FRANCHISE DISCLOSURE DOCUMENT

Iron Rose, LLC
A California Limited Liability Company
33 Commerce Place, Suite B
Vacaville, CA 95687
1-800-310-7127
franchising@oldskooliron.com / oldskooliron.com

As a franchisee, you operate an OSI™ Training Facility that offers: powerlifting and bodybuilding training/coaching to individuals; fitness and nutrition consultation to individuals; and hosting of powerlifting competitions.

The total investment necessary to begin operation of an OSI™ franchised business is $187,115 to $323,285. This includes $25,000 for one (1) Franchised Training Facility, $22,500 for a second Franchised Training Facility and $20,000 for each additional Franchised Training Facility that must be paid to Franchisor.

U.S. Armed Forces Veterans or Military Veterans of Allied Countries with a General Discharge under Honorable Conditions, and/or active, former or retired law enforcement officers and/or firefighters will receive a ten percent (10%) discount of the Initial Franchise Fee on the purchase of the first Franchised Training Facility. Discount may not be combined with other discounted offers.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department of Iron Rose, LLC, 33 Commerce Place, Unit B, Vacaville, California, 95687, 1-800-310-7127, franchising@oldskooliron.com.

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 on franchising. Call your state agency or visit your public library for other sources of information on franchising.

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

ISSUANCE DATE: April 30, 2018

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about Franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN CALIFORNIA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT PROVIDES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more Franchise Brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: April 30, 2018

STATE EFFECTIVE DATES

This disclosure document is effective as of the issuance date for use in Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Georgia, Idaho, Iowa, Kansas, Louisiana, Maine, Massachusetts, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Vermont, West Virginia, Wisconsin (offers only), Wyoming, Washing, D.C., American Samoa, Federated States of Micronesia, Guam, Marshall Islands, North Mariana Islands (including Saipan), Palau, Puerto Rico and Virgin Islands.

The effective dates of registration of this Disclosure Document or exemption in the states listed below are:

State	Effective Date
California	pending
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
Virginia	
Washington	
Wisconsin	

The effective dates of exemption of this Disclosure Document or exemption in the states listed below are:

Exemption States	Effective Date
Florida (exemption)	March 19, 2018
Kentucky (exemption)	
Nebraska (exemption)	
Texas (exemption)	April 6, 2018
Utah (exemption)	

MICHIGAN NOTICE

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

(a) A prohibition of the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure each failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualification or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(v) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision

(h) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to the attorney general's department for the state of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

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APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT, AND/OR ADDENDUM TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES AND ADDENDA, IF ANY, ARE INCLUDED IN EXHIBIT F.

Item 1

FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor, Iron Rose, LLC, is referred to as "**Franchisor,**" "**We,**" "**Us,**" or "**Our.**" The person to whom we sell a franchise is referred to as "**Franchisee,**" "**You**" or "**Your.**" If you are a corporation, partnership, limited liability company, or other entity, your principals must sign a "**Personal Guarantee and Assumption of Obligations**", in the form attached to the Franchise Agreement as Exhibit 1, which means that all of the provisions of the Franchise Agreement (Exhibit B) will also apply to your principals. (See Item 15) If you are a corporation, partnership, limited liability company, or other entity, "**Franchisee,**" "**You**" or "**Your**" includes your principals.

We are a California Limited Liability Company, formed in the state of California on July 29, 2016. Our principal business address is 33 Commerce Place, Suite B, Vacaville, CA 95687. We operate under our corporate name Iron Rose, LLC and the trademark(s) described in Item 13 (the "**Mark(s)**"). We do not do business or intend to do business under any other names. We currently have no predecessors or affiliates required to be included in this Item (except as provided below).

We do not currently operate businesses of the type offered by this disclosure document.

Predecessors and Parents

We currently have no Parents required to be included in this Item.

Our Affiliates

We currently have two affiliates:

Old Skool Iron, LLC, a California Limited Liability Company formed on June 27, 2011, whose principal business address is 33 Commerce Place, Suite D, Vacaville, California 95687. This affiliate has operated a business similar to the business offered by this disclosure statement, since 2011 in Vacaville, California.

Car89, LLC, an Idaho Limited Liability Company formed on September 27, 2016, whose principal business address is 9923 West Shumard Street, Star, Idaho 83669. This affiliate has operated a location at 9165 W Chinden Blvd. #100, Garden City, ID 83714, from February 2017 to present.

Our affiliates have not offered franchises in any line of business.

Agents for Service of Process

If we have an agent for service of process, we disclose those agents in Exhibit A.

The Franchise

We grant franchises for a business operating under the OSI™ (the "**Franchise,**" "**Training Facility**" or "**Business**") name and other Mark(s). OSI™ (hereinafter known as "**OSI**") Training Facilities offer: powerlifting and bodybuilding training/coaching to individuals; fitness and nutrition consultation to individuals; and hosting of powerlifting competitions.

A copy of the Franchise Agreement is attached as Exhibit B.

We intend to offer franchises for OSI Training Facilities in California and other states. We do not operate any OSI Training Facilities ourselves, although we may do so in the future.

Services provided, equipment utilized, and retail items are sold by OSI Training Facilities according to specified procedures. If you acquire a franchise, you must operate your Business according to our business formats, methods, procedures, designs, layouts, standards, and specifications, as detailed in our Operations Manual.

We and our affiliates provide the following services and equipment to our franchisees:

General operational support & training, assistance in scheduling of competitions/events, marketing support, utilization of OSI™ proprietary personal training/coaching system, apparel, additional proprietary items under development, availability of products, vendors and supplies, training, supervision and use of the trademark(s).

Laws and Regulations, Licenses - Business

You must obtain a business license. You must also comply with all laws and regulations that apply generally to businesses where your Training Facility is located, and you should investigate these laws and regulations. There are no laws and regulations that apply specifically to the industry in which OSI Training Facilities operate.

You may need to obtain an industry-specific license, permit, certification or insurance, if required by Local Health Department or other Municipal Governing Organization, and adhere to its related rules and regulations, or their equivalents. However, you must comply with laws and regulations that apply generally to all fitness/training facility-type businesses. You should investigate these laws and regulations.

Licenses - Individuals

You and/or your Manager must obtain a United States Powerlifting Association (USPA) Certification prior to training and/or opening, which transfers to your Training Facility; and you must comply with its related rules and regulations, or their equivalents. You should investigate these laws and regulations.

All Managers, Coaches and Trainers must be licensed and/or certified and/or insured in accordance with local regulations. You must also comply with all laws and regulations that apply generally to individuals within the gym/training/athletic industry where your Training Facility is located, as well as laws and regulations that may apply specifically to physical training businesses. These laws and regulations vary from state to state, municipality to municipality. You should investigate these laws and regulations.

We require that you and your manager obtain First Aid, CPR and Defibrillator certifications prior to initial training as detailed in the Manual; all staff must obtain First Aid, CPR and Defibrillator certification within forty-five (45) days of employment.

Competition

Your Training Facility will offer memberships for personal training throughout the year and compete with other powerlifting/weightlifting training businesses, which may be franchised by other companies, or independent operations. The market for your type of service and products generally is developed and very competitive. Despite this competition, we believe that an OSI Training Facility appeals to consumers because of proprietary personal training/coaching system, expert trainers and service quality. Because of the services you are offering to the public, powerlifting/weightlifting training businesses are typically busier January through March and July through August.

Item 2

BUSINESS EXPERIENCE

Co-Owner and President: Darren Monahan

July 2016 to present: Mr. Monahan is the CEO of Iron Rose, LLC, a California corporation in Vacaville, since its formation on July 29, 2016. June 2011 to present: Mr. Monahan has been the CEO and President of our affiliate, Old Skool Iron, LLC, a California corporation in Vacaville, since its formation on June 27, 2011.

Co-Owner and Chief Financial Officer: Marc Fabiani

September 2016 to present: Mr. Fabiana is the CEO of Car89, LLC, an Idaho Limited Liability Company in Star, Idaho, since its formation on September 27, 2016. July 2016 to present: Mr. Fabiani is the CFO of Iron Rose, LLC, a California corporation in Vacaville, since its formation on July 29, 2016. February 2016 to present: Mr. Fabiani is the CFO for Old Skool Iron, LLC, a California corporation in Vacaville, since its formation on June 27, 2011.

Co-Owner and Chief Operating Officer: Rae Stewart

July 2016 to present: Mr. Stewart is the COO of Iron Rose, LLC, a California corporation in Vacaville, since its formation on July 29, 2016. June 2011 to present: Mr. Stewart is the COO for Old Skool Iron, LLC, a California corporation in Vacaville, since its formation on June 27, 2011. February 1986 to December 2012: Mr. Stewart was the Head Manager of Training and served as a Peace Officer for the California Department of Corrections in Sacramento, California. He was promoted to Captain prior to retirement.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No person previously identified in Item 1, and no officer previously identified in Item 2, of this disclosure document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code or any other Countries Bankruptcy Code required to be disclosed in this Item.

Item 5

INITIAL FEES

Initial Franchise Fee

You must pay us an Initial Franchise Fee (the "**Initial Franchise Fee**") in a lump sum. The collection of the initial fees will be deferred until we have fulfilled our pre-opening obligations to you under the franchise agreement and the franchised business is open for business. The franchised business will be deemed to be open for business when we have fulfilled our pre-opening obligations to you under the franchise agreement. You will sign the Franchise Agreement prior to our starting our pre- opening obligations the Franchise Agreement. Our standard Initial Franchise Fee is $25,000 for the first Franchised Training Facility. If you are a franchisee in good standing and buy one or more additional franchises, the Initial Franchise Fee is $22,500 for the second Franchised Training Facility and $20,000 for each additional Training Facility.

U.S. Armed Forces Veterans with a General Discharge under Honorable Conditions, and/or active, former or retired law enforcement officers and/or firefighters will receive a ten percent (10%) discount of the Initial Franchise Fee on the purchase of the first Franchised Unit. Discount may not be combined with other discounted offers.

The payment of the Franchise Fee includes the right to use the trademarks (see Item 13) and training in the operation of your Unit(s) and does not include any items you are required to purchase to establish your operations as detailed in the Franchise Agreement, the Franchise Disclosure Document and Franchise Manuals.

The collection of the initial fees will be deferred until we have fulfilled our pre-opening obligations to you under the franchise agreement and the franchised business is open for business. The franchised business will be deemed to be open for business when we have fulfilled our pre-opening obligations to you under the franchise agreement.

Domain Name, Webpage and Database Set-Up

We provide you with a domain name, webpage and the initial set-up of your database during the initial training program. You pay us a $1,150 fee for these items at least 30 days before you begin training.

Training Fee (for more than two (2) trainees):

We provide initial training and training materials for up to two (2) trainees per franchise purchased at no charge. If you send more than two (2) trainees to initial training, we will charge you a $200 per day training fee for each additional trainee (maximum of two (2)) attending training together with the first two (2) trainees. Training fees, if applicable, are payable before the initial training begins, and are uniform and non-refundable. You must also pay all of your trainees' travel, meal and lodging expense, along with their hourly wage/salary (if applicable), and workers' compensation insurance, unemployment insurance, and disability insurance (if applicable) while at training. See Item 11 for more information on training.

Except for the limited circumstance described in this Item 5, we do not refund any initial fees.

Item 6

OTHER FEES

There are other recurring or isolated fees or payments other than the Initial Franchise Fee or your estimated initial investment that you must pay to us, or that you must pay to third parties. The following table outlines these fees or payments and the formulae used to compute them, whether or not these fees are refundable, and, if they are refundable, under what conditions they are refundable. This table does not represent your total financial obligation; the fees listed below are only those that are imposed by and/or payable to us. No fee or other payment set forth below is imposed or collected on behalf of a third party.

OSI™

Type of Fee 1	Amount	Due Date	Remarks
Royalty 2	5% of weekly Gross Income	Thursday of each week, based on Gross Income during previous week ending Sunday 3	**"Gross Income"** means all of your revenue from operating the Business, but excluding taxes collected from customers and paid to any taxing authority, and reduced by the amount of any documented refunds, credits, allowances, and charge-backs given in good faith to customers.
Transfer Fee	35% of our then-current initial franchise fee	Before transfer completed	No charge if Franchise Agreement is transferred to an entity you control.
Renewal Fee	$1,200	Before renewal completed	If you are in full compliance with all terms and conditions you may acquire two (2) successor franchise terms of seven (7) years each.
National Advertising and Development Fund	1% of monthly Gross Income	By the 25th of the month, based on Gross Income during previous month 2, 3	Payable to Us if we establish a National Advertising and Development Fund. See Item 11 for a detailed discussion about this Fund.
Regional Advertising Program 4	2% of Gross Income	Monthly, or as Regional Program directs	Payable to Us if we establish a Regional Advertising Program for your area. Your contributions to a Regional Advertising Program will count toward the 5 - 4% of Gross Income that you are required to spend on local advertising. See Item 11 for a detailed discussion about Regional Advertising Programs.

Type of Fee [1]	Amount	Due Date	Remarks
Local Advertising [5]	5% - 4% of monthly Gross Income	As agreed with third party suppliers.	Local advertising has a descending scale based on longevity as a Franchisee. [5] You must spend this amount on local advertising. An advertising expenditure report must be submitted to Us by the 25th day of the month, based on the Gross Income of the previous month.
Optional: Local Advertising - Competition(s)	$250	As agreed with third party suppliers.	You may opt to do more advertising for your store's competition(s), in addition to the weekly/monthly required advertising.
Rent	As agreed	As Incurred	Payable to landlord.
Optional Common Area Maintenance (CAM)	As Agreed	As Agreed with Third Party Sources	You may be required pay CAM. Costs will vary depending on location and type of service needed.
Alarm / Security Surveillance System Monitoring	Minimum of $25 per month	As Agreed with Third Party Source	You must subscribe to a security surveillance system from a designated or approved vendor whose services meet our standards and specifications, as detailed in our Manual.
Additional Training or Assistance at corporate or other designated location	$250 per person, per day, plus travel, meal and lodging expenses for training at our location	Before training or assistance begins	We may charge you for additional or special assistance or training you need or request; for refresher training courses; or for training newly-hired personnel. For all training sessions and conferences, you must pay for your trainees' and representatives' salaries and benefits, and for their travel, lodging and meal expenses, and workers' compensation insurance, unemployment insurance, and disability insurance (if applicable).
Additional Training or Assistance at your location	At our option, should it be necessary, based on availability, $750 per trainer per day, with a two (2) day minimum, plus travel, meal and lodging expenses for training at your location	Two (2) weeks before training or assistance begins and is non-refundable.	We may charge you for additional or special assistance or training you need or request at your location; for refresher training courses; or for training newly-hired personnel.

Type of Fee	Amount	Due Date	Remarks
Inventory and Service Purchases	The price of the products and services that you must purchase and utilize.	As incurred	You must buy certain proprietary products and services from Us, our Affiliates, and/or designated or approved vendors whose items meet our standards and specifications, which are detailed in our Manual. We may also permit you to buy from other suppliers to the industry upon review and approval.
Retail Inventory	Maintaining an adequate inventory as determined by Franchisor	As Incurred	You must provide and replenish the inventory for proprietary and non-proprietary items, as determined by Franchisor and based on sales reports.
Telecommunications Service	Cost of Service	As incurred	Accepted vendor whose services meet our standards and specifications, as detailed in the Manual.
Computer Systems, Maintenance, and Support	Cost of Service	As incurred	We or a third party may charge you a fee for any proprietary software or technology that we, our affiliates or an approved third party have provided by license to you and for other maintenance and support services that we or an approved third party might provide in the future.
Webpage: Monthly User and Maintenance Fee	$65 per month (monthly fee may increase)	As Agreed	Us, our Affiliates, or a designated vendor.
Internet Antivirus, Internet Security, Virtual Data and File Backup Storage Services	Minimum of $125 per year (cost may increase)	As Incurred	If you choose a PC based system, you must subscribe to an Internet antivirus and security service system, and a virtual data and file back-up storage service from a designated or approved vendor whose services meet our standards and specifications, as detailed in the Manual.
QuickBooks Online Plus	$40 per month, minimum	As incurred	You must subscribe to a bookkeeping system from a designated and approved vendor whose services meet our standards and specifications.

Type of Fee	Amount	Due Date	Remarks
Credit Card Processing Service Fee, plus Monthly Fees	$9.95 per month minimum, plus percentage and/or fee for each transaction processed	As Agreed with Third Party Source	You must use a credit card processing service from a designated or approved vendor whose services meet our standards and specifications, as detailed in the Manual. Processing costs will vary by provider and by number of transactions processed, and other variables.
Payroll Service	Minimum of $40 per month	As Agreed with Third Party Source	You must subscribe to a professional payroll service from a designated or approved vendor whose services meet our standards and specifications, as detailed in the Manual. Costs will vary depending on number of staff and optional services.
Music Service	As contracted	As Agreed with Third Party Source	You must subscribe to a music service from a designated or approved vendor whose services meet our standards and specifications, as detailed in the Manual.
Background Investigation of Management Employees	$85 - $100 per management employee per year (may vary by location)	Prior to Initial Employment and Annually Thereafter	You are required by Us to have and remain current on criminal and credit background investigations per management employee. It is optional for other personnel.
Sanitation/Recycling Service	As contracted	As Agreed	You must utilize an approved sanitation service provider for garbage hauling and recycling services, whose services meet our standards and specifications.
Optional: Professional Janitorial Service	Minimum of $150 per month	As Agreed with Third Party Source	You may utilize an approved professional janitorial service provider for cleaning of the gym, whose services meet our standards and specifications.
Optional: Pest Control Service	As necessary	As Agreed	You may utilize a certified pest control service monthly from a designated or approved vendor whose services meet our standards and specifications, as detailed in our Manual. Costs will vary depending on location and type of service needed.
Optional: HVAC Maintenance	$15 - $20 per month or as contracted	As Agreed	You may utilize an approved HVAC service perform routine monthly maintenance.
Renewals of: Industry-Specific Licenses and/or Certifications	Varies by state and municipality	As Incurred	Provided by an outside governing organization(s). You must be current with this license and/or certification(s) and display at all times.

Type of Fee	Amount	Due Date	Remarks
Industry Organizations Membership Cost	Minimum of $500 Annual Membership (rates may increase without prior notice)	Upon Joining and Annual Renewal (as required)	You are required by Us to join the United States Powerlifting Association (USPA), as detailed in the Manual, and remain current with your membership.
Optional: Membership Costs for Local, Regional, State and/or National Business and Industry Associations	Cost of Annual Membership will vary by area (rates may increase without prior notice)	Upon Joining and Annual Renewal (as required)	It is recommended that you join various business and industry associations, including the Chamber of Commerce, as detailed in the Manual.
Testing New Products or Services	Actual Cost of Testing	Upon your receipt of our invoice.	This covers the costs of testing new products or services, or inspecting new suppliers you propose.
Management Fee	At our option, should it be necessary, based on availability the cost is $450 per person per day, with a 3-day minimum, plus our travel, meal and lodging expenses	Upon your receipt of our invoice	Payable to Us if we (or a third party) are required to manage your Business after you or your managing owner's death, mental or physical incapacity, or after your default or abandonment of your clients.
Late Penalty [6]	$100 per incident plus 1½% interest per month, or maximum allowed by law	Upon your receipt of our invoice	Payable to us on any overdue or past due amounts of any fees or charges.
Insufficient Funds	$75 or as permitted by local law	15 days upon your receipt of our invoice	Payable to Us if you have insufficient funds in your EDTA to cover a payment, or if you pay by check and a check is returned for insufficient funds or a closed account.
Fee for Failure to Keep Manual at Place of Business	$10,000 per incident	Upon your receipt of our invoice	Payable to Us if you fail to keep the Operations Manual at your place of business.
Audit	Actual Cost of audit	Upon your receipt of our invoice	Payable to Us if you do not provide us with reports, supporting records or other

Type of Fee	Amount	Due Date	Remarks
			required information, on a timely basis, or if you understate required Royalty payments and/or Fund contributions by more than two percent (2%).
Maintenance and Refurbishing of Business	Our actual costs	Upon your receipt of our invoice	If, after We notify You, you do not undertake efforts to correct deficiencies in Business appearance, then we can undertake the repairs and You must reimburse Us.
Insurance	Our actual costs	Upon your receipt of our invoice	If you fail to obtain insurance, as specified, we may obtain insurance for you and you must reimburse Us.
Cost and Attorneys' Fees	Our actual costs	Upon your receipt of our invoice	Payable to Us if you do not comply with the Franchise Agreement.
Indemnification	Our actual costs and/or liability	Upon your receipt of our invoice	You must reimburse Us if we are held liable for claims arising from the operation of your Business.

1. Except for the product and service purchases described in Item 8, and except as otherwise noted in this Item 6, all fees are imposed and collected by and payable to Us. All fees are non-refundable and are uniformly imposed. Regardless of what day of the month you open the Business the last day of the month will signify the end of the first month, subsequent months will begin on the first day of each month and end on the last day of each month.

2. If the Training Facility is not operational due to an act of God; act of casualty such as fire, weather, theft, and other forces; and through no fault of the Franchisee, the Royalty shall abate to 50% of its agreed-upon rate when receiving distribution of funds from Business Interruption Insurance. Franchisee shall extend all reasonable efforts to the reinstatement of the Franchise's operation in the event of the ceasing circumstances mentioned above.

3. Before your Business opens, you must sign and deliver to us an **"Electronic Depository Transfer Account Document"** or **"EDTA"** (Exhibit G), which authorizes us to debit your business checking account automatically for the Royalty payments, Fund contributions, and other amounts due under the Franchise Agreement. We will debit the EDTA for these amounts on their due dates. Funds must be available in the EDTA for withdrawal.

   We may require payment other than by automatic debit or check, i.e. credit card split processing, and you must comply with our payment instructions. If the amounts debited by credit card split processing are less than the amounts you actually owe us, we will debit the balance due on the day we specify. If the amount(s) debited by credit card split processing are more than the amount(s) you actually owe us, we will make a monthly adjustment and credit any balance due on the day we specify. (Franchise Agreement - Section XX.I)

   If you do not report the Business's Gross Sales, we may debit your EDTA for 120% of the last Royalty payment and Fund contribution that we debited. If the amounts we debit are less than the amounts you actually owe us, we will debit your EDTA for the balance on the day we specify. If the amounts we debit are greater than the amounts you actually owe us, we will credit the excess against the amounts that we otherwise would debit from your EDTA during the following month.

4. The OSI Training Facilities that contribute to a Regional Advertising Program will include any OSI Training Facilities operated in the Advertising Coverage Area by us, or our Affiliates, Old Skool Iron, LLC and Car89, LLC. Each OSI Training Facility operating in the Advertising Coverage Area and contributing to the program will have one vote, including our OSI Training Facility and those owned by our affiliates.

5. Local Advertising is based on a descending scale as follows:

Amount	Time Period
5% of Monthly Gross Income or a minimum of $1000 per month, whichever is greater	Months 4 - 12
4.5% of Monthly Gross Income or a minimum of $850 per month, whichever is greater	Months 13 - 36
4% of Monthly Gross Income or a minimum of $750 per month, whichever is greater	Months 37 - conclusion

6. Late Fees – If you fail to pay any sums payable to us, when due, you must pay us a late fee of $100 per incident plus 1½% interest per month on the unpaid balance, or the maximum permitted by law, whichever is higher.

Item 7

YOUR ESTIMATED INITIAL INVESTMENT

ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee [1]	$25,000	Lump Sum	On signing Franchise Agreement	Us
Real Estate [2]	Not Included	Not Included	Not Included	Not Included
Rent [2]	$15,000 - $21,000 (first three (3) months)	As Agreed	Monthly	Landlord
Lease Security Deposit [3]	$0 - $14,000	Lump Sum	Generally, a one or two-month security deposit is payable upon your execution of the lease	Landlord

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Utility Deposits 4	$200 - $950	As Arranged	As Incurred	Utility Companies
Optional Common Area Maintenance (CAM)	$0 - $750 (first three (3) months	As Agreed	As Incurred	Utility Companies
Leasehold Improvements 5	$10,000 - $24,000	As Agreed	As Incurred (prior to opening)	Outside Suppliers
Optional: Upgraded GYM Flooring	$0 - $7,500	As Agreed	As Incurred	Outside Suppliers
Architectural Plans 6	$1,000 - $2,000	As Agreed	As Incurred (prior to opening)	Architect
Business Licenses and Permits 7	$500 - $2,000	Lump Sum	As Incurred (prior to opening)	Outside Governing Organization(s) Rates will vary by state and municipality
Industry-Specific Licenses and/or Certifications 8	$500 - $1,000	Lump Sum	As Incurred (prior to opening)	Outside Governing Agency(ies). Rates will vary by state and municipality
Individual Licenses and/or Certifications 9	$150 - $250 per person	Lump Sum	As Incurred (prior to opening)	Third Party Organizations. Rates will vary by state and municipality
Required Membership Cost for Industry Association	$560 annual minimum	As Agreed	Upon Joining	United States Powerlifting Association (USPA)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Optional Membership Costs for Business and/or Industry Associations	$0 - $1,200	As Agreed	Upon Joining	USA Powerlifting (USAPL), United Powerlifting Association (UPA), Chamber, BBB, etc.
Background Investigation of Management Employees	$85 - $100 per management employee	As Incurred	As Incurred	Designated or Approved Suppliers
Computer System 10	$1,850 - $2,700	As Agreed	As Incurred (prior to opening)	Outside Supplier (See Item 11)
Initial Webpage Setup	$1,150	As Agreed	As Incurred (prior to opening)	Us and/or Affiliates (See Item 5)
Technology Fee 11	$405 - $615 (first three (3) months)	As Agreed	As Incurred	Us and/or Affiliates (See Item 5)
Optional Industry Specific Software 12	$0 - $870 (first three (3) months)	As Agreed	As Incurred	Designated or Approved Suppliers
QuickBooks Online Essentials (minimum level)	$120 (first three (3) months)	As Agreed	As Incurred	Designated or Approved Suppliers
Payroll Service	$120 minimum (first three (3) months)	As Agreed	As Incurred	Designated or Approved Suppliers
Internet Antivirus/Security Service; Virtual Data and File Backup Service	$125 Annual minimum	As Agreed	As Agreed	Outside Supplier
Security System 13	$1,400 - $1,700	Lump Sum	As Agreed	Designated or Approved Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Security Monitoring	$75 - $150 (first three (3) months)	As Agreed	As Incurred	Outside Suppliers
Music Service	$75 - $85 (first three (3) months)	As Agreed	As Incurred	Outside Suppliers
Furniture, Fixtures and Large Equipment 14	$89,000 - $120,000	As Agreed	As Incurred (prior to opening)	Outside Suppliers
Office Equipment and Supplies 15	$1,000 - $1,500	As Agreed	As Incurred (prior to opening)	Outside Suppliers
Opening Inventory and Supplies 16	$3,000 - $3,500	As Agreed	As Incurred	Designated or Approved Suppliers
Signage 17	$200 – $ 6,000	As Agreed	As Incurred (prior to opening)	Third Party Vendors
Optional Vehicle Signage: 18	$0 - $2,500	As Agreed	As Incurred	Designated or Approved Suppliers
Optional Company Vehicle 19	$0 - $28,000	As Agreed	As Incurred (in the case of purchase) Monthly (in the case of lease)	Designated or Approved Suppliers
Grand Opening Marketing and Advertising 20	Minimum of $7,500	As Agreed	First Three (3) Months	Advertising Sources
Training Expenses (out-of-pocket costs for two (2) people), includes travel, meals and lodging, etc. 21	$3,100 - $3,500	As Agreed	As Incurred (prior to training)	Third Party Vendors
Business Insurance 22	$500 - $5,000	As Agreed	As Agreed	Insurance Company(ies)
Optional Commercial Automobile Insurance 23	$0 - $975 (first three (3) months)	As Agreed	Generally payable for the full year, in advance	Insurance Company(ies)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Installation, Delivery, Shipping and Labor Costs (leasehold improvements, large equipment, furniture and fixtures, and office equipment)	$9,500 - $15,865	As Agreed	As Incurred	Third Parties
Additional Funds 24	$15,000 - $21,000 (first three (3) months)	As Incurred	As Incurred	Employees, Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT 25	$187,115 - $323,285			

All figures are based on the parameters in Explanatory Note 2.

