$1,000,000 aggregate. Such insurance must include a deductible of less than \$10,000 unless we approve a higher deductible in writing. Prior acts retroactive date must be no later than the Effective Date of this Agreement;

(3) Commercial automobile insurance written on a combined single limit basis for bodily injury and property damage with a limit not less than \$1,000,000 per accident. Such insurance shall include coverage for owned, hired, and non-owned automobiles and shall include additional insured and waiver of subrogation endorsements in favor of us;

(4) Commercial umbrella or excess liability following form insurance in an amount not less than \$1,000,000 per occurrence and \$1,000,000 aggregate;

(5) Property insurance coverage to include coverage for replacement costs of all franchisee-owned contents and tenant improvements at each location, and business interruption insurance for a period adequate to re-establish normal business operations, not to be less than six months. All property related coverage shall be written on special causes of loss forms with deductibles not to be greater than \$10,000 per occurrence;

(6) Workers' compensation (Coverage A) with statutory limits complying with the laws of the applicable state, and employer's liability (Coverage B) with limits not less than \$1,000,000 per accident, \$1,000,000 disease policy limit, and \$1,000,000 disease per employee. Such insurance shall include a waiver of subrogation endorsement in favor of us; and

(7) such other insurance as may be required by us from time to time or by the landlord of your 5 Star Nutrition Business premises at, and by the state or locality in, which the 5 Star Nutrition Business is located.

All required insurance coverages may be obtained by separate primary policies, or in combination with umbrella or excess liability policies.

B. Deductibles; Waiver of Subrogation. You may elect to have reasonable deductibles in connection with the coverage required under Sections XIII.A(1)-(7) hereof. Such policies shall also include a waiver of subrogation in favor of us, our Affiliates and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them.

C. Builder's Risk Insurance. If you engage in any construction, renovation, refurbishment or remodeling of the 5 Star Nutrition Business, then you must maintain Builder's Risks/Installation insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, reasonably satisfactory to us.

D. No Limitation of Other Obligations. Your obligation to obtain and maintain the foregoing policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Article XVI. of this Agreement.

E. Additional Insured Designation. All insurance policies required under this Agreement, with the exception of workers' compensation, shall name us and our Affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds, and shall expressly provide that our and their interest shall not be affected by your breach of any policy provisions. All public liability and property damage policies shall contain a provision that we and our Affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of your negligence or that of your servants, agents or employees.

F. Certificates of Insurance. Upon the execution of this Agreement and thirty (30) days before the expiration of any policy required under this Agreement, you agree to deliver to us certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required under this Article XIII. In addition, if we request, you agree to deliver to us a copy of the insurance policy or policies required. All required insurance policies must expressly provide that we are entitled to no less than thirty (30) days' prior written notice in the event of a material alteration to or cancellation of the policies.

G. Remedies. If you fail to procure or maintain the insurance required by this Agreement, we will have the right and authority (but no obligation) to procure such insurance and to charge to you the cost of such insurance, together with a reasonable fee for our expenses, which shall be payable by you upon demand. The foregoing remedies are in addition to any other remedies we may have at law or in equity.

XIV. DEBTS AND TAXES

A. Payment of Taxes and Other Obligations. You agree to promptly pay when due all Taxes levied or assessed and all accounts and other indebtedness of every kind incurred by you in connection with the 5 Star Nutrition Business. You are solely liable for the payment of all Taxes and agree to indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether or not correctly or legally assessed. You will pay to us when due any federal, state or local sales, gross receipts, use, value added, excise or other taxes levied or assessed against us on all fees and other payments paid to us under this Agreement, including any state income tax, franchise or other tax levied or assessed against us for the privilege of doing business in your state.

B. Disputed Liability. If there is a bona fide dispute as to your liability for Taxes or other indebtedness, you may contest the validity or the amount of the Tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor, to occur against your 5 Star Nutrition Business.

C. Credit Standing. You acknowledge that the failure to make payments or repeated delays in making prompt payments to suppliers will result in a loss of credit rating or standing which will be detrimental to the goodwill associated with the Marks and the System. Except for payments which are disputed by you in good faith, you agree to promptly pay when due all amounts owed by you to us, our Affiliates, and other suppliers, lenders, landlords and other third parties. Any failure to comply with this section shall constitute a material default under this Agreement.

D. Notice of Adverse Orders. You agree to notify us in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of your 5 Star Nutrition Business.

XV. TRANSFER

A. By Us. We will have the right to transfer or assign this Agreement and all or any part of our rights or obligations under this Agreement to any person or legal entity without your consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all our obligations arising subsequent to the transfer or assignment. Without limitation of the foregoing, we may sell our assets to a third party; may offer our securities privately or publicly; may merge with or, acquire other business entities, or may be acquired by another business entity; or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

B. By You and Your Owners. You acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted you rights under this Agreement in reliance on your business skill, financial capacity and personal character and that of your Owners. Accordingly, neither you nor any of your Owners, nor any of your or their permitted successors or assigns, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the 5 Star Nutrition Business, or in you without our prior written consent. Any purported assignment or transfer, by operation

of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach of this Agreement. If you wish to transfer all or part of your interest in the 5 Star Nutrition Business or this Agreement, or if you or an Owner wishes to transfer any ownership interest in you, the transferor shall apply to us for our consent. We will not unreasonably withhold our consent but may require any or all of the following as conditions of our consent:

(1) All accrued monetary obligations of you and your Affiliates to us and our Affiliates arising under this Agreement or any other agreement, shall have been satisfied in a timely manner, and you shall have satisfied all trade accounts and other debts of whatever nature or kind in a timely manner;

(2) You and your Affiliates shall not be in default of this Agreement or any other agreement with us or our Affiliates, and you and they shall have substantially and timely complied with all the terms and conditions of such agreements during their respective terms;

(3) The transferor and its owners, if applicable, shall have executed a general release, in a form satisfactory to us, of any and all claims, against us and our Affiliates, our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and any other agreement with us or our Affiliates, and under federal, state or local laws, rules, and regulations or orders;

(4) The proposed transferee must demonstrate to our satisfaction that it meets our then-current qualifications, and, at the transferee's expense, its Principal Owner, General Manager and any other personnel we require shall complete any training programs then in effect for 5 Star Nutrition Businesses upon such terms and conditions as we may reasonably require;

(5) The transferee shall, at its expense and within the time period we reasonably require, renovate, modernize and otherwise upgrade the 5 Star Nutrition Business to conform to our then-current System image, standards and specifications, provided that this subsection XV.B(5) will be applicable only if you have not renovated, updated and upgraded the 5 Star Nutrition Business in the prior three years pursuant to subsection VIII.D of this Agreement;

(6) The transferee shall enter into a written agreement, in a form satisfactory to us, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer, all of your obligations, covenants and agreements under this Agreement;

(7) The transferee shall execute our then-current form of franchise agreement for a term ending on the expiration date of this Agreement (including any renewal terms provided by this Agreement). The new franchise agreement shall supersede this Agreement in all respects and its terms may differ from the terms of this Agreement (except that the fees imposed on the transferee will not be greater than the fees that we then impose on similarly situated transferees), provided that the transferee shall not be required to pay an initial franchise fee. If the transferee is a corporation, partnership, limited liability company or other entity, those of the transferee's owners whom we require shall execute such guaranty and assumption documents as we may require;

(8) The transferor shall remain liable for all of its obligations to us under this Agreement incurred prior to the effective date of the transfer, shall obtain a one-year tail on each of its insurance policies to cover any liabilities that may have been incurred prior to the effective date of the transfer, and shall execute any and all instruments reasonably requested by us to evidence such liability;

(9) You must pay us a transfer fee in an amount equal to Fifty Percent (50%) of our then-current initial franchise fee (or 25% of our then-current initial franchise fee if the transfer is to an existing 5 Star Nutrition franchisee in good standing with us). Furthermore, if you are an individual transferring your rights and obligations under this Agreement to an entity owned solely by you pursuant to, and in accordance with, Section XV.C. of this Agreement, the transfer fee shall be a flat fee of \$2,500;

(10) If the transfer relates to the grant of a security interest in any of your assets, we may require the secured party to agree that, in the event of any default by you under any documents related to the security interest, we shall have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default.

C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation or other entity formed solely for the convenience of ownership and owned solely by you, our consent may be conditioned upon any of the requirements in Section XV.B., except that Sections XV.B.(3), (4), (5), and (7) shall not apply and the fee provided for in Section XV.B.(9) shall be limited to \$2,500. In any transfer for the convenience of ownership, you must be the owner of all the voting stock or ownership interests in the new entity, or, if you are more than one individual, each individual shall have the same proportionate ownership interest in the new entity as he or she had in you before the transfer.

D. Right of First Refusal. If you or an Owner wishes to transfer any interest in this Agreement, the 5 Star Nutrition Business, or you pursuant to any bona fide offer received from a third party to purchase such interest, then the proposed seller shall promptly notify us in writing of the offer, and shall provide such information and documentation relating to the offer as we may require. We will have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all required documentation describing the terms of the offer, to send written notice to the seller that we intend to purchase the seller's interest on the terms and conditions offered by the third party. If we elect to purchase the seller's interest, closing shall occur on or before sixty (60) days from the later of the date of our notice to seller of our election to purchase and the date we receive all necessary permits and approvals, or any other date agreed by the parties in writing. If the third party offer provides for payment of consideration other than cash, we may elect to purchase seller's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by two (2) appraisers. Each party shall select one (1) appraiser and the average of the appraisers' determinations shall be binding. Each party shall bear its own legal and other costs and shall share the appraisal fees equally. If we exercise our right of first refusal, we will have the right to set off all appraisal fees and other amounts due from you to us or any of our Affiliates. A material change in the terms of any offer before closing shall constitute a new offer subject to the same right of first refusal as an initial offer. Our failure to exercise the option afforded by this Section XV.D. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section XV.B. Failure to comply with this Section XV.D. shall constitute a material event of default under this Agreement.

E. Death or Permanent Disability. You agree to promptly notify us of any death or claim of permanent disability subject to this Section XV.E. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section XV.B. for any inter vivos transfer.

(1) Upon your death (if you are a natural person) or the death of any Owner who is a natural person (the “Deceased”), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by us within six (6) months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within six (6) months after the death of the Deceased.

(2) Upon your permanent disability (if you are a natural person) or the permanent disability of any Owner who is a natural person, we may, in our sole discretion, require that person’s interest to be transferred to a third party in accordance with the conditions described in this Article XV. within six (6) months after notice to you. “Permanent disability” shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person, or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section XV.E. We will pay the costs of any examination required by this Section XV.E.(2).

F. Securities Offerings. Interests in you shall not be offered to the public by private or public offering without our prior written consent, which we will not unreasonably withhold. As a condition of our consent, we may, in our sole discretion, require that immediately after such offering your Owners retain a Controlling Interest in you. You agree to give us written notice at least thirty (30) days before the commencement of any offering covered by this Section XV.F. and to submit all offering materials to us for review before they are filed with any governmental agency or distributed for use. Our review of the offering materials shall be limited solely to the subject of the relationship between you and us. No offering shall imply that we are participating in an underwriting, issuance or offering of securities. We may require the offering materials to contain a written statement prescribed by us concerning the relationship between you and us. You, your Owners and the other participants in the offering must fully indemnify us, our Affiliates, our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in connection with the offering. For each proposed offering, you must reimburse us for our reasonable costs and expenses (including, without limitation, legal and accounting fees and costs) associated with reviewing the offering materials.

G. No Waiver. Our consent to the transfer of any interest described in this Article XV. shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand the transferee’s exact compliance with any of the terms of this Agreement.

XVI. INDEMNIFICATION

You agree to indemnify, defend and hold harmless us, our Affiliates, and our and their respective owners, directors, officers, employees, agents, successors and assignees (the “Indemnified Parties”) against, and to reimburse

any one or more of the Indemnified Parties for, any and all claims and liabilities directly or indirectly arising out of, or in connection with, the establishment or operation of your 5 Star Nutrition Business or your, or your owners', breach, or alleged breach, of this Agreement (or other agreements with us or our Affiliates) or any applicable laws, rules, standards or regulations, or your, or your owners', violation, or alleged violation, of any party's rights (including intellectual property rights), without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of us or any other party or parties in connection therewith. Notwithstanding the foregoing, this indemnity shall not apply to any liability arising from our gross negligence or willful misconduct, except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you, your Owners, officers, directors, employees, independent contractors or Affiliates. For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential, exemplary or other) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, accountants', mediators', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you. The terms of this Article XVI. shall survive the termination, expiration or transfer of this Agreement or any interest herein.

XVII. INDEPENDENT CONTRACTOR

You agree that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and we owe you no duties except as expressly provided in this Agreement. You are an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, you agree to hold yourself out to the public as an independent contractor conducting the operations of the 5 Star Nutrition Business pursuant to the rights granted by us. Nothing in this Agreement authorizes you or any of your Owners to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and we will in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of your Owners or any claim or judgment arising therefrom.

XVIII. TERMINATION

A. Automatic Termination. You will be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; or if you file a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admit in writing your inability to pay your debts when due; or if you are adjudicated as bankrupt or insolvent in proceedings filed against you under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of

your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law are instituted by or against you; or if a final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if you are dissolved; or if execution is levied against your business or property; or if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against your 5 Star Nutrition Business premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of your 5 Star Nutrition Business shall be sold after levy thereupon by any sheriff, marshal or constable or is otherwise sold by means of a foreclosure sale or a public or private auction or sale conducted in accordance with applicable law.

B. Termination on Notice; No Cure. You will be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon notice to you, upon the occurrence of any of the following events:

(1) If you operate the 5 Star Nutrition Business or sell any products or services authorized by us from any location other than the Franchise Location without our prior written consent;

(2) If you fail to construct the 5 Star Nutrition Business in accordance with Article III;

(3) If you fail to open the 5 Star Nutrition Business for business within the period specified in Section III.E.;

(4) If you at any time cease to operate or otherwise abandon the 5 Star Nutrition Business (three or more days without operations constitutes abandonment unless approved in advance by us) or otherwise forfeit the right to do or transact business in the jurisdiction where the 5 Star Nutrition Business is located; provided, that this provision shall not apply upon the occurrence of an event of Force Majeure if you apply within thirty (30) days after such event for our approval to relocate or reconstruct the 5 Star Nutrition Business and you diligently pursue such reconstruction or relocation. Our approval will not be unreasonably withheld but may be conditioned upon the payment of an agreed minimum fee to us during the period in which the 5 Star Nutrition Business is not in operation;

(5) If a threat or danger to public health or safety results from the construction or operation of your 5 Star Nutrition Business;

(6) If you or any of your Owners is convicted of, or has entered a plea of guilty or nolo contendere to, a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein;

(7) If you or any of your Owners transfer, or attempt to transfer, any rights or obligations under this Agreement or any interest in you or the 5 Star Nutrition Business contrary to the terms of this Agreement, or if a transfer upon death or permanent disability is not made in accordance with Section XV.E.;

(8) If, contrary to the terms of Section XI.B., you or any of your Owners disclose or divulge any Confidential Information;

(9) If you knowingly maintain false books or records, or submit any false reports to us;

(10) If you breach in any material respect any of the covenants, or have falsely made any of the representations or warranties, set forth in Article VII., or if you make any material misstatement or omission in an application for this franchise or in any other information provided to us;

(11) If you fail to comply with our standards and specifications for any products or services or fail to comply with any aspect of our quality assurance program (including any applicable cure periods provided under such program);

(12) If you or any of your Owners repeatedly commit an event of default under this Agreement (i.e. 3 or more defaults within any 12 month period), whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by you after notice by us;

(13) If your assets, property or interests are 'blocked' or otherwise restricted under any law, ordinance or regulation relating to terrorist activities or if you are otherwise in violation of any such law, ordinance or regulation; or

(14) If you or any of your Affiliates are in default of any other franchise agreement or other agreements with us and fail to cure such default within the applicable cure period, if any.

C. Termination on Notice; Opportunity to Cure. Except as provided in Sections XVIII.A. and XVIII.B. of this Agreement, upon any default which is capable of being cured, we may terminate this Agreement by giving you written notice of termination stating the nature of the default and the time period within which the default must be cured. You may avoid termination by immediately initiating a remedy to cure such default and curing it to our satisfaction within the time period set forth below or any longer period that applicable law may require ("cure period"). If the default is not cured within the cure period, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the cure period. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following:

(1) If you fail to procure and maintain the insurance policies required by Section XIII. and fail to cure such default within seven (7) days following notice from us;

(2) If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein and fail to cure such default within twenty-four (24) hours following notice from us;

(3) If you fail to obtain the execution of the confidentiality and related covenants as required under Section XI.F. of this Agreement within ten (10) days after we request and fail to cure such default within thirty (30) days following notice from us;

(4) If you or any of your Affiliates fail, refuse, or neglect to promptly pay any monies owed to us or any of our Affiliates when due, or fail to submit the financial reports or other information we require under this Agreement, and do not cure such default within five (5) days following notice from us;

(5) If you or any of your Owners fail to comply with the restrictions against competition set forth in Section XI.C. of this Agreement and fail to cure such default within ten (10) days following notice from us;

(6) If you fail to maintain or observe any of the standards, specifications or procedures prescribed by us in this Agreement or otherwise in writing, and fail to cure such default within thirty (30) days following notice from us;

(7) If you fail to secure all required state, county or local license(s) by the date the 5 Star Nutrition Business is required to open for business and fail to cure such default within ten (10) days following notice from us (or you fail to maintain all required licenses throughout the term of this Agreement and fail to cure such default within 10 days following notice from us); or

(8) If you fail to comply with any other requirement imposed by this Agreement, or fail to carry out the terms of this Agreement in good faith and fail to cure such default within thirty (30) days following notice from us.

D. Our Right to Provide Interim Management. If we have given you notice that you are in default, then we may (but are not obligated to) assume interim management of your 5 Star Nutrition Business during the pendency of any cure period or in lieu of immediately terminating this Agreement. If we elect to assume interim management of your 5 Star Nutrition Business (i) our election will not relieve you of your obligations under this Agreement; (ii) we will not be liable for any debts, losses, costs or expenses incurred in the operation of your 5 Star Nutrition Business during any such interim management period; (iii) we will have the right to charge a reasonable weekly fee (currently 10% of your 5 Star Nutrition Business' Gross Sales plus our related costs, including any travel, lodging and meal expenses for our personnel engaged in operating your business) for our management services; and (iv) you agree to, and hereby do, indemnify and hold us harmless against any and all claims, demands, judgments, fines, losses, liabilities, costs, amounts paid in settlement and reasonable expenses (including, but not limited to attorneys' fees) incurred in connection with our interim management of the 5 Star Nutrition Business, other than those arising solely from our gross negligence or willful misconduct.

