



Sasquatch Strength Franchise LLC,  
a Florida limited liability company  
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## FRANCHISE DISCLOSURE DOCUMENT

The franchise offered is for the right to own and operate a Sasquatch Strength facility which provides functional training in a group setting, implementing popular fitness regimens and focused on a community feel with a systematic approach to customer interaction and engagement.

The total investment necessary to begin operation of Sasquatch Strength franchise ranges from ~~\$182,800~~198,400 to ~~\$281,100~~326,400 including ~~\$4348~~,500 to ~~\$4550~~,000 which must be paid to the franchisor or affiliate.

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

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 ~~Andres Gaviria at 5201 Blue Lagoon Drive #800, Miami, FL 33126~~Isaac Vaisberg at 17523 NE. 67th Ct. Redmond WA 98052; (206) 462-2399 or [franchise@sasquatchstrength.com](mailto:franchise@sasquatchstrength.com).

The terms of your contract will govern your franchise relationship. Do not 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. Information comparing franchisors is available. Call your state agency or your public library for sources of information. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," is available from the FTC. You can contact the FTC at 1-877-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's homepage at [www.ftc.gov](http://www.ftc.gov) for additional information. In addition, there may be laws on franchising in your state. Ask your state agencies about them.

**Issuance Date: ~~January 15th, 2020~~April 1st, 2021**

## How to Use This Franchise Disclosure Document

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

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

## **What You Need To Know About Franchising *Generally***

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

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

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

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

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

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

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

### **Some States Require Registration**

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

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

### Special Risks to Consider About *This Franchise*

1. **Out of State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us by arbitration only in Florida. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate with us in Florida than in your own state.
2. **Out of State Governing Laws.** The franchise agreement states that Florida law governs the agreement, and this law may not provide the same protections and benefits as local law. You may want to compare these laws.
3. **Signing Requirement of Spouses of Owners.** The franchise agreement requires that spouses, even those who do not have any ownership or equity in the franchised business, must sign a guaranty making such spouse jointly and severally liable for the obligations under the agreement, placing personal assets at risk.
4. **Limited Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
5. **Our Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

## **NOTICE REQUIRED BY STATE OF MICHIGAN**

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that the 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 terms 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 such 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 franchise 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 six (6) months advance 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 or 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

qualifications 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.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisee. 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 (c).
- (i) 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 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 Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

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APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS, IF ANY, APPEAR IN THE STATE ADDENDA AT EXHIBIT G.



## ITEM 1. THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, "Sasquatch Strength," "we," "us," and "our" means Sasquatch Strength Franchise, LLC., the franchisor. "You," "your," and "Franchisee" means the person, and its owners if the Franchisee is a business entity, who buys the franchise from us.

### The Franchisor

Sasquatch Strength Franchise, LLC, is a Florida limited liability company formed on December 14, 2018. We operate under the name Sasquatch Strength and no other name. Our principal business address is 5201 Blue Lagoon Drive #800, Miami, FL 33126. We offer franchises ("Sasquatch Strength Franchise(s)" or "Franchise(s)") for Sasquatch Strength gyms and have done so since March 2019. We do not conduct business under any other name or in any other line of business and we do not offer franchises in any other line of business.

We have ~~two~~ a single parent ~~companies: (1) company,~~ Sasquatch Holdings LLC, which was formed on November 15, 2018 with a principal business address of 17523 NE 67th Court, Redmond, Washington 98052 ~~and (2).~~ Franchise Founders 1, LLC, formed on June 14, 2018 with a principal business address of ~~use~~ 5201 Blue Lagoon Drive #800 Miami, FL 33126 was a parent company until March 22, 2021, when they sold their minority ownership to Sasquatch Holdings LLC.

Neither the franchisor nor its parent ~~companies~~ company operate any Sasquatch Strength gyms or similar type of businesses.

We have one Affiliate that operates three franchisor Sasquatch Strength locations in the state of Washington, Sasquatch Strength Inc., with a principal business address of 17523 NE 67th Court, Redmond, Washington, 98052 which was founded September 28<sup>th</sup>, 2016

We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

We do not have any predecessors.

~~Franchise Founders 1, LLC handles the management and sales on behalf of Sasquatch Strength Franchise, LLC.~~

Our agent for service of process in Florida is Andres Gaviria, 5201 Blue Lagoon Drive #800, Miami, FL 33126. Our agents for service of process for other states are identified by state in Exhibit D. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

## **The Franchise**

Sasquatch Strength Franchisees operate a fitness facility providing functional training in a group setting, implementing popular fitness regimens and focusing on generating a community feel with a systematic approach to customer interaction and engagement using our trade name and Marks. Sasquatch Strength facilities operate under our system ("System") and use Sasquatch Strength's trademarks, service marks, trade names and logos (the "Marks"). The System may be changed or modified by us throughout your ownership of the Franchise. Required locations for Sasquatch Strength facilities typically measure from 2,000 to 3,000 square feet. ("Sasquatch Strength location").

You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit A ("Franchise Agreement"). You may operate one Sasquatch Strength facility for each Franchise Agreement you sign.

## **Market and Competition**

The primary market for the products and services offered by Sasquatch Strength gyms is the general public. The products and services offered by Sasquatch Strength are not seasonal, although you may experience peak months and membership fluctuations. The fitness and workout centers market, as a whole, is well-developed and in some markets, can be competitive. You may have to compete with numerous other independent and chain-affiliated businesses, some of which may be franchised. Many businesses may have already established national and international brand recognition. You will also face normal business risks that could have an adverse effect on your Sasquatch Strength franchise.

## **Industry-Specific Laws**

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your Sasquatch Strength facility. In all cases, you must also comply with laws that apply generally to all businesses. You should investigate these laws and consult with a legal advisor about whether these and/or other requirements apply to your Franchise.

Also, you must comply with all laws, rules and regulations governing the operation of the Sasquatch Strength gym and obtain all permits and licenses necessary to operate the Sasquatch Strength gym. Many states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Sasquatch Strength gym, including those that: (a) require a permit, certificate or other license; (b) establish general standards, specifications and requirements for the construction, design and maintenance of your business site and premises; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements, restrictions on smoking and exposure to tobacco smoke or other carcinogens, availability of and requirements for public accommodations, including restroom facilities and public access; (d) set standards pertaining to employee health and safety; (e) set standards and requirements for fire safety and general emergency preparedness; and (f) regulate the proper use, storage and disposal of waste or other

hazardous materials.

You must obtain all necessary permits, licenses and approvals to operate your Sasquatch Strength gym. There may be other regulations that establish certain standards, specifications, and requirements that must be followed by you. You alone are responsible for investigating, understanding and complying with all applicable laws, regulations and requirements applicable to you and your Sasquatch Strength franchise, despite any advice or information that we may give you. You should consult with a legal advisor about whether these and/or other requirements apply to your Sasquatch Strength gym. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

## ITEM 2. BUSINESS EXPERIENCE

**Founder- Isaac Vaisberg:** Mr. Vaisberg has served as our Founder since our inception in December 2018. Mr. Vaisberg has served as Founder and CEO of our Affiliate, Sasquatch Strength, Inc., in Redmond, Washington since its inception in July 2016. Mr. Vaisberg has served as President and Owner of Sammamish CrossFit 2014, LLC in Sammamish, Washington since its inception in April 2014.

~~**Controller- Stewart Newman:** Mr. Newman has served as our CFO since our inception in December 2018. Mr. Newman currently is Chief Executive Officer at Franchise Founders Group. Prior to joining Franchise Founders Group, Mr. Newman held several senior positions in the commercial banking and finance industry. Mr. Newman previously served as Business Analyst for Safe Harbor Equity in Miami, Florida from January 2018 to September 2018. Mr. Newman served as COO of House Tab in Weston, Florida from January 2015 to January 2018. Mr. Newman served as Senior Vice President for Citibank in Doral, Florida from April 2006 to January 2015.~~

~~**VP of Operations- Andres Gaviria:** Mr. Garcia served as Director of Franchise Development since our inception in December of 2018. He serves as Director of Business Development for the Franchise Founders Group. Prior to his work at the Franchise Founders Group, he worked as a Senior Account Executive at a start-up healthcare technology company managing the end-to-end customer relationship life cycle, from lead generation and prospecting through contract negotiations and relationship management. Before his tenure in the start-up space, Andres worked at Laser Spine Institute, supporting ambulatory surgical center operations, managing business development initiatives, and creating operational efficiencies. Mr. Gaviria served as Senior Account Executive for Providerflow in Boca Raton, Florida from June 2017 to August 2018. Mr. Gaviria previously served as a Consultation Specialist for Laser Spine Institute from October 2015 to June 2017. Prior to this, Mr. Gaviria served as a Realtor Associate for Great Properties International in Key Biscayne, Florida from March 2014 to October 2015. Mr. Gaviria served as a Marketing Associate for PGA Tour in Miami, Florida from September 2013 to March 2014.~~

**Leon Troy Morse - Director of Programming:** From 2010-2017 Mr. Morse was the Managing Member, and owner of Fuse Performance LLC. DBA CrossFit Fuse. He started his position at Sasquatch Strength as a coach and Director of Programing in 2016. Mr. Morse has 12 years and roughly 25,000+ Hours of experience Coaching Individual athletes, average Joes, group classes

and teams. Over 14 distinct fitness certifications, including nationally recognized Olympic weightlifting and Powerlifting certifications. Multiple personal state and national records in powerlifting and Olympic weight lifting. Experience coaching national level powerlifting and weightlifting athletes, most notably his daughter, who in 2018 was awarded the gold medal in the Snatch at youth nationals.

**Jason Cobb- COO:** With 27 years of experience in building and supporting IT systems and infrastructure Mr. Cobb has built large scale network systems for the University System of Georgia before developing, implementing and supporting business management systems for a financial broker dealer trading upwards of 10% of the daily volume on the New York and Nasdaq Stock Exchanges. Along with building the infrastructure he also trained hundreds of individuals on the use of their proprietary systems. Jason brings these years of knowledge to Sasquatch Strength to build and refine the sales, member, and retention processes to create a world class fitness facility.

### ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

### ITEM 4. BANKRUPTCY

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

### ITEM 5. INITIAL FEES

#### Initial Franchise Fee

The “Initial Franchise Fee” for a single Sasquatch Strength gym is \$~~40~~45,000. The Initial Franchise Fee is payment for the pre-opening assistance that we provide to you to allow you to open your Sasquatch Strength gym and also offsets some of our franchisee recruitment expenses. The Initial Franchise Fee is uniform, payable when you sign your Franchise Agreement and is nonrefundable. The Initial Franchise Fee will be offered at a 25% discount of the then current Initial Franchise Fee for additional units for existing franchisees in good standing with Sasquatch Strength Franchise LLC. We offer a \$5,000 discount for individuals who have had a managing role in a Sasquatch Strength unit for a minimum of a year. This discount will be applied before any other discounts are applied. Veterans of any military service who were honorably discharged will be offered a discount of 25% of the Initial Franchise Fee.

To the extent required by state franchise administrators, certain states may require that we defer the initial franchise fee until our initial obligations are met. See the State Law Addenda attached as Exhibit G to this disclosure document. We currently defer the Initial Franchise Fee and the Initial supplies purchased from us (below) until our initial obligations are met in Washington State and the franchisee is open for business.

~~In November of 2019 we entered into a franchise agreement with Bigfoot Strong, LLC in which~~

~~we charged an Initial Franchise Fee of \$21,000 because they were the first franchisee to sign an agreement.~~

### Initial Supplies (purchased from Franchisor)

You will purchase opening inventory and supplies directly from the Franchisor. This amount ranges from \$3,500 to \$5,000. Once paid, these purchases for the initial supplies are non-refundable.

## ITEM 6. OTHER FEES

| TYPE OF FEE <sup>(1)</sup>                              | AMOUNT                                                                                                                                                                       | DUE DATE                                           | REMARKS                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Royalty <sup>(2)</sup>                                  | 6.5% of Monthly Gross Sales                                                                                                                                                  | Due on the 15th of each month for the prior month. | The "Royalty" is based on " <u>Gross Sales</u> " <sup>(3)</sup> during the previous month. Your Royalty is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance.                                                                                                     |
| National Advertising and Technology Fund <sup>(4)</sup> | 1% of Monthly Gross Sales                                                                                                                                                    | Same as Royalty                                    | We currently are not collecting this fee but may start at any time during our agreement. This contribution will be used for a system-wide "National Advertising and Technology Fund" for our use in promoting and building Sasquatch Strength brand and technological advances. We can raise this FEE to up to 2% upon written notice.                          |
| Local Advertising Payment                               | \$2,500                                                                                                                                                                      | Monthly                                            | This payment must be paid to vendors for the purpose of marketing your location.                                                                                                                                                                                                                                                                                |
| Insurance                                               | You must reimburse us for the actual cost plus 20% for the insurance policies.                                                                                               | When billed                                        | If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained plus twenty percent (20%) of the premium for an administrative cost of obtaining the insurance.                                                                                                                                  |
| Additional Training or Assistance Fees <sup>(5)</sup>   | Currently, we charge \$250 per person per day if ongoing training is at our location, and \$250 per person per day (plus hotel, air fare, and other expenses incurred by our | When training or assistance begins                 | We provide initial training at no charge for up to four people. We may charge you for training additional persons, newly-hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request. The fee amount will depend on the training required and experience level of the trainer. |

| TYPE OF FEE <sup>(1)</sup>              | AMOUNT                                                                                                  | DUE DATE                                                                   | REMARKS                                                                                                                                                                                                                              |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         | trainer) if ongoing training is at your location                                                        |                                                                            |                                                                                                                                                                                                                                      |
| Convention Fee                          | Then-current fee (currently estimated to be \$500 per person)                                           | Annually                                                                   | Payable to us to help defray the cost of your attendance at any annual convention that we choose to hold. This fee is due regardless of whether or not you attend our annual convention in any given year.                           |
| Late Payment Fee                        | \$100 per occurrence                                                                                    | As incurred                                                                | Payable if any payment due to us or our affiliates is not made by the due date. Interest accrues from the original due date until payment is received in full.                                                                       |
| Non-Sufficient Funds Fee <sup>(6)</sup> | \$75                                                                                                    | As incurred                                                                | Payable if any check or electronic payment is not successful due to insufficient funds, stop payment, or any similar event.                                                                                                          |
| Audit Expenses <sup>(7)</sup>           | Cost of inspection plus the amount of underpayment plus the late payment fees as described above.       | Cost of inspection – when billed; underpayment and interest – immediately. | You will be required to pay this if an audit reveals that you understated monthly Gross Sales by more than two percent (2%) or you fail to submit required reports.                                                                  |
| Indemnification <sup>(8)</sup>          | Will vary under circumstances                                                                           | As incurred                                                                | You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your Sasquatch Strength gym or Franchise.                                                                  |
| Renewal Fee <sup>(9)</sup>              | \$1,750                                                                                                 | At time of renewal                                                         | Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement. You must sign a then current version of our Franchise Agreement.                                                  |
| Relocation Fee                          | \$500 plus expenses                                                                                     | Upon relocation                                                            | You must reimburse us for our reasonable expenses plus \$500 if we permit you to relocate your Sasquatch Strength gym. We will provide you with copies of our invoices for our expenses from any third-party providers upon request. |
| Transfer Fee <sup>(10)</sup>            | The greater of 25% of the franchise fee at the time you signed the initial Franchise Agreement or 5% of | At the time of transfer                                                    | Payable in connection with the transfer of your Sasquatch Strength gym, a transfer of ownership of your legal entity, or the Franchise Agreement. There are various other conditions you must meet for us to approve                 |