None of the payments shown above are refundable except office rent deposits and insurance deposits. We do not finance any part of the initial investment. The figures and footnotes listed in this Item 7 are estimates and we cannot guarantee that you will not have additional expenses starting your OSI Business. These estimates also do not include any compensation for the Franchise owner or personal living expenses. These numbers are based on average market rates at the time of this Franchise Disclosure Document draft and may fluctuate based on numerous variables. Actual costs will vary for each Franchise depending on a number of factors. Your costs depend on how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period of operation of your Business. You should review these figures carefully with a business advisor before making any decision to purchase a Franchise.

Explanatory Notes

1. We describe the Initial Franchise Fee in Item 5.

2. An OSI Training Facility occupies approximately 5,000 – 7,500 square feet of gym space, office/reception, and changing rooms. Rent varies by geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and may be considerably higher in large metropolitan areas than in more suburban or small-town areas. OSI Training Facilities can be located in freestanding units, light industrial parks and other venues in business park areas and in multi-use residential areas.

   We anticipate that you will rent the Business premises, and the figures in the table include the first three months' rent. Whether this rent is refundable depends on your agreement with your landlord. It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for the Business already is constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this estimated initial investment table does not reflect the potential cost of the purchase of real estate.

3. Generally required under a commercial real estate lease is a security deposit and last month's rent as a deposit for a lease. The amount of the lease security deposit depends on your lease agreement. Thereafter, rent is generally paid on a monthly basis. Whether this deposit is refundable depends on your agreement with your landlord.

4. You may be required to pay deposits for utilities. The amount of these deposits will vary depending on the practices of the utility companies and whether any impact or hook-up fees are required. Whether this deposit is refundable depends on your agreement with your utility company.

5. Leasehold improvement costs, including floor covering, wall treatment, ceilings, painting, window coverings, electrical, carpentry, and similar work depend on the site's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for your Business; and any construction or other allowances the landlord grants. All figures are based on the assumption that you lease a space previously occupied by a non-food establishment. The lower figure assumes the lesser square footage a ; the higher figure assumes the greater square footage.

6. An architect will provide architectural services relating to the Business building and leasehold improvements, and may provide services for states that have additional health department compliance requirements, if necessary.
7. These amounts include possible permits and/or licensures required by local or federal law, including, but not limited to, business license, Certificate of Occupancy, remodeling permit, debris removal permit and signage permit. Regulations may vary depending on Franchisee's location and potential client base.

8. These amounts include industry-specific licenses and certifications required before opening, and the rules and regulations may vary by state, local and municipal law; as well as USPA sanctioned event certifications. You should investigate these requirements.

9. These amounts include CPR, first aid, and defibrillator certifications, and are per person.

10. These amounts include, but are not limited to: computer hardware, 4-in-1 printer, receipt printer, electronic cash drawer, peripheral equipment, and pre-loaded software. You may choose to subscribe to Microsoft Office 365 Home & Business rather than purchasing Microsoft Office Home & Business pre-loaded on any computer system; this may reduce your costs. See Item 11 for details.

11. This includes, but is not limited to, monthly required POS software subscription fees and website hosting fees. The lower figure assumes no optional modules have been added to the POS software subscription; the higher figure assumes mid-level optional modules have been added to the POS software subscription.

12. Optional: This figure assumes the high-level optional modules have been added to the POS software subscription; and is in additional to the base required level.

13. This includes, but is not limited to, security system with cameras, and optional keyless entry access based on location. The lower figure assumes the lower number of required cameras are purchased with no keyless entry access; the higher figure assumes the higher number of required cameras and keyless entry access are purchased.

14. This includes, but is not limited to, furniture and fixtures, TV and/or music system, large gym equipment, networking and telecommunication equipment.

15. This includes, but is not limited to, smart phones, calculator, paper products, general office supplies, cleaning supplies, first aid supplies, other small office equipment and supplies.

16. This includes, but is not limited to, opening retail apparel and nutrition supplement supplies.

17. These figures include the required interior and exterior signage that meets our specifications, as described in the manual.

18. These figures include the required vehicle wrap that meets our specifications for optional vehicle, as described in the Manual.

19. Optional: You may choose to purchase or lease a new or used vehicle, or use your personal vehicle that meets our standards and specifications, as detailed in the Manual, for your vehicle. The company vehicle must be in very good condition, free of rust, and be lettered with signage we specify. There is no specific make and/or model required; however, final acceptance from Franchisor is required.

20. This is the minimum required amount you must spend on grand opening marketing and advertising for your Business. Your grand opening marketing advertising campaign must include a virtual campaign.

21. These amounts are based on $500/per person airfare; $250/night hotel double occupancy; breakfast & dinner, and miscellaneous.

22. You must obtain and maintain certain types and amounts of insurance (See Item 8). Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, and number of employees, square footage, location, business contents, and other factors bearing on risk exposure. Payments may be made in installments; however, availability of installment plans will vary by company. The estimate includes insurance costs for the first three (3) months: the lower figures assumes quarterly premium payments; the higher figure assumes annual premium payment.

    Because of the numerous variables that affect the cost of workers' compensation, disability or unemployment insurance, this estimated initial investment table does not reflect the potential cost of this insurance.

23. Optional: Commercial Automobile Insurance: Rates will vary by individual. Because of the numerous variables that affect this cost, this is an estimated initial investment.

24. This item estimates your expenses during the initial period of operation of your Business (other than the items identified separately in the table). These expenses include payroll costs, but not any draw or salary for you, fuel, shipping and delivery costs, membership costs. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the

business. Your costs depend on how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period of operation of your Business.

25. We relied on the experience of our affiliate, Old Skool Iron, LLC's operation of a location similar to the Business for approximately seven (7) years, and the experience of our affiliate, Car89, LLC's operation of a location similar to the Business for approximately one and one-half (1½) years, to compile these estimates. You should review these figures carefully with a business advisor before deciding to acquire the Franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and your collateral, and lending policies of financial institutions from which you request a loan.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Training Facility according to our "**System Standards**." System Standards may regulate, among other things: the types, models, and brands of fixtures, furniture, equipment, furnishings, and signs (collectively, "**Operating Assets**"); products, supplies, and services you must use in operating the Training Facility; unauthorized and prohibited products, and services you must not use; inventory requirements; and designated and approved suppliers of Operating Assets, any proprietary products ("**Trade Secret Products**"), and other items.

<u>Purchase from Designated or Approved Suppliers, and Specifications</u>

We have the absolute right to restrict all of the suppliers with whom you may deal for your OSI Training Facility. We may, in our sole discretion, require that any services, products and other items used in connection with the operation of your OSI Business be purchased exclusively from us, our affiliates, and/or other approved or designated suppliers or distributors.

We restrict your suppliers in order to assure quality, reliable services and products that meet our standards, achieve better terms of purchase and delivery service, control usage of the Mark(s) by third parties, and monitor the processing, delivery service, manufacture (if applicable) and sale of the items.

Suppliers of certain items and services may be limited to us, our affiliates, and/or other specified exclusive suppliers, in which event you must buy such services and items from us, our affiliates or any such other specified approved or designated supplier at the prices exceeding our or their costs we or they decide to charge.

You must buy all Trade Secret Products, which currently consist of our proprietary items and/or services, and any items or services currently in development from Us or our Affiliates, and you must currently buy all of your business products, tools of the trade, paper products, software, signage, security system, credit card services and other business services, as well as certain facility and office furnishing and fixtures (see Item 7), and the Computer System (see Item 11), from designated or approved suppliers. We will identify all designated or approved suppliers in the Manual or other written communications. Any purchases from us, and our affiliates, whether required or voluntary, will be at prices exceeding our or their costs.

In addition to the above listed items and products, as a franchisee you must buy and use the additional patent pending processes and/or items, proprietary processes, products and items that are currently in various stages of production and/or development as they become available, from Us or our affiliates. There are no contractual limitations on the frequency and cost of this obligation.

If we have not instituted any type of restrictive sourcing program (which, as noted above, we already have done for proprietary items in development, and may do so for other items), and if you want to use any item or service that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved or designated, you first must send us sufficient information, specifications, and samples so that we can determine whether the item or service complies with System Standards or the supplier meets approved supplier criteria. The criteria for our approving suppliers are made available to you in our Operations Manual and other written communications. We may charge you or the supplier a reasonable fee for the evaluation (see Item 6) and will decide within a reasonable time (generally no more than 30 days). We periodically will establish procedures for your requests and may limit the number of approved items, services or suppliers, as we think best.

Supplier acceptance will depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited number of suppliers to obtain better prices and service, and/or a supplier's willingness to pay Us and/or our Affiliates for the right to do business with our system. Supplier approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing. We have no obligation to approve any request for a new supplier, product, or service. We may refuse to accept a product or supplier for any reason whatsoever or for no reason whatsoever, strictly at our discretion.

Purchases in Accordance with our Specifications

In addition, to maintain the quality of the goods and services that OSI Training Facilities sell and the reputation of our System, we may require that certain products, supplies and services used in connection with the operation of the Business must meet our minimum standards and specifications. Such products, supplies and services may be purchased from any suppliers, so long as they meet our minimum standards and specifications.

We will formulate and modify standards and specifications based on our affiliates' and our franchisees' experience in operating OSI Training Facilities. Our standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design, and appearance. Our standards and specifications are made available to you in our Manual and other written communications. We will also notify you of all approved suppliers.

None of our officers has an interest in any supplier.

We and our affiliates have the right to receive payments from suppliers on account of their actual or prospective dealings with you and other franchisees and to use all amounts that we and our affiliates receive without restriction (unless we and our affiliates agree otherwise with the supplier) for any purposes we and our affiliates deem appropriate.

We estimate that the following purchases and leases of products and services will represent the following percentages of your total purchases and leases of products and services to establish and operate the franchised business:

	% of Total to Establish	% of Total to Operate
Collectively, purchases and leases from Us, our Affiliates, or designated or approved suppliers that must meet our specifications	Approximately 90%	N/A
Collectively, purchases and leases under our specifications used in operating your Facility	N/A	14 – 19%

During fiscal year 2017, neither we, nor any of our affiliates, derived any revenue from selling products or services to franchisees, nor did we or them receive any rebates from suppliers on account of purchases of required and approved items by franchisees. We and/or our affiliates reserve the right to receive such payments in the future.

There currently are no purchasing or distribution cooperatives, however, you may be required to participate in a local or regional advertising cooperative. (See Item 11.) We may negotiate purchase agreements with suppliers (including price terms), for the benefit of the franchise system. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

We may also require you to participate in company-wide promotions as specified in our Operations Manual.

Insurance

You must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. Such policy or policies shall be written by an insurance company rated A-minus or better, in Class 10 or higher, by Best Insurance Ratings Service and satisfactory to Franchisor in accordance with standards and specifications set forth in the Manual or otherwise in writing, from time to time. You currently must carry General Liability Insurance, which can include bodily injury liability (for injuries to other people in connection with your business), property damage (for damage to the property of others), personal injury liability (for wrongful entry, libel, slander, false arrest), advertising liability (for publishing inaccurate information resulting in slander or libel, violation of privacy, wrongful copying and infringement), legal defense, product liability, products/completed operations, and contracts. Coverage may vary depending on space, size or location of your Training Facility. You should establish requirements with landlord or property owner the required minimums for your location, any coverage required by law, or by your lease. Premiums depend on the insurance carrier's charges, terms of payment, and your history. All insurance policies must name us and our affiliates as additional insured parties.

Type:	Coverage Amount	How Rated:
General Liability	$1,000,000	Per Occurrence
	$5,000,000	In the Aggregate
Workers' Compensation, Unemployment and Disability Insurance	As required by law	Per Employee
Medical/Personal Injury Ins.	$ 5,000	Not less than per Occurrence
Damage to Rented Premises	$ 300,000	Not less than per Occurrence
Business Interruption Ins.	$ 25,000	Not less than Per Month

Type:	Coverage Amount	How Rated:
Sexual Abuse and Harassment Insurance	$1,000,000	Per Occurrence
	$3,000,000	In the Aggregate
Optional: Valuable Papers	$ 75,000	Per Occurrence
Optional: Comprehensive Crime & Employee Dishonesty Insurance	$ 25,000	Per Occurrence
Commercial Automobile Liability Insurance (If automobile is owned, non-owned, rented, scheduled or hired by the business)	$1,000,000	Per Person
	$3,000,000	Per Accident
	$ 500,000	Per Occurrence
	$1,000,000	General Liability per Occurrence

Advertising Materials

Before you use any advertising, promotional, and marketing materials that we have not prepared or previously accepted, you must send us samples for review. If you do not receive written rejection within three (3) business days of us receiving time sensitive publications, such as virtual publications, newspapers and press releases, fourteen (14) business days of us receiving monthly publications and coupons, and thirty (30) days of us receiving exterior signage and banners, they are deemed to be accepted. You may not use any advertising, promotional, or marketing materials that we have not accepted or that we have rejected.

Business Facility Site

The Business Facility must be located at a site that we accept. We must also accept your lease or sublease and we have the right to reject a proposed lease or sublease and/or to require that it include certain provisions (see Sections XII.U and XX.B of the Franchise Agreement), including our right to the occupancy of the Business Facility if your Franchise is terminated or not renewed, or if you lose possession because of your default under the lease, pursuant to a Collateral Assignment of Lease in the form attached hereto as Exhibit H.

Business Development

You must develop the Business. We will give you mandatory and suggested specifications and layouts for an OSI Training Facility, including requirements for dimensions, design, image, interior layout, décor, Operating Assets, and color scheme. These specifications and layouts might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for person with disabilities. You must prepare a site survey and all required construction plans and specifications for the location of your Business and make sure that they comply with the ADA and similar rules, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We may review and accept all final specifications and plans before you begin constructing the Business Facility and all revised or "as built" specifications and plans during construction. Our review is only to ensure your compliance with our design requirements. We may inspect the Business Facility at any time during its development.

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 Franchise Agreement	Disclosure Document Item
(a)	Site selection and acquisition/lease	XII.U and XX.B	7, 8, 11 and 12
(b)	Pre-opening purchases/leases	XII.A and XII.G	6, 7, 8 and 11
(c)	Site development and other pre-opening requirements; corporate name approval	XII.G, XII.U, XV.B.7 and XX.C	7, 8, 11 and 13
(d)	Initial and ongoing training	XX.A and XX.D	5, 6, 7 and 11
(e)	Opening	IX.C	11
(f)	Fees	VIII, IX and X	5, 6 and 7
(g)	Compliance with standards and policies/Manual	XII.A and XII.H	8 and 11
(h)	Trademark and proprietary information	XV and XVI	13 and 14
(i)	Restrictions on services/products offered	XII.A and XII.I	8, 11, 12 and 16
(j)	Warranty and customer service requirements	XII.A.9, XII.F, XII.H and XII.K	None
(k)	Territorial development and sales quotas	None	None
(l)	On-going product/entertainment service purchases	XII.I	6, 8, 11 and 16
(m)	Maintenance, appearance and remodeling requirements	XII.E	6, 8 and 17
(n)	Insurance	XIII	6, 7, 8 and 11
(o)	Advertising	X.B, X.C, X.D and X.E	6, 7, 8 and 11
(p)	Indemnification	XVIII	6
(q)	Owner's participation/ management/staffing	XII.F and XII.K	11 and 15
(r)	Records and reports	XIV	None
(s)	Inspections and audits	XII.S and XIV.B	6 and 11
(t)	Transfer	XXII	6 and 17
(u)	Renewal	VII.B	6 and 17
(v)	Post-termination obligations	XXIV	17

Obligation	Section in Franchise Agreement	Disclosure Document Item
(w) Non-competition covenants	XIX.B	15 and 17
(x) Dispute resolution	XXV.D	17

Item 10

FINANCING

Neither we nor any agent or affiliates offers direct or indirect financing to you, guarantees any of your notes, leases or obligations, or has any practice or intent to sell, assign or discount to a 3rd party all or part of any of your financing arrangements.

We do not know whether you will be able to obtain financing for all or part of your investment and, if so, the terms of the financing. We do not receive direct or indirect payments for placing financing.

Item 11

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

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

Before you open your Franchised Business, we will:

1. Accept or reject a location you propose within fifteen (15) business days after receiving your description of, and evidence confirming your favorable prospects for obtaining a lease for, the proposed site. We will use reasonable efforts to help analyze your market area, to help determine site feasibility and to assist in designating the location, although we will not locate the site, conduct site selection activities for you, or negotiate the purchase or lease of the site for you. Neither we, nor our affiliates own any premises that we would lease to franchisees. The site must meet our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. (Franchise Agreement – Section XII.U)

2. Accept or reject your proposed lease. You must sign a lease for the premises of your Business that meets our requirements within two (2) months after you have been accepted by us as a franchisee. "Acceptance" is the process of submitting a signed Franchise Disclosure Document, clearance of the Initial Franchise Fee funds, the satisfactory completion of your application for purchase of a Franchise, and our acceptance of your application. Franchisor may grant Franchisee one thirty (30) day extension within which to sign a lease. Franchisee must submit written documentation of the status of the application(s) ten (10) days prior to the date of the thirty (30) day extension request. (Franchise Agreement – Section XII.G.)

   If you do not locate and sign a lease that we have accepted or a purchase document for an acceptable site for the premises of your Business within three (3) months after you have been accepted as a franchisee, we will have the right to terminate the Franchise Agreement. (Franchise Agreement – Section IX.C)

3. Provide you with mandatory and suggested specifications and layouts for an OSI Training Facility, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme. We will not assist you in conforming your premises to local ordinances, and/or building codes, obtaining any required permits, or constructing, remodeling or decorating the premises. (Franchise Agreement – Section XII.U)

4. Identify the operating assets, and other products, services, and supplies that you must use to develop and operate the Business, the minimum standards and specifications that you must satisfy, and the designated or approved suppliers from whom you must or may buy or lease these items (which may be limited to or include us, our affiliates, or other specified exclusive sources). We will also assist you in providing or obtaining the necessary equipment, signs, fixtures, opening inventory and supplies. As disclosed above, we provide written specifications for these items in the Operations Manual. We will not either deliver or install these items, unless we agree otherwise. (Franchise Agreement – Sections XII.A, XII.G, XII.H, XII.I, XII.J, XV and XVI)

5. Provide you with one copy of each of our manuals (the "Manual"), on loan, which may include, but is not limited to, printed materials, portable storage devices, PowerPoint® presentations, flash presentations, video, webinars, computer software, online/virtual means, and/or other electronic media, for the term of the Franchise Agreement. The current Table of Contents of the Operations Manual is in Exhibit D. As of the date of this disclosure document, the Operations Manual contains 1,024 pages. (Franchise Agreement – Section XX.E.) The number of pages devoted to each subject is also shown on Exhibit D. The Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("System Standards") that we periodically require. These are the administrative, bookkeeping, accounting, inventory control, and membership acquisition and retention procedures you will need. We may modify the Manual periodically to reflect changes in System Standards and these modifications may require you to invest additional capital in the Business or incur higher operating costs. (Franchise Agreement – Sections XII.A, XX.E and XXV.N)

6. We do not establish your prices. (Franchise Agreement – Sections XII.A, XX.G and XXV.N)

7. Advise you with respect to the grand opening marketing and advertising program. (Franchise Agreement – Section X.E)

8. Train you (or your managing owner) and one manager-level employee. (Franchise Agreement – Section XII.V and XX.A) We will describe this training later in this Item.

9. Provide you with a Welcome Package after you sign the Franchise Agreement and are accepted as a Franchisee that includes: one (1) logo-emblazoned t-shirt, generic business cards, and stationary. There is one (1) Welcome Package per managing staff member/staff member, up to a maximum of four (4). (Franchise Agreement – Section XX.J)

<u>Training</u>

If this is your first OSI Training Facility, then before the Training Facility opens, we will train you (or your managing owner) and one of your manager-level employees on operating an OSI Training Facility. We will provide approximately 1 week (six (6) 9-hour days) of training (the specific number of days depends on our opinion of your experience and needs) at our training facility in Vacaville, CA or another location we designate and/or at an operating OSI Training Facility. If you (or your managing owner) and one of your manager-level employees cannot complete initial training to our satisfaction, we may terminate the Franchise Agreement. (Franchise Agreement – Section XX)

We provide initial training for two (2) people at no charge. Additional persons (beyond the first two), up to a maximum of four persons attending training concurrently, may attend initial training if you pay our then current training charge for each additional person. (See Item 5) You also must pay for all travel and living expenses that you and your employees incur and for your employees' hourly wages and/or salaries (if applicable), and workers' compensation insurance, unemployment insurance, and disability insurance (if applicable) during training.

Training will occur after you have been "**Accepted**" as a Franchisee and while you are developing the Business. "**Acceptance**" is the process of submitting a signed receipt Franchise Disclosure Document, and the satisfactory completion of your application for purchase of a Franchise, and our acceptance of your application. All required attendee(s) must complete training to our satisfaction before you may open your Business. We plan to be flexible in scheduling training to accommodate our personnel, you, and your personnel and, in all events, we will schedule the training in sufficient time in order to enable you to open your Training Facility within 90 days from the date that you sign a lease for the location of your Business.

As of the date of this Disclosure Document, we provide the following initial management training program:

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of "On the Job" Training	Location
Module 1 – Classroom			
Introduction/History/Philosophy of OSI	0.5		Vacaville, CA
Use of the Manual	1.5		Vacaville, CA
Pre-Opening Procedures	0.5		Vacaville, CA
Record Keeping - Franchisee	1.0		Vacaville, CA
Management	1.0		Vacaville, CA
Marketing	2.0		Vacaville, CA
Sales Procedures	1.5		Vacaville, CA
Computer System/Software	3.0		Vacaville, CA
Industry Compliance	0.5		Vacaville, CA
Accounting Record Keeping	1.0		Vacaville, CA
Customer Service	2.0		Vacaville, CA
Personnel/ HR	1.5		Vacaville, CA
Industry-Specific	4.0		Vacaville, CA
Module 2 - Hands-On			
In-Business Training		34.0	Corporate Location
Training TOTALS of Module 1 & 2 =	20.0	34.0	54 Hours Total

Darren Monahan, Marc Fabiani, and Rae Stewart, our Corporate Trainers, conduct or personally oversee all training. Other staff, as identified in the operations manual, may assist. The Operations Manual will be used as the principal instruction material.

Training classes are held on an as-needed basis, either at one of our affiliates' locations, or at our offices in Vacaville, CA, and training will be scheduled in order to enable you to open the Business within 90 days from the date that you sign a lease for the Business. The only expenses you will incur for training of up to two (2) persons are travel and living expenses, and wages (if applicable) while the training program occurs, and workers' compensation insurance, unemployment insurance and disability insurance (if applicable). All required attendees must successfully complete the initial management training. Additional training, which may be virtual and/or in-person, may be held prior to your opening or after you open the Business. Such training may be mandatory at our discretion.

When the Training Facility is ready to open, we will, at our cost, send one or more of our representatives to the Training Facility for three (3) days to assist with the opening.

You (or your managing owner), all Business Managers and/or other previously trained and experienced employees must also attend and satisfactorily complete various training courses that we periodically provide at the times and locations we designate or by printed materials, portable storage devices, PowerPoint® presentations, flash presentations, video, webinars, computer software, online/virtual means, and/or other electronic media. We will not require attendance for more than a total of five (5) days during a calendar year. Besides attending these courses, you must attend an annual meeting, which may be virtual, of all franchisees at a location we designate, or by online and/or virtual methods. We will not require attendance at the annual meeting for more than three (3) days during any calendar year. (See Item 6) You are responsible for all related travel and living expenses and hourly wages and/or salaries (if applicable), and workers' compensation insurance, unemployment insurance, and disability insurance (if applicable) for all attendees.

We may also require newly hired managers to complete the initial management training program. You are responsible for all related travel and living expenses, and hourly wages and/or salaries (if applicable), and workers' compensation insurance, unemployment insurance, and disability insurance (if applicable) for all attendees.

<u>Opening</u>

We estimate that it will be 120 to 180 days after you sign the Franchise Agreement, and are accepted as a Franchisee, before you open the Business, but this assumes that you already have a site for the Business or find one shortly after signing the Franchise Agreement. You must sign a lease for an acceptable site within 60 days after the Franchise Agreement's effective date. Franchisor may grant Franchisee one thirty (30) day extension within which to sign a lease. Franchisee must submit written documentation of the status of the application(s) ten (10) days prior to the date of the thirty (30) day extension request. We may terminate the Franchise Agreement if you fail to sign a lease within the 90-day period. The specific timetable for opening depends on the site's condition; the extent to which you must upgrade or remodel an existing location; the delivery schedule for equipment and supplies; completing training; and complying with local laws and regulations. You may not open the Business until: (1) we notify you in writing that the Business meets our standards and specifications; (2) you complete pre-opening training to our satisfaction; (3) you pay the Initial Franchise Fee and other amounts then due us; and (4) you supply us with copies of all certificates for all required insurance policies, copies of all required industry-specific certifications and/or licenses, copies of required USPA certifications, and copies of appropriate government approvals, permits, and licenses. Subject to these conditions, you must open the Business within 90 days from the date you sign a lease. (Franchise Agreement – Section XII.G)

During your operation of the Franchised Business, we will:

1. Advise you regarding the Business's operation based on your reports and our inspections. We also will guide you on standards, specifications, and operating procedures and methods that OSI Training Facilities use; standards, specifications, operating procedures and methods to use OSI Training Facilities' social media; purchasing required and authorized Operating Assets, Trade Secret Products, Services, proprietary items and other items, and arranging for their distribution to you; advertising and marketing materials and programs; employee training; and administrative, bookkeeping, accounting, inventory control, and membership acquisition and retention procedures. We will guide you in our Manual; bulletins and other written materials; by electronic media; by telephone consultation; and/or at our office or the Business. (Franchise Agreement – Sections XII.A and XII.D)

2. Give you, at your request (and our option), additional or special guidance, assistance, and training. (Franchise Agreement – Sections XII.V and XX.A)

3. Continue to loan you one copy of the Operations Manual, which could include, but is not limited to, printed materials, portable storage devices, PowerPoint® presentations, flash presentations, video, webinars, software, online/virtual means, and/or other electronic media.

4. We do not establish your prices. (Franchise Agreement – Sections XII and XX)

5. Issue and modify System Standards, products and services for Training Facilities. We periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may require you to invest additional capital in the Business or incur higher operating costs. (Franchise Agreement – Section XII.A, XII.H and XII.O)

6. Inspect the Business from time to time and observe its operation to help you comply with the Franchise Agreement and all System Standards. We will also be available by phone and/or email to help resolve operating problems you may encounter. (Franchise Agreement – Sections XII.S and XIV.B.) The industry software system and support vendor, along with the accounting, bookkeeping and payroll service vendor and/or personnel, and the payments system vendor are available by phone to help resolve operating problems you may encounter. This service may be part of your monthly fee payable to us, our affiliates or an outside vendor.