XIX. POST-TERMINATION

A. Your Obligations Upon Termination. Upon the termination or expiration of this Agreement for any reason, all rights granted to you will terminate, and you must:

(1) Immediately cease to operate the 5 Star Nutrition Business under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as one of our present or former franchisees.

(2) Immediately and permanently cease to use, in any manner whatsoever, the Marks and any Confidential Information associated with the System. Without limitation of the foregoing, you must cease to use all signs, advertising materials, displays, stationery, forms and any other items which display the Marks.

(3) Take such action as may be necessary to cancel any assumed name, fictitious name or equivalent registration which contains the mark "5 STAR NUTRITION" or any other Mark, and furnish us with satisfactory evidence of compliance within five (5) days after termination or expiration of this Agreement.

(4) Not use any reproduction, counterfeit, copy or colorable imitation of the Marks which is likely to cause confusion, mistake, or deception, or which is likely to dilute our rights in and to the Marks, nor shall you use any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.

(5) Promptly pay all sums owing to us and our Affiliates, and all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by us as a result of any default by you or in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Article XIX., which obligation shall give rise to and remain a lien in favor of us against any and all of your assets, until such obligations are paid in full.

(6) Promptly deliver to us all Manuals, Software Programs, Confidential Information, and other materials related to the operation of the 5 Star Nutrition Business in your possession or control, and all copies thereof, all of which are acknowledged to be our property, and retain no copy or record of any of the foregoing, except your copy of this Agreement and of any correspondence between you and us and any other documents which you reasonably need for compliance with any provision of law.

(7) Comply with the restrictions against the disclosure of Confidential Information and against competition contained in Article XI. of this Agreement and cause any other person required to execute similar covenants pursuant to Article XI. to also comply with such covenants.

(8) Promptly furnish to us an itemized list of all advertising and sales promotion materials bearing the Marks, whether located at the 5 Star Nutrition Business or at any other location under your control. We will have the right to inspect these materials and the option, exercisable within thirty (30) days after such inspection, to purchase any or all of the materials at your cost. Materials we do not purchase cannot be used by you or any other person for any purpose unless authorized in writing by us.

(9) At our option, assign to us all rights to the telephone numbers of the 5 Star Nutrition Business and any related business listings and execute all forms and documents required by us to transfer such service and numbers to us. You agree to use different telephone numbers at or in connection with any subsequent business conducted by you.

(10) If we do not elect to exercise our option to acquire the lease or sublease for the Franchise Location (as described below), you agree to make such modifications or alterations to your premises and your vehicle(s) as are necessary to distinguish the appearance of the Franchise Location and your vehicle(s) from that of the 5 Star Nutrition Businesses, and, if you fail or refuse to do so, we shall have the right to enter upon the premises and vehicle(s), without being guilty of trespass or any other crime or tort, to make or cause such changes to be made, at your expense.

B. Our Post-Term Purchase Options. Upon the termination or expiration of this Agreement, we shall have the following options:

(1) We will have the option, exercisable by giving written notice to you within sixty (60) days from the date of such termination or expiration, as applicable, to acquire the Franchise Location and all or any portion (in our sole discretion) of the assets of the 5 Star Nutrition Business from you (subject to any rights of approval retained by the owner of the leasehold). The date on which we notify you whether or not we are exercising our option is referred to as the "Notification Date." We will have the unrestricted right to assign this option and we or our assignee will be entitled to all customary warranties and representations in connection with the asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise; and a general release.

(2) We will have the option, exercisable at the time and in the manner set forth in subsection (1) above, to assume your leasehold interest in the Franchise Location or, if you own the Franchise Location, to enter into a lease agreement with you. If we exercise our option, you agree to assign your leasehold interest to us at no cost to us other than our assumption of the obligation to make post-assignment rental payments to the landlord under the lease; or if you own the Franchise Location, to lease the Franchise Location to us at a reasonable commercial rent and upon terms comparable to rental terms for similar leased property in the marketplace where the 5 Star Nutrition Business is located.

(3) If we exercise our option under subsection (1) to purchase the assets of the 5 Star Nutrition Business from you, the purchase price for the assets will be their fair market value, determined in a manner consistent with reasonable depreciation of the 5 Star Nutrition Business' leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies. The age and condition of the improvements, equipment, fixtures, furnishings, decor, and signs of the 5 Star Nutrition Business will also be considered in determining the fair market value. We may exclude from the assets we elect to purchase cash or its equivalent and any leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies that are not necessary or appropriate (in function or quality) to the 5 Star Nutrition Business' operation or that we have not approved as meeting the standards for 5 Star Nutrition Businesses, and the purchase price will reflect such exclusions.

(4) If we and you are unable to agree on the fair market value of the 5 Star Nutrition Business' assets, or the fair rental value of the Franchise Location, such fair market value (or fair rental value) will be determined by three (3) independent appraisers who collectively will conduct one (1) appraisal. We will appoint one appraiser, you will appoint one appraiser, and those appraisers will appoint the third appraiser. You and we agree to select our respective appraisers within fifteen (15) days after the Notification Date, and we and you agree that we will instruct the two appraisers so chosen to appoint the third appraiser within fifteen (15) days after the date on which the last of our appointed appraisers is appointed. You and we will each bear the cost of our own appraiser and share equally the fees and expenses of the third appraiser. We and you agree that we will instruct the three (3) appraisers to complete their appraisal within thirty (30) days after the third appraiser's appointment.

(5) The purchase price will be paid at the closing of the purchase, which will take place not later than ninety (90) days after the determination of the purchase price. We will have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your Owners owe to us. At the closing, you agree to deliver instruments transferring to us: (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances, with all sales and other transfer taxes paid by you; (ii) all licenses and permits of the 5 Star Nutrition Business which may be assigned or transferred; and (iii) a leasehold interest in (or

unencumbered title to) the Franchise Location and improvements. If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow. As a condition of our purchase of the 5 Star Nutrition Business, you and your Owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our subsidiaries, shareholders, officers, directors, employees, agents, successors and assigns.

(6) We may assign our options under this Section XIX.B. to any person or entity without your consent.

XX. MISCELLANEOUS

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to us:

5 Star Nutrition Franchising, LLC
8500 Shoal Creek, Building 4, Suite 150
Austin, Texas 78757
Attention: Brian Marver
Telephone: (512) 827-7267
e-mail: brian@defynedbrands.com

Notices to you and
your Owners:

Attention: _____
Telephone: _____
e-mail: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of electronic mail, upon transmission and receipt.

B. No Waiver. No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you or your Owners under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or your Owners, or as to a subsequent breach or default by you or your Owners.

C. Approval or Consent. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to you, and no neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by us, nor do we assume any liability or obligation to you or any third party as a result thereof.

D. Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. An affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, then, in addition to payments required under Section XVIII.B.(4), you must continue to pay to us any and all amounts that you have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event and the Indemnitees shall continue to be indemnified and held harmless by you in accordance with Article XVI. Except as provided in Section XVIII.B.(4) and the immediately preceding sentence, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

E. Severability. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

F. **MEDIATION**. WE AND YOU ACKNOWLEDGE THAT DURING THE TERM OF THIS AGREEMENT CERTAIN DISPUTES MAY ARISE THAT WE AND YOU ARE UNABLE TO RESOLVE, BUT THAT MAY BE RESOLVABLE THROUGH MEDIATION. TO FACILITATE SUCH RESOLUTION, YOU AND WE AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR OWNERS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, (b) OUR RELATIONSHIP WITH YOU, OR (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, TO MEDIATION BEFORE BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL.

(1) THE MEDIATION SHALL BE CONDUCTED BY A MEDIATOR AGREED UPON BY YOU AND US AND, FAILING SUCH AGREEMENT WITHIN NOT MORE THAN FIFTEEN (15) DAYS AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR ORGANIZATION ("AAA") IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT THE OFFICES OF THE AAA NEAREST TO OUR PRINCIPAL PLACE OF BUSINESS (CURRENTLY IN AUSTIN, TEXAS). THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY.

(2) IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING PURSUANT TO SECTION XX.G. WE AND YOU AGREE THAT STATEMENTS MADE BY EITHER YOU OR US IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE FOR ANY PURPOSE IN ANY SUBSEQUENT LEGAL PROCEEDING.

(3) NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION XX.F., YOUR AND OUR AGREEMENT TO MEDIATE SHALL NOT APPLY TO CONTROVERSIES, DISPUTES OR CLAIMS RELATED TO OR BASED ON THE MARKS OR THE CONFIDENTIAL INFORMATION. MOREOVER, REGARDLESS OF YOUR AND OUR AGREEMENT TO MEDIATE, YOU AND WE EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF.

G. LITIGATION. WITH RESPECT TO ANY CONTROVERSIES, DISPUTES OR CLAIMS WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED IN SECTION XX.F. ABOVE, THE PARTIES IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE COURTS OF TRAVIS COUNTY, TEXAS AND THE FEDERAL DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS AND HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. YOU AND WE AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. YOU AND WE FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE TRAVIS COUNTY, TEXAS.

H. GOVERNING LAW. EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER TEXAS LAW (EXCEPT FOR TEXAS CONFLICT OF LAW RULES).

I. PARTIES' ACKNOWLEDGMENTS. YOU AND WE ACKNOWLEDGE THAT THE AGREEMENTS REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF US WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT. YOU AND WE FURTHER ACKNOWLEDGE THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT.

J. WAIVER OF PUNITIVE DAMAGES. EXCEPT WITH RESPECT TO YOUR OBLIGATION TO INDEMNIFY US PURSUANT TO ARTICLE XVI. AND CLAIMS WE BRING AGAINST YOU FOR YOUR UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, WE AND YOU AND YOUR OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY

PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

K. LIMITATIONS OF CLAIMS. EXCEPT FOR CLAIMS WE BRING WITH REGARD TO YOUR OBLIGATIONS TO INDEMNIFY US PURSUANT TO ARTICLE XVI., ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN YOU AND US PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR ONE (1) YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

L. JURY WAIVER. YOU AND WE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN YOU AND US OR YOUR AND OUR RESPECTIVE AFFILIATES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.

M. NO CONSOLIDATION OR CLASS ACTIONS. YOU AGREE THAT ANY DISPUTE OR ACTION BETWEEN YOU AND US WILL BE OF OUR AND YOUR INDIVIDUAL CLAIMS. NONE OF YOUR CLAIMS WILL BE LITIGATED ON A CLASS-WIDE BASIS OR OTHERWISE CONSOLIDATED WITH ANY CLAIMS OF ANY THIRD PARTIES.

N. Costs and Attorneys' Fees. If we incur expenses in connection with your failure to pay when due amounts owed to us, or to submit when due any reports, information or supporting records, or otherwise to comply with this Agreement, you agree to reimburse us for any of the costs and expenses which we incur, including, without limitation, court costs and any accounting, attorneys', mediators', arbitrators' and related fees.

O. Binding Effect. This Agreement is binding upon us and you and your and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest.

P. Modification of Agreement. Except for those changes permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either you or us unless mutually agreed to and executed by our and your authorized officers or agents in writing.

Q. Consents and Approvals. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed or effected actions that require our approval.

R. Owners. If two or more persons are at any time the "Franchisee" under this Agreement, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several.

S. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

T. Headings. The captions used in connection with the articles, sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

U. Survival. Any obligation of you or the Owners that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest in you, shall be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections XX.F. through XX.N. will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

V. Gender. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable.

W. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your Affiliates, and us or any of our Affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination, or exercise of our rights pursuant to Section XVIII. of this Agreement shall not discharge or release you or any of the Owners from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

X. No Third Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors and personnel and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Section XV.), any rights or remedies under or as a result of this Agreement.

Y. Further Assurances. You and we agree to promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

Z. Agreement Effective Upon Execution by Us. This Agreement shall not become effective until signed by one of our authorized representatives.

AA. Entire Agreement. This Agreement, and the exhibits hereto, which are incorporated herein by reference, constitute the entire, full and complete Agreement between the parties hereto concerning the subject matter hereof, and they supersede any and all prior negotiations, understandings, representations and agreements; **provided, however, that nothing in this or any related agreement is intended to disclaim the representations made in the franchise disclosure document that we furnished to you.** You acknowledge and agree that no other representations by us or any third party have induced you to execute this Agreement.

XXI. FRANCHISEE'S ACKNOWLEDGEMENTS

A. Independent Investigation. Franchisee acknowledges that it has conducted a thorough, independent investigation of the business contemplated by this Agreement and recognizes that the success of this business involves substantial risks and will largely depend upon the ability and efforts of Franchisee. Except for the financial performance representations contained in the franchise disclosure document that Franchisor furnished to you, Franchisor expressly disclaims making, and Franchisee acknowledges that it has not received or relied on, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

B. Consultation With Advisors. Franchisee acknowledges that Franchisee has received, read and understands this Agreement and the related Attachments and agreements and that Franchisor has afforded Franchisee sufficient time and opportunity to consult with advisors selected by Franchisee about the potential benefits and risks of entering into this Agreement.

C. Development of the System. Franchisee acknowledges and agrees that some aspects of Franchisor's franchise program and the System are currently under development and that Franchisor expects that there will be some significant variations in the System in different markets which may exist for an initial or transitional period, or on a permanent basis. Franchisee acknowledges and agrees that no variations from the System or Manuals are permitted without Franchisor's prior written consent and that over time during the term of this Agreement Franchisor and its affiliates will continue to develop and refine various aspects of the System and that as new products, operating procedures, trade dress and other refinements are introduced, Franchisor may, in its sole discretion, cease to allow some or all variations from the System and Manuals and may require local, regional or national uniformity among 5 Star Nutrition Businesses with regard to aspects of the System and Manuals for which Franchisor previously permitted variations.

D. Franchisor's Obligations. Franchisee expressly understands and acknowledges that it is relying solely on Franchisor, and not on any affiliated entities or parent companies related to Franchisor, with regard to Franchisor's financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing, Franchisor has made any statement or promise to the effect that Franchisor's affiliated entities or parent companies guarantee Franchisor's performance or financially back Franchisor.

[_____ INITIAL HERE]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

5 Star Nutrition Franchising, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A TO THE FRANCHISE AGREEMENT

OWNERS' GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty and Assumption Agreement (the "Guaranty") is given this _____ day of _____, 20__, by the undersigned in connection with the Franchise Agreement dated _____, 20__ between 5 Star Nutrition Franchising, LLC, a Delaware limited liability company ("Franchisor") and _____ ("Franchisee").

In consideration of, and as an inducement to, the execution of the Franchise Agreement by Franchisor, each of the undersigned and any other parties who sign counterparts of this Guaranty (individually, a "Guarantor" and collectively, the "Guarantors") hereby personally and unconditionally guarantee to Franchisor and its successors and assigns, that Franchisee will punctually perform its obligations and pay all amounts due under the Franchise Agreement, including, without limitation, amounts due for initial franchise fees, royalties, Brand Development Fund contributions and purchases of equipment, materials, and supplies.

Each Guarantor waives:

- (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and
- (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and
- (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and
- (iv) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- (v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this Guaranty (including by way of counterparts); and
- (vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

- (i) his or her direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; and
- (ii) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; and
- (iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and
- (iv) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Franchise Agreement or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Franchise Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to Franchisor under the Franchise Agreement; and

- (v) Franchisee's written acknowledgment, accepted in writing by Franchisor, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Owners set forth in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Articles VII., XI., XV., XVI. and XIX. and Sections XX.F. through N (which include, among other things, the mediation of disputes and WAIVERS OF JURY TRIAL RIGHTS AND PUNITIVE DAMAGES).

If Franchisor is required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevails in such proceeding, Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, mediators', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

IN WITNESS WHEREOF, each Guarantor has hereunto affixed his signature on the same day and year as the Franchise Agreement was executed.

GUARANTORS:

Name: _____

Name: _____

Name: _____

Name: _____

EXHIBIT B TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

This Confidentiality and Noncompetition Agreement (this “Agreement”) is made and entered into this ____ day of _____, 20__, by and among 5 Star Nutrition Franchising, LLC, a Delaware limited liability company (“Franchisor,” “we,” “us,” or “our”)¹, _____ (“Franchisee”) and _____ (“Covenantor” or “you”) in connection with a Franchise Agreement between Franchisor and Franchisee dated _____, 20__ (the “Franchise Agreement”). Initially capitalized terms used, but not defined in this Agreement, have the meanings given to them in the Franchise Agreement.

RECITALS

We have the right to use and license the use of a System for the establishment and operation of 5 Star Nutrition Businesses.

The System is identified by certain Marks including, the mark “5 STAR NUTRITION”, and includes certain Confidential Information which provides economic advantages to us and licensed users of the System.

We have granted Franchisee the right to operate a 5 Star Nutrition Business pursuant to the Franchise Agreement.

You are employed by or associated with Franchisee and it will be necessary for you to have access to some or all of the Confidential Information.

We and Franchisee have agreed on the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from you a written agreement protecting the Confidential Information and further protecting the System against unfair competition.

You acknowledge that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by you herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. You shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of your employment by or association with Franchisee in connection with the operation of a 5 Star Nutrition Business under the Franchise Agreement.

2. You shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without our express written permission.

3. You shall not at any time disclose or permit the disclosure of the Confidential Information except to Franchisee’s other authorized employees and only to the limited extent necessary to train or assist such other employees in the operation of the 5 Star Nutrition Business.

4. You shall surrender any material containing some or all of the Confidential Information to Franchisee or us, upon request, or upon termination of your employment by or association with Franchisee.

5. You shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

6. You acknowledge that all Manuals are loaned by us to Franchisee for limited purposes only and remain our property. You agree that no Manuals may be reproduced, in whole or in part, without our written consent.

Covenants Not to Compete

In order to protect the goodwill of the System, and in consideration for the disclosure of the Confidential Information to you, you agree that, during the term of your association with or employment by Franchisee, and for a period of two (2) years following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Franchisee's interest in the Franchise Agreement, you will not, without our prior written consent or as permitted under other valid franchise agreements for 5 Star Nutrition Businesses between Franchisee and us:

a. Directly or indirectly divert, or attempt to divert any business opportunity or customer of 5 Star Nutrition Businesses to any competitor; and

b. Directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any business which is the same as or similar to a 5 Star Nutrition Business (including any business that offers products or services related to health, wellness, muscle building, weight management or sports nutrition) and which is, or is intended to be, located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks; provided that during the two year-period following termination, expiration or transfer of the Franchise Agreement, the non-compete restrictions shall be limited to operations: (i) at the Franchise Location, (ii) within the Protected Area, (iii) within a fifty (50)-mile radius of the Franchise Location, and (iv) within a fifty (50)-mile radius of any 5 Star Nutrition Business then in existence or under construction.

Franchisee's Undertaking

Franchisee agrees to make all commercially reasonable efforts to ensure that you act as required by this Agreement.