| TYPE OF FEE <sup>(1)</sup>                                       | AMOUNT                                                                                        | DUE DATE                                                                            | REMARKS                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                  | the sale price                                                                                |                                                                                     | your transfer request.                                                                                                                                                                                                                                                                                                                                                                                              |
| Liquidated Damages <sup>(11)</sup>                               | Will vary under the circumstances                                                             | Within 15 days after termination of the Franchise Agreement                         | Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.                                                                                                                                                                                                                                          |
| Integrated Technology Platform                                   | Currently \$ <del>850</del> <u>950</u>                                                        | Monthly                                                                             | This is paid directly to US for the use of integration software between website, CRM platform, member management and accounting platforms. This also includes access to customized FranConnect platform, where training modules, marketing materials, and pertinent documents will be made accessible. This dedicated platform will also facilitate Franchisee and Franchisor communication and problem resolution. |
| Franchise Management and Financial Analytics <sup>(12)</sup>     | \$280                                                                                         | Monthly                                                                             | You must pay this fee to our approved Vendor Fran Metrics which will cover bookkeeping, reporting and the required QuickBooks Online Subscription.                                                                                                                                                                                                                                                                  |
| Monthly Music and Licensing                                      | \$150                                                                                         | Monthly                                                                             | You must pay this fee in order to play music at your location for licensing and royalty purposes.                                                                                                                                                                                                                                                                                                                   |
| Retraining Fee                                                   | Our then current standard rates or \$250 per trainee per day, whichever is greater.           | At the time of retraining                                                           | Payable to us if your manager does not pass initial training and we permit you to send a substitute manager to us for training.                                                                                                                                                                                                                                                                                     |
| Testing of products or approval of new suppliers <sup>(13)</sup> | Not to exceed \$1000                                                                          | When billed                                                                         | This covers the costs of testing new products or inspecting new suppliers you propose to us.                                                                                                                                                                                                                                                                                                                        |
| Interest <sup>(14)</sup>                                         | The lesser of 1.5% per month or the highest commercial contract interest rate allowed by law. | Amounts not received by us within (5) days after the due date shall incur interest. | Due on all overdue amounts.                                                                                                                                                                                                                                                                                                                                                                                         |
| Maintenance and Refurbishing of Business <sup>(15)</sup>         | You must reimburse our expenses.                                                              | As incurred                                                                         | If, after we notify you, you do not undertake efforts to correct deficiencies in store appearance, then we can undertake the repairs and you must reimburse us.                                                                                                                                                                                                                                                     |

| TYPE OF FEE <sup>(1)</sup>                              | AMOUNT                                                 | DUE DATE    | REMARKS                                                                                                                                                                              |
|---------------------------------------------------------|--------------------------------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cost of Enforcement <sup>(16)</sup>                     | Any and all costs, including reasonable attorney fees. | Upon demand | You must reimburse us for all costs and attorney fees if we are the prevailing party in litigation with you.                                                                         |
| Use of unauthorized marketing materials. <sup>17)</sup> | \$500 per occurrence                                   | Upon Demand | You are required to get our approval to use any marketing material prior to use. You may have to pay this fee for each time you use marketing material without our written approval. |
| Management Fee <sup>(18)</sup>                          | Will vary, currently \$250 per person per day.         | As incurred | You must pay this fee when we (or a third party) manage your franchise after your default or abandonment.                                                                            |

Notes:

1. **Fees:** All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer ("EFT") or other similar means. You are required to complete the EFT authorization (in the form attached to this Franchise Disclosure Document in Exhibit H). We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. All fees payable to third parties may increase over the term of the Franchise Agreement. Company and affiliate-owned franchised Sasquatch Strength gyms are not required to pay Royalties.
2. **Royalty Fee:** As a Franchisee, you are obligated to pay us a percentage of your sales as compensation for your rights as a Franchisee (the "Royalty"). The Royalty rate is currently set at 6.5% of your Gross Sales as calculated per month for the entire term of the Franchise Agreement. The Royalty collection begins on the 15th day after the end of your first month of operation for your prior month's gross sales. The Royalty is due and payable the 15<sup>th</sup> of each month, to be paid according to our specifications. Royalty fees shall be payable to us by direct deposit from franchisee's account. We reserve the right to change the time and manner of payment at any time upon written notice to you.
3. **"Gross Sales":** means the total selling price of all revenue and income from the sale of all Sasquatch Strength products and services and other related charges to your customers, whether or not sold or performed at or from your Sasquatch Strength gym, and whether received in cash, check, credit card, coupon, in services in kind, from barter and/or exchange, on credit (whether or not payment is received) or otherwise. You may deduct from Gross Sales for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. You may also deduct from Gross Sales the amount of any documented refunds, chargebacks, credits, charged tips, and allowances you give in good faith to your customers. All barter and/or exchange transactions in which you furnish products and/or services in exchange for products and/or services provided to you by a vendor, supplier, or customer will, for the purpose of



determining Gross Sales, be valued at the full retail value of the products and/or services so provided to you.

4. **National Advertising and Technology Fund:** In the future, Franchisor may activate a National Advertising and Technology Fund which you will be required to contribute to. Once the National Advertising and Technology Fund ("NATF") is established, you will pay us an NATF contribution equal to 1% of your monthly Gross Revenue for every month during which this Franchise Agreement remains in effect. The NATF contribution is collected by us from all Franchisees. The payment of the NATF contribution begins 15th day after the end of your first month of operation for your prior month's gross sales (as defined in Note 1) and is due on the 15th of each month, for the duration of your Franchise term. We may raise, discontinue, or reduce your required contribution at our sole discretion by providing advanced written notice to you. We will not raise this rate to more than 2% of your monthly Gross Revenue during the term of your franchise agreement. You shall pay the NATF contribution at the same time, and on the same terms, as the Royalty Fee described above.

We will place all NATF contributions in a separate bank account dedicated to the NATF. We may use this fund for marketing, local, regional, national, or international advertising, public relations, product and service promotions, surveys, test marketing, research and development, administrative costs related to NATF services (including salaries, accounting, collections, legal fees, and any other costs), media expenses, and any other related costs. We will make the expenditures at our sole discretion in accordance with our judgment and needs. We do not represent that any particular level of expenditure will be made for any particular program, or to benefit particular franchisees or franchised locations; nor are we required to dedicate any amount whatsoever on advertising or marketing in the area where you are located. We will not spend any NATF funds for activities that are principally or solely a solicitation for the sale of additional franchises. Your contribution to the NATF does not create any fiduciary relationship between us and you concerning our expenditure, control, or use of the NATF.

5. **Additional Training or Assistance Fees:** Training fees may be imposed on you according with our policies
6. **Non-Sufficient Funds Fee:** We may charge you an insufficient funds fee if any payment you owe is rejected due to insufficient funds in your EDTA, or if any other payment instrument you are authorized to use is rejected for insufficient funds.
7. **Audit Expenses:** We will assess Audit fees against you if you fail to provide us reports, supporting records, or any other information we require under the Franchise Agreement; or if you understate Royalty payments, or NATF contributions by more than 2%. Audit fees are payable to us, collected by us, and are non-refundable. The total amount of the audit fees that you pay us will vary depending on the cost of the audit itself (for which you will be entirely liable), and whether you have any unpaid Royalties or NATF Contributions for which you may be penalized in accordance with the Franchise Agreement.
8. **Indemnification:** You must protect, defend, indemnify, and hold us harmless against any claims, lawsuits, or losses arising out of your operation of the Franchised Business brought by third

parties, or any default under the Franchise Agreement. You must pay for any and all damages, legal fees, enforcement or collection costs, and/or any other costs assessed against us in any proceeding related to your Franchised Business to the extent permitted by law, provided that no indemnification fee shall exceed the actual total costs assessed against us.

9. **Renewal Fee:** Renewal fees are due at the time of renewal of the Franchise Agreement.
10. **Transfer Fee:** The term "transfer" means any of the following: the sale of 20% or more of the assets of your franchise; the sale, assignment, or conveyance of 20% or more of your stock, membership interest, membership units, or partnership units of your franchise to any third party; or the placement of your assets, stock, membership interest, partnership units, or membership units of your business into a business trust.
11. **Liquidated Damages:** Liquidated damages are determined by multiplying the combined monthly average of Royalties and National Advertising and Technology Fund contributions (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the date you open your Sasquatch Strength gym through the date of early termination, multiplied by the lesser of: (i) 36; or (ii) the number of full months remaining in the term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than thirty thousand dollars (\$30,000).
12. **Franchise Management and Financial Analytics:** We require you to use our mandatory vendor, currently Fran Metrics, for bookkeeping, benchmarking and data analytics. We will get remote access to all data collected by Fran Metrics for the purpose of assisting you find area in which you may need assistance or where you may be doing well. We may also share your data with other franchisees.
13. **Testing of Products or Approval of New Suppliers:** You will be required to obtain our written approval for any product, vendor, supplier, or piece of equipment that you wish to use in the operation of your Business (as described in Item 8) and you will be charged an assessment fee for the examination of any product, vendor, supplier, or piece of equipment submitted to us for approval. This fee is up to, but not in excess of, \$1,000 for any single product, vendor, supplier, or piece of equipment you wish to offer, use, and/or substitute in your operation of the Business. We may waive these fees at our sole and absolute discretion if the equipment, products, vendors and/or suppliers you select meet our requirements and are added to our approved list of equipment, products, vendors and/or suppliers for all franchise locations.
14. **Interest:** Interest and late charges begin to accrue from the due date of any payment you owe pursuant to the Franchise Agreement. In addition to any interest and late charges, you must also pay any damages, expenses, collection costs, and/or reasonable attorney fees we may incur when you do not make the required payments, provided no interest charged shall exceed the maximum legal rate of any local, national, or international authority having jurisdiction over your Business activities.
15. **Maintenance and Refurbishment:** We may charge you certain maintenance and refurbishment fees for any work we perform on your behalf to repair or otherwise improve your franchise

location, including any such repairs or improvements made on our own initiative if you refuse to complete any requested maintenance or refurbishment. Maintenance and refurbishing fees are payable to us, collected by us, and are non-refundable. The total amount of the maintenance and refurbishment fees that you pay us will vary depending on the labor and material costs of any such maintenance and refurbishing, as well as any associated costs or losses we may incur due to your failure to maintain or refurbish the location in accordance with our requests.

16. **Cost of Enforcement:** Cost of enforcing the Franchise Agreement fees will be levied against you if we prevail against you in any dispute arising out of the Franchise Agreement or the Area Development Agreement. The total amount of any such fees will vary depending on the value of legal fees, expert witness fees, accountant fees, costs to us or our employees in complying or addressing the dispute, and any travel expenses that we deem necessary to resolve the dispute.
17. **Use of unauthorized marketing materials:** You must follow the procedures laid out in our operations manual to get approval for any marketing material prior to use in your franchise. According to the Franchise Agreement we have 14 days to approve your submitted marketing. If we do not reply with-in that 14 day period you will be allow to use the corresponding submitted marketing material.
18. **Management Fee:** Management fees will only be charged when one or more of our employees, or a third party appointed by us, actively controls the day to day management of your business. The total amount of Management fees that you owe will be determined by the number of days that it is necessary for us to manage your business.

In November of 2019 we entered into a franchise agreement with Bigfoot Strong, LLC in which we waived royalties for a period of 90 days because they were the first franchisee to sign an agreement.

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## ITEM 7. ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

| Type of Expenditure                                                                                  | Amount                       |                              | Method of Payment | When Due                              | To Whom Payment is to be Paid                           |
|------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|-------------------|---------------------------------------|---------------------------------------------------------|
|                                                                                                      | Low                          | High                         |                   |                                       |                                                         |
| Initial Franchise Fee <sup>(1)</sup>                                                                 | <del>\$40</del> 45,000       | <del>\$40</del> 45,000       | Lump Sum          | When you sign the Franchise Agreement | Us                                                      |
| <del>Real Estate Rent Deposits and Pre-Paid Expenses, lease or deposit payments</del> <sup>(3)</sup> | \$3,000                      | <del>\$10</del> 14,000       | As arranged       | As incurred                           | To third party                                          |
| Travel and Living Expenses While Training <sup>(9)</sup>                                             | <del>\$14</del> 500          | \$4,000                      | As Arranged       | Before Opening                        | Providers of Travel, Lodging, and Food Services         |
| Grand Opening Marketing <sup>(4)</sup>                                                               | \$10,000                     | \$12,000                     | As Arranged       | As Arranged                           | Third Parties                                           |
| Fixtures, Furnishings & Interior Design Items <sup>(2)</sup>                                         | \$16,000                     | \$20,000                     | As Arranged       | As Arranged                           | Third parties                                           |
| Signage                                                                                              | <del>\$5</del> 000           | <del>\$89</del> 500          | As Arranged       | As Arranged                           | Third parties                                           |
| Equipment <sup>(7)</sup>                                                                             | \$38,000                     | <del>\$45</del> 46,000       | As Required       | Before Opening                        | Approved Vendors                                        |
| Computers, hardware and software <sup>(12)</sup>                                                     | \$2,000                      | \$4,000                      | As Required       | As Incurred                           | Third parties                                           |
| Sasquatch Strength Location Leasehold Improvements <sup>(11)</sup>                                   | \$50,000                     | <del>\$100</del> 125,000     | As Required       | As Incurred                           | Third parties                                           |
| Inventory and Supplies <sup>(8)</sup>                                                                | <del>\$3</del> 500           | \$5,000                      | As Arranged       | As Arranged                           | Us                                                      |
| Professional Fees <sup>(6)</sup>                                                                     | \$200                        | \$1,000                      | As Required       | As Incurred                           | Your Attorneys, Advisors, CPA's And Other Professionals |
| License, Permits and other Licenses <sup>(10)</sup>                                                  | <del>\$200</del> 800         | <del>\$12</del> 000          | As Incurred       | As Incurred                           | Gov't Agencies / Third Parties                          |
| Insurance <sup>(5)</sup>                                                                             | <del>\$400</del> 5,000       | <del>\$600</del> 8,000       | As Arranged       | As Incurred                           | Third Parties                                           |
| Architectural/Engineering Fees <sup>(13)</sup>                                                       | <del>\$3,000</del> 400       | <del>\$5,000</del> 900       | As Arranged       | As Incurred                           | Third Parties                                           |
| Additional Funds –3 Months <sup>(14)</sup>                                                           | <del>\$10</del> 15,000       | <del>\$25</del> 30,000       | As Required       | As Incurred                           | Third Parties                                           |
| TOTAL ESTIMATED INITIAL INVESTMENT <sup>(15)</sup>                                                   | <del>\$182,800</del> 198,400 | <del>\$281,100</del> 326,400 |                   |                                       |                                                         |

## Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Sasquatch Strength franchise. We do not offer direct or indirect financing for these items. Our estimates are based on our experience, the experience of our affiliates, and our current requirements for Sasquatch Strength franchises. The factors underlying our estimates may vary depending on several variables, and the actual investment you make in developing and opening your Sasquatch Strength franchise may be greater or less than the estimates given, depending upon the location of your Sasquatch Strength franchise, and current relevant market conditions. Your costs will also depend on factors such as how well you follow our methods and procedures; your management skills; your business experience and capabilities; local economic conditions; the local market for our products and services; the prevailing wage rates; competition; and sales levels reached during your initial phase of business operations. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

1. **Initial Franchise Fee.** See Item 5 for more information on the Initial Franchise Fee.
2. **Fixtures, Furnishings & Equipment.** As described in Item 8, you must purchase all fixtures, furnishings, signage and supplies that we specify to operate a Sasquatch Strength. This estimate includes fixtures and equipment including, but not limited to, desks, workstations, chairs, storage fixtures, refreshment systems, other furniture, trade dress & décor and other items as deemed necessary.
3. **Sasquatch Strength Location Rent, Lease & Security Deposits or Deposit Payments.** If you do not own a location for your Sasquatch Strength location, you must purchase or lease a commercial location. Locations for Sasquatch Strength gyms typically measure from 2,000 to 3,000 square feet. You must use our building specifications for your real property space and design plans for building out, remodeling, or retrofitting your Franchised Business Site. The Site must be approved by us. The location must meet certain basic requirements described in the Franchise Operations Manual. The estimate for these deposits includes your first month's rent payment, security deposits and utility deposits (ie telephone, gas, electric and water). We have assumed a security deposit equal to one month's rent, but this may vary with each location.
4. **Grand Opening Marketing.** This cost is for marketing geared toward your grand opening such as local ads, social media campaigns. We require you spend at least \$10,000 on such advertising.
5. **Insurance.** You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a Sasquatch Strength gym, your rates may be significantly higher than those estimated above.