7. Let you use our confidential information. (Franchise Agreement – Section XVI)

8. Let you use our Mark(s). (Franchise Agreement – Section XV)

9. Develop and provide you with creative materials for local and regional advertising and make such advertising materials available to you for publication or distribution in your market area and at your own expense, and provide you with specific guidelines for advertising initialed by you. (Franchise Agreement – Section XX.H)

10. Offer refresher management training courses from time to time. At our discretion, you and your employees must attend these courses, in person or by virtual training sessions, as we may specify. We do not assist you in hiring your employees. (Franchise Agreement – Sections XII.V and XX.A) (See Item 6.)

<u>National Advertising and Development Fund</u>

We may establish in the future a National Advertising and Development Fund (the "**Fund**") for advertising, marketing, and public relations programs and materials we deem appropriate. As of the date of this disclosure document, we have not established a Fund. However, if and when we do, you must contribute to the Fund, on a monthly basis, 1% of your Gross Income, as we require (See Item 6). The OSI Training Facilities that we or our affiliates own will contribute to the Fund on the same basis as franchisees. We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with OSI Training Facilities and with whom we have agreed that we will so deposit these allowances.

We will direct all programs financed by the Fund, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. We reserve the option of using an in-house advertising department or a national or regional advertising agency. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce Web site and/or related strategies; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet, whatever we think best. The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Fund separately from our other funds and not use the Fund for our general operating expenses. However, we may use the Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Fund contributions. We may also use the Fund to pay for the creative and production costs for such items as billboard design, radio and video production, public relations campaigns, copy for newspaper, magazine advertisements, flyer, and other promotional material.

The Fund is not our asset. The Fund also is not a trust. We have a contractual obligation to hold all Fund contributions for the benefit of the contributors and to use contributions only for their permitted purposes (described above). We have no fiduciary obligation to you for administering the Fund. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If not all of the advertising funds are spent in the year they accrue, we will carry the balance over into the next year. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises. We will prepare an annual, unaudited statement of Fund collections and expenses, and provide you with a copy upon your written request. We may have the Fund audited annually, at the Fund's expense, by an independent certified public accountant, but we are not required to do so. We may incorporate the Fund or operate it through a separate entity when we think best. The successor entity will have all of the rights and duties described here.

The purpose of the Fund is to maximize recognition of the Mark(s) and patronage of OSI™ Training Facilities. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all OSI Training Facilities, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by OSI Training Facilities operating in that geographic area or that any OSI Training

Facility benefits directly or in proportion to its Fund contributions from the development of advertising and marketing materials or the placement of advertising, or that any advertising is placed in your Territory. We may use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

We may at any time defer or reduce your Fund contributions and, upon 30 days prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to franchisees, and to us and our affiliates, in proportion to their, and our, respective Fund contributions during the preceding 12-month period. (Franchise Agreement – Sections X.B)

During fiscal year 2017, there were no contributions to the Fund.

Regional Advertising Program.

We may designate an Advertising Coverage Area ("**ACA**") – local or regional – in a Designated Market Area ("**DMA**") in which two (2) or more OSI Training Facilities are located in order to seek to establish a Regional Advertising Program ("**Regional Program**"). An ACA is the area covered by the particular advertising medium recognized in the industry (i.e. a DMA is a recognized marketing medium by Nielsen). If your Training Facility is located in an ACA you must participate. Each OSI Training Facility operating in the ACA will have one vote, including each Business we or our affiliates operate.

If a Regional Program is established for your ACA, your Business and each other Business in the ACA (whether franchised, or owned by us or our affiliates) must contribute two percent (2%) of Monthly Gross Income to the Regional Program monthly, or as otherwise specified by 50% or more of the OSI Training Facilities operating in the ACA. Any amounts you contribute to a Regional Program will count toward the five to four percent (5 - 4%) of Monthly Gross Income you are required to spend on local advertising.

We have the power to form, change, dissolve, or merge any Regional Program. Regional Programs will not operate from any written governing documents. We will make available for your review any records showing payments to and expenses of any Regional Program in which you participate. (Franchise Agreement – Section X.C)

Your Local Advertising

In addition to your Fund contributions, if any, and your grand opening marketing and advertising obligation, you must spend a percentage of the Business's Monthly Gross Income against a monthly minimum, whichever is greater, on a descending scale based on longevity as a Franchisee to advertise and promote your Business (including the costs of virtual and/or print business listings) as described below:

Amount	Time Period
Minimum of $1,000 per month or 5%, whichever is greater	Months 4 - 12
Minimum of $850 per month or 4.5%, whichever is greater	Months 13 - 36
Minimum of $750 per month or 4%, whichever is greater	Months 37 - conclusion

Within 25 days after the end of each month, you must send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month. Your local advertising and promotion must follow our guidelines. All advertising and promotional materials developed for your Business must contain notices of our Website's domain name in the manner we designate. You may not develop, maintain, or authorize any Website that mentions or describes you or the Business or displays any of the Mark(s).

All advertising, promotion, and marketing must be completely clear, factual, and not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. Before you use any advertising, promotional and marketing materials that we have not prepared or previously accepted, you must send us or our designated agency samples for review. If you do not receive written rejection within three (3) business days of us receiving time sensitive publications, such as virtual publications and press releases, fourteen (14) business days of monthly publications and coupons, and thirty (30) days of exterior signage and banners after we receive the materials, they are deemed to be accepted. You may not use any advertising, promotional, or marketing materials that we have not accepted or have rejected.

You must list and advertise the Training Facility in at least one recommended virtual and/or print business directory distributed within the Business's market area (in designated business classifications) and use an approved form of classified virtual business directory advertisement. You must list and advertise the Business in at least one recommended online directory distributed within the Business's market area (in designated business classifications) and use an approved form of online directory advertisement. If other OSI Training Facilities are located within the directory's distribution area and/or broadcast area, you must participate in a collective telephone directory advertisement/collective virtual directory advertisement with those Businesses and pay your share. (Franchise Agreement – Section X.D)

Franchise Advisory Council

We do not currently have a franchisee advisory council that advises us on advertising policies.

Operations Manual

The Table of Contents for the Operations Manual is shown in Exhibit D. As of the date of this Disclosure Document, the Operations Manual contains a total of 1,024 pages. The number of pages devoted to each subject is also shown in Exhibit D. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules (**"System Standards"**).

Telecommunications

You will need one (1) designated business hard line with voicemail for Franchisee, and a designated business phone number, which may be assigned by Franchisor. You must have high-speed Internet/email with password protected Wi-Fi.

Computer System

You must obtain and use a computer system in connection with the operations of the Business (the **"Computer System"**) and keep your Computer System current in accordance with our specifications and requirements, which may change from time to time. The principal components of the current Computer System are as follows:

Required Computer Hardware:

- One desktop or laptop PC
- Star TSP 650 receipt printer
- Electronic cash drawer
- 4-in-1 Fax/Printer/Copy/Scanner

Required Office Software:

- QuickBooks Essentials Online (latest version)
- MS Office Home & Business (latest version) or Office 365 Home & Business
  - Word
  - Excel
  - PowerPoint
  - Outlook

Paid Security, Anti-Malware and Backup Software

Supporting Office System Equipment Requirements:

- Multi-port wireless router
- Surge protector(s)/battery backup (as needed)
- Mouse (optional for laptop)
- Cables, wires & adapters—as required for system
- Speakers (as needed)

Minimum System Requirements for the Business PC

Operating System	Windows 8.1 (U.S. version in English)
Processor	Intel Core i7 or similar
Processor Speed	Minimum 3.40 GHz
Standard Memory	16 GB
Drive Capacity	1 TB
Solid State Drive	32 GB
Video Memory	Up to 2 GB
Cache Memory	8 MB
Recordable DVD Drive Speeds	Maximum write (DVD±R), rewrite (DVD±RW) and read (DVD-ROM) speeds of the DVD±RW drive.
Additionally:	Natively installed
Operating System Bit Version	Recommend 64-bit Processing

The Computer System will manage client data, and generate income and expense reports of the Business, and costs from $1,850 - $2,700 inclusive of all required hardware and software except required POS software subscription. You may obtain the Computer System from any vendor so long as the Computer System meets our requirements as set forth above. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the Computer System. Neither we, nor any affiliates or third party, is obligated to provide ongoing maintenance, repairs, upgrades or updates for the Computer System. We currently do not require that you purchase a maintenance, repair, upgrade, or update service contract for the Computer System, but we reserve the right to do so in the future. All technology specifications and costs are subject to change based on technology changes and/or system changes.

You will not be required to retain a computer expert to set up or operate your Computer System except in the event of any system malfunction. We reserve the right to change the Computer System requirements at any time. There are no contractual limitations on the frequency and cost of this obligation, and we will not reimburse you for any of these costs.

We have independent, unlimited access to the information generated by the Computer System.

You must also have a functioning email address so that we can send you notices and otherwise communicate with you by Internet. Franchisee's personal information is not to be stored on any business-dedicated electronic device.

Our affiliate, Old Skool Iron, LLC, has been using the current Computer System since August 2012. Our affiliate, Car89, LLC has been using the current Computer System since February 2016.

If we or our affiliates should develop any proprietary software or technology for use by the System, we may condition your use of such software or technology on your signing the Software License Agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities concerning the software or technology. We or our affiliates may charge you a monthly or other fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during the franchise term.

Item 12

TERRITORY

You will not receive an exclusive territory. You will receive a defined territory (the "**Territory**"). We will describe the Territory in your Franchise Agreement (Exhibit 2 to the Franchise Agreement) before you sign it and, except as disclosed herein, we do not have the right to alter the Territory.

You will locate and operate the Training Facility at a specific location within the Territory that we first must accept. You may operate the Training Facility only at the accepted location and may not relocate the location without our approval. We will allow a relocation of your Business to another location within the Territory, provided that it does not encroach upon the territorial rights of either another franchisee or an affiliate.

We will determine the size and boundaries of the Territory in our discretion, based on factors such as population density, character of neighborhood, location and number of competing businesses and other factors. While there is no minimum territory size, we typically will define a territory to include a minimum population of 35,000; with a minimum annual combined household income of $60,000. Your Territory may be defined by 1 or more 5-digit ZIP Codes, county or city boundaries, or fixed geographical boundaries such as rivers, streets or highways, or may be identified by a map (Exhibit MAP to the Franchise Agreement). When determining the Territory, we generally use demographic statistics provided by the U.S. Census Bureau.

If your Business is located in a "downtown" setting, such as New York City, NY or Miami, FL, the Territory shall be based on factors such as population density, demographics, character of neighborhood, and other factors; and will consist of a maximum of three (3) blocks from your location, in any direction.

This Territory does not include locations within a self-contained or defined complex/campus such as enclosed shopping malls, airports, hospitals, educational facilities, business complexes or sports facilities, which are exclusive only within each individual complex and do not infringe on other territories. Franchisor does reserve the right to open and to franchise OSI Training Facilities in these locations and shall not be considered infringing on any Franchisee's defined territory.

We will not, so long as the Franchise Agreement is in force and effect and you remain in full compliance with all of the terms of the Franchise Agreement, license or establish another OSI Training Facility to conduct business at a location within the Territory.

You must operate the Business from a single location and conducting business outside of the Territory will be considered a material default under the Franchise Agreement, however, you have the right to use any channels of distribution (other than the Internet) to make sales, and you may accept customers from outside your Territory.

You do not receive the right to obtain additional franchises or open additional facilities in the Territory.

You may not engage in any weightlifting, powerlifting, or bodybuilding training business other than the OSI™ weightlifting, powerlifting, or bodybuilding training business without our written prior consent, and you may not be engaged in any other business whatsoever within your Territory without our prior written consent.

Except as expressly disclosed above, and provided that you are in full compliance with the Franchise Agreement, we and our affiliates will not operate or grant a franchise for the operation of another OSI Training Facility at a location within your territory during the term of the Franchise Agreement. Except as expressly limited by the previous sentence, we and our affiliates retain all rights with respect to OSI Training Facilities, the Mark(s), the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including but not limited to:

(1) the right to provide, offer and sell and to grant others the right to provide, offer and sell goods and services that are identical or similar to and/or competitive with those provided at OSI Training Facilities, whether identified by the Mark(s) or other trademarks or service marks, through dissimilar channels of distribution (including the Internet or similar electronic media) both inside and outside your territory and on any terms and conditions we deem appropriate;

(2) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside your territory under the Mark(s) and on any terms and conditions we deem appropriate;

(3) the right to operate, and to grant others the right to operate OSI Training Facilities located anywhere outside your territory under any terms and conditions we deem appropriate and regardless of proximity to the Business;

(4) the right to operate and grant others the right to operate OSI Training Facilities at "non-traditional sites" within and outside your territory on any terms and conditions we deem appropriate. "Non-traditional sites" are sites that generate customer traffic flow which is independent from the general customer traffic flow of the surrounding area, including military bases, shopping malls, airports, stadiums, major industrial or office complexes,

hotels, school campuses, train stations, travel plazas, toll roads, casinos, hospitals, and sports or entertainment venues;

(5) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at OSI Training Facilities, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the Franchisees or licensees of these businesses) are located or operating (including in your territory); and

(6) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise regardless of the form of transaction), by a business providing products and services similar to those provided at OSI Training Facilities, or by another business, even if such business operates, franchises and/or licenses competitive businesses in your territory.

We are not required to pay you if we exercise any of the rights specified above inside your territory.

You have no options, rights of first refusal, or similar rights to acquire additional franchises.

Although we and our affiliates have the right to do so (as described above), we and our affiliates have not operated or franchised, and presently have no plans to operate or franchise, other businesses selling or leasing similar products or services under different names than OSI™.

We do not restrict you from soliciting or accepting orders from outside your Territory, but you do not have the right to use other channels of distribution to make sales outside your Territory.

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.

Renewal or Transfer

On renewal or transfer of a franchise, the Territory may be modified. Depending on the then-current demographics of the Territory, and on our then-current Franchise Agreement, specifically relating to the standards for territories, if your defined Territory is larger than our then-current standards for territories, we may require you or the transferee to accept a Franchise Agreement with a smaller Territory than you had previously been awarded.

Continuation of your franchise or territorial rights does not depend on your achieving a certain sales volume, market penetration, or other contingency. However, if you want to renew your franchise at the end of the initial term, you must attain, during the last 12 months of the term, Gross Income equal to not less than 75% of the chain median (including both company or affiliate owned and franchised outlets) over the same period, and receive an average score of at least 85% on audits and mystery customers at your Store over the prior three (3) year period, as permitted by state and/or local laws and regulations.

Item 13

TRADEMARKS

You may use certain Mark(s) in operating the Business. The principal Mark(s) are:

MARK	APPLICATION NUMBER	APPLICATION DATE	INTERNATIONAL CLASS OF GOODS
	87870227	April 10, 2018	IC 041. US 100 101 107. G & S:

Darren G. Monahan owns the Mark. He has filed an application for registration of the Mark listed above on the Principal Register of the United States Patent and Trademark Office (USPTO), with the Serial Number 87870227. No affidavits or renewal filings are yet due in connection with the registration.

However, he does not currently have a federal registration for the Mark. Therefore, the Mark does not have any legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to alternative trademark, which may increase your expenses.

Under a License Agreement (**"License Agreement"**), dated April 12, 2018, Darren G. Monahan has licensed us the right to use the Mark and to sublicense it to our franchisees for use in connection with the operation of OSI Training Facilities. The license agreement is perpetual, but either we or Darren G. Monahan may terminate it with 30 days' notice to the other. However, termination of the license agreement will not affect existing franchise agreements. No other agreement limits our right to use or license the Mark.

You must follow our rules when you use the Mark(s), including giving proper notices of trademarks and service marks registration and obtaining fictitious or assumed name registrations required by law. You may not use the Mark(s) in your corporate or legal business name; with modifying words, terms, designs, or symbols (except for those we license to you); in selling any unauthorized services or products; or as part of any domain name, homepage, electronic address, or otherwise in connection with a Website.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Mark(s) and there are no agreements that may limit your use of the Mark(s). We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Mark(s) in any state.

You cannot register as Internet domain names any of the Marks, Franchisor's or Affiliates' Corporate Names, or any other trademark relating to the Business, now or hereafter owned by us or any abbreviation, acronym, portion of or variation thereof, or any other name that could be deemed confusingly similar. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue using a website using the aforesaid Marks and Names. You may access our website through your assigned web page. Except as we may authorize in writing in advance, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products, or services on the worldwide web; or (iii) create or register any Internet domain name in connection with your franchise.

We or our affiliates will protect your right to use the Mark(s) and will protect you against claims of infringement or unfair competition resulting from your use of the Mark(s).

You must notify us immediately of any apparent infringement or challenge to your use of the Mark(s), or of any trademark claim of any rights in the Mark(s), and you may not communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding arising from any infringement, challenge, or claim. You must assist us in protecting and maintaining our interests in any litigation or USPTO or other proceeding. We will reimburse you for your costs of taking any action that we asked you to take.

If it becomes advisable at any time for us and/or you to modify or discontinue using the Mark(s) and/or to use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the Business's signs, for any loss of revenue due to modification or discontinuance of the Mark(s), or for your expenses of promoting a modified or substitute trademark or service mark.

We will reimburse you for all damages and expenses that you incur in any trademark infringement or unfair competition proceeding disputing your authorized use of the Mark(s) under the Franchise Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and/or control the defense of any proceeding arising from your use of the Mark(s).

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the Franchise.

We claim copyrights in the Manual (which contains our trade secrets), advertising and marketing materials, proprietary training methods, and similar items used in operating OSI Training Facilities, including website and webpage. We have not registered these copyrights with the United States Registrar of Copyrights, but need not do so at this time to protect them. You may use these items only as we specify while operating your Training Facility (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the USPTO, the Copyright Office (Library of Congress), or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if in the system's best interests. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes site selection criteria; for Trade Secret Products; training and operations materials; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating OSI Training Facilities; marketing and advertising programs for OSI Training Facilities; any computer software or similar technology that is proprietary to us or the system; knowledge of specifications for and suppliers of Operating Assets, Trade Secret Services, and other products and supplies; knowledge of the operating results and financial performance of OSI Training Facilities other than your Training Facility; and graphic designs and related intellectual property.

All ideas, concepts, techniques or materials concerning an OSI Training Facility whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the system, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent improper disclosure to others and use non-disclosure and non-competition agreements with those having access. We may regulate the form of agreement that you use and will be a third-party beneficiary of that agreement with independent enforcement rights.

We will disclose to you all parts of the confidential information as are required for the operation of the Business, during Initial Training, in the Manuals, and in guidance and assistance furnished to you during your operation of the Franchised Business, and you may learn additional confidential information during your operation of the Franchise. You must disclose the confidential information to your instructors and staff members only to the extent reasonably necessary. During and after the term of your Franchise Agreement, you, (or your managing owner), instructors, and staff members must: (a) not use the confidential information in any other business or capacity, including any derivative or offshoot of the System; (b) maintain absolute discretion and confidentiality of the confidential information at all times; (c) not make unauthorized copies of any portion of the confidential information disclosed or recorded on printed materials, portable storage devices, PowerPoint® presentations, flash presentations, video, webinars, software, online/virtual means, and/or other electronic media; and (d) adopt and implement all procedures that we prescribe to prevent unauthorized use or disclosure of, or access to, the confidential information.

All persons whom you authorize to have access to the Manuals, or any other confidential information, must first sign our form of Confidentiality Agreement and you must provide us with a copy of each signed Confidentiality Agreement. Nothing contained in the Franchise Agreement will be construed to prohibit you from using the confidential information in the operation of your Business, under your Franchise Agreement. We will be a third-party beneficiary of all Confidentiality Agreements with the independent right to enforce their terms.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You (or, if you are an entity, your managing owner) must act as the general manager of the Business with responsibility for direct, on-premises supervision of the Business. You (or your managing owner) must devote full time and efforts to the management and supervision of the Business. You must at all times faithfully, honestly, and diligently perform your contractual obligations and use best efforts to promote and enhance the Business. System Standards may regulate the Business's staffing levels, identifying the Business's personnel, and employee qualifications, training, dress, and appearance. If you are a legal entity, you must appoint a shareholder, member, or partner (as applicable) to be your managing owner, responsible for overseeing and supervising the Business's operation.

You are required to belong to certain industry associations, as specified in the Manual (see Item 6 and Item 7).

You are required to belong to certain social media, as detailed in the Manual.

You must keep us informed via email at all times of the identity and personal contact information of any and all supervisory employees acting as managers or supervisors of the Business. Your managers and/or supervisors need not have an equity interest in the Business or you, but must agree in writing to preserve confidential information to which they have access and not to compete with you, us, and other franchisees. We may regulate the form of agreement that you use and be a third-party beneficiary of that agreement with independent enforcement rights.

If you are a corporation, limited liability company, or partnership, the principal stockholders or partners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Personal Guarantee and Assumption of Obligations" is included in Exhibit 1 of the Franchise Agreement.

The suggested staff required to operate an OSI Training Facility consists of a manager (that can be you or your managing owner), a part-time bookkeeper (that can be you or your managing owner), and three (3) part-time employees including reception. All employees are customer service representatives, and any position may combine with the other.

Item 16

RESTRICTIONS ON WHAT FRANCHISEE MAY SELL

You may offer and sell only those products and services that we have approved, and you must offer and sell all products and services that we designate as required for all franchisees.

Currently, the following products and services are both approved for sale and required: training services, coaching services, fitness and nutrition consultation services, nutritional supplements as identified in the Manual, apparel and other products, and promotional items.

We have the right to add additional approved products or services that a franchisee is required to offer. There are no limits on our right to do so.

You are not restricted from soliciting any customers, no matter who they are or where they are located, provided that you use only approved advertising and channels of distribution.

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 agreements in Exhibit B in this disclosure document.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(a) Length of the franchise term	VII.A	Seven (7) years from the effective date of the Franchise Agreement.
(b) Renewal or extension of the term	VII.B	If you are in full compliance with all terms and conditions, and are eligible for renewal, you may acquire 2 successor franchise terms of Seven (7) years each (for a total of Fourteen (14) additional years).
(c) Requirements for franchisee to renew or extend	VII.B	Give us a minimum of 90 days' notice; maintain possession of Business premises or find acceptable substitute premises; remodel Business according to our then-current standards (regardless of cost); and sign our then-current Franchise Agreement, which may contain terms and provisions that are materially different from the Franchise Agreement, such as different fee requirements and territorial rights, a release (subject to applicable state law), and other documents we use to grant franchises. In addition, you must attain, during the last twelve (12) months of the then-current term of the Franchise Agreement, Gross Income of not less than 75% of the chain median (including both company or affiliate owned and franchised outlets) over the same period, and receive an average score of at least 85% on audits and mystery clients/shoppers at your Store over the prior three (3) year period, as permitted by state and/or local laws and regulations.
(d) Termination by franchisee	XXIII.D	If we breach the Franchise Agreement and an arbitrator determines that we did not cure the breach default after receipt of notice from you.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(e) Termination by franchisor without cause	None	None
(f) Termination by franchisor with cause	XXIII.A	We may terminate your franchise only if you or your owners commit one of several violations.
(g) "Cause" defined – curable defaults	XXIII.B.	You have 72 hours upon receipt of notification to cure state, local, and/or federal telecommunications violations; 72 hours upon receipt of notification to cure health, safety, or sanitation law violations; 10 days upon receipt of notification to cure monetary defaults and failure to maintain required insurance; 30 days to cure operational defaults and other defaults not listed in (h) below; and 90 days to relocate to a new site if you lose possession of the premises. NOTE: Local law supersedes these deadlines if there is a conflict.
(h) "Cause" defined – non-curable defaults	XXIII.C	Non-curable defaults include: misrepresentation in acquiring the franchise; failure to secure Business site within 60 days after Franchise Agreement's effective date; failure to complete training; abandonment; unapproved transfers; conviction of a felony; dishonest or unethical conduct; unauthorized use or disclosure of the Manual or other confidential information; failure to pay taxes; understating Gross Income; repeated defaults (even if cured); an assignment for the benefit of creditors; appointment of a trustee or receiver; and violation of any anti-terrorism law.
(i) Franchisee's obligations on termination/ nonrenewal	XXIV	Obligations include paying outstanding amounts; complete de-identification; assigning telephone and other numbers; and returning confidential information (also see (o) and (r) below).
(j) Assignment of contract by franchisor	XXII.B	No restriction on our right to assign; we may assign without your approval.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(k) "Transfer" by franchisee – definition	XXII.A	Includes transfer of Franchise Agreement, the Business (or its profits, losses or capital appreciation), or the Business's assets, and ownership change in you or your owners.
(l) Franchisor approval of transfer by franchisee	XXII.A	No transfer without our prior written consent.
(m) Conditions for franchisor approval of transfer	XXII.A	Transferee qualifies; you pay us, our affiliates, and third party vendors all amounts due and submit all required report; no default during 60-day period before transfer request or during period between request and transfer's proposed effective date; transferee (and its owners and affiliates) are not in a competitive business; training completed; lease transferred; you or transferee signs our then-current franchise agreement, which may contain terms and provisions that are materially different from the Franchise Agreement, and other documents; transfer fee paid; you sign release (subject to applicable state law); we approve material terms; you subordinate amounts due to you; you de-identify; you correct existing Business deficiencies of which we notify you on punch list; and transferee agrees to upgrade and remodel Business within specified timeframe after transfer (also see (r) below).
(n) Franchisor's right of first refusal to acquire franchisee's business	XXII.D	We may match any offer for your Business or an ownership interest in you.
(o) Franchisor's option to purchase franchisee's business	XII.A	We may purchase the equipment, or any or all of the assets of your Business at the then-current book value after the Franchise Agreement is terminated or expires (without renewal)
(p) Mental or physical disability, or death of franchisee	XXII.C	Assignment of franchise or an ownership interest in you to approved party within six (6) months of mental or physical incapacity, or within nine (9) months of death; we may manage Business if there is no qualified

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		manager.
(q) Non-competition covenants during the term of the franchise	XIX.B	No diverting business; no ownership interest in, or performing services for a competitive business anywhere (**"competitive business"** means any business that derives more than 5% of its revenue from selling personal training services, or any business granting franchises or licenses to others to operate such a business); no interference with our or our franchisees' employees.
(r) Non-competition covenants after the term of the franchise	XIX.B	No diverting business; no ownership interest in, or performing services for a competitive business for two (2) years at the Business premises or within 50 miles of any said premises or any other OSI Training Facility existing or under construction as of date the Franchise Agreement expires or is terminated (same restrictions apply after transfer).
(s) Modification of the agreement	XXV.N	No modifications of Franchise Agreement generally, but we may change the Operations Manual and System Standards.
(t) Integration/merger clause	XXV.J	Only the terms of Franchise Agreement (including System Standards in the Operations Manual) are binding (subject to state law), although nothing contained in the Agreement is intended to disclaim the representation made by us in this disclosure document. Any representations or promises outside of the Franchise Agreement or this disclosure document should not be relied upon and may not be enforceable.
(u) Dispute resolution by arbitration or mediation	XXV.D	All disputes must be resolved by arbitration in Solano County, California (subject to applicable state law)
(v) Choice of forum	XXV.G	Disputes will be arbitrated under the auspices of the American Arbitration Association in Solano County, California (subject to applicable state law). Subject to the

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		arbitration requirement; litigation generally must be in the courts in Solano County, California subject to applicable state law).
(w) Choice of Law	XXV.G	Except for the Federal Arbitration Act and other federal law, California law governs (subject to applicable state law)

Termination on Bankruptcy

A provision in your franchise agreement that terminates the franchise on your bankruptcy may not be enforceable under Title 11, United States Code Section 101 et seq.

Reinstatements and Extensions

If any termination or expiration of the term of the franchise agreement would violate any applicable law, we may reinstate or extend the term for the purpose of complying with the law.