Miscellaneous

1. You agree that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill of the System or our other business interests.

b. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we is a party, you agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

c. In the event of a breach of this Agreement, we and the Franchisee would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, you agree that we and/or the Franchisee shall be entitled, in addition to any other remedies which we or it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific

performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

2. You agree to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by us and/or the Franchisee in enforcing this Agreement.

3. Any failure by us or Franchisee to object to or take action with respect to any breach of any provision of this Agreement by you shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by you.

4. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO TEXAS CONFLICT OF LAW PRINCIPLES. YOU HEREBY IRREVOCABLY SUBMIT YOURSELF TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN TRAVIS COUNTY, TEXAS AND THE STATE, COUNTY OR JUDICIAL DISTRICT IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED. YOU HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. YOU HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON YOU IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. YOU FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE STATE OR FEDERAL COURTS LOCATED IN TRAVIS COUNTY, TEXAS OR THE COUNTY OR JUDICIAL DISTRICT IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, WE OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

5. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

6. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

5 Star Nutrition Franchising, LLC
8500 Shoal Creek, Building 4, Suite 150
Austin, Texas 78757
Attention: Brian Marver
Telephone: (512) 827-7267
e-mail: brian@defynedbrands.com

If directed to Franchisee, the notice shall be addressed to:

Attention: _____
Telephone: (____) _____
e-mail: _____

If directed to Covenantor, the notice shall be addressed to:

Attention: _____
Telephone: (____) _____
e-mail: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of electronic mail, upon transmission and receipt.

7. Our rights and remedies under this Agreement are fully assignable and transferable and shall inure to the benefit of our Affiliates, successors and assigns. Your obligations and those of the Franchisee may not be assigned without our prior written consent.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

5 STAR NUTRITION FRANCHISING, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

COVENANTOR:

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT C TO THE FRANCHISE AGREEMENT

**SELECTED TERMS:
DESIGNATED SEARCH AREA, FRANCHISE LOCATION, PROTECTED AREA,
AND OPENING DATE**

1. DESIGNATED SEARCH AREA:

The Designated Search Area in which your 5 Star Nutrition Business may be located is:

2. FRANCHISE LOCATION:

The 5 Star Nutrition Business shall be located at the following address: _____

3. PROTECTED AREA:

The Protected Area shall be: _____.

4. REVENUE SPLIT ZIP CODES:

The Revenue Split Zip Code(s) shall be: _____.

5. OPENING DATE: The Opening Date of the 5 Star Nutrition Business is _____, 20__.

EXHIBIT D TO THE FRANCHISE AGREEMENT

OWNERSHIP AND MANAGEMENT INFORMATION

1. The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in you, and a description of the nature of their interest:

NAME	OWNERSHIP INTEREST IN YOU	NATURE OF INTEREST

2. Your Principal Owner is: _____

3. Your General Manager (if applicable) is: _____

EXHIBIT E TO THE FRANCHISE AGREEMENT

**ELECTRONIC FUNDS TRANSFER
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO**

5 STAR NUTRITION FRANCHISING, LLC/PAYEE

BANK NAME	ACCOUNT #	ABA#	FEIN
-----------	-----------	------	------

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository: _____

Name of Depositor: _____

Designated Bank Acct.: _____

(Please attach one voided check for the above account.)

5 Star Nutrition Business Location: _____

For information call: _____

Address: _____

Phone #: _____

Fax #: _____

Name of you/Depositor (please print)

By: _____
Signature and Title of Authorized Representative

Date: _____

EXHIBIT F TO THE FRANCHISE AGREEMENT

LEASE ADDENDUM TERMS

(a) Landlord acknowledges that Tenant is a franchisee of 5 Star Nutrition Franchising, LLC, a Delaware limited liability company ("Franchisor", "we," "us," or "our"), and that the 5 Star Nutrition Business located at the Premises ("Unit") is operated under the 5 Star Nutrition franchise system, pursuant to a franchise agreement ("Franchise Agreement") between Tenant and Franchisor. Landlord consents to Tenant's use at the Premises of such marks and signs, decor items, color schemes and related components of the 5 Star Nutrition system as Franchisor may prescribe for the Unit. During the term of the Franchise Agreement, the Premises may be used only for the operation of the Unit as a 5 Star Nutrition Business.

(b) Landlord agrees to furnish to Franchisor copies of any and all letters and notices sent to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant. Without limiting the foregoing, in the event of any default by Tenant, Landlord shall give Franchisor written notice of such default. If Tenant has failed to cure such default at the expiration of the applicable cure period, Landlord shall give Franchisor further written notice of such failure ("Franchisor Notice"). Following Franchisor's receipt of the Franchisor Notice, Franchisor shall have the right (but not the obligation) to cure Tenant's default before Landlord shall exercise any of Landlord's remedies arising as a consequence of Tenant's default. Any such cure shall be effected within fifteen (15) days following Franchisor's receipt of the Franchisor Notice. Any cure by Franchisor shall not be deemed to be an election to assume the terms, covenants, obligations and conditions of the Lease.

(c) If Franchisor cures Tenant's default, or if Franchisor notifies Landlord that the Franchise Agreement has been terminated (which termination shall constitute a non-curable default under the Lease upon Landlord's receipt of our notice thereof), Landlord agrees, upon our written request, to assign to Franchisor any and all rights that Landlord may have under the Lease to remove and evict Tenant from the Premises and shall cooperate with Franchisor in order to pursue such action to a conclusion.

(d) If Franchisor cures Tenant's default or notifies Landlord of the termination of the Franchise Agreement, Franchisor shall have the right and option, upon written notice to Landlord, to do the following:

1. Undertake to perform the terms, covenants, obligations and conditions of the Lease on behalf of the Tenant (notwithstanding any removal or eviction of Tenant) for a period not to exceed six (6) months from the first (1st) date of any cure by Franchisor; or

2. At any time within or at the conclusion of such six (6) month period, assume the terms, covenants, obligations and conditions of the Lease for the remainder of the term, together with any applicable renewal options. In such event, Landlord and Franchisor shall enter into an agreement to document such assumption. Franchisor is not a party to the Lease and shall have no liability under the Lease unless and until said Lease is assigned to, and assumed by, Franchisor as herein provided.

(e) If, during the six (6) month period set forth in section (d)(1) above or at any time after the assignment contemplated in section (d)(2), Franchisor shall notify Landlord that the franchise for the Unit is being granted to another 5 Star Nutrition Business franchisee, Landlord shall permit the assignment of the Lease to said franchisee without the payment of any fee or other cost requirement, provided that said franchisee meets Landlord's reasonable financial qualifications. Landlord shall not unreasonably withhold consent to such assignment. Thereafter, Franchisor shall be released from any and all further liabilities under the Lease. The parties agree to execute any commercially reasonable documents in furtherance of this section.

(f) Tenant will not assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor, nor shall Landlord and Tenant amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without Franchisor's prior written consent.

(g) Franchisor shall have the right to enter the Premises to make any modification or alteration necessary to protect the 5 Star Nutrition system and marks or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort. Landlord shall not be responsible for any

expenses or damages arising from any such action by Franchisor. Tenant hereby releases, acquits and discharges Franchisor and Landlord, and Franchisor's and Landlord's respective subsidiaries, affiliates, successors and assigns and the officers, directors, shareholders, partners, employees, agents and representatives of each of them, from any and all claims, demands, accounts, actions and causes of action, known or unknown, vested or contingent, which any of them may have, ever had, now has, or may hereafter have by reason of any event, transaction or circumstance arising out of or relating to the exercise of Franchisor's rights pursuant to this Addendum.

(h) All notices sent pursuant to this Addendum shall be sent in the manner set forth in the Lease, and delivery of such notices shall be effective as of the times provided for in the Lease. For purposes of notice under the Lease, Franchisor's mailing address shall be 8500 Shoal Creek, Building 4, Suite 150, Austin, Texas 78757 Attention: Brian Marver, which address may be changed by Franchisor via written notice to Landlord in the manner provided in the Lease.

EXHIBIT G TO THE FRANCHISE AGREEMENT

ASSIGNMENT OF TELEPHONE NUMBERS

For value received, the undersigned (hereinafter called the "Franchisee") hereby irrevocably assigns, effective upon the date of termination or expiration of the Franchise Agreement, the telephone listings and numbers stated below to 5 Star Nutrition Franchising, LLC (hereinafter called "Franchisor") upon the following terms and conditions:

1. This assignment is made pursuant to the terms of a Franchise Agreement of even date herewith (hereinafter called "Agreement") between Franchisor and Franchisee, which in part pertains to the telephone listing and numbers used by the Franchisee in the operation of the 5 Star Nutrition Business contemplated by the Agreement.

2. The Franchisee shall retain the limited right to use the telephone listing and numbers solely for the transaction and advertising of the business while the Agreement between Franchisor and the Franchisee shall remain in full force and effect, but upon termination or expiration of the Agreement for any reason whatsoever, the limited right of use of the telephone listing and numbers by the Franchisee shall also terminate.

3. The telephone listing and numbers subject to this assignment are:

and any numbers on the rotary series used by the Franchisee in the operation of the business in the future.

IN WITNESS WHEREOF, the Franchisee has hereunto set his/her hand this ____ day of _____, 20____.

FRANCHISEE:

By: _____
Name: _____
Title: _____

EXHIBIT H TO THE FRANCHISE AGREEMENT

STATE SPECIFIC ADDENDA

See following page

ILLINOIS

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Illinois:

1. Illinois law governs the Franchise Agreement.
2. Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. See FDD Item 3 containing pertinent information regarding the Franchisor's disclosure of current and prior litigation.

FRANCHISOR:

5 Star Nutrition Franchising, LLC,
A Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

INDIANA

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the disclosure document, the Franchise Agreement, or Texas law, if the provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as including any material breach of the Franchise Agreement, will supersede the provisions of Article XVIII of the Franchise Agreement to the extent Article XVIII may be inconsistent with this prohibition.
3. Any provision in the Franchise Agreement which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that the provision violates this law.
4. Section XI.C of the Franchise Agreement will be modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement as a second paragraph to Section XX.K:

Notwithstanding the foregoing provisions of this Section XX.K, any provision in this Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any contractual provision violates the Indiana Deceptive Franchise Practices Law.

FRANCHISOR:

5 Star Nutrition Franchising, LLC,
A Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

MARYLAND

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all residents of the State of Maryland, all franchises to be operated in the State of Maryland, and all franchises offered and sold in the State of Maryland. Accordingly, the Franchise Agreement is hereby amended as follows:

1. The general release required under the Franchise Agreement as a condition of the renewal, sale and/or assignment/transfer of the franchise agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.
4. With regard to the Franchise Agreement, the representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. Section XXI of the Franchise Agreement (Franchisee's Acknowledgements) is hereby deleted in its entirety.
7. Section V.A of the Franchise Agreement is hereby amended by inserting the following text at the end of such section:

"Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisee under this Agreement shall be deferred until the franchisor completes its pre-opening obligations under this Agreement."

The undersigned does hereby acknowledge receipt of this addendum dated _____.

FRANCHISOR:
5 Star Nutrition Franchising, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

RHODE ISLAND

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provision will supersede and apply to all franchises offered and sold in the State of Rhode Island:

1. To the extent that Article XX of the Franchise Agreement would otherwise violate Rhode Island law, these sections are amended by providing that all litigation by or between you and us, involving a business operating in the State of Rhode Island, will be commenced and maintained, at our election, in the state courts of Rhode Island or the United States District Court for Rhode Island, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

FRANCHISOR:

5 Star Nutrition Franchising, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT C TO THE FRANCHISE DISCLOSURE DOCUMENT
AREA DEVELOPMENT AGREEMENT

5 STAR NUTRITION
AREA DEVELOPMENT AGREEMENT

Exhibit C to Franchise Disclosure Document issued as of: 1/2/2024

5 STAR NUTRITION
AREA DEVELOPMENT AGREEMENT

TABLE OF CONTENTS

1. GRANT	2
1.1 GRANT OF RIGHTS	2
1.2 SCOPE OF DEVELOPER’S RIGHTS	2
1.3 RETAINED RIGHTS	2
2. FEES	3
2.1 DEVELOPMENT FEE.....	3
2.2 INITIAL FRANCHISE FEE	3
2.3 PAST DUE AMOUNTS; ACCEPTANCE AND APPLICATION OF PAYMENTS.....	3
3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS.....	4
3.1 FRANCHISE AGREEMENT EXECUTION; COMPLIANCE WITH CONDITIONS	4
3.2 DEVELOPMENT SCHEDULE.....	5
3.3 PROJECTED OPENING DATES.....	6
4. TERM	6
5. DUTIES OF FRANCHISOR.....	6
5.1 SITE SELECTION GUIDELINES AND ASSISTANCE	6
5.2 TRAINING.....	6
5.3 MANUALS	6
6. DEVELOPER’S OBLIGATIONS.....	6
6.1 CONTINUING OBLIGATIONS	6
6.2 ORGANIZATION	7
6.3 OWNERSHIP	7
6.4 FINANCIAL MATTERS	8
6.5 PRINCIPAL OWNER; AREA MANAGER.....	8
6.6 TRAINING.....	9
6.7 SITE SELECTION	10
6.8 INTERNET WEBSITE	10
6.9 LEGAL COMPLIANCE	11
7. DEFAULT AND TERMINATION; POST TERMINATION OBLIGATIONS.....	11
7.1 AUTOMATIC TERMINATION.....	11
7.2 TERMINATION ON NOTICE; NO RIGHT TO CURE.....	11
7.3 TERMINATION AFTER NOTICE AND OPPORTUNITY TO CURE	12
7.4 ADDITIONAL REMEDIES	13
7.5 EFFECT ON FRANCHISE AGREEMENTS; REMEDIES NON-EXCLUSIVE	13
7.6 POST-TERMINATION OBLIGATIONS	13
8. TRANSFER OF INTEREST.....	14
8.1 BY FRANCHISOR.....	14
8.2 BY DEVELOPER AND EQUITY OWNERS	14
8.3 TRANSFER FOR CONVENIENCE OF OWNERSHIP	16

8.4	TRANSFER NOTICES	16
8.5	RIGHT OF FIRST REFUSAL	16
8.6	DEATH OR PERMANENT DISABILITY	17
8.7	SECURITIES OFFERINGS	17
8.8	NO WAIVER	18
9.	COVENANTS.....	18
9.1	CONFIDENTIALITY	18
9.2	NONCOMPETITION COVENANTS.....	18
9.3	REASONABLE RESTRICTIONS	19
9.4	REDUCTION OF SCOPE OF COVENANT	19
9.5	ENFORCEMENT	20
9.6	EXECUTION OF COVENANTS	20
9.7	INJUNCTIVE RELIEF.....	20
9.8	NEW DEVELOPMENTS.....	20
9.9	ANTI-TERRORISM LAWS.....	21
10.	INDEPENDENT CONTRACTOR.....	21
10.1	INDEPENDENT CONTRACTOR RELATIONSHIP	21
10.2	NO AUTHORITY	21
11.	INDEMNIFICATION.....	21
11.1	INDEMNITY	21
11.2	DEFENSE OF CLAIM.....	22
11.3	REMEDIAL ACTION	22
11.4	LOSSES AND EXPENSES	22
11.5	CONTRIBUTORY NEGLIGENCE	23
11.6	NO DUTY TO MITIGATE; SURVIVAL OF OBLIGATIONS.....	23
12.	MISCELLANEOUS.....	23
12.1	NOTICES.....	23
12.2	ENTIRE AGREEMENT.....	23
12.3	NO WAIVER	24
12.4	APPROVAL OR CONSENT	24
12.5	FORCE MAJEURE.....	24
12.6	MEDIATION.....	24
12.7	JURISDICTION AND VENUE	25
12.8	GOVERNING LAW.....	25
12.9	MUTUAL ACKNOWLEDGMENTS.....	26
12.10	WAIVER OF JURY TRIAL, CLASS ACTION AND DAMAGES	26
12.11	BUSINESS JUDGMENT.....	26
12.12	LIMITATION OF CLAIMS.....	27
12.13	COUNTERPART EXECUTION.....	27
12.14	HEADINGS.....	27
12.15	SURVIVAL	27
12.16	SEVERABILITY	27
12.17	GENDER	28
12.18	REMEDIES CUMULATIVE	28
12.19	NO THIRD PARTY BENEFICIARY	28
12.20	FURTHER ASSURANCES	28
12.21	AGREEMENT EFFECTIVE UPON EXECUTION BY FRANCHISOR.....	28

13.	ACKNOWLEDGMENTS.....	29
13.1	INDEPENDENT INVESTIGATION	29
13.2	CONSULTATION WITH ADVISORS.....	29
13.3	DISCLOSURE	29
13.4	FRANCHISOR’S OBLIGATIONS	29
14.	CERTAIN DEFINITIONS	29

ATTACHMENTS

ATTACHMENT A	GUARANTY AND ASSUMPTION AGREEMENT
ATTACHMENT B	CONFIDENTIALITY AGREEMENT AND ANCILLARY COVENANTS
ATTACHMENT C	FRANCHISE AGREEMENT
ATTACHMENT D	STATEMENT OF OWNERSHIP INTERESTS
ATTACHMENT E	DESCRIPTION OF DEVELOPMENT TERRITORY
ATTACHMENT F	STATE SPECIFIC ADDENDA

**5 STAR NUTRITION
AREA DEVELOPMENT AGREEMENT**

This Area Development Agreement (this “Agreement”) is made and entered into this ____ day of _____, 20____ (the “Effective Date”), between 5 Star Nutrition Franchising, LLC, a Delaware limited liability company having its principal business address at 8500 Shoal Creek, Building 4, Suite 150, Austin, Texas 78757 (“Franchisor”), and _____, a _____ whose principal business address is _____ (“Developer”). Certain initially capitalized terms used frequently in this Agreement are defined in Section 14.

Recitals:

WHEREAS, Franchisor and its affiliates, as the result of the expenditure of significant time, skill, effort and money, have established and developed a distinctive System (as defined below) for the operation of retail businesses that feature nutritional supplements for sports nutrition, muscle building, weight management and general health and wellness, which operate under Franchisor’s System and the Marks (as defined below), all of which Franchisor may periodically change, improve, and/or further develop from time to time (collectively, the “5 Star Nutrition Businesses” and individually a “5 Star Nutrition Business”);

WHEREAS, the distinguishing characteristics utilized by Franchisor in each 5 Star Nutrition Business include, without limitation, distinctive interior and exterior sign design and arrangement, décor, fixtures and furnishings; quality and uniformity of products and services offered; standards, specifications, methods, techniques, procedures for operations, inventory and management; training and assistance; record keeping and reporting; and marketing and promoting; all of which may be changed, improved and further developed by Franchisor and/or its affiliates from time to time (collectively, the “System”);

WHEREAS, 5 Star Nutrition Businesses operate under the System and are identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin as determined by Franchisor (the “Marks”);

WHEREAS, Developer wishes to obtain certain development rights, and undertake certain development obligations, to establish an agreed number of 5 Star Nutrition Businesses within a designated geographic area approved by Franchisor using the Marks and the System;

WHEREAS, Developer understands and acknowledges the importance of Franchisor’s high standards of client service and the necessity of operating the 5 Star Nutrition Businesses in conformity with Franchisor’s standards and specifications; and

WHEREAS, Franchisor is willing to grant Developer certain area development rights upon the terms and conditions set forth in this Agreement in reliance on Developer’s application and representations made in the application and in this Agreement.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. GRANT

1.1 Grant of Rights

Franchisor hereby grants to Developer, and Developer hereby accepts, the right and obligation to develop 5 Star Nutrition Businesses within the development territory described in Attachment E (the “Development Territory”), in accordance with the terms and conditions set forth in this Agreement. The development rights shall be exercised following satisfaction of the conditions set forth in Section 3.1 hereof and as provided in the Development Schedule.