6. **Professional Fees.** We strongly recommend that you hire a lawyer, accountant or other professional to advise you on this Franchise offering and to assist you in setting up your Sasquatch Strength gym. Rates for professionals can vary significantly based on area and experience.
7. **Initial Equipment.** The Initial Equipment, which must be purchased from our approved vendor and meeting our specifications. This includes Elite cross training bars, technique bars, custom wall rigs, racks & plyoboxes, flat power benches with wheels, bench holders, squat racks, kettlebells, bumper plates, exercise balls, locking collars, ab-mats, ab-mat w/custom logo, wood rings, speed ropes, digital workout timers, dumbbell sets, strength bands and storage containers. Shipping costs for the initial inventory may vary depending on where your Sasquatch Strength gym is located.
8. **Inventory and Supplies.** The Inventory and Supplies you are required to purchase from us includes various branded re-sale items such as nutritional supplements, attire, gym bags water bottles and other similar items. This will also include employee uniforms and basic supplies required to open your gym.
9. **Travel and Living Expenses While Training.** We provide training at our training center in Redmond, WA or at another location designated by us. You must pay for airfare, meals, transportation costs, lodging and incidental expenses for all initial training program attendees. Initial training is provided at no charge for up to four people, one of which must be a principal owner; if additional initial training is required or more people must be trained, an additional fee will be assessed.
10. **Permits and other Licenses.** You may be required to secure a required permits and license before you begin your Sasquatch Strength gym. The cost of permits and licenses will depend upon the fees charged by your local municipality, county, state and licensing authority.
11. **Sasquatch Strength location Leasehold Improvements.** The range in this category reflects an estimate for layout and construction build-out costs for your Sasquatch Strength location. Your cost for leasehold improvements will vary depending upon the size of your Sasquatch Strength gym, its geographic location and the work that the lessor may do as a result of the lease negotiation. If you are converting an existing business into a Sasquatch Strength gym, your costs may be higher or lower depending on the available assets, fixtures, signage and conversion costs. Construction costs in some areas of the country may exceed these estimates. You must meet our standard plans and specifications.
12. **Computer / Office Equipment.** You must purchase or obtain a computer system prior to opening your Sasquatch Strength gym. The computer system will include the hardware and software necessary to operate your Sasquatch Strength gym and manage the sales, application and servicing areas of your Sasquatch Strength gym. This estimate also includes office supplies, mobile telephone fees, and high-speed Internet.
13. **Architect and Engineering.** You are required to enlist the services of an architect and/or

engineer for the design and constructing of the Franchised Business location.

14. **Additional Funds.** These amounts represent our estimate of the amount needed to cover your expenses for the initial three-month start-up phase of your Sasquatch Strength gym. They include payroll costs during the first three months of operation, but not any draw or salary for you. These figures do not include standard pre-opening expenses, Royalties, or National Advertising and Technology Fund contributions payable under the Franchise Agreement or debt service and assume that none of your expenses are offset by any sales generated during the start-up phase. For purposes of this disclosure, we estimated the start-up phase to be three months from the date your Sasquatch Strength gym opens for business. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your Sasquatch Strength gym. You must bear any deviation or escalation in costs from the estimates that we have given. Your costs will depend on factors such as: how well you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; the sales level reached during the start-up period; and the size of your Sasquatch Strength gym. Additional funds for the operation of your Sasquatch Strength Franchise will be required after the first three months of operation if sales produced by the Sasquatch Strength Franchise are not sufficient to produce positive cash flow.
15. **Figures May Vary.** This is an estimate of your initial startup expenses for one Sasquatch Strength Franchise. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise.

## **ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### **Standards and Specifications**

You must operate your Sasquatch Strength Franchise according to our System and specifications. This includes purchasing or leasing all products, services, supplies, materials, fixtures, equipment, inventory, computer hardware and software, and real estate related to establishing and operating the Sasquatch Strength Franchise under our specifications, which may include purchasing these items from: (i) our designees; (ii) approved suppliers; and/or (iii) us or our affiliates. You must not deviate from these methods, standards and specifications without our prior written consent, or otherwise operate in any manner which reflects adversely on our Marks or the System.

Our confidential operations manual ("Franchise Operations Manual") states our standards, specifications, and guidelines for all products and services we require you to obtain in establishing and operating your Sasquatch Strength Franchise and approved vendors for these products and services. We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Franchise Operations Manual

or through other written communication (including electronic communication such as e-mail or through a system-wide intranet).

You must purchase, install, maintain in sufficient supply and use, only fixtures, furnishings, equipment, materials, signs and supplies that conform to the standards and specifications described in the Franchise Operations Manual or otherwise in writing.

You must purchase Financial Analytics and Franchise Management services which includes bookkeeping and multiple levels of financial analysis from Fran Metrics. You can find the current rate for this service in Item 6.

You must use the computer hardware and software systems, applications and web technologies that we periodically designate to operate your Sasquatch Strength gym. You must obtain the computer hardware, software licenses, maintenance and support services, and other related services that meet our specifications from the suppliers we specify.

You must obtain the insurance coverage required under the Franchise Agreement. The insurance company must be authorized to do business in the state where your Sasquatch Strength gym is located and must be approved by us. It must also be rated "A+" or better by A.M. Best & Company, Inc. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional named insured parties and state that we will receive at least 30 days' prior written notice of any intent by the insurer to reduce coverage or policy limits, cancel or amend the policy. Below are the required insurance policies and limits you must acquire for your Sasquatch Strength franchise.

|                                 |             |                  |
|---------------------------------|-------------|------------------|
| General Liability Insurance     | \$1,000,000 | Per Occurrence   |
|                                 | \$3,000,000 | In the Aggregate |
| Professional Liability          | \$3,000,000 |                  |
| Products & Completed Operations | \$2,000,000 |                  |
| Personal & Advertising Injury   | \$1,000,000 |                  |
| Damage to Rented Premises       | \$300,000   |                  |
| Medical Expense                 | \$5,000     |                  |

### **Purchases from Approved Suppliers**

We will provide you with a list of our designated and approved suppliers in our Franchise Operations Manual.

If you want to use or sell a product or service that we have not yet evaluated, or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved (for products and services that require supplier approval), you must notify us and submit to us the information, specifications and samples we request. We will use commercially reasonable



efforts to notify you within 30 days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service from that supplier or provider. We reserve the right to charge a fee to evaluate the proposed product, service or supplier. We apply the following general criteria in approving a proposed supplier: (1) ability to purchase the product in bulk; (2) quality of services; (3) production and delivery capability; (4) proximity to Sasquatch Strength Franchises to ensure timely delivery of the product or services; (5) the dependability of the supplier; and (6) other factors. The supplier may also be required to sign a supplier agreement with us. We may periodically re-inspect approved suppliers' facilities and products, and we reserve the right to revoke our approval of any supplier, product or service that does not continue to meet our specifications. We will send written notice of any revocation of an approved supplier, product or service. We do not provide material benefits to you based solely on your use of designated or approved sources.

You must purchase all products, equipment, supplies, and materials only from approved suppliers (including manufacturers, wholesalers, and distributors). We estimate that approximately fifty percent (50%) of purchases required to open your Sasquatch Strength gym will be from us or from other approved suppliers or under our specifications. We estimate that approximately twenty percent (20%) of purchases required for the ongoing operation of your Sasquatch Strength gym will be from us or from other approved suppliers or under our specifications.

We derive revenue from required purchases which are branded re-sale items such as nutritional supplements, attire, gym bags water bottles and other similar items. Other than the items above we do not derive revenue, material consideration or leases from our required purchases by you.

None of our officers own any interest in any of our required or approved third party vendors or supplies.

We and our affiliates may receive rebates from some suppliers based on your purchase of services and products and we have no obligation to pass them on to our franchisees or use them in any particular manner.

We may negotiate purchase arrangements with suppliers and distributors for the benefit of our franchisees and we may receive rebates or volume discounts from our purchase of equipment and supplies that we resell to you.

We currently do not have any purchasing or distribution cooperatives.

During our last fiscal year, ~~2020~~2019, we received \$10,290 (32.6% of our total revenue of \$ 31,575) in revenue from franchisees' required purchases and leases of products and services which was in the form of a rebate for the equipment purchases by franchisees.

#### Approval of New Suppliers

We may update the list of approved suppliers in the Franchise Operations Manual. If you desire to have a non-approved supplier of a product or service designated as an approved supplier,

you must submit samples of the supplier's products or services to us, along with a written statement describing why such products, services, or suppliers should be approved for use in the System. We reserve the right to charge a fee to evaluate the proposed supplier of approximately \$200 to \$1,000 per evaluation (See Item 6). We do not make our supplier specifications and/or standards generally available to franchisees or suppliers. While we will be required to respond to a request within 60 days, we generally respond to a request for an additional approved supplier within seven days. Our written approval must be received before you use products not purchased from an approved supplier. We may revoke our approval at any time if we determine, in our discretion, that the supplier no longer meets our standards. When you receive written notice of a revocation, you must stop selling any disapproved products, and stop purchasing from any disapproved supplier.

## ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

| Obligation                                                            | Section in Franchise Agreement         | Disclosure Document Item          |
|-----------------------------------------------------------------------|----------------------------------------|-----------------------------------|
| a. Site selection and acquisition/lease                               | Section 4, 8 and Attachment A          | Items 7 and 11                    |
| b. Pre-opening purchases/leases                                       | Sections 5 and 6                       | Items 7, 8 and 11                 |
| c. Site development and other pre-opening requirements                | Sections 5 and 6                       | Items 7 and 11                    |
| d. Initial and ongoing training                                       | Sections 6, 7 and 9                    | Items 6,7 and 11                  |
| e. Opening                                                            | Sections 4, 6 and 8                    | Items 6,7,9 and 11                |
| f. Fees                                                               | Sections 6, 7, 8, 9, 12, 13, 15 and 18 | Items 5, 6 and 7                  |
| g. Compliance with standards and policies/Franchise Operations Manual | Sections 1,4, 13 and 18                | Items 8, 11, 12, 14 and Exhibit F |
| h. Trademarks and proprietary information                             | Sections 1, 3, 16 and 19               | Items 13 and 14                   |
| i. Restrictions on products/services offered                          | Sections 1 and 13                      | Items 8 and 16                    |
| j. Warranty and customer service requirements                         | Sections 6 and 13                      | Items 1 and 11                    |
| k. Territorial development and sales quotas                           | Sections 4                             | Items 1, 11 and 12                |
| l. Ongoing product/service purchases                                  | Sections 12 and 13                     | Items 8 and 16                    |
| m. Maintenance, appearance, and remodeling requirements               | Sections 8, 9 and 13                   | Items 7, 8 and 11                 |

| Obligation                                       | Section in Franchise Agreement | Disclosure Document Item       |
|--------------------------------------------------|--------------------------------|--------------------------------|
| n. Insurance                                     | Section 17.1                   | Items 6, 7 and 8               |
| o. Advertising                                   | Sections 12 and 14             | Items 11, 13 and 14            |
| p. Indemnification                               | Section 20 and Attachment A    | Not Applicable                 |
| q. Owner's participation/management and staffing | Sections 6, 9, 13 and 16       | Items 11, 15 and 17            |
| r. Records and reports                           | Section 17                     | Item 11                        |
| s. Inspections and audits                        | Section 18                     | Items 6 and 11                 |
| t. Transfer                                      | Section 21                     | Item 17                        |
| u. Renewal                                       | Section 5                      | Item 17                        |
| v. Post-termination obligations                  | Section 23                     | Item 17                        |
| w. Non-competition covenants                     | Sections 16 and 19             | Item 17 and <u>Exhibit H-2</u> |
| x. Dispute resolution                            | Section 25                     | Item 17                        |

## ITEM 10. FINANCING

We do not offer any direct financing to you. We do not guarantee your note, lease or other obligation. We have a relationship with Rigquipment Finance who may make financing available to franchisees that qualify for their financing program. This financing option will only be available for the Gym equipment and leasehold improvements or a portion of the Gym equipment and leasehold improvements. Rigquipment Finance will set all terms and all standards for loan approval. We do NOT have any written agreement in place with Rigquipment Finance.

## ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING

**Except as listed below, SASQUATCH STRENGTH FRANCHISE LLC is not obligated to provide you with any assistance.**

### **Pre-opening Obligations**

Before you open your Sasquatch Strength gym, we (or our designee(s)) will provide the following assistance and services to you:

1. Provide an initial training program in Redmond, WA or another location designated by us ("Initial Training Program") for up to four people. If you want to have additional persons attend the Initial Training Program, then you must pay to us a daily attendance fee in an amount set by us for each additional attendee (see Item 6). You must also pay the wages, travel, lodging, and living expenses of each required and additional attendee of yours. All persons who attend our Initial Training Program must complete it to our satisfaction. You may not employ a ("Designated Manager") that does not complete this Initial Training Program to our satisfaction (See Item 15 and Franchise Agreement – Section 6.1).
2. Loan to you, or make available to you online, one copy of the Franchise Operations Manual. The Franchise Operations Manual contains approximately 94 pages. The table of contents for the Franchise Operations Manual is attached to this Franchise Disclosure Document as Exhibit F (See Franchise Agreement – Section 7.2).
3. Provide approval of the site for your Franchised business, which must be located in your protected territory. The factors that we will consider for approving a site for the Franchised business are population density, number of households, median household income minimums and site visibility considerations. As of the date this Franchise Disclosure Document was issued, the basic requirements consisted of requiring that the location: (i) be in your territory; and (ii) comply with any applicable rules or laws applicable to group fitness facility related business activity. You must receive approval from us for a site to locate your Sasquatch Strength Gym within six (6) months of signing the Franchise Agreement (See Franchise Agreement – Section 8.1). If you are unable to find a site that we approve within six (6) months of signing the franchise agreement you will be in default of the Franchise Agreement and your agreement may be terminated without a cure period (See Franchise Agreement – Section 22.2). We may, at our own discretion, grant a franchisee an extension to find a suitable site.
4. Provide you with mandatory and discretionary specifications for the Sasquatch Strength gym, including standards and suggested criteria for design, image, and branding of the location and trade dress. (See Franchise Agreement – Section 8.3, 8.5, 13.2 and 13.7)
5. Identify operating assets, computer systems, and other products and supplies that you must use to develop and operate your Sasquatch Strength gym; establish minimum standards and specifications that you must satisfy while operating your Sasquatch Strength gym; and identify the designated and approved suppliers from whom you may be required to purchase and/or lease items for your Sasquatch Strength gym (See Franchise Agreement – Section 13.3, 13.4, 13.5 and 13.6).
6. Provide you with materials and consultation in connection with the grand opening marketing for your Sasquatch Strength gym (See Franchise Agreement – Section 12.5**3.2**).
7. Provide the initial inventory (See Franchise Agreement – Section 7.6 and 7.7).

## **Schedule for Opening**

The typical length of time between signing the Franchise Agreement or the payment of any fees and the opening of your Sasquatch Strength gym can vary from one to six months. The Franchise Agreement allows (9) nine months to open (See Franchise Agreement section 8.6). Some factors which may affect this timing are: your ability to secure any necessary financing; your ability to obtain any necessary permits and certifications; the time to complete required training; the timing of the identifying of your location and the completion of the leasehold improvements; the receipt of any inventory or equipment; and hiring and training of your staff.

## **Continuing Obligations**

During the operation of your Sasquatch Strength gym, we (or our designee(s)) will provide the following assistance and services to you:

1. Inform you of mandatory standards, specifications and procedures for the operation of your Sasquatch Strength franchise (See Franchise Agreement – Sections 9.3, 9.4, 13.1 and 13.2).
2. Upon reasonable request, provide advice regarding your Sasquatch Strength gym's operations based on reports or inspections. Advice will be given during our regular business hours and via written materials, electronic media, telephone, or other methods in our discretion (See Franchise Agreement – Sections 7.4 and 7.5).
3. Provide you with advice and guidance on advertising and marketing (See Franchise Agreement – Sections 12.2 and 12.3.2).
4. Provide additional training to you for newly-hired personnel on the Sasquatch Strength brand and system guidelines, refresher training courses and additional training or assistance that, in our discretion, you need or request. You may be required to pay additional fees for this training or assistance (See Franchise Agreement – Sections 6 and 7).
5. Allow you to continue to use confidential materials, including the Franchise Operations Manual and the Marks (See Franchise Agreement – Sections 8 and 9).