Restrictions on our Post-Termination Rights

These and other states have laws that may limit our ability to restrict your activity after the franchise expires, is not renewed or has been terminated: California Business and Professions Code Section 16,600, Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.772 et seq., Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, and Washington Code Section 19.86.030.

In addition to the provisions noted in the chart above, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of a right to a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. (Franchise Agreement – Sections XXIII. and XXIV.) We recommend that you carefully review all of these provisions, and each of the agreements attached to this disclosure document in their entirety, with a lawyer. Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit F.

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 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 Iron Rose, LLC, 33 Commerce Place, Unit B, Vacaville, California, 95687, 1-800-310-7127, the Federal Trade Commission, and the appropriate state regulatory agencies.

Except for the information contained in this Item, we do not furnish or authorize our salespersons (including officers and directors) to furnish any oral written or visual representation that states, expressly or by implication, a specific level or range of actual or potential sales, income, gross profits or net profits of an OSI Training Facility.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2015 TO 2017

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Company-owned*	2015	1	1	0
	2016	1	1	0
	2017	1	2	1
Total Outlets	2015	1	1	0
	2016	1	1	0
	2017	1	2	1

We did not own or operate any company-owned outlets, but our affiliates, Old Skool Iron, LLC, and Car89, LLC each operated an outlet of the type being franchised during 2015-2017.

TABLE NO. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2015 TO 2017

State	Year	Number of Transfers
All States	2015	0
	2016	0
	2017	0
Total	2015	0
	2016	0
	2017	0

TABLE NO. 3

STATUS OF FRANCHISED OUTLETS
FOR YEARS 2015 TO 2017

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
California	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
All other States	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
Total	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0

TABLE NO. 4

STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2015 TO 2017

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
California	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
Idaho	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	1	0	0	0	1
All other States	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
Total	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	1	0	0	0	2

As of December 31, 2017, we did not operate any company-owned outlets, but our affiliates, Old Skool Iron, LLC, and Car89, LLC, each operated an outlet of the type being franchised.

TABLE NO. 5

PROJECTED OPENINGS
AS OF DECEMBER 31, 2017

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	1	1	0
Idaho	0	1	0
Total	1	2	0

Exhibit E-1 lists the names of all of our operating franchisees and the addresses and telephone numbers of their Training Facilities as of December 31, 2017. Exhibit E-2 lists the Franchisees who have signed Franchise Agreements for Training Facilities which were not yet operational as of December 31, 2017. Exhibit E-3 lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within ten (10) weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three (3) fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

At this time OSI™ does not have an Advisory Council. If and when an advisory council is formed, we will sponsor it, but its members will be elected by franchisees. The contact information will be provided at that time.

Item 21

FINANCIAL STATEMENTS

Exhibit C contains our audited financial statement for the period from July 29, 2016, the date of our inception, through December 31, 2017. Because we have not been in operation for at least three years, we are unable to provide all of the financial statements required by the FTC Franchise Rule.

Item 22

CONTRACTS

The following agreements are exhibits:

Franchise Agreement – Exhibit B

Personal Guarantee - Exhibit 1 to Franchise Agreement

State Disclosure Supplements and Franchise Agreement Riders Addenda – Exhibit F

Electronic Depository Transfer Account - Exhibit G

Collateral Assignment of Lease – Exhibit H

Confidentiality Agreement – Exhibit I

Nondisclosure and Confidentiality Agreement – Exhibit J

Release – Exhibit K

Item 23

RECEIPTS

Exhibit L contains detachable documents acknowledging your receipt of this disclosure document

EXHIBIT A

STATE AGENCIES - AGENTS FOR SERVICE OF PROCESS

Directory of Franchise Regulators

FEDERAL:

FEDERAL TRADE COMMISSION Division of Marketing Practices Seventh and Pennsylvania Avenues N.W. Room 238 Washington, D.C. 20580 202-326-2970

STATE:

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, the following are the state administrators responsible for the review, registration, and oversight of franchises in that state:

Directory of State Franchise Regulators		**Agents Authorized to Receive Process**
CALIFORNIA Department of Business Oversight 1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205 (866) 275-2677		**CALIFORNIA** Department of Business Oversight 1515 K Street, Suite 200 Sacramento, CA 95814
FLORIDA State Department of Agriculture and Consumer Services P.O. Box 6700 Tallahassee, FL 32314-6700 (850) 410-3754		
HAWAII Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HA 96813 (808) 586-2722		**HAWAII** Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HA 96813

ILLINOIS Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	**ILLINOIS** Office of the Attorney General Franchise Division 500 South Second Street Springfield, Illinois 62706
INDIANA Office of Secretary of State Franchise Division 302 W. Washington St., Rm. E111 Indianapolis, IN 46204 (317) 232-6681	**INDIANA** Office of Secretary of State Franchise Division 302 West Washington St., Room E111 Indianapolis, Indiana 46204
MARYLAND Office of the Attorney General Division of Securities 200 St Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**MARYLAND** Maryland Securities Commissioner 200 St Paul Place Baltimore, MD 21202-2020
MICHIGAN Consumer Protection Division Franchise Section PO Box 30213 Lansing MI 48909 (517) 373-7117	
MINNESOTA Minnesota Department of Commerce Securities Section 85 7th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1600	**MINNESOTA** Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101
NEW YORK Franchise & Securities Division State Department of Law 120 Broadway 23rd Floor New York NY 10271 (212) 416-8211	**NEW YORK** New York Secretary of State 99 Washington Avenue Albany, NY 12231

NORTH DAKOTA Franchise Division Securities Department 600 East Boulevard - 5th Floor, Dept. 414 Bismarck, ND 58505 (701) 328-4712	**NORTH DAKOTA** Securities Commissioner 600 East Boulevard - 5th Floor Bismarck, ND 58505
OREGON Corporate Securities Section Dept. of Insurance & Finance Labor & Industries Bldg. Salem, OR 97310 (503) 378-4387	
RHODE ISLAND Franchise Office Division of Securities 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9527	**RHODE ISLAND** Department of Business Regulation Securities Division 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920
SOUTH DAKOTA Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823	**SOUTH DAKOTA** Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501
TEXAS Secretary of State P.O. Box 12887 Austin, TX 78711-2887 (512) 463-5701	
VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main St. 9th Floor Richmond, VA 23219 (804) 371-9051	**VIRGINIA** State Corporation Commission 1300 E. Main St. 9th Floor Richmond, VA 23219

WASHINGTON Director of Dept. of Financial Institutions 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760		**WASHINGTON** The Department of Financial Institutions 150 Israel St SW Tumwater, WA 98501
WISCONSIN Department of Financial Institutions Division of Securities 201 West Washington Ave., Suite 300 PO Box 1768 Madison, WI 53701-1768 (608) 266-1064		**WISCONSIN** Department of Financial Institutions 201 West Washington Ave., Suite 300 Madison, WI 53703
CANADA Director of Franchises Alberta Securities Commission Agency 21st Floor 10025 Jasper Avenue Edmonton, Alberta T5J 3Z5		

EXHIBIT B
FRANCHISE AGREEMENT

Iron Rose, LLC
33 Commerce Place, Suite B
Vacaville, CA 95687
1-800-310-7127
Franchising@oldskooliron.com

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Exhibit 2 – Defined Territory

Exhibit MAP – Defined Territory

Iron Rose, LLC
FRANCHISE AGREEMENT

PARTIES

THIS AGREEMENT is made, as of the date of the signature page, by and between Iron Rose, LLC, a California Limited Liability Company, (hereinafter referred to as "**Franchisor**," "**We**," "**Our**," or "**Us**") and the person(s) or entity signing as Franchisee (referred to herein individually or collectively as "**Franchisee**," "**You**," or "**Your**") to evidence the agreement and understanding between the parties as follows:

RECITALS

WHEREAS, Franchisor has developed, operates and has the right to license a system or business program, including expertise for conducting and operating a business under the mark OSI™ (hereinafter may be referred to as "**OSI**") and Service Mark Serial #87870227; that offers powerlifting and bodybuilding training/coaching to individuals; fitness and nutrition consultation to individuals; and hosting of powerlifting competitions; and

WHEREAS, Franchisor has entered into an exclusive license with Darren G. Monahan, dated April 12, 2018 (the "**License Agreement**") to use certain trade names, trademarks, logos, service marks and other property in connection with the operation of business and has developed expertise (including confidential information) and a unique, distinctive and comprehensive system (the "**System**") for the establishment and operation of a franchised business offering:

OSI™ for the promotion and identification of the mark, OSI™ and stylized logo for the sale of products and services at OSI locations and other locations at the discretion of the licensee Iron Rose, LLC (hereinafter referred to as a Franchise Location or "**Business**"); and

WHEREAS, Franchisor identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, trade dress and other indicia of origin, including, but not limited to the mark OSI™ and such, other trade names, service marks, trademark and trade dress as are now designated (and may hereafter be designated by Franchisor in writing) for use in connections with its System (the "**Names and Marks**"); and

WHEREAS, Franchisor has devised a uniform system for the establishment and operation of OSI Training Facilities, including a distinctive exterior and interior design, trade dress décor and color scheme; uniform standards, specifications, and procedures for operations; procedures for quality control; training and ongoing operational assistance; advertising and promotional programs; and other related benefits for use of Franchisee under the Names and Marks, all of which may be changed, improved, and further developed by Franchisor from time to time; and

WHEREAS, Franchisor continues to develop, use, and control the use of such Names and Marks to identify for the public the source of services and products marketed there under and under its System, and to represent the System's high standards of consistent quality, appearance, and service.

WHEREAS, Franchisor has established substantial goodwill and business value in its Names and Marks, expertise and System; and

WHEREAS, Franchisee desires to obtain a franchise from Franchisor for the right to use the "**Names and Marks**" and the expertise for operating an OSI Training Facility and to obtain the benefits and knowledge of Franchisor's System including, but without limitation, as detailed in our Operations Manual(s); business design, operating methods, product preparation, advertising, sales techniques and materials, signs, personnel management, control systems, bookkeeping and accounting methods, and in general a style, method and procedure of business operation utilizing the Names and Marks as a Franchisee of Franchisor; and

WHEREAS, Franchisee recognizes the benefits to be derived from being identified with and licensed by Franchisor and Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearance, and service and the necessity of operating the Business in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

I. FRANCHISEE'S ACKNOWLEDGEMENT OF BUSINESS RISK AND ABSENCE OF GUARANTEE

Franchisee (and each partner or shareholder of Franchisee, if Franchisee is a partnership or Corporation or LLC) hereby represents that he or she has conducted an independent investigation of the Franchisor's business and System and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will depend upon Franchisee's abilities as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business contemplated by this Agreement.

II. FRANCHISEE'S ACKNOWLEDGEMENTS CONCERNING RECEIPT AND THOROUGH EVALUATION OF AGREEMENT

Franchisee acknowledges having received, read, and understood this Agreement, including the Uniform Franchise Disclosure Document and attachments thereto. Franchisee further acknowledges that Franchisor has accorded Franchisee ample time and opportunity to consult with independent legal counsel and other advisors of its own choosing concerning the potential benefits and risks of entering into this Agreement. Franchisee further acknowledges that it has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission, entitled, "Information for Prospective Franchisees Required by The Federal Trade Commission," at least fourteen (14) days prior to the date on which this Agreement was executed. Franchisee acknowledges that it has received a completed copy of this Agreement, attachments referred to herein and agreements relating hereto, if any, at least seven (7) days prior to the date on which this Agreement was executed if the document has been modified in favor of the Franchisor after initial disclosure.

Franchisee acknowledges that Franchisee has read and understands this Agreement, the attachments hereto, and any agreements relating thereto, and that Franchisee has been advised by a representative of Franchisor to consult with an attorney or advisor of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement prior to its execution.

Franchisee acknowledges that any statements, oral or written, by Franchisor or its agents preceding the execution of this Agreement were for informational purposes only and do not constitute any representation or warranty by Franchisor. The only representations, warranties and obligations of Franchisor are those specifically set forth in the Uniform franchise disclosure document and this Agreement. Franchisee must not rely on, and the parties do not intend to be bound by, any statement or representation not contained therein.

Franchisee acknowledges that Franchisor will not provide or designate locations for Franchisee, will not provide any financial assistance to Franchisee, and has made no representation that it will buy back from Franchisee any products, supplies or equipment purchased by Franchisee in connection with the Business.

III. ACTUAL, AVERAGE, PROJECTED OR FORECASTED FRANCHISE SALES, PROFITS OR EARNINGS

Franchisor does not make or present and has not prepared "**Earning Claims**" or "**Financial Performance Representations**" and has not made them any as an exhibit to the Uniform franchise disclosure document. Earnings claims located in the Uniform franchise disclosure document are the only statement of sales, profits or earnings that the Franchisee should rely upon.

Franchisee, and each party executing this document hereto, acknowledges that Franchisor, itself or through any officer, director, employee or agent, has not made, and Franchisee has not received or relied upon, any oral or written, visual, express or implied information, representations, assurances, warranties, guarantees, inducements, promises or agreements concerning the actual, average, projected or forecasted franchise sales, revenues, profits, earnings or likelihood of success that Franchisee might expect to achieve from operating the Business, except as set forth in the Franchise Disclosure Document reviewed by Franchisee or its representatives.

IV. INDEPENDENT CONTRACTOR

A. Franchisee is an Independent Contractor

During the term of this Agreement, and any renewals or extensions hereof, Franchisee shall hold itself out to the public as an independent contractor operating its business pursuant to a franchise from Franchisor. Franchisee agrees to take such affirmative action as may be necessary, including, without limitation, exhibiting multiple public notices of that fact, the content and display of which Franchisor shall have the right to specify. For example, such notices shall be provided on letterhead, business cards, bank account names, bank checks, and signs at the place of business.

B. Franchisor Is Not In a Fiduciary Relationship With Franchisee

It is understood and agreed by the parties hereto that this Agreement does not establish a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever.

It is understood and agreed that nothing in this Agreement authorizes Franchisee, and Franchisee shall have no authority, to make any contract, agreement, warranty, or representation on behalf of Franchisor, or to incur any debt or other obligation in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder or there under as a result of any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the Business or for any claim or judgment arising there from against Franchisee or Franchisor.

V. FRANCHISE GRANT

Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained and subject to the License Agreement, the right, license, and privilege, and Franchisee hereby accepts a franchise under the terms and conditions set forth herein for the right to operate a Business at the Location set forth in Section VI. (the "**Accepted Location**"), with the non-exclusive right to use solely in connection therewith Franchisor's Names and Mark(s), advertising and merchandising methods, and System, as they may be changed, improved and further developed from time to time only at the Accepted Location as set forth in Section VI., and provided Franchisee adheres to all of the terms and conditions hereof. It is understood and agreed that, except as expressly provided herein, this Franchise is non-exclusive and includes no right of Franchisee to sub-license or sub-franchise.

VI. ACCEPTED LOCATION; DEFINED TERRITORY

A. Accepted Location

The Business shall be located within the State of ________________ in the county(s) of _________________________, and in the Designated Marketing Area, as specified by Nielsen, of ____.

The exact address of the Accepted Location is:

____. If the Accepted Location has not been determined prior to the signing of this Agreement, by the parties, then it shall be entered at a later date, under the terms of this Agreement. Franchisee shall not relocate the Business without the express prior written consent of Franchisor. During the term of this Agreement, the Accepted Location shall be used exclusively for the purpose of operating a franchised OSI Training Facility.

B. Defined Territory

Your defined territory (the "**Territory**") is described on Exhibit 2 and Exhibit Map. So long as this Agreement is in force and effect and you remain in full compliance with the terms thereof, we will not license or establish another OSI Training Facility to conduct business at a location located within the area described in Exhibit 2 attached hereto.

VII. TERM AND RENEWAL OF AGREEMENT

A. Term

The Franchise herein granted shall be for a term of seven (7) years from the date of execution and acceptance (the "**Effective Date**") of this Franchise Agreement (the "**Agreement**") by Franchisor and subject to earlier termination as herein provided.

B. Renewal

Provided that Franchisee has complied with all the terms and conditions of this Agreement during the term of this Agreement, is in full compliance with the provisions of this Agreement and has attained, during the last twelve (12) months of the initial or then current renewal term of this Agreement, as applicable, Gross Income of not less than 75% of the chain average (including both company owned and franchised outlets) over the same period, as permitted by state and/or local laws and regulations, Franchisee may renew the Franchise granted by this Agreement for two (2) additional periods of seven (7) years each, if Franchisor is still offering franchises at that time subject to the following conditions, all of which must be met prior to renewal:

1. Franchisee shall give Franchisor written notice of its election to renew not less than six (6) months prior to the end of the then current term;

2. Franchisee must not be in default under any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisor and Franchisee, and Franchisee shall have complied with all the terms and conditions of all such agreements during the terms thereof;

3. Franchisee shall complete to Franchisor's satisfaction such maintenance and renovation of the Business as Franchisor may require in writing;

4. Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates, and shall have timely met these obligations throughout the current term;

5. Franchisee shall execute, before the renewal term, Franchisor's then-current form of Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may materially differ from the terms of this Agreement.

6. Franchisee shall pay Franchisor a renewal fee of twelve hundred dollars ($1,200) of the initial franchise fee at the time of renewal.

7. Franchisee shall comply with Franchisor's then current qualification and training requirements; and

8. Franchisee must execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directions, agents and employees, provided that such release is not in conflict with any applicable local, state or federal laws.

VIII. FRANCHISEE'S INITIAL INVESTMENT

Franchisee's initial investment will vary depending upon the size of the Business, its geographical location, leasehold improvements required, the number of Businesses to be opened selected by Franchisee, and other factors.

Franchisee hereby certifies that he, she or it has reviewed the above-estimated start-up costs as detailed in the franchise disclosure document and has sufficient cash resources available to meet said expenses. These start-up costs are in addition to the initial franchise fee.

IX. INITIAL FRANCHISE FEE; TIME LIMIT FOR APPROVING FRANCHISEE; TIME LIMIT FOR STARTING BUSINESS; COOPERATION; LEASE; USE OF PREMISES

A. Initial Franchise Fee

Franchisee shall pay an initial franchise fee in the amount of twenty-five thousand dollars ($25,000) (the "**Initial Franchise Fee**") upon execution of this Agreement for a single OSI Franchise, and receipt of which is hereby acknowledged by Franchisor. If you are a franchisee in good standing and buy one or more additional franchises, the Initial Franchise Fee is twenty-two thousand five hundred dollars ($22,500) for the second Franchised Training Facility, and twenty thousand dollars ($20,000) for each additional Training Facility. The Initial Franchise Fee shall be paid in a lump sum in U.S. funds and shall be deemed fully earned and nonrefundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others, except as described below in Section IX.C.

B. Time Limit for Approving Franchisee.

Within thirty (30) days following payment of the Initial Franchise Fee provided for in Section IX.A above, Franchisor will approve or disapprove Franchisee's application for a Franchise. If Franchisee is not approved, the Initial Franchise Fee will be refunded in full.

C. Time Limit for Starting Business

Franchisee shall complete the remodel of the location of the Business at the Accepted Location in accordance with the provisions and requirements of Section XII. hereof (the "**Construction**") and shall obtain all required industry-specific licenses and open the Franchise for business within one hundred and twenty (120) days of the date of acceptance of this Franchise Agreement (the "**Opening Date**"); provided, however, that Franchisee shall have the right to substitute a different site, if such different site is acceptable to Franchisor, within sixty (60) days of execution of this Agreement, or if Franchisee is unable to obtain all necessary permits and licenses and obtain industry-specific business licenses for the Accepted Location as a result of causes beyond the reasonable control of Franchisee. Franchisor may grant Franchisee one thirty (30) day extension within which to sign a lease for the Business, and may grant Franchisee one thirty (30) day extension within which to open the Business. Franchisee must submit documentation of the status of the application(s) ten (10) days prior to the date of each thirty (30) day extension request. Upon the grant of such extension(s) by Franchisor the Opening Date will be commensurately extended.

Should Franchisee be unable to obtain all necessary permits and licenses during the stated period and extension time period or periods as a result of causes beyond the reasonable control of Franchisee (unless the requirement for the issuance of such permits and licenses is waived in writing by Franchisor), this Agreement shall be deemed terminated upon written notice from either Franchisee or Franchisor to the other, without the necessity of further action by either party or further documentation. Upon such termination, Franchisor shall retain two-thirds (2/3) of the Franchise Fee as a Termination Fee, one-third (1/3) of the Franchise Fee will be refunded to Franchisee within thirty (30) days of the notice by Franchisor of the termination of this Agreement.

D. Cooperation Required

Franchisee shall cooperate reasonably with Franchisor to ensure that the various actions occur which are necessary to obtain acceptance by Franchisor of the Business location. In particular, Franchisee shall furnish any pertinent information as may be reasonably requested by Franchisor regarding Franchisee's business and finances.

E. Lease

The lease for the Accepted Location must include all provisions required by Franchisor, including Franchisor's right to the occupancy of the Training Facility site if the Franchise is terminated or not renewed, or if Franchisee loses possession because of its default under the Lease. See Exhibit H.

F. Use of Premises

During the term of this Agreement, the Accepted Location shall be used exclusively for the purpose of operating the Business.

X. OTHER FEES; ADVERTISING

A. Royalty Fee

In addition to the Initial Franchise Fee described in Section IX. above, Franchisee shall pay Franchisor a Base Royalty Fee of Five Percent (5 %) of the Franchisee's weekly Gross Income.

As used in this Agreement, **"Gross Income"** shall include all revenue earned or received from the sale of all products and performance of services in, at, upon, about, through or from the Business and every kind and nature related to the Business, whether for cash or credit and regardless of collection in the case of credit, including insurance proceeds and/or condemnation awards for loss of sales, profits or business; provided, however, that Gross Income shall not include revenues from any sales taxes or other add on taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority, (the retail value of any complimentary services or trade-outs or credit card discounts from Gross Income up to a maximum of two percent (2%) of Gross Income in the aggregate), and the amount of cash refunds to, and coupons used by customers, provided such amounts have been included in gross income. The sale and delivery of products and services from any location other than the Business premises shall be by written approval of Franchisor only. Should Franchisor agree to allow such sales in writing, these sales will be included in computing Gross Income.

The Royalty Fee shall be payable by Franchisee and must be actually received by the Franchisor by Thursday of each week, based upon the Gross Income of the prior week, ending Sunday. Each weekly payment shall be based upon the Gross Income actually received by Franchisee during the prior week. Franchisee's obligations under this Section X.A. shall survive the expiration or any termination of this Agreement for so long as Franchisee continues to receive Gross Income earned during the term of this Agreement.

If the Unit is not operational due to an act of God; act of casualty such as fire, weather, theft, and other forces; and through no fault of the Franchisee, the Royalty shall abate to 50% of its agreed-upon rate when receiving distribution of funds from Business Interruption Insurance. Franchisee shall extend all reasonable efforts to the reinstatement of the Franchise's operation in the event of the ceasing circumstances mentioned above.

Any payment or report not actually received by Franchisor on or before the specified date shall be deemed overdue. If any payment is overdue, in addition to the right to exercise all rights and remedies available to Franchisor under this Agreement, Franchisee shall pay Franchisor, in addition to the overdue amount, a late fee of $100 per incident, plus interest on such amount from the date it was due until paid at the greater of the rate of one and one-half percent (1½%) per month, or the maximum rate allowed by the laws of the State in which Franchisee's business is located or any successor or substitute law (hereinafter the **"Default Rate"**), until paid in full.

B. National Advertising and Development Fund

In the event that Franchisor establishes a National Advertising and Development Fund (the "**Fund**") as Franchisor, in its sole discretion, may deem appropriate, to promote OSI™, Franchisee shall contribute one percent (1%) of Gross Income to the Fund, as required by Franchisor, on a monthly basis. The monthly contributions are payable by Franchisee and must be actually received by Franchisor by the twenty-fifth (25th) of each month, based upon the Gross Income of the prior month, ending the last day of each month. Franchisor will direct all such Programs, and will have sole discretion over the creative concepts, materials, and endorsements and media used in such Programs, and the placement or allocation of such programs. Franchisor shall also determine in its sole discretion, the composition of all geographic territories and market areas for the implementation and development of such Programs. Franchisee acknowledges and agrees that Franchisor undertakes no obligation in administering the Advertising Funds to make expenditures for Franchisee which are equivalent or proportionate to its contribution, or to ensure that Franchisee benefits directly or pro-rata from advertising or promotion conducted under the Fund, or to place any advertising in the Territory.

C. Regional Advertising Program

In the event Franchisor establishes a Regional Advertising Program (the "**Program**") and/or an Advertising Coverage Area ("**ACA**") – local or regional – within Franchisee's Designated Market Area ("**DMA**") (as defined by Nielsen, or such other entity as shall be designated by Franchisor, from time to time), Franchisee shall contribute two percent (2%) of Gross Income to the Plan each month. The contributions are payable by Franchisee and must be received by the Plan monthly, or as Regional Program directs, based upon the Gross Income of the prior month, ending the last day of the month. Any amounts Franchisee contributes to a Regional Advertising and Development plan will count toward the five to four percent (5 – 4%) of Gross Income that Franchisee is required to spend on local advertising pursuant to Section X.D. of this Agreement.

D. Local Advertising Plan and Expenditures

During the term of this Agreement, Franchisee shall spend a descending minimum of five to four percent (5 - 4%) of the Gross Income of the Business, against a minimum of $1,000 - $750, whichever is greater (as identified in the chart below), on local advertising and promotion each month; provided, however, that Franchisor shall have the right to accept or reject any advertising proposed by Franchisee, and all Internet marketing and/or advertising of the Business shall be conducted by Franchisor. Franchisee shall submit to Franchisor an accounting of local advertising and promotional expenditures as described above by the 25th of each month.

Amount	Time Period
5% of Monthly Gross Income or a minimum of $1000 per month, whichever is greater	Months 4 - 12
4.5% of Monthly Gross Income or a minimum of $850 per month, whichever is greater	Months 13 - 36
4% of Monthly Gross Income or a minimum of $750 per month, whichever is greater	Months 37 - conclusion

Franchisee shall not advertise the Business in connection with any other business, except with Franchisor's prior written approval, and Franchisee shall not conduct any Internet marketing or advertising outside of their area. Franchisee(s) shall obtain Franchisor's prior acceptance of all advertising and promotional plans and materials that Franchisee desires to use three (3) business days of us receiving time sensitive publications, such as virtual publications and press releases; fourteen (14) business days of monthly publications and coupons; and thirty (30) days of exterior signage and banners before the start of such plans. Franchisee shall submit such proposed plans and materials to Franchisors (by personal delivery or through the mail, return receipt requested). Franchisee shall not use such plans or materials until they have been accepted by Franchisor and shall promptly discontinue use of any advertising or promotional plans and material upon the request of Franchisor. Any plans or materials submitted by Franchisee to Franchisor which have not been accepted or rejected in writing within three (3) business days of us receiving time sensitive publications, such as virtual publications and press releases; fourteen (14) business days of monthly publications and coupons; and thirty (30) days of exterior signage and banners after we receive the materials, shall be deemed accepted. You may not use any advertising, promotional, or marketing materials that we have not accepted or have rejected.

E. Domain Names and Email Addresses

We are the lawful and exclusive owner of the domain name www.oldskooliron.com. You cannot register any of the Marks now or henceforth owned by us, or any abbreviation, acronym or variation of the Marks, or any other name that could be regarded as confusingly similar, as Internet domain names, and/or email addresses.

Email addresses will be generated and/or assigned by Franchisor.