1.2 Scope of Developer’s Rights

Developer acknowledges and agrees that the rights granted hereunder pertain only to the development of 5 Star Nutrition Businesses. This Agreement is intended by the parties to set forth the terms and conditions which, if fully satisfied by Developer, shall entitle Developer to obtain Franchise Agreements for the establishment and operation of 5 Star Nutrition Businesses within the Development Territory. This Agreement is not a franchise agreement and does not grant to Developer any right or license to operate a 5 Star Nutrition Business or offer goods or services, or any right to use, or interest in, the Marks. Developer further acknowledges and agrees that the rights and duties set forth in this Agreement are personal to Developer and that Franchisor has granted such rights in reliance on the representations and warranties of Developer and its Equity Owners. Developer and its Equity Owners have represented to Franchisor that they have entered this Agreement for the purpose and with the intention to fully comply with the 5 Star Nutrition Business development obligations hereunder.

1.3 Retained Rights

Subject to Developer’s full compliance with this Agreement and the full compliance by Developer and its affiliates with any other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates, neither Franchisor nor any affiliate of Franchisor shall establish, or authorize any person or entity other than Developer or its affiliates to establish, a 5 Star Nutrition Business in the Development Territory during the term of this Agreement. Notwithstanding the foregoing, Developer expressly acknowledges and agrees that Franchisor and its affiliates retain all other rights, including, without limitation, the right: (i) to operate, and license others to operate, 5 Star Nutrition Businesses at any location outside the Development Territory, including locations that are adjacent to or surrounded by the Development Territory; (ii) within and outside the Development Territory to develop and establish other business systems (including systems that offer products or services similar to those offered by 5 Star Nutrition Businesses) using other names or marks and to grant licenses to use those systems; (iii) to advertise and promote the System both within and outside the Development Territory; (iv) to acquire, or be acquired by, any competing system or other third party, including a competing system that has one or more units located within Developer’s Development Territory; and (v) except for the restriction in this Section 1.3 against the establishment of another 5 Star Nutrition Business in the Development Territory, to engage, directly or indirectly, at wholesale, retail or otherwise, in the offer, license and sale of any and all services and products under the Marks or under other names or marks, both within and outside the Development Territory, through any other method of distribution, including, but not limited to, Internet sales, sales at stores or other retail outlets, mail order catalogs, and any other systems, programs or alternative channels of distribution at Franchisor’s discretion, regardless of the competitive impact on Developer’s 5 Star Nutrition Business(es).

2. FEES

2.1 Development Fee

Upon the execution of this Agreement, Developer shall pay to Franchisor a development fee of [_____ Dollars (\$_____)]. The development fee shall equal the total of (a) \$25,000 (i.e. 100% of the initial franchise fee for the first 5 Star Nutrition Business to be developed hereunder), plus (b) \$10,000 (i.e. 50% of the reduced initial franchise fee of \$20,000 payable for your second and subsequent franchises) for each additional 5 Star Nutrition Business to be developed hereunder, determined as of the date this Agreement is executed, in accordance with Section 2.2 below. The pro rata portion of the development fee allocable to each 5 Star Nutrition Business will be credited against the initial franchise that must be paid under the Franchise Agreement for the applicable 5 Star Nutrition Business. The remaining half (\$10,000) of the initial franchise fee due for the second and subsequent 5 Star Nutrition Businesses must be paid to us when you sign the Franchise Agreement for the applicable 5 Star Nutrition Business. The development fee shall be deemed fully earned and nonrefundable by Franchisor for administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the rights granted to Developer herein.

2.2 Initial Franchise Fees

In accordance with Section 2.1 above, Developer will not be required to pay an initial franchise fee under the first Franchise Agreement entered into pursuant to this Agreement, but Developer will be required to pay an initial franchise fee in the amount of \$20,000 (minus the \$10,000 credit) immediately upon executing the second and subsequent Franchise Agreements entered into pursuant to this Agreement.

2.3 Past Due Amounts; Acceptance and Application of Payments

(1) Any payment not actually received by Franchisor on or before the due date shall be deemed overdue. Time is of the essence for all payments to be made by Developer to Franchisor. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of eighteen (18%) percent per annum or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment.

(2) Acceptance by Franchisor of any payments due under this Agreement after the applicable due date shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer or the Equity Owners of any terms, provisions, covenants or conditions of this Agreement.

(3) Franchisor shall have the right to apply any payment it receives from Developer to any amounts Developer owes Franchisor or its affiliates under this Agreement or any other agreement between them, even if Developer has designated the payment for another purpose or account. Franchisor may accept any check or payment in any amount from Developer without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) Developer shall have no right to withhold any payments due Franchisor on account of Franchisor's breach or alleged breach of this Agreement, and shall have no right to offset any amount due Franchisor against any obligation that Franchisor may owe to Developer.

3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 Franchise Agreement Execution; Compliance with Conditions

(1) Developer shall exercise the development rights granted hereunder only by entering into (or, with Franchisor's written consent, causing a majority-owned subsidiary of Developer to enter into) a separate Franchise Agreement with Franchisor for each 5 Star Nutrition Business for which a development right is granted. The Franchise Agreement for the first 5 Star Nutrition Business to be developed by Developer or its affiliate under this Agreement shall be in the form of the Franchise Agreement attached as Attachment C and shall be executed on the same day as the Effective Date of this Agreement. The Franchise Agreements signed for the second and subsequent 5 Star Nutrition Businesses to be developed shall be in the form of Franchisor's then-current form of Franchise Agreement, and the subsequent 5 Star Nutrition Businesses shall be established and operated pursuant to such then-current form of Franchise Agreement then being used by Franchisor for new franchisees of 5 Star Nutrition Businesses, except that the initial franchise fee shall be determined as provided in Section 2.2 above, and the royalty percentage will be the same as the royalty percentage set forth in the Franchise Agreement attached as Attachment C to this Agreement. These franchise agreements shall also be included in the term "Franchise Agreement" as used in this Agreement and shall be executed by Developer or its affiliate in accordance with this Section 3.

(2) Prior to exercising any development right granted hereunder, Developer shall apply to Franchisor for a franchise to operate a 5 Star Nutrition Business within the Development Territory. If Franchisor, in its sole discretion, determines that Developer has met each of the following operational, financial, and legal conditions, then Franchisor will grant Developer a franchise for such 5 Star Nutrition Business in the Development Territory:

(a) Operational Conditions: Developer must be in compliance with the Development Schedule and all other provisions of this Agreement, and Developer and its affiliates must be in compliance with any other agreement between them and Franchisor or its affiliates. Developer must be operating its existing 5 Star Nutrition Businesses in compliance with Franchisor's standards and specifications and must be capable of also conducting the operation of the proposed 5 Star Nutrition Business in accordance with the terms and conditions of this Agreement, the respective Franchise Agreement, and the standards, specifications, and procedures set forth and described in the Manuals (defined in the Franchise Agreement).

(b) Financial Conditions: Developer and the Equity Owners must satisfy Franchisor's then-current financial criteria for developers of 5 Star Nutrition Businesses. Developer and the Equity Owners must have been, and are, faithfully performing all terms and conditions under each of the existing Franchise Agreements with Franchisor. Developer and its affiliates must not be in default, and must not have been in default, during the twelve (12) months preceding Developer's request for financial approval, of any monetary obligations owed to Franchisor or its affiliates under any Franchise Agreement or other agreement between Developer or its affiliates and Franchisor or its affiliates. Developer acknowledges and agrees that it is vital to Franchisor's interest that each of its franchisees be financially sound to avoid failure of a 5 Star Nutrition Business and that such failure would adversely affect the reputation and good name of Franchisor and the System.

(c) **Legal Conditions:** Developer must have submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to Franchisor by this Agreement or by any Franchise Agreement.

3.2 Development Schedule

Acknowledging that time is of the essence, Developer agrees to exercise its development rights according to Section 3.1 and in compliance with the Development Schedule set forth in this section. Developer may, subject to the terms and conditions of this Agreement and only with Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion, develop more than the total minimum number of 5 Star Nutrition Businesses which Developer is required to develop during any Development Period. Any 5 Star Nutrition Businesses in excess of the minimum number required to be developed in a particular Development Period shall be applied to satisfy Developer's development obligation during the next Development Period, if any. Notwithstanding the above, Developer shall not open or operate more than the cumulative total number of 5 Star Nutrition Businesses required to be develop under the Development Schedule.

DEVELOPMENT SCHEUDULE			
Development Period	Expiration Date of Development Period	Number of Franchises that must be opened in the Development Territory during the Development Period	Cumulative Total Number of Franchises that must be open and operating in the Development Territory at the end of the Development Period
1	One-year anniversary of the Effective Date		
2	Two-year anniversary of the Effective Date		
3	Three-year anniversary of the Effective Date		

(1) If, during the term of this Agreement, Developer ceases to operate any 5 Star Nutrition Business developed under this Agreement for any reason, Developer shall develop a replacement 5 Star Nutrition Business. The replacement 5 Star Nutrition Business shall be opened within a reasonable time (not to exceed 210 days) after Developer ceases to operate the original 5 Star Nutrition Business. If, during the term of this Agreement, Developer transfers its interest in a 5 Star Nutrition Business in accordance with the terms of the applicable Franchise Agreement for the 5 Star Nutrition Business, the transferred 5 Star Nutrition Business shall continue to be counted in determining whether Developer has complied with the Development Schedule so long as it continues to be operated as a 5 Star Nutrition Business. If the transferred 5 Star Nutrition Business ceases to be operated as a 5 Star Nutrition Business during the term of this Agreement, Developer must develop a replacement 5 Star Nutrition Business within a reasonable time (not to exceed 210 days) thereafter.

(2) Failure by Developer to adhere to the Development Schedule (including any extensions thereof approved by Franchisor in writing) or to any time period for the development of replacement 5 Star Nutrition Businesses shall constitute a material breach of this Agreement.

3.3 Projected Opening Dates

Developer acknowledges that the Projected Opening Date for each 5 Star Nutrition Business will be determined by Franchisor in its reasonable discretion. Developer shall execute a Franchise Agreement for each 5 Star Nutrition Business no later than sixty (60) days prior to the Projected Opening Date for the applicable 5 Star Nutrition Business.

4. TERM

The term of this Agreement will begin on the Effective Date and, unless sooner terminated, will expire on the earlier of: (i) the date Developer has completed its development obligations under this Agreement, or (ii) 12:00 midnight on the last day of the final Development Period specified in the Development Schedule in Section 3.2 of this Agreement.

5. DUTIES OF FRANCHISOR

Franchisor agrees to provide the services described below:

5.1 Site Selection Guidelines and Assistance

To assist Developer in its selection of sites for its 5 Star Nutrition Businesses, Franchisor will provide to Developer:

(1) Franchisor's written site selection guidelines and such site selection assistance as Franchisor deems advisable; and

(2) Such on-site evaluation as Franchisor may deem necessary on its own initiative or in response to Developer's reasonable request for site selection assistance; provided, that Franchisor shall not provide an on-site evaluation for any proposed site prior to receiving all required information and materials prepared and submitted pursuant to Section 6.7 of this Agreement.

5.2 Training

Training of Developer's Principal Owner and an Area Manager in accordance with Section 6.6 of this Agreement. With Franchisor's prior written consent and subject to its then-current certification procedures, Franchisor may authorize Developer to implement a training program for the employees of the 5 Star Nutrition Businesses developed pursuant to this Agreement in accordance with Franchisor's then-current standards.

5.3 Manuals

Franchisor will provide Developer with access to one (1) set of the Manuals (to be provided in electronic format only, using a system determined by Franchisor in its sole discretion), which Franchisor may amend from time to time at Franchisor's sole discretion upon written notice to Developer.

6. DEVELOPER'S OBLIGATIONS

6.1 Continuing Obligations

Developer and its Equity Owners make the following representations, warranties and covenants and accept the following obligations. Such representations, warranties and covenants are continuing

obligations, and Developer and its Equity Owners acknowledge and agree that any failure to comply with them shall constitute a material event of default under this Agreement. Developer will cooperate with Franchisor to verify compliance with the following representations, warranties and covenants.

6.2 Organization

If Developer is a corporation, partnership, limited liability company or other legal entity:

(1) Developer is duly organized and validly existing under the law of the state of its formation;

(2) Developer is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification;

(3) Developer's corporate charter or written partnership or limited liability company agreement shall at all times provide that the activities of Developer are confined exclusively to the development and operation of 5 Star Nutrition Businesses;

(4) The execution of this Agreement and the performance of the transactions contemplated hereby are within Developer's corporate power, if Developer is a corporation, or if Developer is a partnership or a limited liability company, are permitted under Developer's written partnership or limited liability company agreement and have been duly authorized by Developer; and

(5) If Developer is a corporation, copies of Developer's articles of incorporation, bylaws, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by Franchisor shall have been furnished to Franchisor prior to the execution of this Agreement; or, if Developer is a partnership or limited liability company, copies of Developer's written partnership or limited liability company agreement, other governing documents and any amendments thereto shall have been furnished to Franchisor prior to the execution of this Agreement, including evidence of consent or approval of the execution and performance of this Agreement by the requisite number or percentage of partners or members, as applicable, if such approval or consent is required by Developer's written partnership or limited liability company agreement.

6.3 Ownership

(1) If Developer is a corporation, partnership, limited liability company or other legal entity, the ownership interests in Developer are accurately and completely described in Attachment D. If Developer is a corporation, Developer shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Developer or, if Developer is a partnership, limited liability company or other form of legal entity, Developer shall maintain at all times a current list of all owners of an interest in the partnership, limited liability company or other entity. Developer shall make its list of owners available to Franchisor upon request.

(2) If Developer is a corporation, Developer shall maintain stop-transfer instructions against the transfer on its records of any of its equity securities and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon assignments by this Agreement. If Developer is a partnership or limited liability company, its written partnership or limited liability company agreement shall provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.

(3) Upon Developer's execution of this Agreement, Developer's Equity Owners must each sign the Guaranty and Assumption Agreement attached as Attachment A and the Confidentiality Agreement and Ancillary Covenants Not to Compete in the form of Attachment B to this Agreement.

(4) If, after the execution of this Agreement, any person ceases to qualify as one of the Developer's Equity Owners or if any individual succeeds to or otherwise comes to occupy a position which, upon designation by Franchisor, would qualify him as one of Developer's Equity Owners, Developer shall notify Franchisor within ten (10) days after any such change and, upon designation of such person by Franchisor as one of Developer's Equity Owners such person shall execute all documents and instruments (including, as applicable, this Agreement) as Franchisor may require others in such positions to execute.

6.4 Financial Matters

(1) Developer and, at Franchisor's request, each of the Equity Owners have provided Franchisor with the most recent financial statements of Developer and such Equity Owners. Such financial statements present fairly the financial position of Developer and each of the Equity Owners, as applicable, at the dates indicated therein and, with respect to Developer, the results of its operations and its cash flow for the years then ended. Each of the financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments or obligations of any nature, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements.

(2) Developer's Equity Owners shall jointly and severally guarantee the performance of Developer's obligations under this Agreement pursuant to the terms and conditions of the Guaranty and Assumption Agreement at Attachment A hereto, and shall otherwise bind themselves to the terms of this Agreement as stated herein.

(3) Developer shall provide Franchisor with any and all loan or other documents regarding the financing of the business contemplated hereby that Franchisor may request.

(4) Developer shall maintain at all times during the term of this Agreement sufficient working capital to fulfill its obligations under this Agreement.

6.5 Principal Owner; Area Manager

Upon the execution of this Agreement, Developer shall designate, and shall retain at all times during the term of this Agreement, an individual to serve as Developer's "Principal Owner". If Developer is an individual, Developer shall perform all obligations of the Principal Owner. The Principal Owner under this Agreement and under each Franchise Agreement executed pursuant hereto shall be the same individual. The Principal Owner must be an individual acceptable to Franchisor and shall, during the entire period he serves as such, meet the following qualifications and such other standards as may be set forth by Franchisor in the Manuals or otherwise in writing:

(1) The Principal Owner shall maintain a direct or indirect ownership interest of not less than ten percent (10%) in Developer. Except as may otherwise be provided in this Agreement, the Principal Owner's interest in Developer shall be and remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. The

Principal Owner shall execute the Guaranty and Assumption Agreement attached hereto as Attachment A, and shall be individually, jointly and severally, bound by all obligations hereunder.

(2) Notwithstanding Section 6.5(1), Developer may, at its option and subject to Franchisor's written consent, designate an Area Manager to supervise the operation of the business contemplated by this Agreement; provided, that the Area Manager under this Agreement and under each Franchise Agreement executed pursuant hereto is the same individual; and provided further, that Developer and its Principal Owner shall remain fully responsible for Area Manager's performance. The Area Manager shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete attached as Attachment B to this Agreement.

(3) Unless an Area Manager is designated pursuant to Section 6.5(2), Developer's Principal Owner shall devote full time and best efforts to the supervision of the business contemplated by this Agreement, and, without Franchisor's written consent, shall not engage in any other business. The foregoing provision shall not apply if an Area Manager is designated, provided, the Area Manager shall devote his or her full time and best efforts to the supervision and operation of the business contemplated by this Agreement.

(4) The Principal Owner and any Area Manager shall meet Franchisor's qualifications, as set forth in this Agreement, the Manuals, or otherwise in writing and, without limitation, shall be empowered with full authority to act for and on behalf of Developer.

Developer must promptly notify Franchisor if the Principal Owner cannot continue to serve in that capacity or no longer qualifies as such, and must take corrective action within thirty (30) days thereafter. During such thirty (30) day period, Developer must provide for interim management of its operations in accordance with this Agreement. Any failure to comply with this Section 6.5 will be a material breach of this Agreement.