## **Optional Assistance**

During the term of the Franchise Agreement, we (or our designee(s)) may, but are not required to, provide the following assistance and services to you:

1. Modify, update or change the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new products, new equipment or new techniques (See Franchise Agreement – Section 13).
2. Make periodic visits to the Sasquatch Strength gym for the purpose of assisting in all aspects of the operation and management of the Sasquatch Strength franchise, prepare

written reports concerning these visits outlining any suggested changes or improvements in the operation of the Sasquatch Strength franchise, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then current training charges (See Franchise Agreement – Section 6).

3. Maintain and administer a National Advertising and Technology Fund. We may dissolve the National Advertising and Technology Fund upon written notice (See Franchise Agreement – Section 12.1).
4. Hold periodic national or regional conferences to discuss business and operational issues affecting Sasquatch Strength franchisees.

## **Advertising**

### **National Advertising and Technology Fund**

We reserve the right to create a National Advertising and Technology Fund for marketing the System, the Marks, and Sasquatch Strength gyms. If established, you must pay up to one percent (1%) of your Recurring Revenue Sales for the National Advertising and Technology Fund ("National Advertising and Technology Fund Contribution"). Your contribution to the National Advertising and Technology Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the National Advertising and Technology Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Sasquatch Strength gyms owned by us will contribute to the National Advertising and Technology Fund on the same basis as franchisees.

The National Advertising and Technology Fund will be administered by us or our affiliates or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The National Advertising and Technology Fund will be in a separate bank account, commercial account or savings account.

We have complete discretion on how the National Advertising and Technology Fund will be utilized. We may use the National Advertising and Technology Fund for local, regional or national marketing; advertising; sales promotion and promotional materials; public and consumer relations; website development and search engine optimization; the development of technology for the System; and any other purpose to promote the Marks. We may use any media for disseminating National Advertising and Technology Fund advertisements, including direct mail, print ads, the Internet, radio, billboards, and television. We may reimburse ourselves, our authorized representatives; or our affiliates from the National Advertising and Technology Fund for administrative costs; independent audits; reasonable accounting, bookkeeping, reporting and legal expenses; taxes; and all other direct or indirect expenses associated with the programs funded by the National Advertising and Technology Fund. We do not guarantee that advertising expenditures from the National Advertising and Technology Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the

National Advertising and Technology Fund Contributions for advertising that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement or website indicating "Franchises Available" or similar phrasing.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the National Advertising and Technology Fund or to maintain, direct or administer the National Advertising and Technology Fund. Any unused funds that were collected in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the National Advertising and Technology Fund on any terms we deem reasonable.

The National Advertising and Technology Fund is not audited. Upon written request, we will provide to you an annual accounting for the National Advertising and Technology Fund that shows how the National Advertising and Technology Fund proceeds have been spent for the previous year. We did not collect or spend any National Advertising and Technology Fund Contributions during our last fiscal year.

### **Local Advertising**

In addition to the National Advertising and Technology Fund Contributions, you must spend a minimum of \$2,500 on local advertising each calendar month ("Local Advertising Requirement"). You agree, at your sole cost and expense, to issue and offer such rebates, giveaways, and other promotions in accordance with advertising programs established by us, and further agree to honor the rebates, giveaways, and other promotions issued by other Sasquatch Strength Franchisees under any such program, so long as such compliance does not contravene any applicable law, rule or regulation. You will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all Sasquatch Strength gyms, and you will not issue coupons or discounts of any type except as approved by us.

You must order sales and marketing material from us or our designated suppliers. It is a material breach of the Franchise Agreement to use other marketing material without obtaining our prior written approval. If you desire to use your own advertising materials, you must obtain our prior approval, which may be granted or denied in our sole discretion. We will review your request and we will respond in writing within 30 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks and other name identification materials must follow our approved standards. You may not use our logos, Marks and other name identification materials on items to be sold or services to be provided without our prior written approval. If we approve of promotional items or services that will be sold in your Sasquatch Strength gym, those items or services must be in your Gross Sales, and will be subject to Royalties, Local Advertising Requirement, and the National Advertising and Technology Fund Contributions. If you use unauthorized advertising materials, you must pay a fee of \$500 per occurrence to us, or if established, the National Advertising and Technology Fund.

### **System Website**

We have established a main website for Sasquatch Strength gyms ("System Website"). Each Sasquatch Strength gym will have an individual Sitelet. Your Sitelet will include information relating to your specific Sasquatch Strength gym location and select content that we provide from our Website. Your Sitelet will also showcase Sasquatch Strength products and services. You agree you use the supplier designated in the Franchise Operations Manual to establish your Sitelet. You may not establish or maintain any other website or engage in any other electronic marketing of products or services without our prior written approval. We reserve the right to change the requirements relating to your Sitelet at any time. You may be requested to provide content for our Internet marketing, and you must follow our intranet and Internet usage rules, policies and requirements.

You are required to follow our online policy, which is contained in our Franchise Operations Manual. Our online policy may change as technology and the Internet changes. Under our online policy, we may retain the sole right to market on the Internet, including all use of websites, domain names, advertising, and co-branding arrangements. We may restrict your use of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We intend that any franchisee website will be accessed only through our home page.

As long as we maintain a System Website, we will have the right to use the National Advertising and Technology Fund assets to develop, maintain and update the Sitelet. We may update and modify the Sitelet from time to time. You must promptly notify us whenever any information on your listing changes or is not accurate. We have final approval rights of all information on the Sitelet. We may implement and periodically modify System Standards relating to the Sitelet.

We are only required to reference your Sasquatch Strength gym on the System Website while you are in full compliance with your Franchise Agreement and all System Standards. If you are in default of any obligation under the Franchise Agreement or System Standards, then we may temporarily remove references to your Sasquatch Strength gym from the System Website until you fully cure the subject default(s). You may not, without our prior written approval, develop, maintain or authorize any website that mentions or describes you, your Sasquatch Strength gym, or displays any of the Marks. If we approve your use of a website, including social media websites, we will reserve the right to require you to obtain our written approval of its initial content and as it is updated or modified from time to time. If we develop a template or other standardized format and/or content for franchisee websites, you must agree to use our mediums. You may not sell products or services not approved by us in the Franchise Operations Manual on your Sasquatch Strength gym website without our prior written approval (See Franchise Agreement – Section 13.4).

### **Advisory Council**

We currently do not have, but may form, an advisory council ("Council") to advise us on advertising policies. Members of the Council would consist of both franchisees and corporate representatives. Members of the Council would be selected by way of a voting method specified



in the Council's bylaws. The Council would serve in an advisory capacity only. We will have the power to form, change or dissolve the Council, in our sole discretion.

## **Computer System**

You are required to purchase a computer system that consists of the following hardware (a) two (2) Chromecast systems; (b) four (4) monitors; (c) a computer system (d) a commercial quality laser or inkjet printer; (e) one (1) tablet; (f) two (2) cash drawers; (g) two (2) card readers. You will also be required to purchase the following software in which you MUST implement in your Sasquatch Strength franchise and which we have the right to change (a) GymwellMind Body; (b) ~~Wodify; and~~ QuickBooks Online (c) Fran Metrics Financial benchmarking and Analysis. We estimate the cost of purchasing the Computer System will be between \$~~52~~,000 - \$~~94~~,000. The Computer System will manage the daily workflow of the Sasquatch Strength gym; coordinate the customer experience; track families; provide installation information; manage accounts payable and receivable; document business accounting according to GAAP; manage labor and other information. You must record all Gross Sales on the Computer System and cloud-based accounting system. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the Gross Sales of your Sasquatch Strength Franchise. You must also maintain a high-speed Internet connection at the Sasquatch Strength gym. In addition to offering and accepting Sasquatch Strength checks, you must use any credit card vendors and accept all credit cards and debit cards that we determine. The term "credit card vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet"). We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates or support for the Computer. You must arrange for installation, maintenance and support of the Computer System at your cost (See Franchise Agreement – Section 13.6). There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance repairs or upgrades relating to the Computer System. We cannot estimate the cost of maintaining, updating or upgrading the Computer System or its components because it will depend on your repair history, local costs of computer maintenance services in your area and technological advances which we cannot predict at this time. We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised. There is no limitation on the frequency and cost of this obligation. We estimate that such cost will be approximately \$1,000 annually.

We (or our designee(s)) have the right to independently access the electronic information and data relating to your Sasquatch Strength Franchise and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your Sasquatch Strength gym or from other locations. We require you to give us access to your QuickBooks Online and Fran Metrics accounts with permission to read all reports.

## Training-

### Initial Training

You and any designated manager or representative that we require must complete the Initial Training Program to our satisfaction before you open your Sasquatch Strength gym. We provide initial training at a no cost for up to four people. You must pay a \$250 fee for training each additional person. You and your designated manager must complete the training program to our reasonable satisfaction, as determined by the specific program instructors, before you are able to open your Sasquatch Strength gym. Initial training classes are held whenever necessary to train new franchisees. You will not receive any compensation or reimbursement for services or expenses for participation in the Initial Training Program. You are responsible for all of your expenses to attend any training program, including lodging, transportation, food and similar expenses.

You will receive four days of training at our affiliate owned Redmond WA location and the remainder at your location just prior and during the launch of your Sasquatch fitness gym.

We will not provide general business or operations training to your employees or independent contractors; however, we may provide limited training on the Sasquatch Strength System and brand standards to your key employees. You will be responsible for training your employees and independent contractors, including any training on the day-to-day operations of the Sasquatch Strength gym. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the Sasquatch Strength gym.

We plan to provide the training listed in the table below. We reserve the right to vary the length and content of the Initial Training Program based upon the experience and skill level of the individual attending the Initial Training Program. You must complete this training program no later than 60 days prior to the scheduled opening of your Sasquatch Strength franchise.

### TRAINING PROGRAM

| Subject                                 | Hours of Classroom Training (Hr) | Hours of On-The-Job Training (Hr) | Location      |
|-----------------------------------------|----------------------------------|-----------------------------------|---------------|
| What is Sasquatch (Core Values/Mission) | 2 Hours                          | 0 Hours                           | Redmond, WA   |
| Gym Software (Wodify/Gymwell)           | 2 Hours                          | 0 Hours                           | Redmond, WA   |
| Marketing                               | 6 Hours                          | 0 Hours                           | Redmond, WA   |
| Sales Training                          | 4 Hours                          | 0 Hours                           | Redmond, WA   |
| Member Retention                        | 3 Hours                          | 1 Hour                            | Redmond, WA   |
| Accounting/Payroll                      | 3 Hours                          | 1 Hours                           | Redmond, WA   |
| HR                                      | 2 Hours                          | 0 Hours                           | Redmond, WA   |
| Facilities/Maintenance                  | 2 Hours                          | 2 Hours                           | Your Location |
| Pre-Launch Assistance                   | 11Hours                          | 10 Hours                          | Your Location |

|                                  |          |          |               |
|----------------------------------|----------|----------|---------------|
| Class Types (during launch)      | 8 Hours  | 8 Hours  | Your Location |
| Fitness Training (during launch) | 4 Hours  | 11Hours  | Your Location |
| TOTAL                            | 47 Hours | 33 Hours |               |

GRAND TOTAL: 80 HOURS

### Notes:

1. We reserve the right to vary the length and content of the Initial Training Program based upon the experience and skill level of the individual attending the Initial Training Program. We will use the Franchise Operations Manual as the primary instruction materials during the Initial Training Program.
2. **Leon Troy Morse, Isaac Vaisberg and Jason Cobb** currently oversee our training program to which they bring more than 20 combined years of industry experience. You can find more information on Troy Morse and Jason Cobb in ITEM #2
3. Other instructors will include experienced Sasquatch Strength trainers, administrative staff, managers and/or assistant managers who must have a minimum of two years of experience in the industry.

### Ongoing Training

From time to time, we may require that you or your designated managers attend system-wide refresher or additional training courses. Some of these courses may be optional while others may be required if you fail two consecutive evaluations by a score of 80% (eighty percent) or less. We estimate over 90% (ninety percent) of evaluation will have a passing score. This score is calculated by our observations which we will document. The types of observation include the following but may be adjusted from time to time:

1. Appearance and cleanliness
2. Procedures and Operations (Following the Operations Manual)
3. Compliance
4. Customer service

If you appoint a new designated manager, that person must attend and successfully complete our Initial Training Program before assuming responsibility for the management of your Sasquatch Strength gym. You may also request that we provide additional training (either at corporate headquarters or at your Sasquatch Strength gym).

You may be required to attend an annual meeting of all franchisees at a location we designate and pay a convention fee if we hold an annual meeting of all franchisees (See Item 6). You are

responsible for all travel and expenses for your attendees.

## **ITEM 12. TERRITORY**

The Sasquatch Strength Franchise Agreement grants you a protected territory ("Territory"), which means that during the term of the Franchise Agreement, we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks of the franchise granted to you anywhere within your Territory.

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

You must operate your Business at the specific location identified in your Franchise Agreement Attachment A. You are awarded a protected marketing territory (the "Territory") that will include a protected business area that will encompass the lesser of a 2-mile radius from your Sasquatch Strength or a land area with a population of 20,000 people. We reserve the right to grant each franchisee a territory on a case-by-case basis to account for the unique features of each geographic marketplace. You may not conduct business at any other site or sites other than the Territory as described in your Franchise Agreement, or any additional part of the Territory that may be added by an addendum attached to your Franchise Agreement. You may not relocate your business within the Territory without our express written consent. While you must conduct your business at the primary location, you may also conduct additional activities to sell products and/or provide services (for example at promotional events, charity events, etc.), so long as such events are within your Territory. You may conduct business at off-site events in other geographical areas where there is not a Sasquatch Strength gym only after providing notice to us and after obtaining our explicit written approval.

Your protected territory is determined by population, competition, traffic patterns, proximity to major roads, demographics of the surrounding area, available parking, market penetration, and/or other conditions important to the successful operation of a Sasquatch Strength gym, as we deem appropriate and as identified in your Franchise Agreement. We retain the right to delineate the exact bounds of your protected Territory once a primary location is chosen, and such Territory shall not be altered even if there is a population increase or decrease, unless we decide otherwise in our sole and absolute discretion. Your Territory will also not be affected by the number of customers you retain, products or services that you sell, your revenues, or your sales volume. Certain locations, such as major metropolitan areas may have smaller territories due to the relative density of the populated areas. You may not open your primary location in the Territory for your Business until we grant you our explicit written permission. You may not relocate your Business or establish additional locations within your Territory until we grant you our explicit written consent, such consent to be given at our sole and absolute discretion. We will base any such consent on traffic patterns at your proposed new location, a study of the local population, and a review of your lease agreement.

You are prohibited from directly marketing to or soliciting customers whose principal residence is inside the Territory of any other established Franchised or Company owned Sasquatch Unit. It is your responsibility to confirm with US prior to any marketing outside of your Territory that you are in compliance with this requirement.

If you renew your Franchise, your Territory may be modified depending on the then-current demographics of the Territory and on our then-current standards for territories.

During the term of the Franchise Agreement, if you are in compliance with the Franchise Agreement, we will neither establish nor operate nor license another to establish or operate a Sasquatch Strength gym using the Marks and System within the territory assigned to your Sasquatch Strength gym. For the purposes of sales credit and customer acceptance, you are obligated to verify that any instructional services or other services are performed only within the boundaries of your Territory unless you have written approval from us. We have the right to charge you, and if applicable credit the appropriate franchisee for any service revenue derived from services performed, without approval, outside your assigned Territory boundaries. The protection afforded under this paragraph relates solely to the operation of a Sasquatch Strength gym. We retain all other rights. Specifically, but not exclusively, we and/or our affiliates, licensees or designees have the right to: (i) operate and license others the right to operate Sasquatch Strength gyms using the Marks and System outside the Territory; (ii) distribute products and services, now existing or developed in the future, in your Territory in the manner and through the channels of distribution as we, in our sole discretion, will determine.

We, and our affiliates, have the right to operate, and to license others to operate, Sasquatch Strength gyms at any location outside the Territory, even if doing so will or might affect the operation of your Sasquatch Strength gym. We retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights:

1. to own, franchise or operate Sasquatch Strength gyms at any location outside of the Territory, regardless of the proximity to your Sasquatch Strength gym;
2. to use the Marks and the System to sell any products or services similar to those which you will sell, through any alternate channels of distribution within or outside of the Territory. This includes, but is not limited to, other channels of distribution such as television, catalog sales, wholesale to unrelated retail outlets or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;
3. to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Sasquatch Strength gym, wherever located;
4. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

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

Territory. The continuation of the Territory is not dependent upon your achievement of a certain sales volume, market penetration or other contingency. We do not pay compensation for soliciting or accepting orders inside your Territory.