F. Grand Opening Marketing and Advertising Expenditures

Franchisee shall expend a minimum of seven thousand five hundred dollars ($7,500) for billboard advertising, advertising and promotions/promotional items prior to or during the first three months of operation of the Business as described in the Operations Manual. Franchisor may advise Franchisee regarding the preparation and placement of such advertising and promotional items. Franchisee shall hold an "open house" and/or "meet and greet" which must be held where Franchisee invites prospective customers to visit the Business to verify all Systems are in order and for additional training of staff. Franchisee shall submit to Franchisor an accounting of its expenditures for advertising and promotions/promotional items as described above within ten (10) days from the end of the third month.

XI. FINANCING ARRANGEMENTS

Franchisee hereby acknowledges that financing is the Franchisee's sole responsibility. Franchisor does not finance or guarantee the obligations of Franchisee. The Initial Franchise Fee is due and payable upon execution of this Agreement and as set forth in Section IX.A. of this Agreement.

XII. GENERAL OBLIGATIONS OF FRANCHISEE

A. Follow Operations Manual and Directives of Franchisor

Franchisee agrees that use of Franchisor's System and adherence to the Operations Manual (the "**Manual**"), and to Franchisor's standardized design and specifications for decor of the Business and uniformity of equipment, layouts, signs, and other incidents of the Business, are essential to the image and goodwill of the System. Franchisee shall cooperate and assist Franchisor with any customer or marketing research program which Franchisor may institute from time to time. Franchisee's cooperation and assistance shall include, but not be limited to, the distribution, display and collection of customer comment cards, questionnaires, and similar items. In order to further protect the System and the goodwill associated therewith, Franchisee shall:

1. Operate the Business and use the Operations Manual solely in the manner prescribed by Franchisor;

2. Comply with such requirements respecting any service mark, trade name, trademark, or copyright protection and fictitious name registrations as Franchisor may, from time to time, direct;

3. Follow the methods of service and presentation so as to conform to the specifications and standards of Franchisor in effect from time to time;

4. Use only such services, equipment, and products so as to conform to Franchisor's specifications in effect from time to time;

5. Sell from the Business all products specified by Franchisor and not sell or offer for sale any other products of any kind or character without first obtaining the express approval of Franchisor, which shall be at the full discretion of Franchisor who shall have the sole right of decision in regards to all products to be sold in the Franchise Business. Franchisor shall have the right to not approve any product for any reason whatsoever or for no reason whatsoever.

6. Discontinue selling or offering for sale or using any products and/or services Franchisor may, in its absolute discretion, delete from its standards and specifications for any reason whatsoever or for no reason whatsoever.

7. Maintain in sufficient supply, and use at all times, only such materials, products, and supplies; methods of training and coaching; standards of cleanliness, health and sanitation and methods of service as conform to Franchisor's standards and specifications; and to refrain from deviating there from by using non-conforming items or methods without Franchisor's prior written consent.

8. Purchase such equipment, supplies, or products as may be required by Franchisor, for the appropriate handling and selling of any services and products that become approved for offering in the System.

9. Require clean uniforms, as described in the operations manual, conforming to such specifications as to color, design, etc. as Franchisor may designate, from time to time, to be worn by all of Franchisee's employees at all times while in attendance at the Business, and to cause all employees to present a clean, neat appearance and render competent and courteous service to customers, as may be further detailed in the Manual.

10. At such time as items, products and/or supplements are produced on-site, permit Franchisor or its agents, at any reasonable time, to remove from the Business samples of item without payment therefore, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor requires Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor, or if the sample fails to conform to Franchisor's specifications.

11. Not to install or permit to be installed on or about the Business premises, without Franchisor's prior written consent, any fixtures, furnishings, signs, equipment, or other improvements not previously approved as meeting Franchisor's standards and specifications.

12. Employ a sufficient number of employees and maintain sufficient inventories as necessary to operate the Business at its maximum capacity as prescribed or approved by Franchisor and to comply with all applicable Laws with respect to such employees.

13. Not engage in any trade practice or other activity or sell any product or literature which Franchisor determines to be harmful to the goodwill or to reflect unfavorably on the reputation of Franchisee, the Business, or the products sold thereat, or which constitutes deceptive or unfair competition, or otherwise is in violation of any applicable laws. The above limitations are closely related to the business image, purpose and marketing strategy of the System and, therefore, any change there from would fundamentally change the nature of the business.

B. Operate Franchised Business Only

Franchisee shall use the System and the Names and Mark(s) provided to Franchisee by Franchisor for the operation of the Business and shall not use them in connection with any other line of business or any other activity. Neither Franchisee, nor any of its employees, may conduct any business at the Business other than that authorized pursuant to this Agreement, without the prior written approval of Franchisor. Neither Franchisee, nor any of its employees, may conduct any activity at the Business or in connection therewith which is illegal or which could result in damage to the Names and/or Mark(s) or the reputation and goodwill of Franchisor.

C. Comply With Laws

Franchisee shall comply with all federal, state and local laws and regulations, and shall obtain and at all times maintain any and all permits, certificates, or licenses necessary for full and proper operation of the Business franchised under this Agreement. Franchisor's standards may exceed any and all of the requirements of said laws.

D. Maintain Confidentiality of Proprietary Information

Neither Franchisee nor any of its partners, officers, directors, agents, or employees shall, except as required in the performance of the duties contemplated by this Agreement, disclose or use at any time, whether during the terms of this Agreement or thereafter, any information disclosed to or known by Franchisee or any such person as a result of this Agreement. Such information, includes, but shall not be limited to, information conceived, originated, discovered, or developed by Franchisee or by any employee of Franchisee which is not generally known in the trade or industry about Franchisor's products, services, or licenses, including information relating to discoveries, ideas, manufacturing, purchasing, accounting, engineering, marketing, merchandising or selling.

E. Maintain and Renovate Business

Franchisee shall at all times maintain the Business in a clean, orderly condition and in first class repair and condition in accordance with all maintenance and operating standards set forth in the Manual. Franchisee shall make, at Franchisee's expense, all additions, repairs, replacements improvements and alterations that may be determined by Franchisor to be necessary so that the facilities which are viewed by the public will conform to the System's image, as may be prescribed by Franchisor from time to time. Franchisee shall undertake and complete such additions, repairs, replacements, improvements and alterations within the time and under the terms and conditions which may be reasonably specified by Franchisor.

At Franchisor's request, which shall not be more often than once seven (7) years, Franchisee shall refurbish the Business at its expense, to conform to the building design, trade dress, color schemes, and presentation of trademarks and service marks consistent with Franchisor's designated image, including, without limitation, remodeling, redecoration, and modifications to existing improvements.

Optional company vehicle, whether personal, purchased or leased, must conform at all times to our specifications, as detailed in the Manual. Optional company vehicle must be in very good condition (Kelley Blue Book standards), free of rust, and have vehicle signage/wrap we specify.

F. Maintain Competent Staff

Franchisee shall maintain a fully trained competent staff capable of rendering courteous quality service in a manner in keeping with the standards set by Franchisor.

G. Open Business within Time Limit

Within sixty (60) days after execution of this Agreement, Franchisee must sign a lease for a Business location. Franchisor may grant one thirty (30) day extension within which to sign a lease for the Business. Franchisee must open the Business within sixty (60) days after signing a lease; Franchisor may grant Franchisee one thirty (30) day extension within which to open the Business. Franchisee must submit documentation of the status of the application(s) ten (10) days prior to the date of each thirty (30) day extension request. Upon the grant of such extension(s) by Franchisor the Opening Date will be commensurately extended.

Franchisee shall obtain Franchisor's approval to open and shall open the Business and commence operations within one hundred twenty (120) to one hundred eighty (180) days after execution of this Agreement. Time is of the essence. Prior to opening, Franchisee shall complete to Franchisor's satisfaction all preparations of the Business, in accordance with specifications set forth in the Manual, and as required by local governmental agencies, including the installation of fixtures, furnishings, and equipment and the acquisition of supplies and inventory.

H. Operate Business in Strict Conformity to Requirements

Franchisee shall operate the Business in strict conformity with such standards, techniques, and procedures as Franchisor may from time to time prescribe in the Manual, or otherwise in writing, and shall not deviate there from without Franchisor's prior written consent. Franchisee further agrees to offer its customers all products and services which Franchisor may, from time to time, prescribe, to offer its customers only those products and services which meet Franchisor's standards of quality and which Franchisor has approved in writing to be offered in connection with the Business's operations, and to discontinue offering any products or services which Franchisor may, in its sole discretion, disapprove in writing at any time.

I. Use Approved Services, Products and Supplies

1. Franchisee shall use in connection with the operation of the Business and offer, sell, and/or provide only such services, products and supplies which may, from time to time, be specified in writing, designated, and approved for sale by Franchisor.

2. To ensure the consistent high quality and uniformity of products provided by OSI Training Facilities, Franchisee shall purchase all equipment, inventory, and other supplies, products, and materials used in the operation of OSI Training Facilities as Franchisor may specify from time to time, solely from suppliers designated or approved by Franchisor. All suppliers must be designated or approved by Franchisor in writing and not thereafter disapproved. Unless Franchisor has designated an exclusive supplier for any item(s) or services(s), if Franchisee desires to purchase the items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval. In approving any supplier, Franchisor may consider factors such as the supplier's financial strength, quality control, and capacity to supply Franchisee's needs promptly and reliably. Franchisor shall have the right to require, as a condition of its approval and review, that its representatives be permitted to inspect the facilities of the proposed supplier and that the proposed item be delivered to Franchisor or its designee for review and testing. The cost of such inspection and testing shall be paid by Franchisee or supplier, and Franchisor shall not be liable for damage to or for the return of any sample. Franchisor reserves the right to re-review the facilities and to retest the product of any approved supplier and to revoke any approval if the supplier fails to continue to meet Franchisor's high standards. Notwithstanding anything contained herein to the contrary, Franchisor may, in its sole discretion, require that any products, services and other items used in connection with the operation of the Business be purchased exclusively from Franchisor, its affiliates or designated suppliers or distributors.

J. Use Approved Equipment

In operating the Business, Franchisee shall install and maintain large and small equipment, signs, furnishings, supplies and fixtures; and replace small equipment; in accordance with the standards and specifications as recommended by Franchisor or that will continue to be recommended by Franchisor.

K. Full-Time Manager Required

Franchisee agrees to maintain a competent, conscientious, trained staff, including at least one (1) fully trained, full-time Manager (which may be you), and to take such steps as are necessary to ensure that its employees preserve good customer relations.

L. Use Approved Signage

Franchisee shall purchase or lease, subject to local building codes and regulations, such signs that provide maximum displays of the Names and Mark(s) of Franchisor. Upon renewal of this Agreement, Franchisee shall be totally responsible for obtaining and equipping the Business with the signage that is approved for use by Franchisor at the time of the renewal of this Agreement. The color, size, design and location of said signs shall be as specified and/or approved by Franchisor. Franchisee shall not place additional signs, posters or other décor items in, on or about the Accepted Location without the prior written consent of Franchisor.

M. Wear Approved Uniforms

Franchisee may require its employees to wear uniforms, as described in the Operations Manual, while working at or for the Business and such uniforms shall be of such design and color as Franchisor may prescribe from time to time, as set forth in the Manual.

N. Maintain Regular Business Hours

Franchisee shall keep the Business open and in normal operation during normal business hours for its geographical region, for seven (7) days per week, fifty-two (52) weeks per year: with minimum hours of 5:00 A.M. to 10:00 P.M. Monday through Friday, 8:00 A.M. to 5:00 P.M. Saturday and Sunday, and 9:00 A.M. to 3:00 P. M. Christmas and Thanksgiving unless otherwise authorized in writing by Franchisor (subject to local ordinances or lease restrictions, if any). Keyless entry access is optional based on location. Such minimum hours and days of operation may be changed as OSI may from time to time specify in the Manual. If Franchisee operates the Business in a mall or similar facility, then Franchisee shall keep the Business open when the mall or similar facility is open to the general public, unless a waiver of hours is granted by the mall.

O. Maintain Uniform Operating Standards

Franchisee understands and acknowledges that every detail of the design and operation of the Business is important to Franchisee, Franchisor and other franchisees in order to develop and maintain uniform operating standards, to increase the demand for the products and services sold by the Business under the System, and to protect Franchisor's reputation and goodwill.

P. No Vending Machines Without Franchisor Approval

Newspaper racks, beverage, gum, candy, or other vending machines may not be installed in or at the Business without the express written consent of Franchisor and only then in such manner as prescribed by Franchisor for all of its Franchisees.

Q. Telephone Number of Business

Franchisee understands and agrees that the telephone number(s) for the Business constitutes a part of the System and is subject to the restrictions of this Agreement. Accordingly, Franchisee shall not change the telephone number(s) for the Business without prior notice and written approval by Franchisor. Franchisee shall advertise and publicize the telephone number(s) for the Business in the manner prescribed by Franchisor.

R. Disclose Discoveries and Ideas to Franchisor

Franchisee shall promptly disclose to Franchisor all discoveries, inventions or ideas, whether patentable or not, relating to Franchisor's business, which are conceived or made by Franchisee or any partner, officer, director, agent, or employee of Franchisee solely or jointly with others, during the term of this Agreement, whether or not Franchisor's facilities, materials, or personnel are utilized in the conception or making of such discoveries or ideas. Franchisee hereby acknowledges and agrees that all such discoveries, inventions or ideas are the exclusive property of Franchisor, and that Franchisor shall have no obligation to Franchisee with respect thereto. The purpose of this clause is to ensure that ideas for improvements to the System that may be generated by franchisees within the System will be distributed to the other franchisees as a benefit of belonging to the System.

S. Permit Franchisor to Enter Business

Franchisee shall permit Franchisor and its agents or representatives to enter the Business at any reasonable time for the purpose of conducting inspections, shall cooperate fully with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request, and, upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be deemed necessary to immediately correct any deficiencies detected during such inspections. In the event Franchisee fails or refuses to correct immediately any deficiency detected during such inspection, Franchisor shall have the right to make or cause to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand. The foregoing shall be in addition to any other remedies Franchisor may have pursuant to this Agreement.

T. Additional Requirements for Corporate Franchisee

If Franchisee is or becomes a corporation, limited or general partnership or other organization or entity, the following requirements shall apply:

1. Franchisee shall confine its activities to the establishment and operation of the Business.

2. Franchisee's Certificate or Articles of Incorporation and Bylaws (or comparable governing documents) shall at all times provide that its activities are confined exclusively to operation of the Business and that the issuance, redemption, purchase for cancellation and transfer of voting stock, or other ownership interest therein, is restricted by the terms of this Agreement. Franchisee shall furnish Franchisor promptly upon request copies of Franchisee's Articles of Incorporation, Bylaws, and other governing documents, and any other documents Franchisor may reasonably request, and any amendments thereto, from time to time.

3. Franchisee shall maintain a current list of all owners of record and beneficial owners of any class of voting stock of Franchisee and shall furnish such list to Franchisor upon request.

4. Franchisee shall maintain stop transfer instructions against the transfer on its record of any equity securities (voting or otherwise) except in accordance with the provisions of Article XV. All securities issued by Franchisee shall bear the following legend, which shall be printed legibly and conspicuously on each stock certificate or other evidence of ownership interest:

> THE TRANSFER OF THESE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS OF A FRANCHISE AGREEMENT WITH IRON ROSE, LLC DATED ________________. REFERENCE IS MADE TO SAID AGREEMENT AND TO THE RESTRICTIVE PROVISIONS OF THE ARTICLES AND BYLAWS OF THIS CORPORATION OR LLC.

5. All shareholders of Franchisee shall jointly and severally guarantee Franchisee's performance hereunder and shall bind themselves to the terms of this Agreement, provided, however, that the requirements of this Section XII.T. shall not apply to any corporation or limited liability company registered under the Securities Exchange Act of 1934 (hereinafter known as a "**Publicly-Held Corporation or LLC**").

6. If Franchisee is or becomes a partnership, Franchisee shall furnish

Franchisor promptly upon request a copy of its partnership agreement and any other documents Franchisor may request, and any amendments thereto, from time to time.

7. Franchisee shall maintain a current list of all general and limited partners and all owners of record and all beneficial owners of any class of voting stock of Franchisee and shall furnish the list to Franchisor promptly upon request, from time to time.

8. Each individual who or entity which holds a ten percent (10%) or greater ownership or beneficial ownership interest in Franchisee, directly or indirectly, (including each individual holding a fifty (50%) or greater interest in any partnership or corporation which has a ten percent (10%) or greater interest in Franchisee) shall enter into a continuing guaranty agreement under seal, in the form attached hereto as Exhibit A, as such form may be amended or modified by Franchisor, from time to time (if such guaranty agreement is to be executed subsequent to the date hereof in accordance with the terms of this Franchise Agreement).

U. Site and Vehicle Selection

The Franchisee must sign a lease for an OSI Training Facility within two (2) months after signing the Franchise Agreement. Franchisee assumes all costs, liability, expense, and responsibility for locating, obtaining, and developing a site for the Business to be established under the Franchise Agreement and for constructing and equipping the Business at such site. Franchisee shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to the Accepted Location for the Business unless such Accepted Location is accepted in accordance with the procedure herein set forth and which provides, without limitation, for (a) thirty (30) days prior written notice of any default there under specifying such default and the right (but with no obligation) of Franchisor to cure any such default within said period, and (b) approval of the Franchisor as an assignee of Franchisee's interest there under.

If Franchisee chooses to exercise the option to have a company vehicle, we must also either accept your personal vehicle, or accept your lease or purchase agreement of a new or used vehicle that meets our specifications, as detailed in the Manual, and we have the right to reject a proposed vehicle lease or purchase agreement.

FRANCHISEE 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 BY FRANCHISOR THAT AN OSI TRAINING FACILITY OPERATED AT THAT SITE WILL BE PROFITABLE OR OTHERWISE SUCCESSFUL.

Before commencing the development and/or remodeling of the Business, Franchisee, at its expense, shall comply, to Franchisor's satisfaction, with all of the following requirements:

1. Franchisee shall submit a site plan to Franchisor, and architectural, and signage drawings for approval by Franchisor. Franchisee, at its option, may use any architect or engineer currently used by Franchisor, or request acceptance of local architect or engineer, to prepare detailed plans and specifications for the Remodeling of the Business;

2. Franchisee shall use a qualified general contractor or construction supervisor to oversee the Remodeling of the Business and completion of all improvements, and Franchisee shall submit to Franchisor a statement identifying the general contractor or construction

supervisor; and

3. Franchisee shall obtain all licenses, permits and certifications required for lawful remodeling and operation of the Business including, without limitation, building, zoning, access, parking, driveway access, sign permits and licenses; and shall certify in writing to Franchisor that all such permits, licenses and certifications have been obtained. Franchisee shall obtain all health, life safety, and other permits and licenses required for operation of the Business and shall certify that all such permits and licenses have been obtained prior to the Opening Date.

4. Franchisee shall cause such Remodeling to be performed only in accordance with the site plan, and plans and specifications, approved by Franchisor, and no changes will be made to said approved plans and specifications, or the design thereof, or any of the materials used therein, or to interior and exterior colors thereof, without the express written consent of Franchisor.

V. Training

Prior to Franchisee's opening of the Business to the public, Franchisee and/or up to four (4) management personnel of Franchisee (or, if Franchisee is a corporation or limited liability company or partnership, a principal of Franchisee) shall complete, to Franchisor's satisfaction the management training program offered by Franchisor. At Franchisor's option, key personnel subsequently employed by Franchisee shall also complete to Franchisor's satisfaction, the management training program. Franchisor may, at its discretion, make available additional training programs or seminars, as well as refresher courses to Franchisee and/or Franchisee's designated individual(s), from time to time. Franchisor may, at any time, discontinue management training and decline to certify Franchisee and/or Franchisee's designated individual(s), who fail to demonstrate an understanding of the management training acceptable to Franchisor. If Franchisee or Franchisee's designated individual's management training is discontinued Franchisor, Franchisee shall have thirty (30) days to present an alternative acceptable candidate for management training to Franchisor. If Franchisee's new candidate does not adequately complete the management training, then Franchisor shall have the option of terminating this Agreement. Franchisor shall provide instructors and training materials for all required training programs; and Franchisee or its employees shall be responsible for all other expenses incurred by Franchisee or its employees in connection with any training programs, including, without limitation, the cost of transportation, lodging, meals, and wages.

Franchisor offers training resources, as described below, to assist franchisees at their business location, fees apply. All Franchisor starters shall be deemed employees of the Franchisee during the period(s) of service to the Franchisee, as herein provided.

Franchisee shall give Franchisor not less than thirty (30) days' notice of when training should begin. In order for training to begin, Franchisee shall have received a Certificate of Occupancy and Health Department and/or other governing agencies approval for the building, and all equipment shall be installed and functioning.

Pre-Opening Training

Prior to the opening of Franchised unit, Franchisor shall furnish 3 days of on-site training, upon not less than fourteen (14) days prior written notice received by Franchisor from Franchisee:

Pre-Opening Team Supplied by Franchisor

An opening team may consist of:

1. Darren Monahan, CEO
2. Marc Fabiani, CFO
3. Rae Stewart, COO
4. Other assistant corporate trainers (Identified in the Operations Manual)

This team will assist in the setup and opening of the Franchised Business and their total cost of travel, food and lodging will be paid by the Franchisor.

W. Fire or Casualty

In the event the leased Business premises and/or building shall be damaged or destroyed by fire or other casualty, or be required to be repaired or reconstructed by any governmental authority, Franchisee shall either a) commence the required repair or reconstruction of the leased Business premises within thirty (30) days from the date of such casualty or notice of such governmental requirement (or such lesser period as shall be designated by such governmental requirement) and shall complete all required repair or reconstruction as soon as possible thereafter, in continuity, but in no event later than sixty (60) days from the date of such casualty or requirement of such governmental notice; or b) relocate to an accepted location within thirty (30) days from the date of such casualty or requirement of such governmental notice. The minimum acceptable appearance for the restored or relocated leased Business premises will be that which existed just prior to the casualty; however, every effort should be made to have the restored or relocated leased Business premises include the then-current image, design and specifications of Franchisor.

If the building is substantially destroyed by fire or other casualty, Franchisee may, with Franchisor's agreement and upon payment of an amount equal to twenty-five percent (25%) of all insurance proceeds as a consequence of such casualty to the Franchisor as a royalty, terminate this Agreement in lieu of Franchisee's reconstructing the leased business premises.

X. Miscellaneous

Franchisee shall give Franchisor advance written notice of Franchisee's intent to institute legal action against Franchisor, specifying the basis for such proposed action, and shall grant Franchisor thirty (30) days from receipt of said notice to cure the alleged act upon which such legal action is to be based.

XIII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO INSURANCE

A. Overall Coverage Required

Franchisee shall procure, prior to opening the Business, and shall maintain in full force and effect during the term of this Agreement at Franchisee's expense, an insurance policy or policies protecting Franchisor, and the officers, directors, partners, and employees of both Franchisor and Franchisee against any loss, liability, personal injury, death, property damage, or expense whatsoever arising or occurring upon or in connection with operating the Business. Franchisor and our Affiliates shall be named as an additional insured on all such policies.

Prior to the opening of the Business and thereafter at least thirty (30) days prior to the expiration of any such policy or policies, Franchisee shall deliver to Franchisor certificates of insurance evidencing the proper coverage with limits not less than those required hereunder. All certificates shall expressly provide that not less than thirty (30) days prior written notice shall be given to Franchisor in the event of material alteration to termination, non-renewal, or cancellation of, the coverage's evidenced by such certificates.

B. Insurance Carrier Must be Approved by Franchisor

Such policy or policies shall be written by an insurance company rated A-minus or better, in Class 10 or higher, by Best Insurance Ratings Service and satisfactory to Franchisor in accordance with standards and specifications set forth in the Manuals or otherwise in writing, from time to time, and shall include, at a minimum (except as additional coverage and higher policy limits may be specified by Franchisor from time to time), the following initial minimum coverage:

1. Commercial General Liability Insurance, including coverage for products-completed operations, contractual liability, personal and advertising injury, fire damage, medical expenses, having a combined single limit for bodily injury and property damage as defined in the below chart. All such coverage shall be on an occurrence basis and shall provide for waivers of subrogation.

General Liability	$1,000,000	Per Occurrence
	$5,000,000	In the Aggregate
Workers' Compensation, Unemployment, and/or Disability Insurance	As required by law	Per Employee
Medical/Personal Injury Ins.	$ 5,000	Not less than per Occurrence
Damage to Rented Premises	$ 300,000	Not less than per Occurrence
Business Interruption Insurance	$ 25,000	Not less than Per Month
Sexual Abuse and Harassment Insurance	$1,000,000	Per Occurrence
	$3,000,000	In the Aggregate
Optional: Valuable Papers	$ 75,000	Per Occurrence
Optional: Comprehensive Crime & Employee Dishonesty Insurance	$ 25,000	Per Occurrence
Commercial Automobile Liability Insurance (If automobile is owned, non-owned, rented, scheduled or hired by the business)	$1,000,000	Per Person
	$3,000,000	Per Accident
	$ 500,000	Per Occurrence
	$1,000,000	General Liability Per Occurrence

2. Franchisee may also maintain comprehensive crime and blanket employee dishonesty insurance in an amount of not less than $25,000.

3. All-risk property insurance, including theft and flood coverage (when applicable), written at replacement cost value covering the building, improvements, furniture, fixtures, equipment and inventory. Coverage shall be written in a value which will cover not less than eighty percent (80%) of the replacement cost of the building and one hundred percent (100%) of the replacement cost of the contents of the building.

4. Employer's Liability and Worker's Compensation Insurance, as required by state law.

5. Business interruption insurance of not less than twenty-five thousand dollars ($25,000) per month for loss of income and other expenses with a limit of not less than six (6) months of coverage.

Franchisee's obligation to obtain and maintain, or cause to be obtained and maintained, the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor; nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section XVIII. of this Agreement.

C. <u>No Limitations on Coverage</u>

Franchisee's obligations to obtain and maintain the foregoing insurance policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in this Agreement. Franchisee may maintain such additional insurance as it may consider advisable.

D. <u>Franchisee Must Provide Evidence of Coverage to Franchisor</u>

Upon obtaining the insurance required by this Agreement and on each policy renewal date thereafter, Franchisee shall promptly submit evidence of satisfactory insurance and proof of payment to Franchisor, together with, upon request, copies of all policies and policy amendments and endorsements. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be cancelled or materially altered without giving at least thirty (30) days' prior written notice to Franchisor.

E. <u>Franchisor May Procure Insurance Coverage</u>

Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as described from time to time by the Manual or otherwise in writing, Franchisor shall have the right and authority (but no obligation) to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice from Franchisor.

XIV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO ACCOUNTING AND RECORDS

A. <u>Bookkeeping, Accounting and Records</u>

Franchisee shall maintain during the term of this Agreement, and shall preserve for a minimum of three (3) years, full, complete accurate records of sales, closeout sheets, payroll, and accounts payable in accordance with the standard accounting system described by Franchisor in the Manual or otherwise specified in writing.

B. <u>Franchisor's Right to Audit</u>

Franchisor or its designated agents shall have the right, at all reasonable times, to examine and copy, at Franchisor expense, the books, records, and tax returns of Franchisee and the

Business. Franchisor shall also have the right, at any time, to have an independent audit made of the books of the Business. If an inspection should reveal that any payments to Franchisor have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest on such amount from the date such amount was due until paid, at the Default Rate, calculated on a daily basis. If an inspection discloses an understatement in any payment to Franchisor of two percent (2%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses relating to the inspection (including, without limitation, travel, lodging and wage expenses and reasonable accounting and legal costs), and, at Franchisor's discretion, submit audited financial statements prepared, at Franchisee's expense, by an independent certified public accountant satisfactory to Franchisor. If an inspection discloses an understatement in any payment to Franchisor of four percent (4%) or more, such act or omission shall constitute grounds for immediate termination of this Agreement, as set forth in Section XXIII. hereof. The foregoing remedies shall be in addition to any other remedies Franchisor may have pursuant to this Agreement and as provided at law and in equity.