6.6 Training

Developer's Principal Owner and any Area Manager shall successfully complete Franchisor's management training program within a reasonable period of time after the execution of this Agreement. Any successor or replacement Principal Owner or Area Manager shall successfully complete Franchisor's management training program within a reasonable time (not to exceed 45 days) after such persons are designated. Such persons, and any other personnel of Developer whom Franchisor may designate, shall attend and complete any additional training that Franchisor may from time to time require. Training shall be conducted at locations designated by Franchisor.

(1) Initial management training for Developer's Principal Owner and initial Area Manager is provided at no additional charge; however, Franchisor reserves the right to charge a reasonable fee for training successor or replacement personnel and for any additional training programs. Developer shall be responsible for any and all expenses incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, meals and wages incurred by Developer, its Principal Owner or Area Manager.

(2) If Developer's Principal Owner or Area Manager fails, in Franchisor's sole judgment, to satisfactorily complete Franchisor's management training program, and Developer fails to cure such default within ninety (90) days following written notice from Franchisor, Franchisor may terminate this Agreement.

6.7 Site Selection

Developer assumes all cost, liability, expense and responsibility for selecting, obtaining and developing a site within the Development Territory for each 5 Star Nutrition Business to be developed pursuant to this Agreement.

(1) Before acquiring a site for a 5 Star Nutrition Business, Developer shall submit to Franchisor, in the form specified by Franchisor, a description of the site, evidence satisfactory to Franchisor demonstrating that the site satisfies Franchisor's site selection guidelines, and such other information and materials as Franchisor may reasonably require, including, but not limited to, copies of a proposed lease (which incorporates a lease rider in substantially the form attached to Franchisor's then-current form of franchise agreement) or contract of sale for the site.

(2) No site may be used for a 5 Star Nutrition Business unless it is first accepted in writing by Franchisor in accordance with the site selection requirements set forth in the applicable 5 Star Nutrition Franchise Agreement, and Developer shall not make any binding commitment with respect to a site for a 5 Star Nutrition Business unless the site is first accepted in writing by Franchisor. Developer acknowledges that Franchisor's acceptance of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by Franchisor that the 5 Star Nutrition Business operated at that site will be profitable or otherwise successful.

(3) Promptly following Franchisor's acceptance of the site for each 5 Star Nutrition Business, Developer shall acquire the applicable site by purchase or lease, at Developer's expense.

(4) Developer shall furnish to Franchisor a copy of the executed lease or contract of sale within ten (10) days after execution.

(5) After a site for a 5 Star Nutrition Business is accepted by Franchisor and acquired by Developer, the address of the site shall be entered on Attachment C to the Franchise Agreement as the Location of the 5 Star Nutrition Business.

6.8 Internet Website

Developer shall not establish any Internet website, social media account or other listing on the Internet except as expressly provided herein. If Franchisor grants approval for Developer to establish or use an Internet website (including any social media pages), Developer must appoint Franchisor as a co-administrator of Developer's account with ability to modify content, and Developer acknowledges that the form, content and appearance of any Internet website Developer establishes or uses must comply with Franchisor's System standards and must be approved by Franchisor in writing before being used.

(1) Franchisor has established, or may establish, an Internet website that provides information about the System and the products and services offered by 5 Star Nutrition Businesses. Franchisor has sole discretion and control over such website (including timing, design, contents and continuation). Franchisor may use part of the brand development fund monies it collects under the Franchise Agreement to pay or reimburse the costs associated with the development, maintenance and update of the Franchisor's website.

(2) Franchisor may, but is not required to, include on its website an interior page containing information about the 5 Star Nutrition Businesses developed under this Agreement. If Franchisor includes such information on the website, Franchisor may require Developer to prepare all or a portion of the page, at Developer's expense, using a template that Franchisor provides. All such

information will be subject to Franchisor's approval prior to posting. Developer acknowledges and understands that it shall not establish its own website using the Marks or referring in any way to the 5 Star Nutrition Business without Franchisor's prior written consent, which Franchisor is not obligated to provide. If Developer is in default of this Agreement at any time, Franchisor reserves the right to suspend Developer's web page or other 5 Star Nutrition Business listings or accounts until such time as Developer is in full compliance with the terms of this Agreement.

6.9 Legal Compliance

In addition to complying with its obligations under this Agreement, Developer shall comply with all requirements of federal, state and local laws, rules, regulations, ordinances and orders at all times during the term of this Agreement.

7. DEFAULT AND TERMINATION; POST TERMINATION OBLIGATIONS

7.1 Automatic Termination

Developer shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if Developer (including any of Developer's officers, owners, directors, shareholders, partners or members, if Developer is a business entity) becomes insolvent or makes a general assignment for the benefit of creditors; or if Developer files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing its inability to pay its debts when due; or if Developer is adjudicated as bankrupt or insolvent in proceedings filed against Developer under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Developer is dissolved; or if execution is levied against Developer's business or property; or if suit to foreclose any lien or mortgage against the Developer's business or property is instituted against Developer and not dismissed within thirty (30) days; or if the real or personal property of any business operated by Developer hereunder shall be sold after levy thereupon by any sheriff, marshal or constable.

7.2 Termination on Notice; No Right to Cure

Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure the default, effective immediately upon written notice to Developer, upon the occurrence of any of the following events of default:

(1) If Developer fails to comply with the Development Schedule under this Agreement or otherwise fails to satisfy its obligations set forth in Section 3.

(2) If Developer or any of the Equity Owners is convicted of, or enters a plea of guilty or no contest to, a felony, a crime involving moral turpitude or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or Franchisor's interests therein.

(3) If a threat or danger to public health or safety results from the construction, maintenance or operation of any 5 Star Nutrition Business developed under this Agreement.

(4) If Developer or any of the Equity Owners breach, in any material respect, any of the representations, warranties and covenants in Section 4.

(5) If Developer or any of the Equity Owners transfers or attempts to transfer any rights or obligations under this Agreement, or any interest in Developer or the business contemplated hereby contrary to the terms of this Agreement, or if an approved transfer upon death or permanent disability is not effected within the time period and in the manner prescribed by Section 8.6.

(6) If Developer or any of the Equity Owners fails to comply with the covenants in Section 9.

(7) If Developer, or any of the Equity Owners, repeatedly commits a material event of default under this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured after notice by Franchisor.

7.3 Termination After Notice and Opportunity to Cure

Upon the occurrence of any event set forth below, Developer shall be deemed to be in material default, and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, by giving Developer written notice stating the nature of the default and the applicable cure period (defined below). Developer may avoid termination by curing such default to Franchisor's satisfaction within the time period set forth below or such longer period as applicable law may require ("cure period"). If a default is not cured within the applicable cure period, Developer's rights under this Agreement shall terminate without further notice to Developer effective immediately upon the expiration of the cure period.

(1) If Developer or any of its affiliates fails, refuses or neglects to promptly pay when due any monetary obligation owing to Franchisor or any of its affiliates and fails to cure such default within five (5) days following notice from Franchisor, or if Developer or any of its affiliates are otherwise in default under any Franchise Agreement and fails to cure such default within the applicable cure period, if any, contained in such Franchise Agreement.

(2) If Developer fails to designate a qualified replacement Principal Owner or Area Manager within thirty (30) days after any initial or successor Principal Owner or Area Manager ceases to serve.

(3) If Developer fails to obtain the execution of the covenants required under Section 9.6 within thirty (30) days following Franchisor's request that Developer do so.

(4) If Developer misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or with the System or Franchisor's rights therein and fails to cure such default within twenty-four (24) hours following notice from Franchisor.

(5) If Developer fails to comply with any other term or condition imposed by this Agreement and fails to cure within thirty (30) days following notice from Franchisor.

7.4 Additional Remedies

Upon default by Developer under Section 7.2 or 7.3, Franchisor may, in its sole discretion, elect to exercise any one or more of the following remedies in lieu of terminating this Agreement: (i) terminate or modify any territorial protections granted to Developer under this Agreement, (ii) reduce the size of the Development Territory, or (iii) reduce the number of 5 Star Nutrition Businesses which Developer may establish pursuant to the Development Schedule.

(1) If Franchisor elects to exercise one or more of the additional remedies set forth above, Developer shall continue to develop 5 Star Nutrition Businesses in accordance with its rights and obligations hereunder, as so modified. To the extent such rights are modified pursuant to this Section 7.4, Developer acknowledges that Franchisor shall be entitled to establish, and to license others to establish, 5 Star Nutrition Businesses in some or all of the Development Territory, except as may be otherwise provided under any Franchise Agreement which is then in effect between Franchisor and Developer.

(2) Franchisor's exercise of any of its remedies under this Section 7.4 shall not constitute a waiver by Franchisor to exercise its option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

7.5 Effect on Franchise Agreements; Remedies Non-Exclusive

(1) No default under this Agreement shall constitute a default under any Franchise Agreement, unless the default is also a default under the terms of such Franchise Agreement.

(2) No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity.

7.6 Post-Termination Obligations

Upon the termination or expiration of this Agreement, Developer shall have no right to establish or operate any 5 Star Nutrition Business for which a Franchise Agreement has not already been executed by Franchisor and delivered to Developer at the time of termination or expiration (but Developer may complete development of and/or operate 5 Star Nutrition Businesses under then existing Franchise Agreements), and Franchisor may develop, or authorize others to develop, 5 Star Nutrition Businesses in the Development Territory. Upon the expiration or termination of this Agreement:

(1) Developer and the Equity Owners shall comply with the restrictions on confidential information contained in Section 9.1 and the covenants against competition contained in Section 9.2. Any other person required to execute similar covenants pursuant to Section 9.6 shall also comply with such covenants.

(2) Developer and its Equity Owners shall promptly pay all sums owing to Franchisor and its subsidiaries or affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Developer, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Developer and on the premises operated under any Franchise Agreement at the time of default.

(3) Developer and its Equity Owners shall pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and subsequent to the

termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 7.6.

8. TRANSFER OF INTEREST

8.1 By Franchisor

Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity without Developer's consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all Franchisor's obligations arising hereunder subsequent to the transfer or assignment. Without limitation of the foregoing, Franchisor may sell its assets to a third party; may offer its securities privately or publicly; may merge with, or acquire, other entities, or may be acquired by another entity; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

8.2 By Developer and Equity Owners

Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer, and that Franchisor has granted such rights in reliance on the business skill, financial capacity and personal character of Developer and its Equity Owners. Accordingly, neither Developer nor any Equity Owner, nor any successor or assign of Developer or any Equity Owner, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement (including, without limitation, any or all of Developer's rights or obligations hereunder), the business operated under this Agreement, or in Developer (except as provided in Section 8.4 below) without the prior written consent of Franchisor. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach of this Agreement.

(1) If Developer wishes to transfer all or part of its interest in this Agreement or in the business operated hereunder, or if Developer or an Equity Owner wishes to transfer any interest in Developer (except as permitted in Section 8.4), transferor and the proposed transferee shall apply to Franchisor for its consent. Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Developer, in this Agreement or in the business operated hereunder, but Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval to any such transfer:

(a) All the accrued monetary obligations of Developer and its affiliates and all other outstanding obligations to Franchisor and its affiliates arising under this Agreement or any Franchise Agreement or other agreement shall have been satisfied in a timely manner and Developer shall have satisfied all trade accounts and other debts, of whatever nature or kind, in a timely manner;

(b) Developer and its affiliates shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any Franchise Agreement or other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates; and Developer shall have substantially and timely complied with all the terms and conditions of such agreements during the terms thereof;

(c) The transferor (and all of its owners, if applicable) shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims, against Franchisor, its affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement, any Franchise Agreement

and any other agreement between Developer and Franchisor or any of its affiliates or under federal, state or local laws, rules, regulations and orders;

(d) The transferee shall enter into a written agreement, satisfactory to Franchisor, assuming full, unconditional, joint and several, liability for and agreeing to perform from the date of the transfer, all obligations, covenants and agreements of Developer in this Agreement; and, if transferee is a corporation, partnership or limited liability company, transferee's owners shall personally guarantee the performance of all such obligations, covenants and agreements;

(e) The transferee shall, at Franchisor's request, execute the standard form development agreement then being offered to new System area developers or a revised form of this Agreement, as Franchisor deems appropriate, and such other ancillary agreements as Franchisor may require, which agreements shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of this Agreement, and if the transferee is a corporation, partnership, or limited liability company, such of transferee's owners as Franchisor may designate shall execute such agreement and guarantee the performance thereof;

(f) The transferee shall demonstrate to Franchisor's satisfaction that transferee meets the criteria considered by Franchisor when reviewing a prospective developer's application for development rights, including, but not limited to, Franchisor's educational, managerial and business standards, transferee's good moral character, business reputation and credit rating, transferee's aptitude and ability to conduct the business contemplated hereunder (as may be evidenced by prior related business experience or otherwise), transferee's financial resources and capital for operation of the business, and the geographic proximity of other territories with respect to which transferee has been granted development rights or of other 5 Star Nutrition Businesses operated by transferee, if any;

(g) The transferor shall remain liable for all of the obligations to Franchisor in connection with this Agreement incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(h) Developer shall pay Franchisor a transfer fee in an amount equal to Fifty Percent (50%) of Franchisor's then-current initial franchise fee (or 25% of the then-current initial franchise fee if the transfer is to an existing 5 Star Nutrition franchisee in good standing). Furthermore, if Developer is an individual transferring its rights and obligations under this Agreement to an entity owned solely by Developer pursuant to, and in accordance with, Section 8.3 of this Agreement, the transfer fee shall be a flat fee of \$2,500;

(i) If transferee is a corporation, partnership, limited liability company or other business entity, transferee shall make and will be bound by any or all of the representations, warranties and covenants in Section 6 as Franchisor requests. Transferee shall provide to Franchisor evidence satisfactory to Franchisor that the terms of Sections 6.2, 6.3 and 6.4 have been satisfied and are true and correct on the date of transfer.

(2) If the transfer relates to the grant of a security interest in any of Developer's assets, Franchisor may require the secured party to agree that, in the event of any default by Developer under any documents related to the security interest, Franchisor shall have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default of Developer.

(3) Developer acknowledges and agrees that each condition which must be met by the transferee is reasonable and necessary to assure such transferee's full performance of the obligations hereunder.

8.3 Transfer for Convenience of Ownership

If Developer is an individual and the proposed transfer by Developer is to a business entity formed solely by Developer specifically for the convenience of ownership, Franchisor's consent may be conditioned upon any of the requirements in Section 8.2(1), except that the requirements in Sections 8.2(1)(e) and (f) shall not apply and the transfer fee provided for in Section 8.2(1)(h) shall be \$2,500. In any transfer for the convenience of ownership, Developer shall be the owner of all the voting stock or other ownership interests of the business entity, and if Developer is more than one individual, each individual shall have the same proportionate ownership interest in the business entity as he had in Developer prior to the transfer.

8.4 Transfer Notices

If any person holding any interest in Developer proposes to transfer such interest, then Developer shall promptly notify Franchisor of such proposed transfer in writing and shall provide such information relative thereto as Franchisor may reasonably request prior to the transfer. Franchisor may reject any such proposed transfer for any reason in its sole discretion. No transferee shall be an owner or operator of any of Franchisor's competitors (including any business that offers products or services related to health, wellness, muscle building, weight management or sports nutrition), and any transferee may be required to execute a confidentiality agreement and ancillary covenants not to compete in the form then required by Franchisor, which form shall be in substantially the same as the form attached to this Agreement as Attachment B. Franchisor reserves the right to require any transferee to sign the Guaranty and Assumption Agreement attached to this Agreement as Attachment A.

8.5 Right of First Refusal

If Developer or any Equity Owner wishes to transfer any interest in this Agreement, the business operated hereunder, or in Developer, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all required documentation describing the terms of such offer, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing shall occur on or before ninety (90) days from the later of the date of Franchisor's notice to seller of its election to purchase and the date Franchisor receives all necessary permits and approvals, or any other date agreed by the parties in writing. If the third party offer provides for payment of consideration other than cash, Franchisor may elect to purchase seller's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by two (2) appraisers. Each party shall select one (1) appraiser and the average of the appraisers' determinations shall be binding. Each party shall bear its own legal and other costs and shall share the appraisal fees equally. If Franchisor exercises its right of first refusal, it shall have the right to set off all appraisal fees and other amounts due from Developer to Franchisor or any of its affiliates. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Section 8.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 8 relating to a proposed transfer. Failure to comply with this Section 8.5 shall constitute a material event of default under this Agreement.

8.6 Death or Permanent Disability

Developer or its representative shall promptly notify Franchisor of any death or claim of permanent disability subject to this Section 8.6. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section 8.2 for any inter vivos transfer.

(1) Upon the death of Developer (if Developer is a natural person) or any Equity Owner who is a natural person (the “Deceased”), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by Franchisor within six (6) months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee shall transfer such interest to a third party approved by Franchisor within six (6) months after the death of the Deceased.

(2) Upon the permanent disability of Developer (if Developer is a natural person) or any Equity Owner who is a natural person, Franchisor may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Section 8 within six (6) months after notice to Developer. “Permanent disability” shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section 8.6. The costs of any examination required by this Section shall be paid by Franchisor.

8.7 Securities Offerings

Interests in Developer shall not be offered to the public by private or public offering without Franchisor’s prior written consent, which shall not be unreasonably withheld. As a condition of its consent, Franchisor may, in its sole discretion, require that, Developer reimburse Franchisor for any expenses resulting from such offering (including, without limitation, legal and accounting fees and costs associated with reviewing the offering materials), and Franchisor may require that immediately after such offering, Developer and the Equity Owners retain a Controlling Interest in Developer. Developer shall give Franchisor written notice at least thirty (30) days prior to the commencement of any offering covered by this Section 8.7. All offering materials shall be submitted to Franchisor for review prior to being filed with any governmental agency or distributed for use. Franchisor’s review of the offering materials shall be limited solely to the subject of the relationship between Developer and Franchisor. No offering shall imply that Franchisor is participating in an underwriting, issuance or offering of securities. Franchisor may require the offering materials to contain a written statement prescribed by Franchisor concerning the relationship of Developer and Franchisor. Developer, its Equity Owners and the other participants in the offering must fully indemnify Franchisor, its affiliates, their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in connection with the offering.

8.8 No Waiver

Franchisor's consent to a transfer of any interest described herein shall not constitute a waiver of any claims which Franchisor may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

9. COVENANTS

9.1 Confidentiality

Neither Developer nor any Equity Owner shall, during the term of this Agreement and thereafter, communicate, divulge, or use for the benefit of, any other person, persons, partnership, limited liability company, corporation or other entity or association and, following the termination or expiration of this Agreement, they shall not use for any purpose, any Confidential Information, knowledge or know-how which may be communicated to them or of which they may be apprised concerning the methods of conducting the business contemplated by this Agreement, including, without limitation, the methods of development and operation of the 5 Star Nutrition Businesses and other information contained in the Manuals or otherwise disclosed. Developer and each of the Equity Owners shall disclose such Confidential Information only to those employees of Developer who must have access to it in connection with their employment. Neither Developer nor the Equity Owners shall at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such Confidential Information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenants in this Section 9 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Developer and each of the Equity Owners.