If you wish to purchase an additional Sasquatch Strength Franchise, you must apply to us, and we may, at our discretion, offer an additional Sasquatch Strength Franchise to you. We consider a variety of factors when determining whether to grant additional Sasquatch Strength Franchises. Among the factors we consider, in addition to the then- current requirements for new Sasquatch Strength Franchisees, are whether or not the franchisee is in compliance with the requirements under their current franchise agreement.

You do not receive the right to acquire additional Sasquatch Strength Franchises within the Territory. You are not given a right of first refusal on the sale of existing Sasquatch Strength Franchises.

### **ITEM 13. TRADEMARKS**

The Franchise Agreement and your payment of Royalties grant you the non-exclusive right and license to use the System, which includes the use of the Marks. You may only use those Marks as designated by us in writing for your use, and you may use them only in the manner permitted by us. You may also use other future trademarks, service marks, and logos we approve to identify your Sasquatch Strength Franchise. We have Registrations with the United States Patent and Trademark Office ("USPTO") for the following Marks:

| Trademark                                                                           | Serial or<br>Registration<br>Number | Filing Date and<br>Registration Date                                                              | Status                               |
|-------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------|
| Sasquatch Strength                                                                  | 5804024                             | <del>Filed October 31<sup>st</sup>, 2018</del><br><del>Registered July 16<sup>th</sup> 2019</del> | Registered on the Principal Register |
|    | 5884396                             | <del>Filed April 5<sup>th</sup>, 2019</del><br><del>Registered Oct 15<sup>th</sup> 2019</del>     | Registered on the Principal Register |
|   | 5884392                             | <del>Filed April 5<sup>th</sup>, 2019</del><br><del>Registered Oct 15<sup>th</sup> 2019</del>     | Registered on the Principal Register |
|  | 5975387                             | February <del>5<sup>th</sup></del> <u>4<sup>th</sup></u> , 2020                                   | Registered on the Principal Register |

We transferred the trademarks with Registration Numbers 5884396, 5804024 and 5884392. from our affiliate, Sasquatch Strength INC, to us April 22<sup>nd</sup> 2019.

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board or the trademark administrator of any state or any court. There are no know

pending infringement claims, oppositions, cancellation proceedings or any court proceeding regarding any of our trademarks, ownership of the above trademarks or that affect our ability to use the trademarks. All required affidavits have been filed.

No agreement significantly limits our right to use or license the Marks in any manner material to the Sasquatch Strength gym. We do not know of any superior prior rights or infringing uses that could materially affect your use of the trademarks.

You must follow our rules when using the Marks. You cannot use our name or Mark as part of a corporate name or with modifying words, designs or symbols unless you receive our prior written consent. You must indicate to the public in any contract, advertisement and with a conspicuous sign in your Sasquatch Strength gym that you are an independently-owned and operated licensed franchisee of Sasquatch Strength Franchise, LLC. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale or other disposition of the Sasquatch Strength gym, or any interest in the Franchise. All rights and goodwill from the use of the Marks accrue to us.

If it becomes advisable, at any time, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

We will defend you against any claim brought against you by a third party that your use of the Marks, in accordance with the Franchise Agreement, infringes upon that party's intellectual property rights. We may require your assistance, but we will exclusively control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. You must notify us within three days if you learn that any party is using the Marks or a trademark that is confusingly similar to the Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving a trademark licensed by us to you.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

You must not directly or indirectly contest our right to the Marks. We may acquire, develop and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees.



## **ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

The information in the Franchise Operations Manual is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the content and format of our products, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Franchise Operations Manual, our advertising materials, the content and format of our products or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information ("Copyrighted Works") for the operation of your Sasquatch Strength Franchise, but such copyrights remain our sole property.

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are there any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using our Copyrighted Works.

Our Franchise Operations Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation and franchising of Sasquatch Strength Franchises, our training materials and techniques, information concerning product and service sales, operating results, financial performance and other financial data of Sasquatch Strength Franchises and other related materials are proprietary and confidential ("Confidential Information") and are our property to be used by you only as described in the Franchise Agreement and the Franchise Operations Manual. Where appropriate, certain information has also been identified as trade secrets ("Trade Secrets"). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Confidential Information and Trade Secrets.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your Sasquatch Strength Franchise during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other Sasquatch Strength Franchises during the term of the Franchise Agreement.

You must notify us within three days after you learn about another's use of language, a visual image, or a recording of any kind that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information or Trade Secrets. We

will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of, or challenge to, your use of any Copyrighted Works, Confidential Information or Trade Secrets or claim by any person of any rights in any Copyrighted Works, Confidential Information or Trade Secrets, and we are not required to participate in the defense of, or provide indemnification to you in connection with, any proceeding related to the Copyrighted Works, Confidential Information or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information or Trade Secrets. You may not communicate with anyone except us, our counsel or our designees regarding any infringement, challenge or claim. We will take action as we deem appropriate regarding any infringement, challenge or claim, and the sole right to control, exclusively, any litigation or other proceeding arising out of any infringement, challenge or claim under any Copyrighted Works, Confidential Information or Trade Secrets. You must sign any and all instruments and documents, give the assistance and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding, or to protect and maintain our interests in the Copyrighted Works, Confidential Information or Trade Secrets. If we require you to modify or discontinue use of the Copyrighted Works, Confidential Information or Trade Secrets, you must comply with all of our requirements.

No patents or patents pending are material to us at this time.

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

A Sasquatch Strength Franchise shall be managed by you, or if you are an entity, one shareholder, partner, or member who is a natural person designated in writing to us as the person to make all decisions for the franchisee entity and run the day to day operations. We may allow you to appoint a designated manager ("Designated Manager") to run the day-to-day operations of the Sasquatch Strength gym. The Designated Manager must successfully complete our training program (See Item 11). We may require that the Designated Manager have an ownership interest in the legal entity of the Franchise owner. If you replace a Designated Manager, the new Designated Manager may be required to satisfactorily complete our training program at your own expense.

If you are not an individual, you must designate an "Operating Principal" acceptable to us who will be principally responsible for communicating with us about the Sasquatch Strength gym. The Operating Principal must have the authority and responsibility for the day-to-day operations of your Sasquatch Strength gym and must have at least ten percent (10%) equity.

Any Designated Manager and, if you are an entity, an officer that does not own equity in the franchisee entity must sign the "System Protection Agreement," the form of which is attached to this Franchise Disclosure Document in Exhibit H. All of your employees, independent contractors, agents or representatives that may have access to our confidential information must sign a

confidentiality agreement (unless they already signed a System Protection Agreement), the current form of which is attached to this Franchise Disclosure Document in Exhibit H. If you are an entity, each owner (i.e., each person holding an ownership interest in you) must sign an Owners Agreement guaranteeing the obligations of the entity, in the form of which is attached to the Franchise Agreement as Attachment B. We also require that the spouses of the Franchise owners sign the Owners Agreement. The Owners Agreement contains a personal guaranty and covenant not to compete.

## **ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must sell or offer for sale only those products and services authorized by us, and which meet our standards and specifications. Authorized products may differ among our franchisees and may vary depending on the operating season and geographic location of your Sasquatch Strength gym or other factors. You must follow our policies, procedures, methods and techniques. You must sell or offer for sale all types of products and services specified by us, provided you or your Designated Manager has been certified to offer the products and services. We may change or add to our required products and services, at our discretion, with prior notice to you. There are no limits on our right to make such changes. If we change or add to our required products and services, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. You must discontinue selling and offering for sale any products and services that we disapprove. We reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions.

You may not sell products or services, or advertise products or services, within another franchisee's territory. You may not establish an account or participate in any social networking sites or blogs or mention or discuss the Franchise, us or any of our affiliates, without our prior written consent and as subject to our online policy. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales.

## **ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

### **THE FRANCHISE RELATIONSHIP**

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

| Provision                                         | Section in Franchise Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Length of the franchise term                   | Section 5                      | 5 Years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| b. Renewal or extension of the term               | Section 5                      | If you are in good standing and you meet other requirements, you may add one successor term of five years under the terms of our then current Agreement. The renewal fee will be 25% of the current Initial Franchise Fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| c. Requirements for franchisee to renew or extend | Section 5                      | Your successor franchise rights permit you to remain as a Franchisee after the initial term of your Franchise Agreement expires. You must sign our then-current Franchise Agreement and any ancillary documents for the successor term, and this new franchise agreement may be materially different than your initial agreement and have different terms and conditions (including, e.g., higher Royalty and advertising contributions) from the Franchise Agreement that covered your initial term.                                                                                                                                                                                                                                                                                                                                                                                      |
| d. Termination by franchisee                      | Section 22                     | You may terminate the Franchise Agreement if you are in compliance with it and we are in material breach, and we fail to cure that breach within 90 days of receiving written notice.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| e. Termination by franchisor without "cause"      | Not Applicable                 | Not Applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| f. Termination by franchisor with "cause"         | Section 22                     | We can terminate upon certain violations of the Franchise Agreement by you.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| g. Curable defaults                               | Section 22                     | If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Operations Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default, except for the defaults that require cure in a shorter time and non-curable defaults. If a default arises from your failure to maintain insurance, you can avoid termination of the Franchise Agreement if you cure the default within 10 days of receiving our notice of your failure to maintain insurance. If a default arises from your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within 5 days of receiving our notice of default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate. |
| h. Non-curable defaults                           | Section 22.2                   | Non-curable defaults: We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to timely establish, equip and begin operations of the franchised business; fail to                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | <p>have your Owner Operator satisfactorily complete training; fail to maintain all required professional licenses, permits and certifications for more than 5 business days; made a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the Franchised Business; after notice to cure, fail to refrain from activities, behavior or conduct likely to adversely affect either party or the Franchised Business; use the Operations Manual, trade secrets or other confidential information in an unauthorized manner; if required, fail to have your owners (and members of their immediate families and households), officers, directors, managers, other executives, employees and professional staff, and other individuals having access to trade secrets or other confidential information sign nondisclosure and non-competition agreements or, if requested, fail to provide us with copies of all signed nondisclosure and non-compete agreements; abandon the franchised business for 5 or more consecutive days; surrender or transfer control of the franchised business in an unauthorized manner; fail to maintain the Franchised Business under the supervision of an Owner Operator following your death or disability; submit reports on 2 or more separate occasions understating any amounts due by more than 2%; insolvency; misuse or make unauthorized use of the Marks; fail on 2 or more occasions within any 12 months to submit reports or records or to pay any fees due us or any affiliate; violate on 2 or more occasions any health, safety or other laws or operate the franchised business in a manner creating a health or safety hazard to customers, employees or the public; take any action reserved to us; fail to comply with applicable law after notice; if you commit three (3) or more curable defaults during the Term. repeatedly breach the franchise agreement or comply with specifications; or default under any other agreement with us (or an affiliate) so that we (or the affiliate) have the right to terminate the agreement.</p> |
|--|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                         |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i. Franchisee's obligations on termination/non-renewal                  | Sections 22 and 23 | Obligations include complete de-identification; payment of amounts due; and return of confidential Franchise Operations Manual, all Confidential Information, Trade Secrets and records.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| j. Assignment of contract by franchisor                                 | Section 23         | No restriction on our right to assign.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| k. "Transfer" by franchisee – defined                                   | Section 21         | Includes any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest or change of ownership in the Franchise Agreement, the Franchise or interest in the Franchise.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| l. Franchisor approval of transfer by franchisee                        | Section 21         | We have the right to approve all transfers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| m. Conditions for franchisor approval of transfer                       | Section 21         | New owner must have sufficient business experience and financial resources to operate the Franchise; you must pay all amounts due; new owner and employees must complete the Initial Training Program; your landlord must consent to the transfer of the lease; you must pay transfer fee; you must sign a general release in favor of us; new owner must agree to bring the Sasquatch Strength gym up to current standards; new owner signs a new franchise agreement in the then- current form; you must sign a non-compete agreement not to engage in a competitive business for two years within 15 miles of that Franchise or another Sasquatch Strength Franchise. |
| n. Franchisor's right of first refusal to acquire franchisee's business | Section 21         | We have 30 days to match any offer for your Sasquatch Strength gym.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| o. Franchisor's option to purchase franchisee's business                | Section 24         | We may, but are not required to, purchase your Sasquatch Strength Franchise, inventory, or equipment at fair market value if your Sasquatch Strength Franchise is terminated for any reason by giving you written notice of our intent to exercise this option within 30 days after the date of termination or expiration of the Franchise Agreement.                                                                                                                                                                                                                                                                                                                    |
| p. Death or disability of Franchisee                                    | Section 21.4       | The Franchise Agreement must be transferred or assigned to a qualified party within 180 days of death or disability or the Franchise Agreement may be terminated. Your estate or legal representative must apply to us for the right to transfer to the next of kin within 120 calendar days of your death or disability.                                                                                                                                                                                                                                                                                                                                                |
| q. Non-competition covenants during the term of the Franchise           | Section 16.3       | Neither you, your principal owners, nor any immediate family members of you or your principal owners may participate in a diverting business, have no owning interest in, loan money to, or perform services for a competitive business anywhere. You may not interfere with our or our other franchisees' Sasquatch Strength Franchise(s).                                                                                                                                                                                                                                                                                                                              |

|                                                                           |                        |                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| r. Non-competition covenants after the Franchise is terminated or expires | Section 16.4           | Owners and their spouses cannot have any direct or indirect interest in, own, manage, operate, finance, control or participate in any competitive business within a 25-mile radius of your Sasquatch Strength gym                                           |
| s. Modification of agreement                                              | Sections 7, 9 and 19   | No modifications of the Franchise Agreement during the term unless agreed to in writing, but the Franchise Operations Manual is subject to change at any time in our discretion. Modifications are permitted on renewal.                                    |
| t. Integration/merger clause                                              | Section 25.8           | Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable. |
| u. Dispute resolution by arbitration or mediation                         | Section 25             | Except for certain claims, all disputes must be mediated and arbitrated in Miami, Florida, except as provided in the State-Specific Addendum to this Franchise Disclosure Document, subject to applicable state law.                                        |
| v. Choice of forum                                                        | Section 25             | All disputes must be mediated, arbitrated, and if applicable, litigated in Miami, Florida, except as provided in the State-Specific Addendum to this Franchise Disclosure Document, subject to applicable state law.                                        |
| w. Choice of law                                                          | Sections 16, 19 and 25 | Florida law applies, subject to any contrary provision contained in the State-Specific Addendum (See <a href="#">Exhibit G</a> ), subject to applicable state law.                                                                                          |

## ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote our 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 this disclosure document. Financial performance information that differs from any included in this Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet that you are considering buying; (2) or 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 financial performance representations. 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 unit, however, we may provide you with the actual records of that unit. If you receive any financial performance information or projections of your future income, you should report it to our Chief Executive Officer, Isaac Vaisberg, at 5201 Blue Lagoon Drive #800 Miami, FL 33126, (206) 462-2399, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1**

System-wide Outlet Summary for Years ~~2017~~ - ~~2018~~ - ~~2020~~2019

| Outlet Type    | Year                 | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change      |
|----------------|----------------------|----------------------------------|--------------------------------|-----------------|
| Franchised     | <del>2018</del> 2017 | 0                                | 0                              | 0               |
|                | <del>2019</del> 2018 | 0                                | 0                              | 0               |
|                | <del>2020</del> 2019 | 0                                | <del>0</del> 1                 | <del>0</del> +1 |
| Company-Owned* | <del>2018</del> 2017 | 2                                | <del>2</del> 3                 | <del>0</del> +1 |
|                | <del>2019</del> 2018 | <del>2</del> 3                   | 3                              | <del>+1</del> 0 |
|                | <del>2020</del> 2019 | 3                                | 3                              | 0               |
| Total Outlets  | <del>2018</del> 2017 | 2                                | <del>2</del> 3                 | <del>0</del> +1 |
|                | <del>2019</del> 2018 | <del>2</del> 3                   | 3                              | <del>+1</del> 0 |
|                | <del>2020</del> 2019 | 3                                | <del>3</del> 4                 | <del>0</del> +1 |

\*Company-Owned outlets refer to our affiliate Sasquatch Strength INC.