C. Reporting of Gross Income

Franchisee shall submit to Franchisor during the term of this Agreement, after the opening of the Business, (a) a royalty report, on a one (1) week accounting period (the "**Accounting Period**") basis in the form prescribed by Franchisor from time to time, accurately reflecting all Gross Income during each preceding Accounting Period, and such other data or information as Franchisor may require, from time to time, said report to be received by Franchisor within four (4) days from the end (Sunday) of each such Accounting Period; and (b) profit and loss statements, balance sheets and trial balances prepared in accordance with generally accepted accounting principles, consistently applied, for each accounting period, to be received by Franchisor within fifteen (15) days after the date of expiration of each period covered by the report, (c) copies of all tax returns relating to sales at the Business to be received by Franchisor within ten (10) days of the end of the state sales tax reporting period, and (d) such other data or information as Franchisor may require, from time to time.

D. Submission of Financial Statements

Franchisee shall, at its expense, submit to Franchisor, within thirty (30) days of the end of each calendar quarter during the term of this Agreement, on forms prescribed by Franchisor, a financial statement, which may be unaudited, for the preceding quarter, including both an income statement and balance sheet. Each financial statement shall be signed by Franchisee or by Franchisee's Treasurer or Chief Financial Officer, attesting that the statement is true and correct. Franchisee shall also, at its expense, submit to Franchisor within sixty (60) days of the end of each fiscal year of Franchisee during the terms of this Agreement, a complete financial statement for said fiscal year, including, without limitation, both an income statement and balance sheet, which may be unaudited, together with such other information in such form as Franchisor may require. Franchisee shall also submit to Franchisor the current financial statement and other forms, records, reports, information, and data as Franchisor may designate, in the form, and at the times and the places required by Franchisor, upon request, and as specified from time to time in the Manual or otherwise in writing.

E. Disclosure of Financial Statements

Franchisee hereby grants permission to Franchisor to release to Franchisee's landlord, lenders or prospective landlords or lenders, any financial and operational information relating to Franchisee and/or the Business; however, Franchisor has no obligation to do so.

F. Computer System and Telecommunication Requirements

Franchisee shall follow and adhere to the daily accounting and reporting procedures as required by Franchisor, from time to time, and shall purchase accounting and reporting equipment including, but not limited to, the Computer System as required by Franchisor. The Computer System to be used in the Business shall possess several important features in order to facilitate the operation and internal accounting control of the Business.

The principal components of the current Computer system are as follows:

Required Computer Hardware:

- One desktop or laptop PC
- Star TSP 650 receipt printer
- Electronic cash drawer
- 4-in-1 Fax/Printer/Copy/Scanner

Required Office Software:

- QuickBooks Essentials Online (latest version)
- MS Office Home & Business (latest version) or Office 365 Home & Business
    - Word
    - Excel
    - PowerPoint
    - Outlook

Paid Security, Anti-Malware and Backup Software

Supporting Office System Equipment Requirements:

- Multi-port wireless router
- Surge protector(s)/battery backup (as needed)
- Mouse (optional for laptop)
- Cables, wires & adapters—as required for system
- Speakers (as needed)

Minimum System Requirements for the Business PC

Operating System	Windows 8.1 (U.S. version in English)
Processor	Intel Core i7 or similar
Processor Speed	Minimum 3.40 GHz
Standard Memory	16 GB
Drive Capacity	1 TB
Solid State Drive	32 GB
Video Memory	Up to 2 GB
Cache Memory	8 MB
Recordable DVD Drive Speeds	Maximum write (DVD±R), rewrite (DVD±RW) and read (DVD-ROM) speeds of the DVD±RW drive.
Additionally	Natively installed

Operating System Bit Version	Recommend 64-bit Processing

You will need one (1) designated business hard line with voicemail for Franchisee, and a designated business phone number as may be assigned by Iron Rose, LLC. You must have high-speed Internet/email with password protected Wi-Fi.

Additionally, the management software of the Computer System shall contain the following, without limitation:

1. Security access and password identification for each employee, allowing the system to provide detailed information for each employee;

2. Ability to manage client data, and generate income and expense reports of the Business; and

3. Communication or polling ability for all sales information to be retrieved by Franchisee or Franchisor.

G. Webpage and Database Set-Up

We provide you with a webpage and the initial set-up of your database during the initial training program. You pay Us a $1,150 non-refundable fee for these items at least thirty (30) days before you begin training.

XV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO USES OF NAMES AND MARK(S)

A. Names and Mark(s) are Owned by Individual

Franchisor warrants with respect to the proprietary Names and Mark(s) that:

1. Pursuant to a license agreement originally dated April 12, 2018 between Darren G. Monahan, the owner of the Federal Service Mark Serial #87870227, and Iron Rose, LLC, a California Limited Liability Company, Franchisor has the right to use the Names and Mark(s) to establish OSI Training Facilities in the United States and Canada.

2. Franchisor or its affiliates are taking and will take such steps as are reasonably necessary to preserve and protect the ownership and validity of such Names and Mark(s); and

3. Franchisor will use and permit Franchisee and other franchisees to use the Names and Mark(s) with the System and standards attendant thereto, which underlie the goodwill associated with and symbolized by the Names and Mark(s).

B. Franchisee is Licensed to Use Names and Mark(s)

With respect to Franchisee's franchised use of the Names and Mark(s) pursuant to this Agreement, Franchisee agrees that:

1. Franchisee shall use only the Names and Mark(s) as are approved in writing by Franchisor for Franchisee's use, and shall use them only in the manner authorized and permitted by Franchisor and that in any use whatsoever of the Names and Mark(s) of Franchisor that the Names and Mark(s) are identified as being registered to or owned by Franchisor;

2. Franchisee shall use the Names and Mark(s) only in connection with the operation of the Business and in advertising for the Business conducted at or from the Accepted Location and within the Territory;

3. Franchisee shall use and display, as Franchisor may require in the operation of the Business, a notice in the form approved by Franchisor indicating that Franchisee is a "**Franchised Operator**" under the System and that the Names and Mark(s) are used by Franchisee under such Franchise;

4. Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Business under the Name and Mark "**OSI**";

5. Franchisee's right to use the Names and Mark(s) is limited to such usages as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights;

6. Franchisee shall not use the Names and Mark(s) to incur any obligations or indebtedness on behalf of Franchisor;

7. Franchisee shall not use the Names and Mark(s) or any part thereof as part of its corporate or other legal name;

8. Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registration, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Names and Mark(s) or to maintain their continued validity and enforceability; and

9. In the event that any litigation involving the Names and Mark(s) is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor and shall cooperate fully with Franchisor in defending such litigation.

10. During the term of this Agreement and any renewal hereof, Franchisee shall identify itself as the owner of the Business in conjunction with any use of the Names and Mark(s), including, but not limited to, on invoices, order forms, receipts, and contracts, as well as at such conspicuous locations on the premises of the Business as Franchisor may designate in writing. The form and content of such identification shall comply with standards set forth in the Manual.

C. <u>Franchisee Will Not Challenge Franchisor's Rights In Its Names and Mark(s)</u>

Franchisee expressly understands and acknowledges that:

1. As between the parties hereto, Franchisor is the owner of all right, title, and interest in and to the Names and Mark(s) and the goodwill associated with and symbolized by them;

2. The Names and Mark(s) are valid and serve to identify the System and those who are franchised under the System;

3. Franchisee shall not directly or indirectly contest the validity or Franchisor's affiliates' ownership of the Names and Mark(s);

4. Franchisee's use of the Names and Mark(s) pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Names and Mark(s), except the non-exclusive Franchise granted herein;

5. Any goodwill arising from Franchisee's use of the Names and Mark(s) in its Business under the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the Franchise herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Names and Mark(s);

6. Franchisor reserves the right to substitute different Names and Mark(s) for use in identifying the System, the Business and other franchised businesses operating there under; and

7. Franchisee hereby agrees not to register or attempt to register the Names and Mark(s) in Franchisee's name or that of any other firm, person or corporation.

8. The right and license of the Names and Mark(s) granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others:

a. To use the Names and itself in connection with selling products and services;

b. To grant other licenses for the Names and Mark(s), in addition to those licenses already granted to existing franchisees; and

c. To develop and establish other systems using similar Names and Mark(s), or any other proprietary marks, and to grant licenses or franchises thereto at any location(s) whatsoever without providing any rights therein to Franchisee.

9. Franchisee understands and acknowledges that Franchisor has the unrestricted right to engage, directly or indirectly, through its or their employees, representatives, licensees, assigns, agents and others, at wholesale, retail and otherwise, in the production, distribution and sale of products and services bearing the Names and Mark(s) licensed hereunder or other names or mark(s), including without limitation, products and services included as part of the System. Franchisee shall not under any circumstances engage in any wholesale trade or sale of System products and services for resale.

XVI. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO CONFIDENTIALITY OF PROPRIETARY INFORMATION

A. Franchisee Will Learn Proprietary Matters

Franchisee acknowledges that he or she will obtain knowledge of proprietary matters, techniques and business procedures or Franchisor that are necessary and essential to the operation of the

Business, without which information Franchisee could not effectively and efficiently operate such business, including, without limitation, knowledge regarding the System, the layout of the Business and the Manual. Franchisee further acknowledges that such proprietary information was not known to Franchisee prior to execution of this Agreement and that the methods of Franchisor are unique and novel to the System. As used herein, **"Proprietary Information"** shall mean confidential information concerning:

1. Persons, corporations or other entities which are, have been or will become Franchisees of the System and any investors therein;

2. Persons, corporations or other entities which are, have been or will become customers of the Business;

3. The terms of and negotiations relating to past or current Franchise Agreements with respect to the System;

4. The operating procedures of the System, including without limitation: distinctive management; bookkeeping and accounting systems and procedures; advertising, promotional and marketing methods; personnel hiring and training procedures; the manufacturers, suppliers and uses of equipment; and lists of vendors and suppliers;

5. The economic and financial characteristics of the System and Franchisees, including without limitation: pricing policies and schedules, profitability, earnings and losses, and capital and debt structures;

6. The services and products offered to customers of Businesses, including, without limitation, the scope of services performed and services refused; and

7. All documentation of the information listed in Sections XVI.A.1. through XVI.A.7. hereof, including, without limitation, the Manual. During the term of this Agreement and for a period of five (5) years following the expiration or termination of this Agreement, Franchisee agrees not to divulge, directly or indirectly, any Proprietary Information, without the prior written consent of Franchisor. Nothing contained herein shall be construed so as to require Franchisor to divulge any secret processes, formulas, or the like.

B. <u>Franchisee's Employees Will Not Disclose Proprietary Information</u>

Franchisee may disclose Proprietary Information only to such of its employees, agents and representatives as must have access to it in order to operate the Business. Franchisee shall obtain from each such employee, representative or agent, an agreement that such person shall not during the course of his employment, representation, or agency with Franchisee, or for a period of five (5) years thereafter, use, divulge, disclose or communicate, directly or indirectly, in any form or manner, to any person, firm or corporation, any of the Proprietary Information of Franchisor.

C. <u>Injunctive Relief is Available to Franchisor</u>

Franchisee acknowledges that any failure to comply with the requirements of this Section XVI. will cause Franchisor irreparable injury, and Franchisor shall be entitled to obtain specific performance of, or an injunction against any violation of, such requirements; Franchisee waives any requirements for the posting of any bond(s) relating thereto. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against, violation of requirements of this Section XVI. The foregoing remedies shall be in addition to any other legal or equitable remedies which Franchisor may have.

D. Franchisor's Patent Rights and Copyrights

Franchisor does not own rights in or to any patents that are material to the Franchise. However, Franchisor intends to obtain copyright protection for the Manual and certain marketing, sales, and operations literature. Furthermore, Franchisor claims rights to certain trade secrets and confidential information as discussed above.

XVII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO TAXES, PERMITS AND LAWSUITS

A. Franchisee Must Notify Franchisor of Lawsuits

Franchisee shall notify Franchisor in writing within five (5) days of notice of the commencement of any action, suit, or proceeding against Franchisee, and of the issuance of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of the Business, including, without limitation, any criminal action or proceedings brought by Franchisee against its employees, customers, or other persons.

B. Franchisee Must Comply With Laws

Franchisee shall, at Franchisee's expense, comply with all federal, state and local laws, rules, regulations and ordinances and shall timely obtain and shall keep in force as required throughout the term of this Agreement all permits, certificates and licenses necessary for the full and proper conduct of the Business, including, without limitation, any required permits, licenses to do business, fictitious name registrations, sales tax permits, and fire clearances. Copies of the above aforementioned should be sent to Franchisor upon all renewals and issuances.

C. Franchisee Must Pay Taxes Promptly

Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of any kind incurred by Franchisee in the conduct of the Business. Franchisee shall pay Franchisor an amount equal to any sales tax, gross receipts tax or similar tax imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless tax is credited against income tax otherwise payable by Franchisor.

D. Franchisee May Contest Tax Assessments

In the event of any bona fide dispute as to any liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. However, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor to occur against the premises of the Business, or any improvements thereon.

XVIII. SPECIFIC OBLIGATION OF FRANCHISEE RELATING TO INDEMNIFICATION

Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's and/or Affiliates' behalf, or to incur any debt or other obligation in Franchisor's and/or Affiliates' name. Franchisee further understands and agrees that Franchisor and/or Affiliates shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Business or any claim or judgment arising there from against Franchisee. Franchisee shall indemnify and hold Franchisor and Franchisor's and/or Affiliates and Affiliates' officers, directors, shareholders and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with, Franchisee's operation of the Business, as well as the cost, including attorneys' fees, of defending against same.

XIX. MISCELLANEOUS COVENANTS OF FRANCHISEE

A. Covenants are Independent

The parties agree that each covenant herein shall be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Agreement is held to be unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which Franchisor is a party, Franchisee expressly agrees 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 resultant covenant were separately stated in and made a part of this Agreement.

B. Franchisee Will Not Compete Against Franchisor

Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of OSI and the System. Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity, employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee or affiliate of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

Franchisee further covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, during the term of this Agreement and for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for two (2) years thereafter, either directly or indirectly for itself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity, own, maintain, operate, engage in, be employed by, or have any interest in any business similar to the Business or that is engaged in the same business as the Business within a fifty (50) mile radius of the business location designated hereunder, or any other OSI Training Facility in existence or planned as of the time of termination or expiration of this Agreement. For purposes of this provision, a business that provides personal powerlifting training/coaching to individuals; fitness and nutrition consultation to individuals; and hosting of powerlifting competitions will be deemed to be similar to the Business.

C. Exception to Covenant Not to Compete

Section XIX.B. hereof shall not apply to ownership by Franchisee of less than a five percent (5%) beneficial interest in the outstanding equity securities of any Publicly-Held Corporation.

D. Franchisee Will Not Divert Business

During the term of this Agreement and for a period of two (2) years following the expiration or termination of this Agreement, Franchisee covenants that it will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

1. Divert or attempt to divert business or customers or prospective customers of the Business with which or whom Franchisee has had contact during the term of this Agreement to any business or competitor by direct or indirect inducement or otherwise; or

2. Do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Names and Mark(s) or the System or both; or

3. Induce, directly or indirectly, any person who is at that time employed by Franchisor or by any other Franchisee of Franchisor, to leave his or her employment. The provisions of this Section XIX.D. shall apply only in the geographical area lying within the defined territory of the Business.

E. Franchisor Is Entitled to Injunctive Relief

Franchisee acknowledges that any failure to comply with the requirements of this Section XIX. will cause Franchisor irreparable injury for which no adequate remedy at law may be available, and Franchisee hereby accordingly consents to the issuance by a court of competent jurisdiction of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section XIX. and waives any requirement for the posting of any bond(s) relating thereto. Franchisor may further avail itself of any legal or equitable rights and remedies which it may have under the Agreement or otherwise.

F. Covenants Are Enforceable Independent of Claims

Franchisee expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section XIX. Franchisee further agrees that Franchisor shall be entitled to set off any amounts owed by Franchisor to Franchisee against any loss or damage to Franchisor resulting from Franchisee's breach of this Section XIX.

G. No Right of Set-Off

Franchisee expressly agrees that the existence of any claims it 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 XIX. Franchisee agrees to pay all damages, costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section XIX.

XX. OBLIGATIONS OF FRANCHISOR: SUPERVISION, ASSISTANCE OR SERVICES

Franchisor shall provide Franchisee with the following assistance and services:

A. Initial Training Program

1. Franchisor will provide an initial training program concerning the operation of the Business consisting of approximately one (1) week (six (6) 9-hour days) of training at a location to be designated by Franchisor. The training session will begin approximately thirty (30) days or more before the opening of the Business. The exact days will be mutually selected by Franchisor and Franchisee. Franchisee and/or his, her or its designated representative shall attend such training program at no charge to Franchisee. Franchisee shall be responsible for any travel, lodging, meal or other costs for the attendee(s) of the training program at Franchisor's Home Office. Franchisee must have at least one fully trained, full-time Manager operating the Business during the entire term of the Agreement. Either the Franchisee or Franchisee's Manager must attend the training sessions. Any person subsequently employed as a full-time manager of the Business may be required by Franchisor to complete the initial training program. Satisfactory completion of all mandatory training sessions is required. Failure to do so shall result in a material breach of this Agreement.

2. Franchisor shall also offer additional training resources, at a cost to Franchisee to be determined by Franchisor, to assist franchisee at their business location for hourly employees.

3. Franchisor shall provide such continuing advisory assistance to Franchisee in the operation, advertising and promotion of the Business as Franchisor deems advisable. Franchisor shall also provide refresher training programs for Franchisee and to Franchisee's employees as Franchisor deems appropriate.

4. Franchisor may, from time to time, provide to Franchisee, at Franchisee's expense, such advertising and promotional plans and materials for local advertising as described in Section XC. of this Agreement and may direct the discontinuance of such plans and materials, from time to time. All other advertising and promotional materials which Franchisee proposes to use must be reviewed and approved by Franchisor, pursuant to Section XC. hereof.

5. Franchisor may conduct additional virtual or hands-on seminars, or other training programs for the benefit of Franchisee, and Franchisee (and/or Franchisee's employees) may attend any such seminar or program. Franchisor may charge a reasonable fee for such seminar or program if it is deemed appropriate. Any and all traveling, living and other expenses incurred by anyone attending training shall be paid by Franchisee.

6. Franchisee may make reasonable request for training in addition to that specified above, and Franchisor shall provide such training, at Franchisee's expense, including without limitation, any travel, lodging, meals and other related costs.

7. Franchisee shall complete and/or shall cause its employees to complete, to Franchisor's satisfaction, such other additional training as Franchisor may reasonably require from time to time.

8. Franchisor may provide Franchisee, from time to time, as Franchisor deems appropriate, such merchandising, marketing and other data and advice as may from time to time be developed by Franchisor and deemed by Franchisor to be helpful in the managing and operation of the Business.

9. Franchisor may provide such periodic individual or group advice, consultation and assistance, rendered by a personal visit, virtual communication, telephone, or by

newsletter or bulletins made available from time to time to all OSI franchisees, as Franchisor may deem necessary or appropriate.

10. Franchisor may provide such bulletins, brochures, manuals and reports, if any, as may from time to time be published by or on behalf of OSI regarding its plans, policies, developments and activities. In addition, Franchisor may provide such communication concerning new developments, techniques and improvements management which Franchisor feels are relevant to the operation of the Business.

11. Franchisor shall provide the requirements for a standardized system for accounting, cost control and/or inventory control, membership acquisition and retention.

12. Franchisor shall seek to maintain the high standards of quality, appearance, and service of the System, and to that end shall conduct, as it deems advisable, inspections of the Business franchised hereunder, and evaluations of the products sold and services rendered therein.

13. Franchisor is obligated to take any appropriate action to preserve the Names and Mark(s) against unauthorized operations which infringe on such Names and Mark(s).

14. All obligations of Franchisor under this Agreement shall benefit only Franchisee, and no other party is entitled to rely on, enforce, benefit from or obtain relief for breach of such obligations, either directly or by subrogation.

B. <u>Site and Vehicle Selection</u>

Franchisee has the responsibility for selecting a site for the Training Facility. Franchisor shall then review and accept or reject Franchisee's site selection and lease agreement, based on an analysis of local competing businesses, population density and other demographics, visibility and accessibility, traffic patterns, the neighborhood, suitability of the premises to be leased and other factors more fully described in Franchisor's Manual. The suitability of a site is determined on a case-by-case basis. Franchisor's acceptance of a site does not constitute a guarantee by Franchisor that the Business will be profitable at that site.

If Franchisee chooses to exercise the option to have a company vehicle, Franchisee has the responsibility for selecting the vehicle for the Business. Franchisor shall accept your lease or purchase agreement of a new or used vehicle, or you may submit a request to use your personal vehicle, that meets our specifications, as detailed in the Manual, and we have the right to reject a proposed vehicle lease or purchase agreement, or request to use personal vehicle.

C. <u>Business-Layout and Design</u>

If Franchisee leases an existing space in an existing building, Franchisor will assist the Franchisee with the layout and design of the Training Facility including location of walls, counters and the location of equipment and fixtures within two weeks following the lease of the premises and delivery of the floor plan to Franchisor. The costs of leasehold improvements, signs, furniture and fixtures for finishing out a Business are the responsibility of Franchisee.

Franchisor will provide mandatory and suggested specifications and layouts for optional company vehicle; and vehicle wrap and/or exterior signage.

D. Post-Training Assistance

In addition to the assistance rendered to Franchisee prior to opening, Franchisor will provide continuing consultation and advice regarding business, financial, operational, technical, pricing, legal, sales and advertising matters, products, management of supplies, styles and type of service, operation of the Business, and development of personnel policies. Franchisor will provide such assistance by virtual communication, telephone or, if the situation warrants, through on-site assistance of appropriate Franchisor personnel.

E. Operations Manual

In order to protect the reputation and goodwill of OSI™ and to maintain high standards of operation under OSI™ Proprietary Marks, Franchisee shall conduct its business in accordance with this Agreement and Training Manuals which may include printed materials, portable storage devices, PowerPoint® presentations, flash presentations, video, webinars, computer software, online/virtual means, and/or other electronic media, or as described herein as the "**Manuals**" (one copy of which Franchisee shall acknowledge in writing upon receipt has been received on loan from Franchisor for the term of this Agreement), other written directives which Franchisor may issue to Franchisee from time to time whether or not such directives are made part of the Manuals, and any other materials created or approved for use in the operation of the Business by Franchisor, from time to time.

Franchisee shall at all times treat the Manuals, any written directives of Franchisor, any business plans and specifications, and any other manuals created for or approved for use in the operation of the Business, and any supplements thereto, and the information contained therein, in trust and as confidential information, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

The Manuals, written directives, other manuals and materials, and any other confidential communications provided or approved by Franchisor, shall at all times remain the sole property of Franchisor and shall at all times be kept and maintained in a secure place on the Business premises.

Franchisor may from time to time revise the contents of the Manuals and the contents of any other manuals and materials created or approved for use in the operation of the Business, and Franchisee expressly agrees that each new or changed standard shall be deemed effective upon receipt by Franchisee or as specified in such standard.

Franchisee shall at all times insure that its copy of the Manuals is kept current and up-to-date; and, in the event of any dispute as to the contents of the Manuals, the master copy of the Manuals maintained by Franchisor at Iron Rose, LLC headquarters shall be controlling.

Any suggestions Franchisee may have concerning the improvement of products, equipment, uniforms, business facilities, service format and advertising are encouraged and shall be considered by Franchisor when adopting or modifying the standards, specifications and procedures for the System.

F. Suppliers

Franchisor shall provide Franchisee a list of designated and approved suppliers of necessary products, services and supplies.

G. Recommended Price Schedules

Franchisor shall advise Franchisee from time to time, concerning such suggested retail prices. Franchisor and Franchisee agree that any list or schedule of prices furnished to Franchisee by Franchisor is a minimum retail price list. Nothing contained herein shall be deemed a representation by Franchisor that the use of Franchisor's suggested prices will in fact optimize profits.

H. Advertising and Promotion

Franchisor shall develop and provide creative materials for local and regional advertising and make such advertising materials available to its Franchisees for publication or distribution in the Franchisee's market area at Franchisee's own expense. Franchisor may be reimbursed for the creative and production costs for such items as billboard/signage design, radio, television and electronic media production, public relations campaigns, copy for newspaper, magazine advertisements, flyers and other promotional material. Franchisor shall provide specific guidelines for advertising initiated by individual Franchisees and shall reserve the right to disapprove any advertising which, in Franchisor's opinion, is not in accordance with these guidelines. However, no approval shall be unreasonably withheld or denied. Immediately upon notification to do so, Franchisee shall discontinue any advertising that would, in Franchisor's opinion, be detrimental.

I. Split Processing

We may require payment other than by automatic debit or check, i.e. credit card split processing, and you must comply with our payment instructions. If the amounts debited by credit card split processing are less than the amounts you actually owe us, we will debit the balance due on the day we specify. If the amount(s) debited by credit card split processing are more than the amount(s) you actually owe us, we will make a monthly adjustment and credit any balance due on the day we specify.

J. Welcome Package

Franchisor will provide you with a Welcome Package, after you sign the Franchise Agreement and are accepted as a Franchisee. There is one (1) Welcome Package per managing staff member/staff member, up to a maximum of four (4). This Welcome Package includes: one (1) logo-emblazoned t-shirt, generic business cards, and stationary.

XXI. VARYING STANDARDS

Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole and absolute discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular site or circumstance, density of population, business potential, population or trade area, existing business practices, or any other condition which Franchisor deems to be of importance to the successful operation of such Franchisee's business. Franchisee shall not have any right to complain about a variation from standard specifications and practices granted to any other Franchisee and shall not be entitled to require Franchisor to grant to Franchisee a like or similar variation.

XXII. SALE OF FRANCHISE

A. Assignment by Franchisee

This Agreement restricts Franchisee's right to assign the Agreement to a third party. Neither this Agreement, nor any of Franchisee's rights or privileges, shall be assigned, transferred, shared, redeemed or divided by operation of law or otherwise, in any manner, without the prior written consent of Franchisor, which consent will not be withheld or delayed unreasonably. In granting any such consent, Franchisor may impose reasonable conditions, including, without limitation, the following:

1. Franchisee must be in full compliance with the terms of this Franchise Agreement, including being paid in full on all fees due and payable to us or our affiliates;

2. The proposed assignee (or its partners, managers, directors, officers, or controlling shareholders, if it is a corporation or partnership) must meet the then-applicable standards of Franchisor;

3. The proposed assignee must not operate a franchise, license or other business offering services similar to those offered by the Business;

4. The assignee must execute and agree to be bound by the then current Franchise Agreement offered by Franchisor, which may contain terms and provisions that are materially different from the terms and provision from this Agreement or which materially alter the rights or obligations of Franchisee under this Agreement;

5. Franchisor shall not charge such assignee an Initial Franchise Fee for the Franchise, but will charge a transfer fee of thirty-five percent (35%) of the then-current initial franchise fee charged by Franchisor, unless the transfer is to an entity you control. If Franchisor determines that training is required, assignee will attend training at Franchisor's Home Office as required under the then current Franchise Agreement. Franchisor shall have the right to require Franchisee and its owners to execute a general release of Franchisor in a form satisfactory to Franchisor's counsel as a condition to its approval of assignment or other transfer of the Franchise;

6. Franchisee shall have substantially complied with all of the terms and provisions of this Agreement, any amendment hereof or successor hereto, or any other agreements between the Franchisee and Franchisor, its subsidiaries or affiliates and, at the time of transfer, shall not be in default thereof;

7. The transferor shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances;

8. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as Franchisor may request) shall enter into a written assumption agreement, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement and/or any new franchise agreement, as hereinafter provided;

9. The transferee shall demonstrate to Franchisor satisfaction that the

transferee meets Franchisor educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Business (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Business.

10. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as Franchisor may request) shall execute, for a term ending on the expiration date of this Agreement and with such renewal term, if any, as may be provided by this Agreement, the standard form franchise agreement then being offered to new System franchisees and such other ancillary agreements as Franchisor may require for the Business, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty rate, advertising contribution, and service charge for goods; provided; however, that the transferee shall not be required to pay an initial franchise fee;

11. The transferee, at its expense, shall upgrade the Business to conform to the then-current standards and specifications of the new entry System and shall complete the upgrading and other requirements within the time specified by Franchisor;

12. Franchisee shall remain liable for all of the obligations to Franchisor in connection with the Business prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

13. Franchisee shall agree to remain obligated under the covenants against competition of this Agreement as if this Agreement had been terminated on the date of the transfer;

14. At the transferee's expense, the transferee and, if applicable, the transferee's designated individual manager shall complete any training programs then in effect for franchisees upon such terms and conditions as Franchisor may reasonably require; and franchisee will pay for all travel expenses, including, but not limited to: airfare, lodging, meals and entertainment.

15. The transferee shall agree to a sublease or to a transfer and assignment, and assumption of the lease of the Business site from the original franchisee and shall obtain the landlord's approval if required prior to any transfer or sublease, if applicable.

B. Assignment by Franchisor

Franchisor has an unrestricted right to transfer or assign all or part of its rights or obligations under this Agreement to any assignee or other legal successor to the interests of Franchisor.

C. Transfer Upon Death, Mental or Physical Incapacity

Upon the death or mental incapacity of any person with an interest in the Business, the executor, administrator, or personal representative of that person must transfer his interest to a third party approved by Franchisor within six (6) months of mental or physical incapacity, or within nine (9) months after death. These transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same restrictions and conditions as any *inter vivos* transfer. However, in the case of a transfer by devise or inheritance, if the heirs or beneficiaries of any deceased person are unable to meet the conditions of this Agreement, the personal representative of the deceased Franchisee shall have a reasonable time to dispose of the deceased's interest in the Business, which disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement.

Pending assignment, upon the death of the Principal, or in the event of any temporary or permanent mental or physical disability of the Principal, a manager shall be employed for the operation of the Business who has successfully completed Franchisor's training courses to operate the Business for the account of Franchisee. If after the death or disability of the Principal, the Business is not being managed by such trained manager, Franchisor is authorized to appoint a manager to maintain the operation of the Business until an approved assignee will be able to assume the management and operation of the Business, but in no event for a period exceeding one (1) year without the approval of the personal representative of the Principal; such manager shall be deemed an employee of Franchisee. All funds from the operation of the Business during the period of management by such appointed or approved manager shall be kept in a separate fund and all expenses of the Business, including compensation of such manager, other costs and travel and living expenses of such appointed or approved manager (the "**Management Expenses**"), shall be charged to such fund. As compensation for the management services provided, in addition to the Fees due hereunder, Franchisor shall charge such fund the full amount of the direct expenses incurred by Franchisor during such period of management for and on behalf of Franchisee, provided that Franchisor shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee, the Principal or personal representative of the Principal, the Entity or any person or entity having an interest therein for any debts, losses or obligations incurred by the Business, or to any creditor of Franchisee or the Principal during any period in which it is managed by a Franchisor - appointed or approved manager.

D. Sale of Franchised Business

If Franchisee (or its owners) desires to sell the Business, or part or all of the ownership of the Business, then Franchisor will reasonably assist Franchisee (or its owners) in connection therewith. If Franchisee (or its owners) shall obtain a bona fide written offer to purchase the Business, or such ownership, such offer shall be submitted promptly to Franchisor. For a period of thirty (30) days from the date of Franchisor's receipt of such offer, Franchisor shall have the right, exercisable by written notice to Franchisee (or its owners), to purchase the Business, or such ownership, for the price and on the same terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer. If Franchisor does not exercise its right of first refusal, the bona fide written offer may be accepted by Franchisee or its owners, subject to the prior written approval of Franchisor. To enable Franchisor to determine whether it will exercise its option, Franchisee and the seller shall provide such information and documentation, including financial statements, as Franchisor may require. In the event that Franchisor elects to purchase said interest, closing on such purchase must occur within ninety (90) days from the date of notice to the seller of the election to purchase said Interest by Franchisor. Failure of Franchisor to exercise the option afforded by this Section XXII.D. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section XXII., with respect to a proposed transfer of any Interest. Any subsequent change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of an initial offer.

XXIII. TERMINATION OF FRANCHISE

A. Impact of Statutes Upon Franchise Agreement

The California Franchise Relations Act (Business and Professions Code, Section 20000 through 20043), became effective October 1, 1982. This Act provides certain rights to Franchisees, including: (1) limitations on Franchisor's ability to terminate a franchise except for good cause; (2) restrictions on Franchisor's ability to deny renewal of a franchise; (3) circumstances under which Franchisor may be required to purchase certain inventory of Franchisees when a franchise is terminated or not renewed in violation of the statute; and (4) provisions relating to arbitration. To the extent that the provisions of this Franchise Agreement are inconsistent with the terms of the Act, the terms of the Act may control in California.

Termination or modification of a lease or contract upon the bankruptcy of one of the parties may be unenforceable under the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) of 2005, Title 11, U.S. Code, as amended.

B. By Franchisor with Right to Cure

Franchisee acknowledges that the strict performance of all the terms of this Agreement is necessary not only for protection of Franchisor, but also the protection of Franchisee and other franchisees of Franchisor. As a result, Franchisee therefore acknowledges and agrees that strict and exact performance by Franchisee of each of the covenants and conditions contained herein is a condition precedent to the continuation of this Agreement. If Franchisee shall breach any material provision of this Agreement, then Franchisor shall notify Franchisee in writing of such breach, specifying its nature and giving Franchisee five (5) days, or such longer period as applicable law may require, in which to remedy same. Notwithstanding the foregoing, Franchisee shall cure state, local, and/or federal telecommunications violations; violations of health, safety or sanitation laws within 72 hours' notice. If Franchisee shall fail to remedy such breach, then Franchisor can terminate this Agreement and the Franchise effective five (5) days, or such longer period as applicable law may require, after delivery of notice of termination to Franchisee. NOTE: Local law supersedes these deadlines if there is a conflict.

C. Termination by Franchisor Without Right to Cure

Notwithstanding the foregoing, Franchisee shall be deemed to be in breach and Franchisor, at its option, may terminate this Agreement and all rights granted under it, without affording Franchisee any opportunity to cure the breach, effective immediately upon Franchisor notifying Franchisee in writing of such breach, if Franchisee does any of the following:

1. Abandons, surrenders, or transfers control of the operation of the Business or fails to continuously and actively operate the Business, unless precluded from doing so by damage to the premises of the Business due to war, act of God, civil disturbance, natural disaster, labor dispute or other events beyond Franchisee's reasonable control;

2. Fails to secure the Business site within 60 days after Franchise Agreement's effective date; however, Franchisor may grant one thirty (30) day extension within which to sign a lease, upon written documentation of the status of the application(s) ten (10) days prior to the date of the thirty (30) day extension request;

3. Consistently fails or refuses to submit when due any financial statement, tax return or schedule, or to pay when due the Base Royalty Fees, or any other payments due Franchisor or its affiliates;

4. Operates the Business in a manner that violates any federal, state, or local law, rule, regulation or ordinance;

5. Has made a material misrepresentation or omission on the application for the Franchise;

6. Transfers, assigns, or sub-franchises this Agreement without having the prior written consent of Franchisor, as set forth herein;

7. Discloses or divulges the contents of the Manual or any other Proprietary Information provided to Franchisee by Franchisor;

8. Repeatedly fails to substantially comply with any of the requirements imposed by this Agreement, whether or not cured after notice;

9. Commits a breach of this Agreement or engages in any other activity which has a material adverse effect on Franchisor or the Names and Mark(s);

10. Fails or refuses to comply with any provision of this Agreement or any other agreement between Franchisor and Franchisee relating to the Business or the Franchise, and does not correct such failure or refusal within thirty (30) days after written notice of such failure or refusal to comply is delivered to Franchisee;

11. Is convicted of a felony or has pleaded *nolo contendere* to a felony;

12. Engages in dishonest or unethical conduct;

13. Fails to discharge any valid lien placed against the property of the business;

14. Makes an assignment for the benefit of creditors or an admission of Franchisee's inability to pay its obligations as they become due;

15. Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, disposition, adjustment, liquidation, dissolution or similar release under any law, or admitting or failing to contest the material allegations of any such pleading filed against him, or is adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of the assets of Franchisee or the Business, or the claims of creditors of Franchisee or the Business are abated or subject to a moratorium under any laws;

16. Becomes insolvent or makes a general assignment for the benefit of creditors;

17. If a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee;

18. If a receiver or other custodian (permanent or temporary) of the Business, Franchisee, or Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction or by private instrument or otherwise;

19. If proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee;

20. If a final judgment remains unsatisfied or of record for thirty (30) days or

longer (unless supersedeas bond is filed); or if Franchisee is dissolved or is wound up;

21. If execution is levied against Franchisee's business or property or against any ownership interest in Franchisee;

22. If any real or personal property of Franchisee's Business shall be sold after levy thereupon by any sheriff, marshal, or constable;

23. If, in violation of the terms of Sections XII., XVI. and/or XX. hereof, Franchisee, its principals, representatives, agents or employees disclose or divulge the contents of the Manuals or other confidential information provided to Franchisee by Franchisor, or if Franchisee maintains false books or records, or submits any false reports to Franchisor;

24. If any inspection of Franchisee's records discloses an understatement of payments due Franchisor of four percent (4%) or more.

25. If Franchisee's alternate candidate for management training shall not adequately complete such management training program, after either Franchisee or Franchisee's designated individual previously failed to complete adequately the management training.

D. By Franchisee

If Franchisee is in compliance with this Agreement and Franchisor breaches this Agreement and fails to cure such breach within thirty (30) days after written notice thereof is delivered to Franchisor, then Franchisee may terminate this Agreement and the franchise effective thirty (30) days after delivery to Franchisor of notice thereof. Any termination of this Agreement and the franchise by Franchisee, without complying with the foregoing requirements, or for any reason other than breach of this Agreement by Franchisor and Franchisor's failure to cure such breach within thirty (30) days after receipt of written notice thereof, shall be deemed a termination by Franchisee without cause.

XXIV. FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. Franchisee Shall Cease Using Names and Mark(s)

Franchisee further agrees that, upon termination or expiration of this Agreement, Franchisee shall immediately and permanently cease to use, by advertising, or any manner whatsoever, any confidential methods, procedures, descriptions of products, and techniques associated with Franchisor and the Names and Mark(s) and any proprietary marks and distinctive forms, slogans, symbols, signs, logos or devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, stationery, forms, and any other articles which display the Names and Mark(s). Franchisee shall comply with the covenant not to compete and the agreement to maintain the confidentiality of proprietary information.

B. Franchisee Shall Cease Operating Business

Franchisee shall immediately cease to operate the Business under this Agreement, and shall not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former Franchisee of Franchisor. In the event that Franchisor elects to exercise its right to assume the lease for the Accepted Location, Franchisee shall tender possession of the premises to Franchisor upon demand.

C. Franchisee May Not Adopt Confusingly Similar Names and Mark(s)

Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Names and Mark(s), either in connection with such other business, in your corporate or legal business name, or in the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's exclusive rights in and to the Names and Mark(s), and further agrees not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor or a former association or connection with Franchisor.

D. Franchisee Shall Cancel Assumed Names and Transfer Phone Numbers

Franchisee further agrees that upon termination or expiration of this Agreement, it will take such action that may be required to cancel all assumed names or equivalent registrations relating to its use of any Names or Mark(s) and to notify the telephone company and listing agencies of the termination or expiration of Franchisee's right to use any telephone number in any classified ad and any other telephone directory listings associated with the Names and Mark(s) or with the Business and to authorize transfer of same to Franchisor. Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole rights to and interest in all telephone number and directory listings associated with any Names or Mark(s) of the Business. Franchisee further authorizes Franchisor, and hereby appoints Franchisor as its attorney in fact, to direct the telephone company and all listing agencies to transfer same to Franchisor, should Franchisee fail or refuse to do so, and the telephone company and all listing agencies may accept such direction in this Agreement as conclusive evidence of the exclusive rights of Franchisor in such telephone numbers and directory listings and its authority to direct their transfer.

E. Franchisee Must Return Manual and Other Materials

Franchisee further agrees that upon termination or expiration of this Agreement, it will immediately return to Franchisor all copies of the Manual, training aids and any other materials which have been loaned to it by Franchisor. Franchisee further agrees to turn over to Franchisor any other manuals, computer programs, software, customer lists, records, files, instructions, correspondence and brochures, and any and all other confidential and proprietary materials relating to the operation of the Business in Franchisee's possession, custody, or control, and all copies thereof (all of which are acknowledged to be Franchisor's property), and only Franchisee's copy of this Agreement and any correspondence between the parties, and any other document copies which Franchisee reasonably needs for compliance with any provision of law may be retained by Franchisee.

F. Franchisor May Purchase Franchisee's Assets and/or Equipment

Franchisor shall have the right (but not the obligation), to be exercised by notice of intent within thirty (30) days after termination or expiration, to purchase any or all of the Franchisee's equipment, supplies, signs, advertising materials and/or items bearing Franchisor's Names and Mark(s), and/or used in connection with the operation of the Business, at fair market value (less the amount of any outstanding liens or encumbrances). If the parties cannot agree on a fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor, and determination of such appraiser shall be binding. If Franchisor elects to exercise any option to purchase as herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost for the appraisal, if any, against any payment therefore.

G. Franchisee Must Pay Monies Owed to Franchisor

Franchisee shall pay to Franchisor, within fifteen (15) days after the effective date of termination or expiration of this Agreement, such Base Royalty Fees, National Fund contributions, payments for inventory, equipment or merchandise, or any other sums owed to Franchisor by Franchisee, which are then unpaid. Thereafter, Franchisee shall continue to pay Franchisor a Base Royalty Fee for any and all Gross Income earned during the term of this Agreement and received by Franchisee after the effective date of termination or expiration of this Agreement within fifteen (15) days after receipt. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor in obtaining injunctive or other relief for the enforcement of any provisions of Section XIX.

XXV. ENFORCEMENT

A. Franchisee May Not Withhold Payments Due Franchisor

Franchisee agrees that he, she or it will not withhold payments of any Base Royalty Fees or any other amounts of money owed to Franchisor for any reason, on grounds of alleged nonperformance by Franchisor of any obligation hereunder. All such claims by Franchisee shall, if not otherwise resolved by Franchisor and Franchisee, be submitted to arbitration as provided in this Agreement.

B. Severability and Substitution of Valid Provisions

All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required hereunder, or requires the taking of some other action not required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof.

C. Applicable Law

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), the Federal Arbitration Act, or other federal law, this Agreement will be interpreted under the laws of the State of California (the "**State**"), and any dispute between the parties will be governed by and determined in accordance with the substantive internal laws of the State, which laws shall prevail in the event of any conflict of law.

D. Dispute Resolution

1. Except for actions that are related to or based on the Names or Marks, which, at Franchisor's sole discretion, may be submitted to binding arbitration or to a court of competent jurisdiction in the State, all disputes, claims or controversies (collectively "**Claims**") between Franchisor, its subsidiaries and affiliated companies or their shareholders, officers, directors, limited liability company members or managers, partners, agents and employees, as applicable (collectively "**Franchisor Parties**"), and Franchisee or its employees, officers, directors, limited liability company members or managers, partners, guarantors, or Principal Operators, as applicable (collectively "**Franchisee Parties**") arising out of or related to this Agreement or the System, will be submitted for arbitration to the

Vacaville, California office of the American Arbitration Association ("**AAA**"), on demand of either party. The term "**Claim**" shall have the broadest reasonable meaning, including initial claims, counterclaims, cross-claims and third-party claims. The term "**Claim**" does not include, however, any dispute about the validity, enforceability, arbitrability or scope of this arbitration provision. However, any dispute that concerns the validity or enforceability of the Agreement as a whole is for the arbitrator, not a court, to decide. Notwithstanding the language above, if the action is based on a separate agreement or instrument between Franchisor and Franchisee (such as a promissory note or lease), the dispute resolution provision in that agreement or instrument will control rather than this Section. Arbitration proceedings will be conducted in Vacaville, California and will be heard by a single arbitrator in accordance with the then-current Rules of the AAA that apply to commercial arbitration. The Arbitrator must be a resident of the State and knowledgeable of the laws of the State; and the arbitration shall be conducted in English. The parties agree that, in connection with any arbitration proceeding, each will file any compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within 30 days after the date of the filing of the claim to which it relates. This Section D.1 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

2. Arbitration will be conducted on an individual basis only. Neither party shall commence any arbitration with a third party against the other, or join with any third party in any arbitration involving Franchisor and Franchisee. Further, neither Franchisor nor Franchisee shall attempt to consolidate or otherwise combine in any manner an arbitration proceeding involving any Franchisor Party and any Franchisee Party with another arbitration of any kind, nor shall Franchisor or Franchisee attempt to certify a class or participate as a party in a class action against the other. Notwithstanding the foregoing, if Franchisee controls, is controlled by, or is in active concert with another franchisee of Franchisor, or if there is a guarantor of some or all of the Franchisee's obligations to Franchisor, then the joinder of those parties to any arbitration between Franchisor and Franchisee shall be permitted; and in all events, the joinder of an owner, director, officer, limited liability company member or manager, partner or other representative or agent of Franchisor or Franchisee shall be permitted.

3. Notwithstanding anything to the contrary contained in this Agreement Franchisor and Franchisee will each have the right in a proper case to obtain temporary or preliminary injunctive relief from a court of competent jurisdiction. Each party agrees that the other party may have such temporary or preliminary injunctive relief, without bond, but upon due notice, and with the sole remedy in the event of the entry of such injunctive relief being the dissolution of such injunctive relief, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of such injunction being expressly waived by each party).

4. The arbitrator will have the right to award or include in the award any relief which he/she deems proper in the circumstances, including without limitation, monetary damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, in accordance with this provision; provided that the arbitrator will not award exemplary or punitive damages. The award and decision of the arbitrator will be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award.

5. Any party may apply to the arbitrator for reasonable discovery from the other. The arbitrator shall have the right to impose sanctions against a party that fails or refuses to respond to discovery allowed by the arbitrator, including but not limited to an award in favor of the party requesting the discovery.

E. Consent to Jurisdiction

If a claim is asserted in any legal proceeding involving any Franchisee Party and any Franchisor Party which is not subject to mandatory arbitration, as specified in Section D.1 above, the parties agree that the exclusive venue for disputes between them will be in the state and federal courts of Vacaville, California, and each waives any objection either may have to the personal jurisdiction of or venue in the state and federal courts of the State. Each of the Franchisor Parties and the Franchisee Parties waives its right to a trial by jury.

F. Dispute Resolution Expenses

The prevailing party in any action arising out of or related to this Agreement (including an action to compel arbitration) is entitled to recover from the other party all costs and expenses, including reasonable attorneys' fees and costs of collecting monies owed, in addition to all amounts and damages awarded. If both parties are awarded a judgment in any dollar amount, the court or arbitrator, as applicable, shall determine the prevailing party taking into consideration the merits of the claims asserted by each party, the amount of the judgment received by each party and the relative equities between the parties.

G. Interest on Default

Upon a default concerning money owed by Franchisee to Franchisor, Franchisor is entitled to recover interest on the past due amount at the rate of the lesser of 18% per annum or the highest rated permitted by applicable law, accruing from the date of default until fully paid.

H. Modifications by an Arbitrator or Court

Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that results from a court or arbitrator of competent jurisdiction striking from any of the provisions hereof any portion or portions held to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from a court or arbitrator of competent jurisdiction reducing the scope of any promise or covenant. If any court or arbitrator of competent jurisdiction declares any provision(s) or covenant(s) (including but not limited to, any covenant not to compete) of this Agreement unenforceable because of unreasonableness or being overly broad or any other reason, the Franchisee agrees to be bound to Franchisor under the terms and conditions of such provision or covenant to the maximum extent allowed by law. The remaining provisions of this Agreement shall not be affected by such modification.

I. Rights of Parties Are Cumulative

The rights of Franchisor and Franchisee are cumulative, and the exercise or enforcement by Franchisor or Franchisee of any right or remedy shall not preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled by law to enforce by the provisions of this Agreement or of the Manual.

J. Judicial Enforcement, Injunction and Specific Performance

Franchisor shall have the right to enforce by judicial process its right to terminate this Agreement for the causes enumerated in Section XXIII. of this Agreement, to collect any amounts owed to Franchisor for any unpaid Base Royalty Fees, or other unpaid charges due hereunder, arising out of the business conducted by Franchisee pursuant hereto, and to pursue any rights it may have under any leases, subleases, sales, purchases, or security agreements or other agreements with Franchisee. Franchisor shall be entitled, without bond, to the entry of temporary or permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement. If Franchisor secures any such injunction or orders of specific performance, Franchisee agrees to pay to Franchisor an amount equal to the aggregate costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of investigation, court costs, and other litigation expenses, travel and living expenses, and any damages incurred by Franchisor as a result of the breach of any provision of this Agreement.

K. Construction

Any other agreements or instruments referred to herein or which relate to the purchase or lease by Franchisee from Franchisor of any fixtures, signs, equipment, merchandise, or the like, constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between Franchisor or Franchisee relating to the subject matter of this Agreement. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of those sections or paragraphs. The term "**Franchisee**" as used herein is applicable to one or more persons, a corporation or partnership, as the case may be, the singular usage includes the plural, and the masculine and neuter usages include the other and the feminine. References to "**Franchisee**" applicable to an individual or individuals shall mean the principal owner or owners of the equity or operating control of Franchisee if Franchisee is a corporation or partnership.

L. Attorney Fees

In the event any legal proceedings between the parties hereto arise under this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs from the other party.

M. Binding Effect

This Agreement is binding upon the parties hereto and their respective permitted assigns and successors in interest.

N. There Are No Unwritten Agreements; Operations Manual is Subject to Change

This instrument contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this Agreement shall be of no force or effect unless a subsequent modification in writing is signed by the parties hereto. The manual may be amended at any time by Franchisor, however, and Franchisee shall adapt its methods or procedures to comply with the requirements thereof.

O. Entire Agreement

This Agreement, the documents referred to herein, and the attachments hereto, if any, constitute the entire, full, and complete Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements. Except for those acts 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. Regardless of anything contained herein to the contrary, nothing contained in this Agreement or any related agreement is intended to disclaim the representation made by Franchisor in the Franchise Disclosure Document.

P. Force Majeure

Except for monetary obligations hereunder, or as otherwise specifically provided in this Franchise Agreement, if either party to this Agreement shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other causes beyond the reasonable control of the party required to perform such work or act under the terms of this Agreement not the fault of such party, then performance of such act shall be excused for the period of the delay, but in no event to exceed ninety (90) days from the stated time periods as set forth in Article I of this Franchise Agreement.

XXVI. APPROVALS AND WAIVERS

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefore, and such approval or consent shall be obtained in writing.

Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee or in connection with any consent, or by reason of any neglect, delay, or denial of any request therefore.

No failure of Franchisor to exercise any power reserved to it by this Agreement or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. Waiver by Franchisor of any particular default or breach by Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default or breach of the same, similar or different nature, nor shall any delay, forbearance, or omission, breach or default by Franchisor to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

XXVII. AUTHORITY

Franchisee or, if Franchisee is a corporation or partnership, the individuals executing this Agreement on behalf of such corporation or partnership, warrant to Franchisor, both individually and in their capacities as partners or officers, that all the partners in the partnership or all of the shareholders of the corporation, as the case may be, have read and approved this Agreement, including the restrictions which this Agreement places upon their right to transfer their respective interests in the partnership or corporation, as set forth in Section XXII. herein.

XXVIII. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified, registered or express mail, return receipt requested, or by overnight delivery service, 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:
Iron Rose, LLC
33 Commerce Place, Suite B
Vacaville, CA 95687

With Copy To:
Samuel B. Morrison
25 Atlanta Street, Suite D
Marietta, Georgia 30060

Notices to Franchisee:

____
Name of Franchisee

____
____
____
Address of Franchisee

Any notice by certified, registered or express mail, or overnight delivery service, shall be deemed to have been given at the earlier of the date and time of receipt or refusal of receipt or, if by mail, three (3) business days after being deposited in the United States mail.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement in triplicate on this date _____________/_______________20__.

Iron Rose, LLC

By: ______________________________
Name, Title

By: ______________________________
Name, Title

____
Name of Franchisee Corporation Or LLC

By: ______________________________
Individually and as President

EXHIBIT 1

PERSONAL GUARANTEE

THIS PERSONAL GUARANTEE is given this ____ day of ____________, 201_, by each person (and his or her spouse) who, directly or indirectly, owns an equity interest in ______________________ Franchisee name, d/b/a dba name or its parent/affiliate company(ies) ("***Franchisee***").

In consideration of, and as an inducement to, the execution of the Franchise Agreement of even date ("***Franchise Agreement***") by Iron Rose, LLC (the "***Company***"), each of the undersigned hereby personally and unconditionally (1) guarantees to the Company and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant included in the Agreement; and (2) shall be personally bound by, and personally liable for the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives: acceptance and notice of acceptance by the Company of the foregoing undertakings; notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; any right if may have to require that an action be brought against Franchisee or any other person as a condition of liability; and any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (1) its direct and immediate liability hereunder shall be joint and several; (2) he or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by the Company of any remedies against Franchisee or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence, which the Company 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 shall in any way modify or amend this Certificate and Guarantee, which shall be continuing and irrevocable during the term of the Agreement.

The undersigned agrees to pay all expenses paid or incurred by the Company in enforcing the Agreement and this Certificate and Guarantee against Franchisee and against the undersigned and in collecting or attempting to collect any amounts due thereunder and hereunder, including reasonable attorneys' fees if such enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time or other indulgence granted from time to time by the Company, its agents, its successors or assigns, with respect to the Agreement, shall in no way modify or amend this Certificate and Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

This Guarantee is personal to each of the undersigned and the obligations and duties imposed herein may not be delegated or assigned; provided, however, that this Guarantee shall be binding upon the successors, assigns, and personal representatives of each of the undersigned. This Guarantee shall inure to the benefit of the Company, its affiliates, successors and assigns.

If any one or more provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Guarantee shall be construed to bind the undersigned to the maximum extent permitted by law that is subsumed within the terms of such provision as though it were separately articulated herein.

This Guarantee shall be interpreted and construed under the laws of the State of California, which laws shall prevail in the event of any conflict of law. The undersigned agree that any action, suit or proceeding to enforce this Guarantee or arising hereunder of concerning the interpretation of this Guarantee shall be subject to arbitration to the same extent as provided in Section XXV of the Agreement.

Each of the undersigned hereby acknowledges that (i) it is a condition to the granting of the Agreement to Franchisee that each of the undersigned shall execute and deliver this Guarantee to the Company, (ii) that the Company has entered into the Agreement in reliance upon the agreement of the undersigned to do so, and (iii) that, as owners of Franchisee, the undersigned have received adequate consideration to support their execution of this Guarantee. This Guarantee does not grant or create in the undersigned any interests, rights or privileges in the Franchise or the Agreement.