9.2 Noncompetition Covenants

Developer and the Equity Owners specifically acknowledge that, pursuant to this Agreement, they will receive access to valuable training, trade secrets and Confidential Information which are beyond their present skills and experience, including, without limitation, information regarding operational, sales, promotional and marketing methods and techniques of the System. Developer and the Equity Owners further acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage, and that gaining access thereto is a primary reason for entering into this Agreement. In consideration therefor, Developer and the Equity Owners covenant as follows:

(1) With respect to Developer, during the term of this Agreement (or with respect to each of the Equity Owners, for so long as such individual or entity satisfies the definition of "Equity Owner" under this Agreement) except as otherwise approved in writing by Franchisor, neither Developer nor any of the Equity Owners shall, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity or association:

(a) Divert, or attempt to divert, any business or customer of any 5 Star Nutrition Business to any competitor (including any business that offers products or services related to health, wellness, muscle building, weight management or sports nutrition), by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to 5 Star Nutrition Businesses operated under valid Franchise Agreements with Franchisor, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or

similar to a 5 Star Nutrition Business (including any business that offers products or services related to health, wellness, muscle building, weight management or sports nutrition) (a “Competitive Business”) and which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor has used, sought registration of or registered the Marks or similar marks or operates or licenses others to operate a business under the Marks or similar marks.

(2) With respect to Developer, and for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of Developer’s interest in, this Agreement (or with respect to each of the Equity Owners, commencing upon the earlier of (i) the expiration, termination, or transfer of all of Developer’s interest in this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of “Equity Owner” under this Agreement), and continuing for two (2) years thereafter, except as otherwise approved in writing by Franchisor, neither Developer nor any of the Equity Owners shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity or association:

(a) Divert, or attempt to divert, any business or customer of any 5 Star Nutrition Business to any competitor (including any business that offers products or services related to health, wellness, muscle building, weight management or sports nutrition), by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to 5 Star Nutrition Businesses operated under valid Franchise Agreements with Franchisor, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist or make loans to, a Competitive Business (including any business that offers products or services related to health, wellness, muscle building, weight management or sports nutrition) that is, or is intended to be, located (i) within the Development Territory, or (ii) within a fifty (50)-mile radius of the location of any 5 Star Nutrition Business then in existence or under construction.

9.3 Reasonable Restrictions

The parties acknowledge and agree that each of the covenants set forth in this Section 9 contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. Each such covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 9 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer and the Equity Owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

9.4 Reduction of Scope of Covenant

Developer and the Equity Owners acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section 9 without their consent, effective immediately upon notice to Developer, and Developer and the Equity Owners agree that they shall promptly comply with any covenant as so modified.

9.5 Enforcement

Developer and the Equity Owners expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 9.

9.6 Execution of Covenants

Developer shall require and obtain execution of covenants similar to those set forth in Section 9 from all Equity Owners, all Area Managers and, if requested by Franchisor, other personnel of Developer who have received or will have access to Confidential Information or training from Franchisor. Such covenants shall be substantially in the form set forth in Attachment B to this Agreement. Notwithstanding the foregoing, Franchisor reserves the right, in its sole discretion, to decrease the scope of the noncompetition covenant set forth in Attachment B or eliminate such noncompetition covenant altogether for any person that is required to execute such agreement under this Section 9.6.

9.7 Injunctive Relief

Developer and the Equity Owners acknowledge that any failure to comply with the requirements of this Section 9 shall constitute a material breach of this Agreement. Developer and the Equity Owners acknowledge that a violation of this Section 9 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Developer and the Equity Owners accordingly consent to the issuance of an injunction prohibiting any conduct by Developer or the Equity Owners in violation of the terms of this Section 9, without the requirement that Franchisor post a bond. Developer and the Equity Owners agree to pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in connection with the enforcement of this Section 9, including payment of all costs and expenses for obtaining injunctive relief or any other remedy available to Franchisor for any violation of the requirements of this Section 9.

9.8 New Developments

If Developer, its employees, or Equity Owners develop any new concept, process or improvement in the operation or promotion of the business contemplated by this Agreement or any 5 Star Nutrition Business developed pursuant to this Agreement, Developer shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process or improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all patents, patent applications, and other intellectual property rights related thereto. Developer and its Equity Owners hereby assign to Franchisor any rights they may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Developer and its Equity Owners agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. Developer and its Equity Owners hereby irrevocably designate and appoint Franchisor as their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such concept, process or improvement. In the event that the foregoing provisions of this Section 9.8 are found to be invalid or otherwise unenforceable, Developer and its Equity Owners hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe their rights therein.

9.9 Anti-Terrorism Laws

Developer and its owners agree to comply, and to assist Franchisor to the fullest extent possible in its efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, Developer and its owners certify, represent, and warrant that none of Developer's property or interests is subject to being blocked under, and that Developer and its owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by Developer or its owners, or any blocking of Developer's or its owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

10. INDEPENDENT CONTRACTOR

10.1 Independent Contractor Relationship

Developer agrees that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and Franchisor owes Developer no duties except as expressly provided in this Agreement. Developer shall be an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, Developer shall hold itself out to the public as an independent contractor conducting its operations pursuant to the rights granted by Franchisor.

10.2 No Authority

Nothing in this Agreement authorizes Developer or any of the Equity Owners to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and Franchisor shall in no event assume liability for, or be deemed liable under this Agreement or otherwise as a result of, any such action, or for any act or omission of Developer or any of the Equity Owners or any claim or judgment arising therefrom.

11. INDEMNIFICATION

11.1 Indemnity

Developer and each of the Equity Owners shall, at all times, indemnify and hold harmless to the fullest extent permitted by law Franchisor, its affiliates, successors and assigns, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them ("Indemnitees") from all Losses and Expenses, defined below, incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or relates to this Agreement in any way or which arises out of or is based upon any of the following:

(1) The infringement, alleged infringement, or any other violation or alleged violation by Developer or any of the Equity Owners of any patent, mark, copyright or other proprietary right owned or controlled by third parties (except if such infringement is the result of Developer's proper use of the Marks in compliance with the rights granted to Developer under a 5 Star Nutrition Franchise Agreement);

(2) The violation, breach or asserted violation or breach by Developer or any of the Equity Owners of any federal, state or local law, regulation, ruling, standard or directive, or any industry standard;

(3) Libel, slander or any other form of defamation of Franchisor, the System, any developer or franchisee under the System, or any third party, by Developer or by any of the Equity Owners;

(4) The violation or breach by Developer or by any of the Equity Owners of any warranty, representation, agreement or obligation in this Agreement or in any Franchise Agreement or other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates; and

(5) Acts, errors or omissions of Developer, any of Developer's affiliates, any of the Equity Owners and the respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of any of them in connection with the performance of the development activities contemplated under this Agreement or the establishment and operation of any 5 Star Nutrition Business pursuant to a Franchise Agreement.

11.2 Defense of Claim

Developer and each of the Equity Owners agree to give Franchisor immediate notice of any such action, suit, proceeding, claim, demand, inquiry or investigation. At the expense and risk of Developer and each of the Equity Owners, Franchisor may elect to assume (but under no circumstance is obligated to undertake), or associate counsel of its own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by Franchisor shall, in no manner or form, diminish the obligation of Developer and each of the Equity Owners to indemnify the Indemnitees and to hold them harmless.

11.3 Remedial Action

In order to protect persons or property or its reputation or goodwill, or the reputation or goodwill of others, Franchisor may, at any time and without notice, as it, in its judgment deems appropriate, consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in Franchisor's sole judgment, there are reasonable grounds to believe that:

(1) any of the acts or circumstances enumerated in Section 11.1(1) - (4) above has occurred; or

(2) any act, error or omission as described in Section 11.1(5) may result directly or indirectly in damage, injury or harm to any person or any property.

11.4 Losses and Expenses

(1) All Losses and Expenses incurred under this Section 11 shall be chargeable to and paid by Developer and/or any of the Equity Owners pursuant to its obligations of indemnity under this Section 11, regardless of any action, activity or defense undertaken by Franchisor or the subsequent success or failure of such action, activity or defense.

(2) As used in this Section 11, the phrase "Losses and Expenses" shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs,

expenses, lost profits, reasonable attorneys' fees and costs, court costs, settlement amounts, judgments, compensation for damages to Franchisor's reputation and goodwill, costs of or resulting from delays, financing costs, costs of advertising material and media time/space and costs of changing, substituting or replacing the same, any and all expenses of recall, refunds, compensation and public notices and all other payments of money incurred in connection with the matters described.

11.5 Contributory Negligence

The Indemnitees do not assume any liability for acts, errors or omissions of those with whom Developer or the Equity Owners may contract, regardless of the purpose. Developer and the Equity Owners shall hold harmless and indemnify the Indemnitees as set forth herein without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties arising in connection therewith.

11.6 No Duty to Mitigate; Survival of Obligations

Under no circumstances shall Franchisor be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim of indemnity against Developer, and the failure of Franchisor to pursue such recovery or mitigate such loss will in no way reduce the amounts recoverable by Franchisor from Developer. Developer and the Equity Owners expressly agree that the terms of this Section 11 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

12. MISCELLANEOUS

12.1 Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

5 Star Nutrition Franchising, LLC
8500 Shoal Creek, Building 4, Suite 150
Austin, Texas 78757
Attention: Brian Marver
Telephone: (512) 827-7267
e-mail: brian@defynedbrands.com

Notices to Developer and
the Equity Owners:

Attention: _____
Telephone: _____
e-mail: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of electronic mail, upon transmission.

12.2 Entire Agreement

This Agreement, the documents referred to herein and the Attachments hereto, constitute the entire, full and complete agreement between Franchisor and Developer and the Equity Owners concerning the subject matter hereof and shall supersede all prior related agreements. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Developer to waive reliance on any representation that Franchisor made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that Franchisor delivered to Developer or its representative, subject to any agreed-upon changes to the contract terms and conditions described in that Franchise Disclosure Document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement). Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

12.3 No Waiver

No delay, waiver, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising out of any breach or default by Developer or the Equity Owners under this Agreement shall constitute a waiver by Franchisor to enforce any such right, option, duty or power against Developer or the Equity Owners, or as to a subsequent breach or default by Developer or the Equity Owners.

12.4 Approval or Consent

Whenever this Agreement requires the prior approval or consent of Franchisor, Developer shall make a timely written request to Franchisor and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to Developer, and no neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by Franchisor, nor does Franchisor assume any liability or obligation to Developer or any third party as a result thereof.

12.5 Force Majeure

Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, Developer shall continue to be obligated to pay to Franchisor any and all amounts that it shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event and the Indemnitees shall continue to be indemnified and held harmless by Developer in accordance with Section 11. Except as provided in the immediately preceding sentence, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

12.6 Mediation

THE PARTIES ACKNOWLEDGE THAT DURING THE TERM OF THIS AGREEMENT CERTAIN DISPUTES MAY ARISE THAT THE PARTIES ARE UNABLE TO RESOLVE, BUT THAT MAY BE RESOLVABLE THROUGH MEDIATION. TO FACILITATE SUCH RESOLUTION, THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN FRANCHISOR OR ITS AFFILIATES (AND ITS AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR

EMPLOYEES) AND DEVELOPER (AND ITS OWNERS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER, (b) THE RELATIONSHIP BETWEEN THE PARTIES, OR (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER, TO MEDIATION BEFORE BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL.

(1) THE MEDIATION SHALL BE CONDUCTED BY A MEDIATOR AGREED UPON BY FRANCHISOR AND DEVELOPER AND, FAILING SUCH AGREEMENT WITHIN NOT MORE THAN FIFTEEN (15) DAYS AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR ORGANIZATION ("AAA") IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT THE OFFICES OF THE AAA NEAREST TO FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS (CURRENTLY TRAVIS COUNTY, TEXAS). THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY.

(2) IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN THIRTY (30) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING PURSUANT TO SECTION 12.7. FRANCHISOR AND DEVELOPER AGREE THAT STATEMENTS MADE BY EITHER PARTY IN ANY MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE FOR ANY PURPOSE IN ANY SUBSEQUENT LEGAL PROCEEDING.

(3) NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION 12.6, THE PARTIES' AGREEMENT TO MEDIATE SHALL NOT APPLY TO CONTROVERSIES, DISPUTES OR CLAIMS RELATED TO OR BASED ON THE MARKS OR THE CONFIDENTIAL INFORMATION. MOREOVER, REGARDLESS OF THE PARTIES' AGREEMENT TO MEDIATE, DEVELOPER AND FRANCHISOR EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF.

12.7 Litigation, Jurisdiction and Venue

FOR ANY CLAIMS, CONTROVERSIES OR DISPUTES WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED ABOVE, DEVELOPER AND THE EQUITY OWNERS HEREBY IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY TRAVIS COUNTY, TEXAS). DEVELOPER AND THE EQUITY OWNERS HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION AND AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ANY OF THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. DEVELOPER AND THE EQUITY OWNERS FURTHER AGREE THAT

VENUE FOR ANY SUCH PROCEEDING SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY TRAVIS COUNTY, TEXAS); PROVIDED, THAT FRANCHISOR MAY BRING ANY ACTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (iii) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS, OR THE CONFIDENTIAL INFORMATION, IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION.

12.8 Governing Law

THIS AGREEMENT AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN FRANCHISOR AND DEVELOPER SHALL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER TEXAS LAW (EXCEPT FOR TEXAS' CONFLICT OF LAW RULES).

12.9 Mutual Acknowledgments

THE PARTIES ACKNOWLEDGE THAT THEIR AGREEMENT REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF THEM WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT. EACH PARTY FURTHER ACKNOWLEDGES THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT. IN ADDITION, THE PARTIES ACKNOWLEDGE THAT THE EXECUTION OF THIS AGREEMENT AND ACCEPTANCE OF THE TERMS BY THE PARTIES OCCURRED IN TRAVIS COUNTY, TEXAS, AND FURTHER ACKNOWLEDGE THAT THE PERFORMANCE OF CERTAIN OBLIGATIONS OF DEVELOPER ARISING UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF MONIES DUE HEREUNDER AND THE SATISFACTION OF CERTAIN TRAINING REQUIREMENTS OF FRANCHISOR, SHALL OCCUR IN TRAVIS COUNTY, TEXAS.

12.10 Waiver of Jury Trial, Class Action and Damages

(1) IN ANY LITIGATION BETWEEN THE PARTIES FOUNDED UPON OR ARISING FROM THIS AGREEMENT, THE PARTIES HEREBY WAIVE THEIR RIGHTS TO A JURY TRIAL, AND THE PARTIES HEREBY STIPULATE THAT ANY SUCH TRIAL SHALL OCCUR WITHOUT A JURY. THE PARTIES ALSO AGREE THAT ANY DISPUTE OR ACTION BETWEEN THEM WILL BE OF INDIVIDUAL CLAIMS. NONE OF DEVELOPER'S CLAIMS WILL BE LITIGATED ON A CLASS-WIDE BASIS OR OTHERWISE CONSOLIDATED WITH ANY CLAIMS OF ANY THIRD PARTIES.

(2) DEVELOPER AND THE EQUITY OWNERS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST FRANCHISOR, ITS AFFILIATES, AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS AND EMPLOYEES OF EACH OF THEM, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT IN THE EVENT OF A DISPUTE, DEVELOPER AND THE EQUITY OWNERS SHALL BE LIMITED TO THE

RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY THEM. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

12.11 Business Judgment

DEVELOPER, THE EQUITY OWNERS AND FRANCHISOR ACKNOWLEDGE THAT VARIOUS PROVISIONS OF THIS AGREEMENT SPECIFY CERTAIN MATTERS THAT ARE WITHIN THE DISCRETION OR JUDGMENT OF FRANCHISOR OR ARE OTHERWISE TO BE DETERMINED UNILATERALLY BY FRANCHISOR. IF THE EXERCISE OF FRANCHISOR'S DISCRETION OR JUDGMENT AS TO ANY SUCH MATTER IS SUBSEQUENTLY CHALLENGED, THE PARTIES TO THIS AGREEMENT EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION OR JUDGMENT IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF SUCH DISCRETION OR JUDGMENT, WITHOUT REGARD TO WHETHER OTHER REASONS FOR ITS DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

12.12 Limitation of Claims

EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO (i) ANY MISREPRESENTATION OR OMISSION MADE BY DEVELOPER OR ITS EQUITY OWNERS UNDER THIS AGREEMENT OR IN ANY APPLICATION THEREFOR, (ii) DEVELOPER'S OBLIGATIONS TO PROTECT FRANCHISOR'S CONFIDENTIAL INFORMATION, OR (iii) DEVELOPER'S OBLIGATIONS TO INDEMNIFY FRANCHISOR PURSUANT TO SECTION 11, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF DEVELOPER AND FRANCHISOR PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR ONE (1) YEAR FROM THE DATE ON WHICH DEVELOPER OR FRANCHISOR KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

12.13 Counterpart Execution

This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

12.14 Headings

The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

12.15 Survival

Any obligation of Developer or the Equity Owners that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Developer or the Equity Owners therein, shall be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections 12.6, 12.7 and 12.8 are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

12.16 Severability

Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

12.17 Gender

All references to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Equity Owners under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by Developer in this Agreement shall be deemed, jointly and severally, undertaken by all of the Equity Owners.

12.18 Remedies Cumulative

All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Section 7 of this Agreement shall not discharge or release Developer or any of the Equity Owners from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement. Additionally, Developer and the Equity Owners shall pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in obtaining any remedy available to Franchisor for any violation of this Agreement.

12.19 No Third Party Beneficiary

Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Developer, Franchisor, and Franchisor's officers, directors and personnel and such of Developer's and Franchisor's respective

successors and assigns as may be contemplated (and, as to Developer, authorized by Section 8), any rights or remedies under or as a result of this Agreement.

12.20 Further Assurances

The parties will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

12.21 Agreement Effective Upon Execution by Franchisor

This Agreement shall not become effective until signed by an authorized representative of Franchisor.

13. ACKNOWLEDGMENTS

13.1 Independent Investigation

Developer acknowledges that it has conducted an independent investigation of the business venture contemplated by this Agreement and recognizes that the success of this business venture involves substantial business risks and will largely depend upon the ability of Developer. Franchisor expressly disclaims making, and Developer acknowledges that it has not received or relied on, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

13.2 Consultation with Advisors

Developer acknowledges that Developer has received, read and understands this Agreement and the related Attachments and agreements and that Franchisor has afforded Developer sufficient time and opportunity to consult with advisors selected by Developer about the potential benefits and risks of entering into this Agreement.