**Table No. 2**

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For Years ~~2017~~ - ~~2019~~2018 - 2020

| State  | Year                 | Number of Transfers |
|--------|----------------------|---------------------|
| Totals | <del>2018</del> 2017 | 0                   |
|        | <del>2019</del> 2018 | 0                   |
|        | <del>2019</del> 2020 | 0                   |



**Table No. 3**Status of Franchised Outlets for Years ~~2017 – 2019~~2018 - 2020

| State                             | Year                              | Outlets at Start of the Year | Outlets Opened    | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations- Other Reasons | Outlets at End of the Year |
|-----------------------------------|-----------------------------------|------------------------------|-------------------|--------------|--------------|--------------------------|----------------------------------|----------------------------|
| <del>Florida</del> Washin<br>gton | <del>2018</del><br><del>017</del> | 0                            | 0                 | 0            | 0            | 0                        | 0                                | 0                          |
|                                   | <del>2019</del><br><del>018</del> | 0                            | 0                 | 0            | 0            | 0                        | 0                                | 0                          |
|                                   | <del>2019</del><br><del>020</del> | 0                            | <del>0</del><br>1 | 0            | 0            | 0                        | 0                                | <del>0</del><br>1          |
| Total                             | <del>2018</del><br><del>017</del> | 0                            | 0                 | 0            | 0            | 0                        | 0                                | 0                          |
|                                   | <del>2018</del><br><del>019</del> | 0                            | 0                 | 0            | 0            | 0                        | 0                                | 0                          |
|                                   | <del>2019</del><br><del>020</del> | 0                            | <del>0</del><br>1 | 0            | 0            | 0                        | 0                                | <del>0</del><br>1          |

**Table No. 4**Status of Company-Owned Outlets \* For Years ~~2017 – 2019~~2018 - 2020

| State         | Year                             | Outlets at Start of Year | Outlets Opened    | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of Year |
|---------------|----------------------------------|--------------------------|-------------------|------------------------------------|----------------|----------------------------|------------------------|
| Washington    | <del>2018</del><br><del>17</del> | 2                        | <del>0</del><br>1 | 0                                  | 0              | 0                          | <del>2</del><br>3      |
|               | <del>2018</del><br><del>19</del> | <del>2</del><br>3        | <del>4</del><br>0 | 0                                  | 0              | 0                          | 3                      |
|               | <del>2019</del><br><del>20</del> | 3                        | 0                 | 0                                  | 0              | 0                          | 3                      |
| Total Outlets | <del>2018</del><br><del>17</del> | 2                        | <del>0</del><br>1 | 0                                  | 0              | 0                          | <del>2</del><br>3      |
|               | <del>2018</del><br><del>19</del> | <del>2</del><br>3        | <del>4</del><br>0 | 0                                  | 0              | 0                          | 3                      |
|               | <del>2019</del><br><del>20</del> | 3                        | 0                 | 0                                  | 0              | 0                          | 3                      |

\*Company-Owned outlets refer to our affiliate Sasquatch Strength INC.

**Table No. 5**Projected Openings as of December 31st, ~~2019~~2020 for ~~2020~~2021

| State                     | Franchise Agreements Signed but Outlet Not Opened | Projected New Franchised Outlets in the Next Fiscal Year | Projected New Company-Owned Outlets in the Next Fiscal Year |
|---------------------------|---------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------|
| <del>Colorado</del> Texas | 0                                                 | 2                                                        | 0                                                           |
| Florida                   | 1                                                 | <del>30</del>                                            | 0                                                           |
| Washington                | 1                                                 | 2                                                        | 0                                                           |
| Canada*                   | 0                                                 | 5                                                        | 0                                                           |
| Total                     | 0                                                 | <del>129</del> (7 in US)                                 | 0                                                           |

\*Outlets outside of the USA.

The names, addresses and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit C. The name and last known address and telephone number of every current franchisee and every franchisee who has had a Sasquatch Strength Franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one-year period ending December 31, ~~2019~~2020, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document, is listed in Exhibit C. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with the Sasquatch Strength. You may wish to speak with current and former franchisees but know that not all such franchisees can communicate with you. During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Sasquatch Strength. If you buy a Sasquatch Strength Franchise, your contact information may be disclosed to other buyers when you leave the system.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific Franchise organizations.

## ITEM 21. FINANCIAL STATEMENTS

Attached to this franchise disclosure document as Exhibit B is our audited balance sheet as of Dec 31<sup>st</sup> ~~2019~~2020, and the related notes to the financial statements. Because we have not been in existence for 3 years, we cannot provide all of the financial statements required by the FTC franchise disclosure guidelines.

Our fiscal year end is December 31.

## ITEM 22. CONTRACTS

|           |                                               |
|-----------|-----------------------------------------------|
| Exhibit A | Franchise Agreement                           |
| Exhibit G | State Addenda and Agreement Riders Contracts  |
| Exhibit H | for use with the Sasquatch Strength Franchise |

## ITEM 23. RECEIPTS

### RECEIPT

The last pages of this Franchise Disclosure Document, Exhibit H, are a detachable document, in duplicate. Please detach, sign, date and return one copy of the Receipt to us, acknowledging you received this Franchise Disclosure Document. Please keep the second copy for your records.

# **EXHIBIT A**

FRANCHISE AGREEMENT



# **FRANCHISE AGREEMENT**

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## Sasquatch Strength Franchise LLC FRANCHISE AGREEMENT

This Sasquatch Strength Franchise LLC Franchise Agreement (this "Agreement") is entered into this\_ day of\_\_\_\_\_, 2019 (the "Effective Date") between Sasquatch Strength Franchise LLC, a Florida limited liability company ("we" or "us") and\_\_\_\_\_, a(n) \_\_\_\_\_ ("you").

### W I T N E S S E T H:

**WHEREAS**, as the result of the expenditure of time, skill, effort and money, we have developed and own a unique and distinctive proprietary system (hereinafter "System") relating to the establishment and operation of a facility providing functional training in a group setting, implementing popular fitness regimens under the name "Sasquatch Strength fitness" offering functional training in a group setting;

**WHEREAS**, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, and furnishings; proprietary products and curriculum; proprietary classes and special camps; uniform standards, specifications, and procedures for operations; proprietary trade practices, trade dress and know-how; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

**WHEREAS**, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark "Sasquatch Strength fitness" and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as "Marks", and, together with the System and the Manual (defined below), collectively, the "Intellectual Property");

**WHEREAS**, we will continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and service;

**WHEREAS**, you understand and acknowledge the importance of our high standards of quality, cleanliness, appearance and service and the necessity of operating the business franchised hereunder in conformity with our standards and specifications; and

**WHEREAS**, you desire to use the System in connection with the operation of a Sasquatch Strength fitness at the location accepted by us as herein provided, as well as to receive the training and other assistance provided by us in connection therewith.

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

### 1. INCORPORATION OF RECITALS.

The recitals set forth above are true and correct and are hereby incorporated by reference into this Agreement. You hereby warrant, represent, covenant, and acknowledge to us that:

You have had no part in the creation or development of the System, the Marks or any other proprietary information provided by us.

You are entering into this Agreement after having made an independent investigation of our operations, and not upon any representation as to the sales, profits, or earnings which you might realize.

We have not made any representations or promises to you which are not contained in this Agreement or the Franchise Disclosure Document you received, and you have not relied upon, nor have we made, any warranties, expressed or implied, as to the potential success of the business contemplated herein.

You understand that the System is continually evolving and that we have the right to make changes therein from time to time as we may deem appropriate.

Our obligations and your rights pursuant to this Agreement are expressly conditioned upon the truth of the warranties and representations set forth above at the time of execution of this Agreement, their continued truth throughout the initial term of this Agreement, and any renewals or extensions of this Agreement.

## 2. DEFINITIONS.

Capitalized terms used in this Agreement are defined in the body of this Agreement.

## 3. GRANT OF FRANCHISE.

We hereby grant you a franchise (your "Franchise") for the right and license to develop, own and operate a Sasquatch Strength fitness business to functional training in a group setting at Sasquatch Strength fitness facilities and other public and private locations (a "Sasquatch Strength fitness Business"). You will operate your Franchise from a single location that we approve. We reserve all rights not expressly granted to you.

## 4. TERRITORIAL RIGHTS AND LIMITATIONS.

This Agreement grants you a protected territory ("Territory"), which means that during the term of the Franchise Agreement, we will not establish or franchise others to establish another Sasquatch Strength fitness Business within your designated territory.

The protected territory which is hereby granted to Franchisee shall be as defined in Attachment A to this Franchise Agreement (the "Territory"). Franchisee shall be prohibited from operating a franchise outside of the Territory without the prior written consent of Franchisor.

(a) If the Parties do not select a Territory prior to the signing of this Franchise Agreement, then they shall agree to it at a later date as contemplated under the terms of this Agreement. Failure to agree on a Territory within thirty (30) days of execution of this Agreement, and/or failure of Franchisee to open the Facility within one hundred and eighty (180) days after the execution of this Agreement shall permit Franchisor to terminate this Agreement, as provided in Section 22. We reserve the right to grant a Territory that is larger than the territory described above in order to account for more densely or sparsely populated areas. Franchisee may not conduct business at any other location or locations other than the Accepted Location identified above; however, Franchisee may conduct business at off-site events (for example at transportation



expos, travel expos, promotional events, charity events, etc.) to sell Services and/or Products as long as such events are within Franchisee's Territory.

(b) The size of the Territory shall be the lesser of two (2) miles or a land area containing approximately twenty thousand (20,000) people. The location will be determined by population base, demographics of the surrounding area, traffic patterns, proximity to major roads, available parking, competition, availability of appropriate sites, customer demographics, adequate square footage, reasonable rent, or other conditions important to the successful operation of a Franchised Business as we deem appropriate. The Territory is determined once a location is chosen and approved by us and will not be altered even if there is a population increase or decrease during the term of this Agreement. The Territory is not dependent upon achievement of certain revenues, number of customers, customers Franchisee retains, market penetration or any other contingency.

(c) Franchisee shall not relocate a Sasquatch Strength Business that has been assigned a Territory without the express prior written consent of Franchisor. During the term of this Agreement, Franchisor shall not license another party or entity to establish a Sasquatch Strength Business within the Territory. If Franchisee decides to open additional Facilities and buys the rights to additional Franchises, such sale and purchase to be at our sole and absolute discretion, and those separate franchise agreement(s) will dictate the terms of the applicable territory. A separate Franchise Agreement is required for each additional Facility.

(d) Franchisee must operate its Facility within the specific Territory as identified in this Section 4. Franchisee may conduct business at off-site events (defined in Section 4(a) above) in other geographical areas where there is no existing Sasquatch Strength Business only after providing notice to us and after obtaining our written approval; however, Franchisee cannot perform Target Marketing outside the Territory as further described in Section 4(e) below. We shall approve or deny your request in writing or by email, such approval to be in our sole and absolute discretion, within 3 business days of receipt of your written request to conduct business at off-site events in other geographical areas (outside your Territory) that have not been sold to one or more Franchisee(s). If Franchisor later agrees to sell or assign such outside territory to any other franchisee, Franchisee must immediately relinquish and cease all business activities within the outside geographical area.

(e) Franchisee cannot perform any Target Marketing in any other territory of any other Sasquatch Strength franchisee, or of any business owned by an affiliate of the Franchisor. The term Target Marketing means a concerted effort by Franchisee to solicit customers or market products within another franchisee's territory or in any territory operated directly by the Franchisor ("Target Marketing"). Franchisor shall use commercially reasonable efforts to deal with any franchisee that violates this policy. Franchisee is prohibited from selling related products and conducting similar services through any alternative channels of distribution (such as Websites as defined below) without our written approval.

(f) If Franchisee is asked by a third party to conduct business outside of the Territory (such as at expos, promotional events, charity events, etc.) in geographical areas in which there is another franchisee or Franchisor affiliate-owned business, Franchisee must immediately refer that request to that Sasquatch Strength business which is located in that outside territory, or directly

to Franchisor. If the other franchisee or Franchisor affiliate-owned business gives Franchisee permission to conduct business at the off-site event within the outside territory, then that Franchisee may do so if, and only if, Franchisee immediately informs Franchisor of such permission in writing. If there is not a Sasquatch Strength business, whether franchised or otherwise, located in the outside territory, then the franchisee must submit a request to Franchisor for permission to conduct business within the outside territory. However, Franchisee must be prepared to immediately cease conducting such events in that other geographical area when that unassigned area is purchased by a new Sasquatch Strength franchisee as applicable. Franchisor shall approve or deny Franchisee's request to conduct business at off-site events in other geographical areas not owned by other franchisees, Franchisor or its affiliates, which approval is in Franchisor's sole discretion, within three (3) days of Franchisee's written request.

(g) If, during the term of this Agreement, Franchisee is unable to promptly and properly provide customers services or products due to excessive work or for any other cause, Franchisee must refer that customer to another franchisee, Franchisor affiliate-owned business, or to Franchisor.

(h) If Franchisee fails to: (i) refrain from Target Marketing, or (ii) refer businesses or off-site opportunities to other franchisees as described herein, Franchisor will have the right to terminate this Agreement immediately without fault, as described in section 22.2 of this Agreement. In addition, for any default of this Agreement which triggers Franchisor's ability to terminate, as an alternative to termination, Franchisor will have the right, in its sole discretion, to modify or completely eliminate any rights Franchisee may have with respect to the Territory, effective ten (10) days after delivery of written notice to Franchisee. We encourage Sasquatch Strength businesses when owned by different individuals to work out a referral and advertising strategy and/or arrangement for both businesses if they are within close proximity of each other (defined as being within a twenty-five (25) mile radius of each other), subject to antitrust law. We must be notified in writing of any consent to all such arrangements.

(i) Franchisor shall have the exclusive right to negotiate and enter into agreements or approve forms of agreements to sell services and products to any business including, but not limited to, large businesses, national organizations, or non-profit organizations with outlets located in multiple territories, or government agencies who on their own behalf or through agents, franchisees, or other third parties owns, manages, controls or otherwise has responsibility for products, buildings, or common-services in more than one location whose presence is not confined within any one particular franchisee's territory (a "National Account"). Franchisor may, at its sole discretion, give Franchisee the option to provide services and products to businesses under the National Account contract, including businesses that would otherwise fall outside the Territory. If we choose, then we may direct the National Account to seek such services, products, equipment, and products from you in your Territory. The National Account program is defined as follows:

(i) The term "National Account" means a special class of customers which may include but are not limited to large businesses, national organizations or non-profit organizations with outlets located in multiple territories and government agencies who on their own behalf or through agents, franchisees or other third parties owns, manages, controls or otherwise has responsibility for products, buildings or common-services in more than one location whose presence is not confined within any one particular franchisee's Territory regardless of

the aggregate contract amount of Services and/or Products the Franchisee performs or provides. Any dispute as to whether a particular account is a National Account shall be determined by Franchisor in its sole and absolute discretion, and Franchisor's determination shall be final and binding;

(ii) If Franchisor chooses to grant Franchisee the right to sell services or products to any businesses falling under the definition of National Account, such sales and services shall be provided on the terms and conditions as determined by the Franchisor in its sole and absolute discretion. Franchisee shall have no right to modify the terms or conditions of any service or sales to any National Account, even if such business should give any indication of consent to such modification. Franchisor shall have the exclusive right, unless otherwise specified in writing, on behalf of itself, Franchisee and/or other franchisees utilizing the Marks, to negotiate and enter into agreements or approve forms of agreement to offer Services and Products to National Account customers, including any affiliate, company-owned, or franchised locations within the Territory;

a) Following the execution of a contract with or the acceptance of a bid by a National Account which contemplates the provision of Services or Products to one or more National Account locations within the Territory Franchisor will, if we choose, provide Franchisee the option to perform Services and/or offer Products pursuant to the terms and conditions of the National Account contract or on such terms and conditions as we in our sole discretion determine;

(iii) If Franchisee elects not to provide Services and/or Products to a National Account or a business under such National Account in conformity with the terms and conditions as communicated by Franchisor, or fails to make an election within the time specified by Franchisor, then Franchisor shall have the right, exercisable in its sole discretion, to:

a) Provide directly, or through any other affiliate utilizing our Mark, Services, and/or Products, to a National Account location(s) within the Territory on the terms and conditions contained in the National Account bid or contract; and/or

b) Contract with another party to provide Services and/or Products to a National Account business located anywhere within the Territory, on the terms and conditions contained in the National Account bid or contract between Franchisor and the National Account Member, utilizing Franchisor's Marks or any trademarks, service marks, or trade names.