This Guarantee shall expire on the date that is four years after the date of the Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his or her signature as of the same day and year as the Agreement was executed.

GUARANTOR(S) (INCLUDING ALL SPOUSES)	PERCENTAGE OF OWNERSHIP
______________________________	______________________________%
Print Name: ______________________	
______________________________	______________________________%
Print Name: ______________________	

EXHIBIT D

OPERATIONS MANUAL TABLE OF CONTENTS

CONFIDENTIAL OSI™

Table of Contents for OSI™

Total Pages = 1024*

Article Number *Article Heading*

*Includes title pages and the following pages to be signed by the Franchisee: Confidentiality Disclaimer and Acknowledgement of Receipt.

Iron Rose, LLC 2017 Table of Contents

EXHIBIT E-1

FRANCHISEES
AS OF 12/31/2017

NONE

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EXHIBIT E-2

BUSINESSES NOT YET OPEN
AS OF 12/31/2017

Ernest A. Hernandez, Herika L. Hernandez, and Sammi Johnson
DBA MAASS LLC
1475 Moffett Blvd. #15
Manteca, CA 95336
209-679-5511

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT E-3

FORMER FRANCHISEES

NONE

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EXHIBIT F

STATE SPECIFIC DISCLOSURE SUPPLEMENTS AND FRANCHISE AGREEMENT ADDENDA

STATE ADDENDA

Following this page are Disclosure Supplements and/or Addenda to the Franchise Agreement for the following states:

1. Arkansas
2. California
3. Connecticut
4. Hawaii
5. Illinois
6. Indiana
7. Iowa
8. Louisiana
9. Maryland
10. Minnesota
11. Missouri
12. Nebraska
13. New Jersey
14. New York
15. North Carolina
16. North Dakota
17. Rhode Island
18. South Carolina
19. South Dakota
20. Washington
21. Wisconsin

You must sign the signature page for this exhibit if:
(1) you are an individual resident of any of these states; or
(2) you are an entity formed in any of these states; or
(3) you are an entity with your principal place of business in any of these states; or
(4) your Territory will be in any of these states.

If none of these conditions applies, then this exhibit is not applicable to you.

ARKANSAS

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

1. Any provision of the Agreement that would require you, at the time you enter into the Agreement, to assent to a release, assignment, novation, waiver or estoppel which would relieve any person from liability imposed by the Arkansas Franchise Practices Act is void to the extent that the provision violates applicable law.

CALIFORNIA

"THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT."

a. Franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

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

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

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

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

f. The franchise agreement requires application of the laws of the State of California. This provision may not be enforceable under California law.

g. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

h. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

CONNECTICUT

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

1. The following provision will be added to the Agreement Agent for Service of Process. Our agent in Connecticut authorized to receive service of process is Connecticut Banking Commissioner, 260 Constitution Plaza, Hartford, Connecticut 06103-1800.

2. Under the Agreement, we will lend you one copy of the Manual within 15 days after we sign the Agreement. We are not required to deliver any other items, equipment, supplies or operational guidelines to you prior to your beginning operation of your Development Business.

HAWAII

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

1. Any provision of the Agreement that requires you, at the time you enter into the Agreement, to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by Hawaii Franchise Investment Law is deleted from the Agreement.

ILLINOIS

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

1. To the extent that the Agreement would otherwise violate Illinois law, these sections are amended by providing that all litigation by or between you and us, arising directly or indirectly from the franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

2. The Illinois Franchise Disclosure Act, as amended, applies to this transaction and supersedes any conflicting provisions of the Agreement or State of Incorporation law.

3. Any provision in the Agreement that would require you to waive any right granted by the Illinois Franchise Disclosure Act is deleted from Agreement.

INDIANA

Notwithstanding anything to the contrary set forth in the 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 Franchise Disclosure Document, the Agreement, or State of Incorporation 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 Agreement, will supersede the provisions of the Agreement to the extent it may be inconsistent with this prohibition.

3. Any provision in the 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 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 Agreement:

No Limitation on Litigation. Notwithstanding the foregoing provisions of any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any the contractual provision violates the Indiana Deceptive Franchise Practices Law.

IOWA

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

1. Any provision in the Agreement which would result in your waiver of any rights under Iowa Business Opportunity Promotions Law before or at the time of signing the Agreement is void to the extent that the provision violates this law.

LOUISIANA

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

1. Any condition, stipulation or provision in the Agreement which would result in your wavier of any rights established by Louisiana law is void to the extent that the condition, stipulation or provision violates this law.

MARYLAND

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

1. Any provision in the Agreement that would require you, as part of the Agreement or as a condition of the sale, renewal or assignment of the franchise, to assent to a release which would relieve any person from liability imposed under the provisions of the Maryland Franchise Law is void to the extent that the provision violates this law.

2. Any provision in the Agreement which operates to waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland is void to the extent that the provision violates this law. Claims arising under the Maryland Franchise Law may be brought in any court of competent jurisdiction in Maryland.

MINNESOTA

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

1. Any provision in the Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that the contractual provision violates this law.

2. Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Any provision in the Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Agreement relating to exclusive mediation.

3. The following language will appear in the Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, this Agreement will not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.

4. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Agreement.

5. We will protect your rights under this Agreement to use the Mark(s), or indemnify you from any loss, costs or expenses arising out of any third-party claim, suit or demand regarding your use of the Mark(s), if your use of the Mark(s) is in compliance with the provisions of the Agreement and the System standards.

MISSOURI

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

1. Termination provisions contained in the Agreement will afford you 90 days written notice in advance of any termination, except that 90 days notice is not required for termination as a result of your criminal misconduct, fraud, abandonment, bankruptcy, insolvency, or giving a "no account" or "insufficient funds" check to us.

NEBRASKA

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

1. No release language set forth in the Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Nebraska.

2. No language set forth in the Agreement will operate to restrict the sale of any equity or debenture issue or the transfer of any securities of any franchise or in any way prevent or attempt to prevent the transfer, sale or issuance of shares of stock or debentures to employees, personnel of Franchisee, or heirs of the principal owner, so long as basic financial requirements of Franchisor are complied with and any sale, transfer or issuance does not have the effect of accomplishing a sale of the franchise.

NEW JERSEY

Notwithstanding anything to the contrary set forth in the Agreement, the following provisions will supersede and apply to all franchises subject to the New Jersey Franchise Practices Act:

1. No release language set forth in the Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of New Jersey.

2. No language set forth in the Agreement will operate to restrict the sale of any equity or debenture issue or the transfer of any securities of a franchise or in any way prevent or attempt to prevent the transfer, sale or issuance of shares of stock or debentures to employees, personnel of the franchise, or heir of the principal owner, so long as basic financial requirements of Franchisor are complied with and any sale, transfer or issuance does not have the effect of accomplishing a sale of the franchise.

3. Any term or condition which may directly or indirectly violate the New Jersey Franchise Practices Act is deleted from the Agreement.

NEW YORK

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

COVER PAGE

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

ITEM 3: LITIGATION

Except as provided above, with regard to the Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.
B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

ITEM 4: BANKRUPTCY

Neither the franchisor, its affiliates, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

ITEM 5: INITIAL FEES

The following is added to the end of Item 5:

The Initial Franchise Fee constitutes part of our general operating funds and will be used as such in our discretion.

ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

However, no assignment will be made except to an assignee who in good faith and judgement of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH CAROLINA

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

1. Agent for Service of Process. Our agent in the state of North Carolina authorized to receive service of process is the North Carolina Secretary of State, 2 South Salisbury Street, Old Revenue Complex, Raleigh, North Carolina 27601.

NORTH DAKOTA

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

1. Covenants not to compete upon termination or expiration of the Agreement are subject to Section 9-08-06, N.D.C.C., and may be generally unenforceable in the State of North Dakota.

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

3. North Dakota law applies to this transaction and supersedes any conflicting provisions of the Agreement or State of Incorporation law.

RHODE ISLAND

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

1. To the extent the Agreement would otherwise violate Rhode Island law, these sections are amended by providing that all litigation by or between you and us, involving a Development 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.

SOUTH CAROLINA

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

1. Agent for Service of Process. Our agent in South Carolina authorized to receive service of process is the South Carolina Secretary of State, 1205 Pendleton Street, Suite 525, Columbia, SC 29201.

SOUTH DAKOTA

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

1. Covenants not to compete upon termination or expiration of the Agreement are generally unenforceable in the State of South Dakota, except in certain instances as provided by law.

2. Franchise registration, employment, covenants not to compete and other matters of local concern will be governed by the laws of the State of South Dakota. As to contractual and all other matters, the Agreement will be and remain subject to the construction, enforcement and interpretation of the laws of the State of State of Incorporation.

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

4. Termination provisions covering breach of the Agreement, failure to meet performance and quality standards, and failure to make payments contained in the Agreement will afford you 30 days written notice with an opportunity to cure said default prior to termination.

5. REGISTRATION OF THIS FRANCHISE DOES NOT CONSTITUTE APPROVAL OR RECOMMENDATION OF THE FRANCHISE BY THE DIRECTOR.

6. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

WASHINGTON

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

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Development Agreement in your relationship with Franchisor including the areas of termination and renewal of your

franchise. There may also be court decisions which may supersede the Development Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise.

2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

3. A release or waiver of rights signed by a franchisee will not include rights under the Washington Franchise Investment Protection Act except when signed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as the right to a jury trial may not be enforceable.

4. Transfer fees are collectable to the extent they reflect Franchisor's reasonable estimated or actual cost in effecting a transfer.

WISCONSIN

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

1. The Wisconsin Fair Dealership Law, Chapter 135, Stats. supercedes any provisions of the Agreement that are inconsistent with that law.

IN WITNESS WHEREOF, the parties hereto have duly signed this document as of the Effective Date of the Franchise Agreement between the parties.

______________________________ ______________________

Franchise Applicant: Date:

EXHIBIT G

ELECTRONIC DEPOSITORY TRANSFER ACCOUNT AGREEMENT

AUTHORIZATION AGREEMENT FOR DIRECT WITHDRAWALS (ACH DEBITS)

I (we) hereby authorize Iron Rose, LLC, hereinafter called **COMPANY**, to initiate debit entries and to initiate, if necessary, credit entries and adjustments for any credit entries in error to my (our) Checking account at the depository financial institution, hereinafter called **DEPOSITORY**, and to credit the same to such account. I (we) understand that we will receive notification of such debits to our account if we provide a direct fax number or e-mail address below, or otherwise it shall be by ordinary mail. I (we) agree to reimburse the COMPANY for all costs or expenses it may incur if we do not have sufficient funds in the account on the date of the scheduled debit or on any future attempted debit of that amount. I (we) understand that our failure to have such necessary funds in the account on the scheduled due date is evidence of non-payment, and that the COMPANY may proceed to take any action it deems necessary to collect a debt due to our failure to pay or to have such sufficient funds on account for payment of the debt.

DEPOSITORY
NAME ____________________

CITY ____________________ STATE ____________________

ROUTING NO. ______________

ACCOUNT NO. ______________

**Attach a voided check for verification.

I understand that this is a continuing authorization for the COMPANY to initiate debit transactions to my account listed above upon my written or verbal authorization. This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Franchise Company Name ____

Authorized Signer(s)

______________________	or	______________________
Signer 1		Signer 2
______________________		______________________
Printed Name		Printed Name

Date ______________________ Fax No. ______________________

E-mail Address ____

EXHIBIT H

COLLATERAL ASSIGNMENT OF LEASE

THIS COLLATERAL ASSIGNMENT OF LEASE is made, as of the last date below written, by and between ____________ (the "**Assignor**") and Iron Rose, LLC (the "**Assignee**").

WHEREAS, the Assignor and the Assignee have entered into that certain Franchise Agreement, dated __________, 201_ (the "**Franchise Agreement**"), wherein Assignee granted Assignor a franchise to operate an OSI™ Training Facility at ____________________; and

WHEREAS, the Assignor is a party to that certain Lease Agreement, dated __________, 201_ (the "**Lease**"), between the Assignor, as lessee, and ____________, as lessor (the "**Lessor**"), wherein the Assignor agreed to lease from the Lessor, and the Lessor agreed to lease to the Assignor, the premises more fully described therein, pursuant to the terms and provisions of the Lease; and

WHEREAS, in order to induce the Assignee to enter into the Franchise Agreement, the Assignor has agreed to assign to the Assignee all of the Assignor's right, title and interest in, to and under the Lease, with the right to reassign, pursuant to this instrument, as security for the Assignor's obligations and the Assignee's rights under the Franchise Agreement.

NOW THEREFORE, in consideration for the foregoing premises and the mutual promises contained in the Franchise Agreement, as well as for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignor and conclusively established, and in order to further secure the Assignor's obligations and the Assignee's rights under the Franchise Agreement, the Assignor does hereby assign, transfer and set over unto the Assignee, with the right to reassign, all of the Assignor's right, title and interest in, to and under the Lease; it being nevertheless expressly understood and agreed that this assignment is made upon the following terms, covenants, limitations and conditions:

(i) The Assignor shall retain all of its rights under the Lease, in accordance with the terms and conditions thereof, until the termination of the Franchise Agreement by either Assignee or Assignor.

(ii) In the event of the termination of the Franchise Agreement by either Assignee or Assignor, the Assignee may, at its option, upon written notice to the Assignor and the Lessor, assume the Lease and all of the Assignor's rights and obligations thereunder. Upon exercise of this option, the Assignee shall be deemed to be substituted as a party to the Equipment Lease, in the place and stead of the Assignor, and shall be deemed to have assumed expressly all of the terms, covenants and obligations of the Lease theretofore applicable to the Assignor and shall likewise be entitled to enjoy all of the rights and privileges granted to the Assignor under the terms and conditions of the Lease. Notwithstanding the foregoing, Assignor shall in all events remain fully obligated for all of its obligations under the Lease with respect to the period through and including the date that Assignee exercises its rights under this Paragraph 2 (the "**Exercise Date**").

(iii) So long as the Assignee shall not have exercised its option to assume Assignor's rights and obligations under the Lease under the foregoing provisions, the Assignee shall not be liable for any of the Assignor's obligations under the Lease, and the Assignor shall remain solely liable for all such obligations. Assignor shall reimburse Assignee, upon demand, for any payments made by Assignee under the Lease with respect to the period through and including the Exercise Date.

AND FURTHER, the Lessor unites in this assignment for the purpose of indicating its consent to the aforesaid assignment to the Assignee, with the right to reassign, and hereby agrees with the Assignor and the Assignee that, in the event of any default by the Assignor under the Lease, the Lessor will provide to Assignee the same notice and opportunity to cure with respect to such default as is currently provided to the Assignor under the Lease; and that, so long as the Assignee has not assumed the Lease, the Assignee shall not be liable for any other obligations of the Assignor thereunder, and the Assignor shall remain solely liable for all such obligations.

IN WITNESS WHEREOF, the parties hereto have executed this Collateral Assignment of Lease this ____ day of ___________, 201__.

Assignee:

Iron Rose, LLC

By: ____________________________
Name:
Title:

Assignor:

By: ________________________
Name:
Title:

Attest: _____________________
Name:
Title:

Lessor:

By: ____________________________
Name:
Title:

STATE OF :
: **SS**
COUNTY OF :

Personally appeared before me, a Notary Public in and for the jurisdiction aforesaid, ____________________ and ________________, known or satisfactorily proven to me to be the and __________________ and _________________, respectively, of the Assignor and who acknowledged the foregoing as the true act and deed of the said company this ___ day of _________, 201_.

____
NOTARY PUBLIC

My Commission expires:

EXHIBIT I

CONFIDENTIALITY AGREEMENT

BETWEEN FRANCHISOR AND FRANCHISEE

This agreement is entered into this ____ day of __________, 20__ by ____________________ (hereinafter "**Applicant**") of ____ and Iron Rose, LLC (hereinafter "**Franchisor**") of Vacaville, CA whereby the parties hereto agree to disclose information to each other for the purpose of enabling Applicant to obtain information to make a decision to purchase an OSI™ (hereinafter "**OSI**") franchise; and, Franchisor to determine Applicant's capabilities to purchase an OSI franchise operation. Applicant agrees to keep "**Confidential**" (as provided herein) all information about the OSI System of operations, site analysis and business administrative documentation learned while evaluating the OSI franchise business opportunity. Franchisor agrees to keep "**Confidential**" any information about Applicant it learns while evaluating Applicant's capabilities to operate an OSI franchise, except as provided herein below.

Parties hereto agree that all such information about the other party is proprietary and valuable to each other, and that sever harm to the other party may be done by unauthorized disclosure of such information. The remedy for such unauthorized disclosure may be established by law or a court of competent jurisdiction.

The time period for maintaining confidential all such information about the other party is forever and one day "**Confidential**" shall mean non-disclosure of any information to any other person or entity, except, that:

1. Applicant may provide any licensed attorney at law copies of any legal documents that Applicant may be asked to sign by Franchisor, provided the attorney agrees to keep such documents confidential as professional standards dictate;

2. Applicant may provide any accountant or other financial advisor (including unlicensed financial advisors) any financial information Applicant obtains or develops relating to the proposed OSI franchise opportunity or location, provided the accountant or financial advisor agrees to keep such information confidential, as ordinary standards of confidentiality dictate;

3. Applicant may provide any other business advisor any information about the OSI franchise business opportunity, except relating to any OSI product or operation specifications, provided the business advisor agrees not to divulge such information to others without the prior written permission of Franchisor;

4. Upon Applicant's written approval, Franchisor may provide any financial information it obtains from Applicant to credit reporting agencies, banks, other lenders and/or other financial institutions, in order to obtain information to make a decision on Applicant's financial ability to purchase and operate a franchised OSI business. Franchisor may also provide such financial information to said financial institutions for purposes of obtaining credit on behalf of said Applicant.

In consideration of Franchisor allowing Applicant to undergo any operation orientation or training program as part of Applicant's analysis process to purchase an OSI franchise, Applicant agrees to hold Franchisor harmless from any injury Applicant may incur in said orientation or training program.

Franchisor ____________________________ Applicant ________________________

By ___________________________________ By ______________________________
Authorized Officer Authorized Officer

EXHIBIT J

NONDISCLOSURE AND CONFIDENTIALITY AGREEMENT

BETWEEN FRANCHISEE AND INDIVIDUAL (I.E. EMPLOYEES)

This "**Agreement**" made as of the ____ day of ____________, 20___, (the "**Effective Date**") is by and between Iron Rose, LLC ("**Franchisor**") and __________________________ ("**Franchisee**").

WITNESSETH:

WHEREAS, Franchisee is a party to that certain **OSI™** Business Franchise Agreement ("**Franchise Agreement**") by and between Franchisee and Franchisor; and

WHEREAS, Franchisee desires Individual to have access to or to review certain Trade Secrets and other Confidential Information of the Franchisor, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to Franchisor's Trade Secrets and other Confidential Information; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such Trade Secrets or other Confidential Information to compete against Franchisor, Franchisee or any other franchisee of Franchisor now or in the future.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Recitals

The above preamble and recitals are true and correct and incorporated into this Agreement.

2. Trade Secrets

Individual understands Franchisee possesses and will possess the Franchisor's Trade Secrets, which is important to its business. For purposes of this Agreement, "**Trade Secrets**" is information, without regard to form including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, pro-formas, strategic plans, product plans, lists of actual or potential customers or suppliers which are not commonly known by or available to the public and which information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Individual understands Franchisee's providing of access to the Trade Secrets creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets.

3. Confidential Information

For purposes of this Agreement, "**Confidential Information**" means technical and non-technical information used in or related to the OSI™ Franchised business and not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified as confidential when delivered by the Franchisor. Confidential Information shall not include, however, any information established by documentary evidence that: (a) is now or subsequently becomes generally available to the public through no fault of the Individual; (b) the Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

4. Confidentiality/Non-Disclosure

a) Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any of the Franchisor's Trade Secrets or other Confidential Information.

b) Individual's obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual's relationship with Franchisee as an officer, director, executive or manager of Franchisee or a holder of a legal or beneficial interest in Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Individual shall (and Franchisee is entitled to) communicate Individual's obligations under this Agreement to any future customer or employer of Individual to the extent deemed necessary by Franchisee for protection of Franchisee's rights and obligations herein.

5. Miscellaneous

a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

b) The Franchisor reserves the right to reduce the scope of the obligations under the covenants contained in Articles XVI.B and XVI.C of the Franchise Agreement unilaterally and without the consent of any other person or entities effective upon giving notice thereof.

c) If one or more provisions of this Agreement are held to be illegal or unenforceable under applicable law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms.

d) This Agreement shall be effective as of the Effective Date and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns.

e) Individual shall reimburse Franchisee for any and all costs and attorney fees incurred by Franchisee in the enforcement of the terms of this Agreement.

f) The failure of either party to insist in any one or more instances upon performance of any terms and conditions of this Agreement shall not be construed as a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

g) The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

h) The Franchisor shall be a third-party beneficiary of this Agreement.

INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY, AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

IN WITNESS WHEREOF, Franchisee has caused this Agreement to be executed by its duly authorized officer and Individual has executed this Agreement, as of the Effective Date.

WITNESS:	**INDIVIDUAL:**
____________________	____________________
____________________ Printed Name	____________________ Printed Name
WITNESS:	**FRANCHISEE:** ____________________
____________________	**By:** __________________
____________________ Printed Name	**Its:** __________________
WITNESS:	**FRANCHISOR:** **Iron Rose, LLC**
____________________	**By:** __________________
____________________ Printed Name	**Its:** __________________

EXHIBIT K

RELEASE

This **RELEASE** ("**Release**") is made as of the latest date set forth on the signature page hereof between Iron Rose, LLC, ("**Franchisor**"), and the undersigned person or entity ("**Franchisee**").

Background

A. Franchisor and Franchisee have entered into a Franchise Agreement dated ________ for a franchised business located at __________ (the "**Agreement**").

B. Franchisee desires to [transfer] [renew] its franchise rights and Franchisor agrees to consent to such [transfer] [renewal], subject to the conditions contained herein.

NOW THEREFORE, incorporating the foregoing Background herein by reference and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Termination of Agreement.** Franchisor and Franchisee agree and acknowledge that the Agreement is hereby immediately terminated and shall be of no further force or effect.

2. **Conditions.** This Release is expressly contingent upon the execution [by the transferee][by Franchisee], concurrently with the execution of this Release, of Franchisor's current form of franchise agreement for the operation of a franchised business at __________ [and such other documents as the Franchisee and transferee have agreed upon and Franchisor has approved in connection with such transfer]. The franchise agreement described in this paragraph includes any ancillary agreements contained in Franchisor's current franchise disclosure document.

3. **Release.**

(a) Franchisee, to the fullest extent permitted by law, hereby forever releases and discharges Franchisor and waives any and all rights or Claims it has, may have, had, or may have had against Franchisor, its affiliates and each of their officers, directors or employees from the beginning of time until the date of this Release, of any kind, whether known or unknown, including but not limited to any Claims arising under or related to the Agreement.

(b) As used in this paragraph 3, "**Claims**" means any and all manner of actions, causes of action, suits, debts, dues, sums of money, account reckonings, bonds, bills, specialties, covenants, contracts, controversies, sanctions, costs, attorneys' fees, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, of whatever kind or nature, whether absolute or contingent, known or unknown, matured or unmatured, at law, in equity, or in any other proceeding.

(c) Nothing contained in this paragraph 3 is intended to affect the rights and responsibilities of the parties under any of the agreements described in paragraph 2 or any agreements between the parties which may be executed concurrently herewith.

4. **Representations and Warranties.** Franchisee represents and warrants to the Franchisor as follows:

(a) The execution and delivery of this Release does not violate any law applicable to Franchisee, Franchisee's organizational documents, or any other agreement binding upon Franchisee.

(b) Franchisee has the power and authority to execute and deliver this Release and has taken all necessary action (corporate or otherwise) to authorize the execution and delivery of this Release.

5. Miscellaneous.

(a) This Release shall be construed in accordance with and governed by the laws of the State of California, without regard to its conflict of laws rules.

(b) This Release constitutes the sole agreement of the parties with respect to the subject matter hereof and thereof and supersedes all oral negotiations and prior writings with respect to the subject matter hereof and thereof. No amendment of this Release, and no waiver of any one or more of the provisions hereof shall be effective unless set forth in writing and signed by the parties hereto.

(c) This Release shall be binding upon the parties hereto and, where applicable, their respective heirs, executors, administrators, successors and permitted assigns, and shall inure to the benefit of the parties hereto and, where applicable, their respective heirs, executors, administrators, successors and permitted assigns.

IN WITNESS WHEREOF, the parties have caused this Release to be signed by their duly authorized representatives.

Iron Rose, LLC	______________________
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Title: ______________________	Title: ______________________
Date: ______________________	Date: ______________________

EXHIBIT L

RECEIPT
(Your Copy)

Iron Rose, LLC
33 Commerce Place, Suite B
Vacaville, CA 95687
1-800-310-7127
Franchising@oldskooliron.com

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Iron Rose, LLC offers you a franchise, it must provide this disclosure document to you fourteen (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. Under Illinois, Iowa, Maine, Maryland, Nebraska, New York, Oklahoma, Rhode Island or South Dakota law, if applicable, we must provide this disclosure document to you at your first (1st) personal meeting to discuss the franchise.

If Iron Rose, 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 the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Darren Monahan, Marc Fabiani, and Rae Stewart, Iron Rose, LLC, 33 Commerce Place, Suite B, Vacaville, CA 95687, 1-800-310-7127 or Franchising@oldskooliron.com. In addition, please identify the individual franchise seller who offered you an OSI franchise in the space provided below:

☐ Darren Monahan
Iron Rose, LLC
33 Commerce Place Suite #B
Vacaville CA 95687
800-310-7127

☐ Marc Fabiani
Iron Rose, LLC
33 Commerce Place Suite B
Vacaville CA 95687
800-310-7127

☐ Rae Stewart
Iron Rose, LLC
33 Commerce Place Suite B
Vacaville CA 95687
800-310-7127

☐ Roger Studebaker
Franfaire Franchise Consultants

1652 West Texas St. Suite 248
Fairfield CA 94533
888-217-8865

Issuance Date: April 30, 2018

See Exhibit A for our registered agents authorized to receive service or process.

I have received a disclosure document dated _______________ that included the following Exhibits:

A.	State Agencies/Agents for Service of Process
B.	Franchise Agreement
C.	Financial Statements
D.	Operations Manual Table of Contents
E-1	Franchisees [as of December 31, 2017]
E-2	Businesses Not Yet Open [as of December 31, 2017]
E-3	Former Franchisees
F.	State Specific Disclosure Supplements and Franchise Agreement Addenda
G.	Electronic Depository Transfer Account (EDTA) Document
H.	Collateral Assignment of Lease
I.	Nondisclosure and Confidentiality Agreement
J.	Confidentiality Agreement
K.	Release
L.	Receipts

______________	______________	______________
Date	Signature	Printed Name

______________	______________	______________
Date	Signature	Printed Name

RECEIPT

(Our Copy)

Iron Rose, LLC
33 Commerce Place, Suite B
Vacaville, CA 95687
1-800-310-7127
Franchising@oldskooliron.com

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Iron Rose, LLC
33 Commerce Place Suite #B
Vacaville CA 95687
800-310-7127

☐ Marc Fabiani
Iron Rose, LLC
33 Commerce Place Suite B
Vacaville CA 95687
800-310-7127

☐ Rae Stewart
Iron Rose, LLC
33 Commerce Place Suite B
Vacaville CA 95687
800-310-7127

☐ Roger Studebaker
Franfaire Franchise Consultants
1652 West Texas St. Suite 248
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J. Confidentiality Agreement
K. Release
L. Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name