13.3 Disclosure

Developer acknowledges that it received a complete copy of Franchisor's Franchise Disclosure Document required by the Federal Trade Commission's Franchise Trade Regulation Rule (16 C.F.R. Part 436) within the time period required by applicable law. Developer acknowledges that it did not rely on any promises, representations or agreements about the System or the 5 Star Nutrition Businesses not expressly contained in Franchisor's Franchise Disclosure Document in making its decision to sign this Agreement. Developer further acknowledges that Franchisor and its representatives have not made any promises, representations or agreements, oral or written, except as expressly contained in this Agreement and the Franchise Disclosure Document.

13.4 Franchisor's Obligations

Developer acknowledges that it is relying solely on Franchisor, and not on any affiliated entities or parent companies related to Franchisor, with regard to Franchisor's financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing, Franchisor has made any statement or promise to the effect that Franchisor's affiliated entities or parent companies guarantee Franchisor's performance or financially back Franchisor.

14. CERTAIN DEFINITIONS

14.1 An “affiliate” of a named person is any person or entity that is controlled by, controlling or under common control with such named person.

14.2 “Area Manager” means a qualified individual who meets the requirements in Section 6.5 of this Agreement (but who is not required to own an interest in Developer), is designated by Developer and approved by Franchisor to supervise the Developer’s operations under this Agreement.

14.3 “Business Day” means each day other than a Saturday, Sunday, U.S. holidays or any other day on which the Federal Reserve is not open for business in the United States.

14.4 “Confidential Information” means all proprietary information relating to the establishment and operation of 5 Star Nutrition Businesses, including, without limitation: (i) our standards and specifications, including equipment, product, and supplier standards and specifications as well as our product formulations, processes and components; (ii) site selection criteria; (iii) operating requirements and techniques and any other trade secrets, processes and procedures used in operating 5 Star Nutrition Businesses; (iv) advertising and marketing plans, programs and strategies; (v) research, development and test programs for products, services and operations; (vi) the contents of our Manuals and training programs; (vii) information regarding the operating and financial results of 5 Star Nutrition Businesses, other than your 5 Star Nutrition Business; (viii) computer programs and systems, including electronic data files and passwords; (ix) all customer information and vendor information; (x) Improvements (as defined in Section XI.D.); and (xi) all other knowledge or know-how concerning the operation of a 5 Star Nutrition Business which may be communicated to you by virtue of operating under the terms of this Agreement, and all related information that we designate as confidential.

14.5 “Controlling Interest” means (a) if Developer is a corporation, owners who, either individually or cumulatively, (i) directly or indirectly own at least fifty-one percent (51%) of the shares of each class of Developer’s issued and outstanding capital stock and (ii) are entitled, under its governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require such corporation to take or omit to take any action which such corporation is required to take or omit to take under this Agreement, or (b) if Developer is a partnership, owners who (i) own at least fifty-one percent (51%) interest in the operating profits and operating losses of the partnership as well as at least fifty-one percent (51%) ownership interest in the partnership (and at least fifty-one percent (51%) interest in the shares of each class of capital stock of any corporate general partner) and (ii) are entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement, or (c) if Developer is a limited liability company, owners, who, either individually or cumulatively, (i) directly or indirectly own at least fifty-one percent (51%) of the membership interest in the limited liability company, and (ii) are entitled, under its governing documents and under any agreements among the members, to cast a sufficient number of votes to require such limited liability company to take or omit to take any action which such limited liability company is required to take or omit to take under this Agreement.

14.6 “Development Period(s)” means the discrete periods set forth in the Development Schedule within which Developer must establish and have in operation the designated number of 5 Star Nutrition Businesses.

14.7 “Development Schedule” means the schedule in Section 3.2 of this Agreement which designates the number of 5 Star Nutrition Businesses to be established and operated by Developer in the Development Territory upon the expiration of each designated Development Period.

14.8 “Development Territory” means the geographic area described in Attachment E to this Agreement.

14.9 “Equity Owners” shall include, collectively and individually, the Principal Owner (as defined in Section 6.5 above) and all other holders of any ownership interest in Developer or any entity directly or indirectly controlling Developer (including spouses of such individuals).

14.10 “Force Majeure” means acts of God, strikes, lockouts or other industrial disturbances, war, terrorism, riot, epidemic/pandemic, fire or other catastrophe or other forces beyond Developer’s control. Developer’s lack of financing is not considered to be a Force Majeure.

14.11 “Franchise Agreements” means franchise agreements for 5 Star Nutrition Businesses executed pursuant to this Agreement, as described in Section 3.1(1).

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

5 Star Nutrition Franchising, LLC

By: _____
Name: Brian Marver
Title: Chief Executive Officer
Date: _____

DEVELOPER:

By: _____
Name: _____
Title: _____
Date: _____

ATTACHMENT A

GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty and Assumption Agreement (this “Guaranty”) is given this ____ day of _____, 20__, by the undersigned.

In consideration of, and as an inducement to, the execution of the Area Development Agreement (the “Development Agreement”) by 5 Star Nutrition Franchising, LLC, a Delaware limited liability company having its principal business address at 8500 Shoal Creek, Building 4, Suite 150, Austin, Texas 78757 (“Franchisor”), each of the undersigned and any other parties who sign counterparts of this Guaranty (referred to herein individually as a “Guarantor” and collectively as “Guarantors”) hereby personally and unconditionally guarantees to Franchisor and Franchisor’s successors and assigns, that Developer will punctually perform all of its obligations and pay all fees owed to Franchisor, including but not limited to, development fees, royalties, marketing and advertising fund contributions and purchases of equipment, materials, supplies and other amounts due under the Development Agreement and under all Franchise Agreements entered into pursuant to the development of 5 Star Nutrition Businesses under the Development Agreement.

Each Guarantor waives:

- (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and
- (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and
- (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and
- (iv) any right he or she may have to require that an action be brought against Developer or any other person as a condition of liability; and
- (v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Developer arising as a result of his or her execution of and performance under this guaranty by the undersigned (including by way of counterparts); and
- (vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

- (a) his or her direct and immediate liability under this Guaranty will be joint and several not only with Developer, but also among the Guarantors; and
- (b) he or she will render any payment or performance required under the Development Agreement upon demand if Developer fails or refuses punctually to do so; and
- (c) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; and

- (d) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Development Agreement or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Development Agreement and for so long thereafter as there are any monies or obligations owing by Developer to Franchisor under the Development Agreement; and
- (e) Developer's written acknowledgment, accepted in writing by us, or the judgment of any court of competent jurisdiction establishing the amount due from Developer will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Equity Owners set forth in the Development Agreement and is obligated to perform thereunder, including, without limitation, under Sections 7.6; 8; 9; 11; and 12.6, 12.7, 12.8, 12.9, and 12.10.

If Franchisor is required to enforce this Guaranty in an administrative or judicial proceeding, and prevail in such proceeding, Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative or judicial proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor.

IN WITNESS WHEREOF, each Guarantor has hereunto affixed his signature on the same day and year as the Development Agreement was executed.

GUARANTORS:

*Name: _____

Name: _____

Name: _____

* Denotes individual who is Developer's Principal Owner

ATTACHMENT B

CONFIDENTIALITY AGREEMENT AND ANCILLARY COVENANTS NOT TO COMPETE

This Agreement is made and entered into this ____ day of _____, 20__, between 5 Star Nutrition Franchising, LLC, a Delaware limited liability company having its principal business address at 8500 Shoal Creek, Building 4, Suite 150, Austin, Texas 78757 (“Franchisor”), _____, a _____ whose principal business address is _____ (“Developer”) and _____ (“Covenantor”) in connection with a development agreement between Franchisor and Developer dated _____, 20__ (“Development Agreement”). Initially capitalized terms used, but not defined in this Agreement, have the meanings contained in the Development Agreement.

RECITALS

Franchisor has the right to use and license the use of a System for the establishment and operation of 5 Star Nutrition Businesses.

The System is identified by certain Marks, including the mark “5 Star Nutrition”, and includes certain Confidential Information which provides economic advantages to Franchisor and licensed users of the System.

Franchisor has granted Developer the limited right to develop 5 Star Nutrition Businesses using the System, the Marks and the Confidential Information under the Development Agreement.

In connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the Confidential Information.

Franchisor and Developer have agreed on the importance of restricting the use, access and dissemination of the Confidential Information, and Developer therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition.

Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Developer in connection with the development and operation of 5 Star Nutrition Businesses under the Development Agreement or Franchise Agreements.

2. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor’s express written permission.

3. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except to other employees of Developer and only to the limited extent necessary to train or assist other employees of Developer in the development or operation of a 5 Star Nutrition Business using the System.

4. Covenantor shall surrender any material containing some or all of the Confidential Information to Developer or Franchisor, upon request, or upon termination of employment by Developer.

5. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets and the System.

6. Covenantor acknowledges Franchisor provides access to the Manuals to Developer for limited purposes only and remains the property of Franchisor. Covenantor agrees that no Manuals may be reproduced, in whole or in part, without Franchisor's written consent.

Covenants Not to Compete

In order to protect the goodwill of the System, and in consideration for the disclosure of the Confidential Information to Covenantor, Covenantor agrees that, during the term of his or her association with or employment by Developer, and for a period of two (2) years following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Developer's interest in the Development Agreement, Covenantor will not, without Franchisor's prior written consent or as permitted under valid Franchise Agreements for 5 Star Nutrition Businesses granted pursuant to the Development Agreement:

a. Directly or indirectly divert, or attempt to divert any business opportunity or customer of the business described hereunder to any competitor (including any business that offers products or services related to health, wellness, muscle building, weight management or sports nutrition); and

b. Directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any business which is the same as or similar to a 5 Star Nutrition Business (including any business that offers products or services related to health, wellness, muscle building, weight management or sports nutrition) and which is, or is intended to be, located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks; provided that during the two year-period following termination, expiration or transfer of the Franchise Agreement, the non-compete restrictions shall be limited to operations: (i) within the Development Territory, and (ii) within a fifty (50)-mile radius of any 5 Star Nutrition Business then in existence or under construction.

Undertaking

Covenantor also makes all of the covenants, representations, warranties and agreements of the Equity Owners set forth in Sections 8; 9.1, 9.2, 9.3, 9.4, 9.5, 9.7, 9.8 and 9.9; and 12.6, 12.7, 12.8, 12.9, and 12.10 of the Development Agreement and is obligated to perform thereunder.

Miscellaneous

1. Developer shall make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.

2. Covenantor agrees that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

b. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Covenantor shall be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

c. In the event of a breach of this Agreement, Franchisor would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, Franchisor shall be entitled, in addition to any other remedies which it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by Franchisor and Developer in enforcing this Agreement.

4. Any failure by Franchisor or the Developer to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by Covenantor.

5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO TEXAS CHOICE OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY TRAVIS COUNTY, TEXAS). COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY TRAVIS COUNTY, TEXAS); PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR DEVELOPER MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

6. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

7. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

5 Star Nutrition Franchising, LLC
8500 Shoal Creek, Building 4, Suite 150
Austin, Texas 78757
Attention: Brian Marver
Telephone: (512) 827-7267
e-mail: brian@defynedbrands.com

If directed to Developer, the notice shall be addressed to:

Attention: _____
e-mail: _____

If directed to Covenantor, the notice shall be addressed to:

Attention: _____
e-mail: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of electronic mail, upon transmission.

8. Franchisor and its successors and assigns shall be third party beneficiaries of this Agreement, with the full and independent right, at their option and in their sole discretion, to enforce this Agreement.

9. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall insure to the benefit of its respective affiliates, successors and assigns. The respective obligations of Developer and Covenantor hereunder may not be assigned by Developer or Covenantor, without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

5 Star Nutrition Franchising, LLC

By: _____
Name: Brian Marver
Title: Chief Executive Officer
Date: _____

DEVELOPER:

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

COVENANTOR:

By: _____
Name: _____
Title: _____
Date: _____

ATTACHMENT C

Form of Franchise Agreement

(See Exhibit C of Disclosure Document)

ATTACHMENT D

STATEMENT OF OWNERSHIP INTERESTS

The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in Developer, and a description of the nature of their interest:

NAME	OWNERSHIP INTEREST IN DEVELOPER	NATURE OF INTEREST

ATTACHMENT E

DESCRIPTION OF DEVELOPMENT TERRITORY

DEVELOPMENT TERRITORY:

The “Development Territory” granted under this Agreement is:

ATTACHMENT F
STATE SPECIFIC ADDENDA

See following page

ILLINOIS

Notwithstanding anything to the contrary set forth in the Area Development Agreement (“Development Agreement”), the following provisions will supersede and apply to all franchises offered and sold in the State of Illinois:

1. Illinois law governs the Development Agreement.
2. Payment of Initial Fees under the Development Agreement will be deferred until Franchisor has met its initial obligations to developer, and developer has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.
3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Development Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Development Agreement may provide for arbitration to take place outside of Illinois.
4. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any development franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.
6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. See FDD Item 3 containing pertinent information regarding the Franchisor’s disclosure of current and prior litigation.

FRANCHISOR:

5 Star Nutrition Franchising, LLC

By: _____
Name: _____
Title: _____
Date: _____

DEVELOPER:

By: _____
Name: _____
Title: _____
Date: _____

INDIANA

Notwithstanding anything to the contrary set forth in the Area Development Agreement (“Development Agreement”), the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the disclosure document, the Development Agreement, or Texas law, if the provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the development franchise without good cause or in bad faith, good cause being defined therein as including any material breach of the Development Agreement, will supersede the provisions of Article 7 of the Development Agreement to the extent Article 7 may be inconsistent with this prohibition.
3. Any provision in the Development Agreement which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that the provision violates this law.
4. Section 9.2 of the Development Agreement will be modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Development Agreement as a second paragraph to Section 12.12:

Notwithstanding the foregoing provisions of this Section 12.12, any provision in this Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any contractual provision violates the Indiana Deceptive Franchise Practices Law.

FRANCHISOR:

5 Star Nutrition Franchising, LLC,
A Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

DEVELOPER:

By: _____
Name: _____
Title: _____
Date: _____

MARYLAND

Notwithstanding anything to the contrary set forth in the Area Development Agreement (“Development Agreement”), the following provisions will supersede and apply to all residents of the State of Maryland, all development franchises to be operated in the State of Maryland, and all development franchises offered and sold in the State of Maryland. Accordingly, the Development Agreement is hereby amended as follows:

1. The general release required under the Development Agreement as a condition of the renewal, sale and/or assignment/transfer of the Development Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. A Developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.
4. With regard to the Development Agreement, the representations requiring prospective Developers to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. Section 13 of the Area Development Agreement (Acknowledgements) is hereby deleted.
7. Section 2.1 of the Area Development Agreement is hereby amended by inserting the following text at the end of such section:

“Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial development fees and payments owed by Developer under this Agreement shall be deferred until the first franchise under this Area Development Agreement opens.”

The undersigned does hereby acknowledge receipt of this addendum dated _____.

[SIGNATURES ON FOLLOWING PAGE]

FRANCHISOR:
5 Star Nutrition Franchising, LLC

By: _____
Name: _____
Title: _____

DEVELOPER: _____

By: _____
Name: _____
Title: _____

RHODE ISLAND

Notwithstanding anything to the contrary set forth in the Area Development Agreement (“Development Agreement”), the following provision will supersede and apply to all franchises offered and sold in the State of Rhode Island:

1. To the extent that Article 12 of the Development Agreement would otherwise violate Rhode Island law, these sections are amended by providing that all litigation by or between you and us, involving a business operating in the State of Rhode Island, will be commenced and maintained, at our election, in the state courts of Rhode Island or the United States District Court for Rhode Island, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

FRANCHISOR:

5 Star Nutrition Franchising, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

DEVELOPER:

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT D TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISED 5 STAR NUTRITION BUSINESSES AND AREA DEVELOPERS

NONE

EXHIBIT E TO THE FRANCHISE DISCLOSURE DOCUMENT

**LIST OF FRANCHISEES AND AREA DEVELOPERS
WHO HAVE LEFT THE SYSTEM IN THE LAST YEAR**

NONE

EXHIBIT F TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE OPERATIONS MANUAL TABLE OF CONTENTS

5 Star Nutrition Franchise Operations Manual

Table of Contents

SECTION A: INTRODUCTION

WELCOME LETTER	1
5 STAR NUTRITION CORE VALUES.....	2
HISTORY OF 5 STAR NUTRITION	3
SERVICES PROVIDED TO FRANCHISEES	4
Advertising Materials and Sales Aids ◀.....	4
Approved Suppliers ◀	4
Construction Assistance ◀	4
Corporate Website ◀.....	5
Design Assistance ◀	5
Franchisee Advisory Councils ◀	5
Initial Onsite Assistance ◀	5
Initial Training ◀	6
Management and Operations Advice ◀.....	6
Ongoing Training and Support ◀.....	6
Protected Territory ◀.....	6
Site Selection ◀.....	6
Use of Trademarks ◀	7
RESPONSIBILITIES OF FRANCHISEES AND THEIR STAFF .	8
Responsibilities to Customers ◀	8
Responsibilities to Your Employees ◀	8
Responsibilities to the Franchisor ◀.....	9
Responsibilities to Other Franchisees ◀	9
VISITS FROM THE HOME OFFICE.....	10
Use of a Store Audit ◀	10
PAYING OTHER FEES	11
Additional Onsite / Remedial Training ◀	11
Additional Training ◀	11
Annual Meeting, Convention, Training ◀	11
Audit ◀	11
Costs and Attorneys' Fees ◀.....	12
Indemnification ◀	12
Insurance Fees ◀	12
Interest ◀	12
Inventory Non-Compliance Fee ◀	12
Late Fee ◀	12
Management Fee ◀	13
Relocation Fee ◀	13
Renewal Fee ◀	13
Supplier / Product Testing ◀	13

Technology Fee ◀	13
Transfer Fee ◀	14

SECTION B: PRE-OPENING PROCEDURES

PRE-OPENING CHECKLIST	1
Development Cost Summary Sheet ◀	1
ESTABLISHMENT OF BUSINESS IDENTITY	2
DEVELOPING YOUR SITE	3
Site Selection Criteria ◀	4
Gaining Site Selection Acceptance ◀	5
Lease Considerations ◀	6
Negotiating a Lease ◀	7
Building Out the Store ◀	9
Design Criteria ◀	23
REQUIRED LIST OF EQUIPMENT	25
Large Fixtures ◀	25
Small Fixtures ◀	27
INITIAL INVENTORY	29
Ordering Product ◀	30
SIGNAGE SPECIFICATIONS.....	33
Exterior Signage ◀	33
Interior Signage ◀	35
Interior Graphic Signage ◀	36
Promotional Signage ◀.....	37
CONTRACTING WITH REQUIRED UTILITIES	
AND SERVICES	38
OBTAINING REQUIRED LICENSES AND PERMITS	40
SETTING UP BANK ACCOUNTS	42
PROCURING REQUIRED INSURANCE POLICIES.....	43
MEETING YOUR TAX OBLIGATIONS.....	45
Employer Identification Number ◀	45
Federal Taxes ◀	45
State Taxes ◀	46
CONDUCTING A GRAND OPENING	47
Grand Opening Timeline of Events ◀	47