(iv) Neither the direct provision by Franchisor (or an affiliate or agent of Franchisor) of Services or Products to National Account customers as authorized in (a) above, nor if Franchisor contracts with another party to provide Services or Products as authorized in (b) above, shall constitute a violation of Section 4 of this Agreement relating to the Franchisee's Territory, even if such Services and/or Products are performed or offered from a location within the Territory. Franchisee disclaims any compensation for Services performed or Products provided by others in the Territory pursuant to this section.

(j) Franchisee's rights in the Territory are solely as expressly set forth in this Section

4. Except as expressly provided in this Agreement, Franchisee has no right to exclude, control, or impose conditions on the location, operation, or other management of present or future Sasquatch Strength (or any other brand) franchises or Franchisor-owned store units or distribution channels of any type, franchised or company-owned, regardless of their location or proximity to the Territory and whether the offer competing services which may affect Franchisee's operations. Franchisee does not have any rights with respect to other and/or related businesses, services, and/or products, in which Franchisor or any Franchisor-related persons or entities may be involved, now or in the future.

(k) Any territorial rights not expressly granted to the Franchisee are reserved to the Franchisor, whether or not such rights impact the Territory. Such rights reserved to the Franchisor in the Territory include, but are not limited to, the following:

(i) the right to advertise, market, and sell fitness related products and conduct similar services in your Territory;

(ii) the right to advertise, offer, and sell fitness related products online or through other electronic venues, no matter where the customer is based;

(iii) the right to sell, offer, or distribute similar products or services to anyone from anywhere through any alternative or other channel of distribution, other than through local businesses providing such products under the Marks and System and on any terms and conditions Franchisor deems appropriate. Franchisor maintains this right whether or not the Marks or System used, and regardless of whether Franchisor is acting inside or outside the Territory;

(iv) the right to develop, manufacture, and/or distribute any services or products that have been branded with the Mark, or any separate brand of products or equipment through any outlet located anywhere (including, by way of illustration and not limitation, discount warehouses, retail stores, online sales and/or similar venues). If Franchisor decides to develop and distribute related products or conduct similar services within the Territory, Franchisee will receive no compensation from Franchisor for such sales, unless agreed otherwise by the parties in writing; and

(v) own and/or operate ourselves or authorize others to own and/or operate (a) any business located outside the Territory as designated on your Franchise Agreement, whether or not using the Marks and/or System, (b) any business anywhere, whether using the Marks and /or System or not, which is not substantially similar to the business franchised to you under the Franchise Agreement, and/or (c) any business anywhere which does not use the Marks;

We are not responsible for paying any compensation to you concerning the sale or providing of services over the Internet, World Wide Web, other similar venues, by alternative means of distribution, outlets, businesses that are or are not substantially similar to the Franchised Business or any business that does not use the Marks. For clarity, the Franchise Agreement grants you no rights to offer and provide services and/or products through any alternative channels of

distribution (other than our approved list of channels of distribution) without our permission or share in any of the proceeds from our activities through alternative channels of distribution.

(l) Franchisee's Territory may be altered during the initial term, but only by: (i) mutual consent of the parties as demonstrated in a writing signed by both parties; (ii) at the time of transfer or renewal as a condition to transfer or renew; or (iii) for any default of this Agreement which triggers Franchisor's ability to alter, modify, or terminate.

## 5. TERM AND RENEWAL.

5.1. Generally. The term of this Agreement will begin on the Effective Date and expire five (5 Years) years thereafter (the "Term"). If this Agreement is the initial franchise agreement for your Business, you may enter into a maximum of one (1) successor franchise agreement (each, a "Successor Agreement") as long as you meet the conditions for renewal specified below. The Successor Agreement shall be the current form of franchise agreement that we use in granting Sasquatch Strength fitness franchises as of the expiration of the Term. If at the time of such expiration of the Term, we are not granting franchises, then the Successor Agreement will be in a form selected by us which previously shall have been delivered to and executed by a franchisee or licensee of us. The terms and conditions of the Successor Agreement may vary materially and substantially from the terms and conditions of this Agreement. A renewal term will be five (5 Years) years, for a maximum total term of 10 years (although the parties may mutually agree to renew the franchise for an additional period of time beyond the 10-year contractual period). You will have no further right to operate your Business following the expiration of the final renewal term unless we grant you another franchise in our sole discretion. If this Agreement is a Successor Agreement, the renewal provisions in your original franchise agreement will dictate the length of the Term of this Agreement as well as your remaining renewal rights, if any.

5.2. Renewal Requirements. In order to enter into a Successor Agreement, you and the Owners (as applicable) must: (i) notify us in writing of your desire to enter into a Successor Agreement not less than 120 days nor more than 180 days before the expiration of the Term; (ii) not be (nor, if an Entity, your Owner(s) be) in default under this Agreement or any other agreement with us or any affiliate of ours at the time you send the renewal notice or the time you sign the Successor Agreement; (iii) sign the Successor Agreement and all ancillary documents that we require franchisees to sign; (iv) sign a General Release in form and substance satisfactory to us; (v) complete any required refresher training program; (vi) if we require, remodel your Franchise and purchase new equipment to comply with our then current standards and specifications; (vii) have the right under your lease to maintain possession of your premises for the duration of the renewal term; and (viii) take any additional action that we reasonably require.

5.3. Interim Term. If you do not sign a Successor Agreement after the expiration of the Term and you continue to accept the benefits of this Agreement, then at our option, this Agreement may be treated either as: (i) expired as of the date of the expiration with you then operating without a franchise to do so and in violation of our rights; or (ii) continued on a month-to-month basis (the "Interim Term") until either party provides the other party with 30 days' prior written notice of the party's intention to terminate the Interim Term. In the latter case, all of your obligations will remain in full force and effect during the Interim Term as if this Agreement had not expired, and all

obligations and restrictions imposed on you upon the expiration or termination of this Agreement will be deemed to take effect upon the termination of the Interim Term.

Except as otherwise permitted by this Section 5, you have no right to continue to operate your Franchise following the expiration of the Term.

## 6. TRAINING AND CONFERENCES.

6.1. Initial Training Program. The principle owner and or Designated Manager must attend and successfully complete our initial training program within two months prior to the opening your Sasquatch Strength Business. We will provide initial tuition-free training for a total of four (4) individuals. We will train additional persons at a tuition rate of two hundred fifty dollars (\$250) per person, so long as this person(s) attends training with you. We will provide a minimum of five days of on-site training at your Franchise during, and at least two days prior to the launch of your Sasquatch Strength Gym as part of our initial training program. You, if you are an individual (or at least one of your shareholders or members if you are a corporation or limited liability company), must attend and complete the initial training program to our satisfaction. For no additional fee, we will also provide you with access to our training team on an "as needed" basis via telephone and Internet. Our representative will be available during normal business hours by phone and e-mail.

6.2. On-Site Training. If we provide on-site training, other than what is described in Section 6.1 of this agreement, at your Franchise and we agree to do so, you agree to reimburse us for all reasonable travel, meals, lodging and other expenses that we incur in providing the on-site training. These amounts are due 10 days after invoicing.

6.3. Conferences. We may, in our sole discretion, hold a mandatory annual conference at our headquarters or at a location we determine, no more than once per year, which will last approximately one to three (1 to 3) days. We will determine the topics and agenda of the annual conference, which generally will include updating our franchisees on new developments affecting them and exchanging information between our franchisees and our personnel concerning the operations and programs of the System.

6.4. Expenses. You are responsible for all food, lodging and travel costs that your Owners and employees incur while attending any training program or conference.

## 7. OTHER FRANCHISOR ASSISTANCE.

7.1. Training. We will provide the training described in Section 6 of this Agreement.

7.2. Manual. During the Term, we will grant you electronic access to our confidential and proprietary Sasquatch Strength fitness Operations Manual (the "Manual"). The Manual will help you establish and operate your Franchise. The information in the Manual is confidential and proprietary and may not be disclosed to third parties without our prior approval.

7.3. Additional Assistance Upon Request. Upon your written request, we may provide additional assistance or training to you at a mutually convenient time. If we agree to provide this additional assistance or training at your Franchise, you must pay us two hundred fifty dollars (\$250) per day in addition to reimbursing us for all costs that we incur for food, lodging and travel. These expense reimbursements are due 10 days after invoicing.

7.4. General Guidance. Based upon our periodic inspections of your Franchise or reports that you submit to us, we will provide our guidance and recommendations on ways to improve the marketing and/or operation of your Franchise.

7.5. Website. We will maintain the Sasquatch Strength fitness website to promote the services and products offered at Sasquatch Strength fitness Businesses. We will include the information about your Franchise that we deem appropriate. We may modify the content of and/or discontinue the website at any time in our sole discretion. We will include a zip locator and a link to your personal Sasquatch Strength fitness Franchise Website (your "Sitelet"). Your Sitelet will include information relating to your specific business location and select content that we provide from our Website. Your Sitelet will also showcase the Sasquatch Strength fitness products and services. We require that you use the supplier designated in the Manual to establish your Sitelet. You may not establish or maintain any other Website or engage in any other electronic marketing of products or services without our prior written approval. We reserve the right to change the requirements relating to your Sitelet at any time.

7.6. Purchase Agreements. We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for us and Sasquatch Strength fitness franchisees. If we succeed in negotiating a purchase agreement, we will arrange for you to be able to purchase the goods directly from the supplier at the discounted prices that we negotiate (subject to any rebates the supplier pays to us). We may also purchase certain items from suppliers in bulk and resell them to you at our cost, plus shipping fees.

7.7. Private Label Goods. We have developed Sasquatch Strength fitness branded products and merchandise for sale at your Franchise. You agree to maintain a reasonable inventory of these items at your Franchise at all times.

## 8. ESTABLISHING YOUR FRANCHISE.

8.1. Site Selection. If you do not own a location for your Sasquatch Strength fitness Location, you must purchase or lease a commercial location. Facilities for a Sasquatch Fitness businesses typically measure from 2,000 to 3,000 square feet. You must use our building specifications for your real property space and design plans for building out, remodeling, or retrofitting your Franchised Business Site. The Site must be approved by us. The location must meet certain basic requirements described in the Franchise Operations Manual. You must secure location within six (6) months after signing this agreement.

8.2. Lease. If you will lease the premises for your Franchise, you must use your best efforts to ensure your landlord signs the Lease Addendum that is attached to this Agreement as Attachment E. If your landlord refuses to sign the Lease Addendum in substantially the form attached to this Agreement, we have the right to disapprove of your lease in our commercially reasonable judgment, in which case you must find a new site for your Franchise. You must promptly send us a copy of your fully executed lease and Lease Addendum.

8.3. Operating Assets. You agree to use in your operations of Sasquatch Strength fitness Franchise, and only those Operating Assets that we approve for Sasquatch Strength fitness Franchises as meeting our specifications and standards for quality, design, appearance, function, and performance. You agree to place or display in the business or vehicles (interior and exterior) only the signs, emblems, lettering, logos, and display materials that we approve from time to time. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).

8.4. Telephone. You must obtain a new telephone number with "call-waiting service" and telephone listing at your expense, to be listed under the Sasquatch Strength fitness name and not under your corporate, limited liability company, or individual name, to be used exclusively in connection with your operation of the business. Upon the expiration, transfer or termination of this Agreement for any reason, you will terminate your use of such telephone number and listing and assign the same to us or our designee. You must answer the telephone in the manner we specify in the Operations Manual.

8.5. Computer Software and Hardware. You will purchase and use any and all computer software programs ("Software") which we have developed or may develop and/or designate for use for the System and will purchase such computer hardware as we designate and as may be necessary for the efficient operation of the Software. We have the right to require you to update or upgrade computer hardware components and/or Software as we deem necessary from time to time but not more than once per calendar year. In addition, we have the right to require you to enter into a separate maintenance agreement for such computer hardware and/or Software.

8.6. Opening. You must open your Franchise to the public within nine (9) months after signing this agreement. You may not open your Franchise before: (i) successful completion of the initial training program by your Designated Manager; (ii) you purchase all required insurance and provide insurance certificates naming Sasquatch Strength Franchise LLC as an additional insured; (iii) you obtain all required licenses, permits and other governmental approvals and a copy of all such license, permits and approvals are in your business files or are displayed when required. We may conduct a pre-opening inspection of your Franchise and you agree to make any changes we require before opening. **BY VIRTUE OF OPENING YOUR FRANCHISE, YOU ACKNOWLEDGE THAT WE HAVE FULFILLED ALL OF OUR PRE- OPENING OBLIGATIONS TO YOU.**

8.7. Relocation. You may relocate your Franchise with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate, you must: (i) locate your new Franchise within the Territory; (ii) comply with Sections 8.1 through Section 8.8 of this Agreement with respect



to your new Franchise (excluding the 90-day opening period); and (iii) open your new Franchise and resume operations within 30 days after closing your prior location.

8.8. Initial Equipment & Supplies. You are required to purchase from us or our suppliers an initial inventory of required gym equipment, and supplies. In addition, you will be required to purchase locally, equipment and supplies in the amount of approximately \$200 for a total initial equipment & supplies purchase of approximately \$41,500 to \$51,600.

## 9. MANAGEMENT AND STAFFING.

9.1. Owner Participation. You acknowledge that a major requirement for the success of your Business is the active, continuing, and substantial personal involvement and hands-on supervision by you or your Designated Manager. You or the Designated Manager must at all times be actively involved in the operation of the Business on a full-time basis unless we authorize you to delegate management functions to a Manager. Any new Designated Manager that we approve must successfully complete the initial training program pursuant to Section 6.1. The Designated Manager must be authorized in writing by us.

9.2. Managers. You may hire a manager to assume responsibility for the daily supervision and operation of your Business (a "Manager"), but only if: (i) we approve the Manager in our commercially reasonable discretion; (ii) the Manager meets our minimum qualifications and requirements for managers (including holding all licenses necessary to manage the Franchise); (iii) the Manager successfully completes the initial training program; (iv) the Manager signs a Brand Protection Agreement; and (v) the Designated Manager agrees to assume responsibility for the supervision and operation of your Business if the Manager is unable to perform his or her duties due to death, disability, termination of employment, or for any other reason, until such time that you obtain a suitable replacement Manager.

9.3. Employees. You must hire, train, and supervise honest, reliable, competent and courteous employees for the operation of your Franchise. You must pay all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings required by law) due for your employees. These employees will be employees of yours and not of ours. You must ensure that a sufficient number of trained employees are available to meet the operational standards and requirements of your Franchise at all times. You must ensure that your employees perform their duties in compliance with the terms of the Manual and any other materials applicable to employees that we communicate to you. You may give your employees only the minimum amount of information and material from the Manual that is necessary to enable them to perform their assigned tasks. You must ensure that your employees do not make or retain any copies of the Manual or any portion of the Manual. We do not control the day to day activities of your employees or the manner in which they perform their assigned tasks. We also do not control the hiring or firing of your employees. You have sole responsibility and authority for all employment related decisions, including employee selection and promotion, hours worked, rates of pay and other benefits, work assignments, training and working conditions. You must require that your employees review and sign the acknowledgment form we prescribe that explains the nature of the franchise relationship and notifies the employee that you are his or her sole employer.

9.4. Interim Manager. We have the right, but not the obligation, to designate an individual of our choosing (an "Interim Manager") to manage your Franchise if either: (i) your Designated Manager ceases to perform the responsibilities of a Designated Manager (whether due to retirement, death, disability, or for any other reason) and you fail to find an adequate replacement Designated Manager within 30 days; or (ii) you are in material breach. The Interim Manager will cease to manage your Franchise at such time that you hire an adequate replacement Designated Manager who has completed training, or you cure the material breach, as applicable. The Interim Manager will have no liability to you except for gross negligence or willful misconduct. We will have no liability to you for the activities of an Interim Manager unless we are grossly negligent in appointing the Interim Manager.