SECTION C: HUMAN RESOURCES

HELPFUL LINKS / RESOURCES	1
EEOC GUIDELINES	2
Employers Covered by EEOC-Enforced Laws ◀	2

5 Star Nutrition Franchise Operations Manual

Table of Contents

How Employees Are Counted ◀	3	THE INTERVIEW PROCESS.....	30
Record Keeping Requirements ◀	3	Sample Interview Questions /	
Reporting Requirements ◀	3	WHO Interview Script ◀	33
Charge Processing Procedures ◀	4	Testing Procedures /	
Mediation ◀	4	Use of Homework Assignment ◀	34
Remedies ◀	5	Use of a Scorecard ◀	34
Regulatory Enforcement Fairness Act ◀	5	Making a Job Offer ◀	36
Technical Assistance ◀	5	Reference Check ◀	37
Informal Guidance ◀	6	TRAINING STAFF	38
Publications ◀	6	Initial Training for Employees ◀	38
WAGE AND LABOR LAWS	7	Product Knowledge Training ◀	40
Fair Labor Standards Act ◀	7	PERSONNEL POLICIES.....	43
What the FLSA Requires ◀	7	TIME TRACKING PROCEDURES	53
What the FLSA Does Not Require ◀	9	UNIFORM AND DRESS CODE	54
FLSA Minimum Wage Poster ◀	10	CONDUCTING PERFORMANCE EVALUATIONS	55
Other Mandatory Labor Law Posters ◀	10	Use of Peer Reviews ◀	56
LAWS REGARDING HARASSMENT	11	PROGRESSIVE DISCIPLINE	57
Sexual Harassment ◀	11	TERMINATION / SEPARATION.....	59
Racial and Ethnic Harassment ◀	11	Termination ◀	59
Pregnancy Discrimination ◀	12	Resignation ◀	62
Religious Accommodation ◀	12	SECTION D: STORE OPERATING PROCEDURES	
IMMIGRATION REFORM / CONTROL ACT	13	REQUIRED HOURS OF OPERATION	1
AMERICANS WITH DISABILITIES ACT (ADA)	14	DAILY ROUTINES	2
Who Is Protected? ◀	14	Daily Checklist ◀	2
What Is Covered? ◀	14	Opening Checklist ◀	3
Ensuring Compliance ◀	15	Closing Checklist ◀	4
ADA Survey and Enhancements ◀	15	WEEKLY AND MONTHLY PROCEDURES	5
ADA Resources ◀	15	Weekly Checklist ◀	5
PROFILE OF THE IDEAL 5 STAR NUTRITION EMPLOYEE .	16	Monthly Checklist ◀	5
5 Star A Players ◀	20	CUSTOMER SERVICE PROCEDURES	6
JOB DESCRIPTIONS	21	5 Star Nutrition Customer Service Philosophy ◀	6
General Manager ◀	21	Building Customer Loyalty Resulting	
Assistant Manager ◀	22	in Retention ◀	6
Store Associate ◀	23	Handling Customer Complaints ◀	7
RECRUITING STAFF	24	10 Steps to Saving Unhappy Customers ◀	9
Overview of the WHO Hiring Process ◀	24	Handling Refund Requests ◀	10
Sourcing Applicants ◀	25	OVERVIEW OF 5 STAR NUTRITION SALES POSITION	14
Pre-Screening Applicants ◀	26	Unique Differentiators ◀	14
Inviting Applicants to Interview ◀	29	Understanding the Competition ◀	16

5 Star Nutrition Franchise Operations Manual

Table of Contents

SALES PROCESS	17	Evacuation Procedures ◀	55
Overview of 5SE and Foundation 5 ◀	17	Severe Weather Procedures ◀	56
Greeting Over the Phone ◀	18		
Greeting Walk-In Clients ◀	19		
The Approach ◀	20		
Accessing Needs and Providing Solutions ◀	21		
Tour of the Store ◀	22		
At the Counter ◀	23		
PRODUCT KNOWLEDGE	24		
Understanding Sales Points ◀	24		
Do's and Don'ts ◀	24		
Supplement Playbook ◀	25		
TRANSACTING SALES	26		
Getting Started ◀	26		
Opening the Register ◀	26		
Initiating the Sale – Adding a New Customer ◀	27		
Initiating the Sale – Existing Customer ◀	28		
Adding Products to the Cart – Scan / Search ◀	28		
Discounts and Promo Codes ◀	29		
Ring Sales – Cash / Credit Card /			
Mixed Payment ◀	30		
Accepting Payment ◀	33		
MERCHANDISING RETAIL PRODUCTS	34		
Required Product Lines ◀	34		
Recommended Product Lines ◀	34		
Carrying Out Visual Merchandising Plan ◀	36		
Signage and Displays ◀	36		
REQUIRED STORE CLEANING AND MAINTENANCE	37		
Daily Cleaning and Maintenance ◀	37		
Weekly Cleaning and Maintenance ◀	38		
Monthly Cleaning and Maintenance ◀	38		
SAFETY PROCEDURES	39		
Preventing Accidents ◀	39		
Reporting Incidents ◀	41		
Safety in the Workplace ◀	42		
Store Security ◀	43		
Robberies ◀	45		
Store Emergencies ◀	48		
Use of Alarm System ◀	50		
Emergency Exit Doors ◀	55		
		SECTION E: MANAGING A 5 STAR NUTRITION BUSINESS	
		PLANNING	1
		Forecasting and Establishing Sales Goals ◀	1
		Monitoring Sales Goals ◀	2
		Establishing KPI Goals ◀	2
		Monitoring KPI Goals ◀	4
		PRICING	5
		Pricing Philosophy ◀	5
		Markdown Philosophy ◀	5
		Making Price Changes ◀	5
		Printing Price Tags ◀	6
		INVENTORY MANAGEMENT	7
		Overview of Ordering App ◀	7
		Ordering Products ◀	7
		Ordering from Approved Suppliers ◀	9
		Changing Approved Suppliers ◀	9
		Receiving Procedures ◀	10
		Overview of the Fulfillment App ◀	10
		Handling Damaged Inventory ◀	10
		Labeling and Rotating Inventory ◀	11
		Tracking Inventory ◀	11
		Conducting Physical Inventory ◀	11
		Reconciling Inventory ◀	11
		SHRINKAGE AND LOSS PREVENTION TECHNIQUES	13
		Cash Control System ◀	14
		Inventory Control System ◀	15
		OPERATIONAL AND FINANCIAL REPORTING	16
		Operational Reporting ◀	16
		Using Operational and Financial Reporting	
		Together ◀	17
		Generating and Analyzing Necessary Reports ◀	17
		Accounting Systems ◀	21
		FRANCHISE REPORTING REQUIREMENTS	22
		Royalty Payment ◀	22
		Advertising Contributions ◀	22
		Financial Statements ◀	22

5 Star Nutrition Franchise Operations Manual

Table of Contents

SECTION F: MARKETING AND PROMOTION

DEVELOPING A MARKETING PLAN	1
Marketing Calendar ◀	2
Developing Your Marketing Plan ◀	2
LOCAL STORE MARKETING	3
Internal Store Marketing ◀	3
Sampling ◀	5
Demonstrations ◀	7
Traditional Media ◀	9
Digital Media ◀	9
Social Media ◀	10
GUIDELINES FOR USING 5 STAR NUTRITION MARKS.....	11
LOGO SPECIFICATIONS	12
REQUIRED ADVERTISING EXPENDITURES	13
Brand Development Fund ◀	13
Local Advertising Requirement ◀	13
Initial Launch ◀	13
PUBLIC RELATIONS.....	14
COMMUNITY INVOLVEMENT	15
OBTAINING ADVERTISING APPROVAL.....	17

APPENDICES

BRAND STANDARDS

FINANCIAL STATEMENTS

FORMS AND SAMPLES

PRE-OPENING

EXHIBIT G TO THE FRANCHISE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS AND LIST OF STATE ADMINISTRATORS

1. State Franchise Administrators

We intend to register this disclosure document in some or all of the following states, in accordance with the applicable state law. The following are the state administrators responsible for the review, registration, and oversight of registrations in that state:

<u>CALIFORNIA</u> Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, California 95834 (415) 972-8559 or toll-free at (866) 275-2677	<u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360
<u>HAWAII</u> Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	<u>MICHIGAN</u> Consumer Protection Division Franchise Section Attn: Marilyn McEwen 670 Law Building Lansing, Michigan 48913 (517) 373-7117
<u>ILLINOIS</u> Illinois Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	<u>MINNESOTA</u> Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101 (612) 296-6328
<u>INDIANA</u> Indiana Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	<u>NEW YORK</u> New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21 st floor New York, New York 10005 (212) 416-8222

<u>NORTH DAKOTA</u> Securities Commissioner State Capitol 600 East Boulevard Avenue Bismarck, North Dakota 58505 (701) 224-4712	<u>VIRGINIA</u> Securities and Retail Franchising Division State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051
<u>RHODE ISLAND</u> Department of Business Regulation John O. Pastore Complex, Bldg. 69-1 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 277-3048	<u>WASHINGTON</u> Dept. of Financial Institutions Securities Administrator 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760
<u>SOUTH DAKOTA</u> Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	<u>WISCONSIN</u> Office of the Commissioner of Securities Fourth Floor 101 East Wilson Street Madison, Wisconsin 53702 (608) 266-8559

2. Agents For Service Of Process

We intend to register this disclosure document as a “franchise” in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in those states:

<u>CALIFORNIA</u> Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, California 95834 (415) 972-8559 or toll-free at (866) 275-2677	<u>MARYLAND</u> Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360
<u>HAWAII</u> Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	<u>MICHIGAN</u> Consumer Protection Division Franchise Section 670 Law Building Lansing, Michigan 48913 (517) 373-7117

<u>ILLINOIS</u> Illinois Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	<u>MINNESOTA</u> Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101 (612) 296-6328
<u>INDIANA</u> Indiana Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	<u>NEW YORK</u> New York Secretary of State 99 Washington Street Albany, New York 12231 (518) 473-2492
<u>NORTH DAKOTA</u> Securities Commissioner 600 East Boulevard Avenue State Capitol Bismarck, North Dakota 58505 (701) 224-4712	
<u>RHODE ISLAND</u> Director of Department of Business Regulation John O. Pastore Complex, Bldg. 69-1 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 277-3048	<u>WASHINGTON</u> Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, Washington 98501 (360) 902-8760
<u>SOUTH DAKOTA</u> Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	<u>WISCONSIN</u> Commissioner of Securities Fourth Floor 101 East Wilson Street Madison, Wisconsin 53702 (608) 266-8559
<u>TEXAS</u> C T Corporation System 1999 Bryan Street, Suite 900 Dallas, Texas 75201	<u>VIRGINIA</u> Clerk of State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051

EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT

GENERAL RELEASE

THIS GENERAL RELEASE (“Release”) is signed on _____, 20____ by _____ (“Franchisee”) and _____ (“Guarantors”) as a condition of (1) the transfer of the 5 Star Nutrition Franchise Agreement dated _____, 20____ between 5 Star Nutrition Franchising, LLC (“we”, “us” or “our”) and Franchisee (“Franchise Agreement”); or (2) the signing of a successor Franchise Agreement between Franchisee and us.

1. Release by Franchisee and Guarantors. Franchisee (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees, in their corporate and individual capacities) and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, the “Releasors”) freely and without any influence forever release (i) us, (ii) our past and present officers, directors, shareholders, managers, members, partners, agents, and employees, in their corporate and individual capacities, and (iii) our parent, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees, in their corporate and individual capacities, (collectively, the “Released Parties”) from any and all claims, debts, demands, liabilities, suits, judgments, and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, “Claims”), which any Releasor ever owned or held, now own or hold, or may in the future own or hold, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances and claims arising out of, or relating to, the Franchise Agreement and all other agreements between any Releasor and us or our parent, subsidiaries, or affiliates, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law.

2. Risk of Changed Facts. Franchisee and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Franchisee and Guarantors accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 will nevertheless be effective in all respects and not subject to termination or rescission by virtue of any difference in facts.

3. Covenant Not to Sue. Franchisee and Guarantors (on behalf of all Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

4. No Prior Assignment and Competency. Franchisee and Guarantors represent and warrant that: (i) Releasors are the sole owners of all Claims and rights released in Section 1 and that Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1; (ii) each Releasor has full and complete power and authority to sign this Release, and that the signing of this Release will not violate the terms of any contract or agreement between them or any court order; and (iii) this Release has been voluntarily and knowingly signed after each of them has had the opportunity to consult with counsel of their own choice.

5. **California Release.** California Civil Code §1542 provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which, if known by him must have materially affected his settlement with the debtor.

CIVIL CODE §1542 IS WAIVED BY THE PARTIES, EXCEPT AS OTHERWISE PROVIDED IN THIS GENERAL RELEASE.

6. **Complete Defense.** Franchisee and Guarantors: (i) acknowledge that the release in Section 1 is a complete defense to any Claim released under Section 1; and (ii) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any Claim.

7. **Successors and Assigns.** This Release inures to the benefit of and binds the successors, assigns, heirs, and personal representatives of the Released Parties and each Releasor.

8. **Counterparts.** This Release may be signed in 2 or more counterparts (including by facsimile), each of which will be deemed an original, and all of which constitute one and the same instrument.

9. **Capitalized Terms.** Any capitalized terms that are not defined in this Release have the meaning given them in the Franchise Agreement.

IN WITNESS WHEREOF, Franchisee and Guarantors have signed this Release as of the date shown above.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

Witness:

GUARANTORS:

a _____ resident

Name: _____

Title: _____

Date: _____

EXHIBIT I TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT

ILLINOIS

Illinois law governs the agreements between the parties to this franchise:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act, or any other law of Illinois, is void.

The conditions under which your franchise can be terminated, and your rights upon non-renewal of a franchise agreement, are found in sections 19 and 20 of the Illinois Franchise Disclosure Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Item 5 of this Disclosure Document is amended to include the following text at the end of Item 5: To assure its capability to meet its financial and other pre-opening obligations to new Illinois franchisees, and in accordance with section 200.508 of the Illinois Administrative Rules, Franchisor has been ordered to defer payment of any pre-opening amounts payable to Franchisor under the Franchise Agreement until your franchised business has begun operating. As a result, you are not required to pay an initial franchise fee or any other fees to Franchisor until your franchised business has begun operating. The Illinois Attorney General's office imposed this deferral requirement due to Franchisor's financial condition.

See FDD Item 3 containing pertinent information regarding the Franchisor's disclosure of current and prior litigation.

INDIANA

The following provisions supersede any inconsistent provisions in the disclosure document, and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the disclosure document, the Franchise Agreement or Texas law, if these provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as including any material breach of the Franchise Agreement, will supersede the provisions of Article XVIII of the Franchise Agreement to the extent such sections may be inconsistent with this prohibition.

3. Any provision in the Franchise Agreement which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that the provision violates this law.
4. The following provision will be added to the Franchise Agreement at the end of Section XX.K.:

No Limitation on Litigation. Regardless of any contrary provisions contained in this Section XX.K, any provision in the Franchise Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any contractual provision violates the Indiana Deceptive Franchise Practices Law.

MARYLAND

The following provisions supersede any inconsistent provisions in the disclosure document, and apply to all residents of the State of Maryland, all franchises to be operated in the State of Maryland, and all franchises offered and sold in the State of Maryland:

Item 5 of the FDD is amended to include the following disclosures:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

Item 17 of the FDD is amended to include the following disclosures:

1. Any provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law.
2. The general release required as a condition of the renewal, sale and/or assignment/transfer of the franchise agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
3. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
4. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

RHODE ISLAND

The following provision supersedes the disclosure document and applies to all franchises offered and sold in the State of Rhode Island:

1. To the extent that Article XX of the Franchise Agreement would otherwise violate Rhode Island law, these sections are amended by providing that all litigation by or between you and us, involving a Franchised Business operating in the State of Rhode Island, will be commenced and maintained, at our election, in the state courts of Rhode Island or the United States District Court for Rhode Island, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	February 27, 2024
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	February 7, 2024
South Dakota	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

ITEM 23

RECEIPTS

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement, Development Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If 5 Star Nutrition Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Michigan and Oregon require us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale and (b) New York and Rhode Island require us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If 5 Star Nutrition Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in **Exhibit G** to this disclosure document).

The name, principal business address and phone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Brian Marver	8500 Shoal Creek, Building 4, Suite 150, Austin, TX 78757	(512) 827-7267

Issuance Date: January 2, 2024

I received a Disclosure Document dated January 2, 2024. The Disclosure Document included the following Exhibits:

- A FINANCIAL STATEMENTS
- B FORM OF FRANCHISE AGREEMENT
- C FORM OF AREA DEVELOPMENT AGREEMENT
- D LIST OF FRANCHISED BUSINESSES
- E LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM IN LAST YEAR
- F MANUAL TABLE OF CONTENTS
- G AGENTS FOR SERVICE OF PROCESS AND LIST OF STATE ADMINISTRATORS
- H GENERAL RELEASE
- I STATE SPECIFIC ADDENDA

Dated: _____

Individually and as an Officer

Printed Name

of _____
(a _____ Corporation)
(a _____ Partnership)
(a _____ Limited
Liability Company)

[Keep this page for your records]

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement, Development Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If 5 Star Nutrition Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Michigan and Oregon require us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale and (b) New York and Rhode Island require us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If 5 Star Nutrition Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in ***Exhibit G*** to this disclosure document).

The name, principal business address and phone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Brian Marver	8500 Shoal Creek, Building 4, Suite 150, Austin, TX 78757	(512) 827-7267

Issuance Date: January 2, 2024

I received a Disclosure Document dated January 2, 2024. The Disclosure Document included the following Exhibits:

- A FINANCIAL STATEMENTS
- B FORM OF FRANCHISE AGREEMENT
- C FORM OF AREA DEVELOPMENT AGREEMENT
- D LIST OF FRANCHISED BUSINESSES
- E LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM IN LAST YEAR
- F MANUAL TABLE OF CONTENTS
- G AGENTS FOR SERVICE OF PROCESS AND LIST OF STATE ADMINISTRATORS
- H GENERAL RELEASE
- I STATE SPECIFIC ADDENDA

Dated: _____

Individually and as an Officer

Printed Name

of _____

(a) _____ Corporation)

(a) _____ Partnership)

(a) _____ Limited

Liability Company)

[Sign and return this page to 5 Star Nutrition Franchising, LLC]