## 10. FRANCHISEE AS ENTITY.

If you are an Entity, you agree to provide us with a list of all of your Owners. All Owners of the Entity (whether direct or indirect) are jointly and severally responsible for the Entity's performance of this Agreement and each Owner is bound by all of the terms of this Agreement. Upon our request, you must provide us with a resolution of the Entity authorizing the execution of this Agreement, a copy of the Entity's organizational documents and a current Certificate of Good Standing (or the functional equivalent thereof). You represent that the Entity is duly formed and validly existing under the laws of the state of its formation or incorporation, and, if different, duly authorized as a foreign entity to conduct business in the state in which your Franchise is located. The Entity's organizational documents must incorporate the transfer restrictions set forth in this Agreement as they pertain to a transfer of an interest in the Entity. Your Entity shall not use the name "Sasquatch Strength fitness" in the name of any such Entity or as part of any domain name or as part of an e-mail address, as it is a protected name. You will not be allowed to open a franchise with us as a sole proprietor or partnership.

## 11. FRANCHISE OWNER AGREEMENT.

If you are an Entity, all Owners (whether direct or indirect) and their spouses must sign a Franchise Owner Agreement.

## 12. ADVERTISING & MARKETING.

### 12.1. National Advertising and Technology Fund.

12.1.1. Permitted Uses. We reserve the right to establish and maintain a brand and system development and compliance fund (the "National Advertising and Technology Fund"). The National Advertising and Technology Fund may be used for any of the following purposes ("Permitted Activities"): (i) marketing, advertising and promotional materials (including social media); (ii) public and consumer relations and publicity; (iii) brand development; (iv) website development and search engine optimization; (v) research and development of new equipment, technology, products, services, therapies and treatments; (vi) research and monitoring of laws and regulations applicable to Sasquatch Strength fitness Businesses ; (vii) development and implementation of quality control programs; (viii); improvements to the System; (ix) and any other

programs or activities that we deem necessary or appropriate to promote and improve the Sasquatch Strength fitness brand and the System or to improve the overall quality and legal compliance associated with the System. We will not use any fees deposited into the National Advertising and Technology Fund to defray any of our general operating expenses, except for such reasonable salaries (allocated based on time spent on Permitted Activities), administrative costs and overhead as we may incur in activities reasonably related to the administration of the National Advertising and Technology Fund and the Permitted Activities (which may include, without limitation: conducting market research, preparing and conducting television, radio, magazine, billboard, newspaper and other media programs and activities and employing advertising agencies, collecting and accounting for contributions to the National Advertising and Technology Fund, and paying for the preparation and distribution of financial accountings and marketing materials). We will not spend more than 20 percent of the funds on administrative expenses.

12.1.2. Administration. We will administer the National Advertising and Technology Fund once active. We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location and all other matters pertaining to any marketing or promotional activities paid for by the National Advertising and Technology Fund. We also have sole discretion in determining the other Permitted Activities paid for by the National Advertising and Technology Fund, provided that there is a reasonable relationship between these activities and overall efforts to improve or promote the System. Any surplus of funds in the National Advertising and Technology Fund may be invested and we may lend money to the National Advertising and Technology Fund if there is a deficit. The National Advertising and Technology Fund is not a trust and we have no fiduciary obligations to you with respect to our administration of the National Advertising and Technology Fund. We have no obligation to make expenditures in your market area that are proportionate or equivalent to your contributions to the National Advertising and Technology Fund. A financial accounting of the operations of the National Advertising and Technology Fund, including deposits into and disbursements from the National Advertising and Technology Fund, will be prepared annually and made available to you upon request.

12.1.3. Contributions. Once the National Advertising and Technology is active, on each Tuesday day of each week, you must pay us up to two percent (2%) of your previous week's Gross Sales, which we will deposit into the National Advertising and Technology Fund once established. We must send you a 30-day notice prior to collecting any contributions from you in relation to this Fund. We will deposit into the National Advertising and Technology Fund all contributions paid by you and other franchisees. Any company-owned Sasquatch Strength fitness Business will contribute to the National Advertising and Technology Fund on the same basis as our franchisees. However, if we modify the amount or timing of the contributions that must be made to the National Advertising and Technology Fund, any company-owned Sasquatch Strength fitness Business that is established or acquired after the modification may contribute to the National Advertising and Technology Fund utilizing the modified amount or timing.

12.2. Marketing Assistance from Us. We will assist you in formulating your grand opening marketing activities. We may create and make available to you advertising and other marketing

materials for your purchase. We may use the National Advertising and Technology Fund to pay for the creation and distribution of these materials, in which case there will be no additional charge. We may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). Alternatively, we may enter into relationships with third party suppliers who will create the advertising or marketing materials for your purchase. We will provide reasonable marketing consulting, guidance and support throughout the Term on an as needed basis.

### 12.3. Your Marketing Activities

12.3.1. Generally In addition to your required contribution to the National Advertising and Technology Fund, you must spend at least \$2,500 each calendar month on local advertising to promote your Franchise after your grand opening period. We must approve all such advertising in accordance with Section 12.3.5. You agree to participate at your own expense in all advertising, promotional and marketing programs that we require. You also agree to comply with any gift card program that we establish.

12.3.2. Grand Opening. During the period beginning 30 days before opening and ending 60 days after opening, you must spend at least \$10,000 on advertising and other marketing activities to promote your Franchise. We must approve all such advertising in accordance with Section 12.3.5. We will provide you with our suggestions and recommendations for grand opening advertising.

12.3.3. Territorial Advertising Restriction. You are not permitted to solicit customers and/or advertise within Territories of any existing Sasquatch Gym franchise, affiliate or company owned unit, except to the extent that you have received our prior written authorization. We may condition our authorization upon your agreement to offer System franchisees who are operating Business in Territories encompassed by the circulation base of the proposed advertising the opportunity to participate in, and share the expense of, such solicitation and/or advertising. You may not advertise your Business, or any Merchandise or Service offered by your Business via the Internet without our prior written consent, which may be given or withheld in our sole discretion.

12.3.4. Standards for Advertising. All advertisements and promotions that you create, or use must be completely factual and conform to the highest standards of ethical advertising and comply with all federal, state and local laws. You must ensure that your advertisements and promotional materials do not infringe upon the intellectual property rights of others.

12.3.5. Approval of Advertising. Before you use them, we must approve all advertising and promotional materials that we did not prepare or previously approve (including materials that we prepared or approved, and you modify). We will be deemed to have approved the materials if we fail to issue our disapproval within 14 days after receipt. You may not use any advertising or promotional materials that we have disapproved (including materials that we previously approved and later disapprove). If you use any advertising or promotional materials that we have not approved, we may impose the

fine pursuant to Section 13.10.

12.3.6. Internet and Websites. At this time, we do not allow our franchisees to maintain their own websites or market their Sasquatch Strength fitness businesses on the Internet or on any social media site that have not been approved or established by us. Accordingly, you may not maintain a website, conduct e-commerce, or otherwise maintain a presence or advertise on the Internet or any other public computer network (including social network services and social media sites) or through any other digital or electronic method of communication in connection with your Business, except for the accounts we establish on your behalf, which you will be granted access to manage. You may utilize the online accounts that we have established on your behalf only in compliance with all of the guidelines that we specify. At any time, we may require that you sign an amendment to this Agreement that will govern your ability to maintain a website and/or market on the Internet. You agree to comply with any social media policy that we develop.

### 13. OPERATING STANDARDS.

13.1.Generally. You agree to operate your Franchise: (i) in a manner that will promote the goodwill of the Marks; and (ii) in full compliance with our standards and all other terms of this Agreement and the Manual.

13.2.Operating Manual. You agree to establish and operate your Business in accordance with the Manual. The Manual may contain, among other things: (i) a description of the authorized goods and services that you may offer at your Franchise; (ii) mandatory and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for Sasquatch Strength fitness franchisees; (iii) minimum staffing requirements as well as minimum standards and qualifications for your employees; (iv) mandatory reporting and insurance requirements; (v) mandatory and suggested specifications for your Franchise; and (vi) a written list of goods and services (or specifications for goods and services) you must purchase for the development and operation of your Franchise and a list of any designated or approved suppliers for these goods or services. We can modify the Manual at any time. The modifications will become binding 30 days after we send you notice of the modification. All mandatory provisions contained in the Manual (whether they are included now or in the future) are binding upon you.

13.3.Authorized Goods and Services. You agree to offer all goods and services that we require from time to time in our commercially reasonable discretion. You may not offer any other goods or services at your Franchise without our prior written permission. You may not use your Franchise or permit your Franchise to be used for any purpose other than offering the goods and services that we authorize. We may, without obligation to do so, add, modify or delete authorized goods and services, and you must do the same upon notice from us. Our addition, modification or deletion of one or more goods or services shall not constitute a termination of the franchise or this Agreement.

13.4.Suppliers and Purchasing. You agree to purchase or lease all products, supplies, equipment, services and other items specified in the Manual from time to time. If required by the

Manual, you agree to purchase certain goods and services only from suppliers designated or approved by us (which may include, or be limited exclusively to, us or our affiliate). You acknowledge that our right to specify the suppliers that you may use is necessary and desirable so that we can control the uniformity and quality of goods and services used, sold or distributed in connection with the development and ongoing operation of Sasquatch Strength fitness Businesses, maintain the confidentiality of our trade secrets, obtain discounted prices for our franchisees if we are able to do so, and protect the reputation and goodwill associated with the System and the Marks. If we receive rebates or other financial consideration from these suppliers based upon franchisee purchases, we will deposit these amounts into the National Advertising and Technology Fund. If you want us to approve a supplier that you propose, you must send us a written notice specifying the supplier's name and qualifications and provide any additional information that we request. We will approve or reject your request within 60 days after we receive your notice and all additional information (and samples) that we require. We may require that the supplier agree to certain commercially reasonable conditions as a condition to our approval, including maintaining adequate insurance and signing a license agreement with us for the supply of any products bearing our Marks. You must reimburse us for all costs and expenses that we incur in reviewing a proposed supplier within 10 days after invoicing. This cost will not exceed \$1,000.

13.5. Equipment Maintenance and Changes. You agree to maintain all of your equipment in good condition and promptly replace or repair any equipment that is damaged, worn-out or obsolete. We may require that you replace, update or change your equipment, which may require you to make additional investments. You acknowledge that our ability to require franchisees to make significant changes to their equipment is critical to our ability to administer and change the System and you agree to comply with any such required change within the time period that we reasonably prescribe.

13.6. Software and Technology. We can change the software or technology you must use at any time. At any time, we may also develop proprietary software or technology that must be used by all of our franchisees. If this occurs, you agree to enter into a license agreement with us (or an affiliate of ours) and pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees. The terms of the license agreement will govern the terms pursuant to which you may utilize this software or technology. We also reserve the right to enter into a master software or technology license agreement with a third-party licensor and then sublicense the software or technology to you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the software or technology.

13.7. Remodeling and Maintenance. You agree to remodel and make all improvements and alterations to your Franchise that we reasonably require from time to time to reflect our then-current image, appearance and facility specifications. We will not require that you spend more than \$10,000 to remodel your Franchise during the Term. You may be required to replace your equipment at your own cost. You agree to maintain your Franchise and the equipment within in good order and condition, reasonable wear and tear excepted, and make all necessary repairs, including replacements, renewals and alterations, at your sole expense, to comply with our standards and specifications. Without limiting the generality of the foregoing, you agree to take the following actions at your sole expense: (i) thorough cleaning, repainting, redecorating of the interior

and exterior of the facility at the intervals we may prescribe (or at such earlier times that such actions are required or advisable); and (ii) interior and exterior repair of the facility as needed. You agree to comply with any maintenance, cleaning or facility upkeep schedule that we prescribe from time to time.

13.8.Hours of Operation. Your Franchise must be open during the minimum hours and days that we specify in our Operations Manuals. You must establish specific hours of operation and submit those hours to us for approval if they do not meet the requirement from our Operations Manuals.

13.9.Customer Complaints. If you receive a customer complaint, you must follow the complaint resolution process that we specify to protect the goodwill associated with the Marks.

13.10.Failure to Comply with Standards. You acknowledge the importance of every one of our standards and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks. If we notify you of a failure to comply with our standards or operating procedures and you fail to correct the non-compliance within the period of time that we require, then, in addition to any other remedies available to us under this Agreement, we may require you, your "designated manager" or "manager" to take additional training not to exceed the initial training as described in section 6.1.

## 14. FRANCHISE ADVISORY COUNCIL.

We may, but need not, create a franchise advisory council to provide us with suggestions to improve the System, including matters such as marketing, operations and new product or service suggestions. The advisory council will be established and operated according to rules and regulations we periodically approve, including procedures governing the selection of representatives of the advisory council who will communicate with us on matters raised by the advisory council.

## 15. FEES.

15.1. Initial Franchise Fee. You agree to pay us a \$45,000 initial franchise fee in one lump sum at the time you sign this Agreement unless you are in Washington State. For Franchisees in Washington State we will defer this fee until our pre-opening obligations are met (sections 6.1, 7.2, 7.5, 8.6 and 12.3.2) We will reduce this fee to \$40,000 for any company whose majority owner or stakeholder has a least one (1) year of management experience with a Sasquatch Strength fitness Business. Any member of the U.S. armed forces and has not been dishonorably discharged will receive a twenty-five percent (25%) Reduction in the Initial Franchise Fee. The Initial Franchise Fee will be reduced by twenty-five percent (25%) of the then current fee for additional franchise locations. The initial franchise fee is fully earned by us and non-refundable once this Agreement has been signed.

15.2. Royalty Fee. You agree to pay us a royalty fee equal to 6.5 percent of your previous month's Gross Sales from the immediately preceding billing period. Our current billing period is

monthly, with payments due the 15<sup>th</sup> of each month for Gross Sales generated during the prior month. We may change the billing period from time to time and/or due date. Any change to the billing period will apply to your royalty fee as well as your contributions to the National Advertising and Technology Fund, all of which are due on the 15th of each month. You agree to provide us with your business bank account and routing information. You agree to allow us to use EFT (electronic funds transfer) to collect all fees and payments in this Agreement.

15.3. Other Fees and Payments. You agree to pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as if fully set forth in this Section 15. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based upon goods or services that you sell or based upon goods or services that we furnish to you (other than income taxes that we pay based on amounts that you pay us under this Agreement).

15.4. Late Fee. If any sums due under this Agreement have not been received by us when due (or there are insufficient funds in your Account to cover any sums owed to us when due) then, in addition to those sums, you must pay us \$100. We may impose a late fee for any amounts that we are unable to reasonably determine due to your failure to furnish us with a report required by Section 17.3 within the required period of time or record sales in a timely manner, in which case we may assess a late fee on the entire amount that was due and payable. We may also assess you a \$75 administrative handling fee if any payment is returned for insufficient funds or is dishonored by a financial institution. You acknowledge that this Section 15.4 shall not constitute our agreement to accept the late payments after same are due, or a commitment by us to extend credit to or otherwise finance the operation of your Business.

15.5. Relocation Fee. You agree to pay us a \$500 relocation fee in one lump sum at any time during the term of the agreement that relocate your Sasquatch Strength fitness franchise location. Such payment is due at the moment you sign a lease, purchase agreement or other such agreement that is intended to acquire a new location for your Sasquatch Strength fitness franchise. You must also reimburse us for any expense we incur directly as a result of your relocation. Such payment is due upon invoice.

15.6. Method of Payment. You must complete and send us an ACH Authorization Form allowing us to electronically debit a banking account that you designate (your "Account") for: (i) all fees payable to us pursuant to this Agreement (other than the initial franchise fee); and (ii) any amounts that you owe to us or any of our affiliates for the purchase of goods or services. Your Account does not need to be your primary business checking account. We will debit your Account for these payments on or after the due date. Our current form of ACH Authorization Form is attached to the Franchise Disclosure Document. You must sign and deliver to us any other documents that we or your bank may require to authorize us to debit your Account for these amounts. You must ensure that your Account has sufficient funds available for withdrawal by electronic transfer before each due date. If there are insufficient funds in your Account to cover all amounts that you owe, any excess amounts that you owe will be payable upon demand, together with any late charge imposed pursuant to Section 15.4.



15.7. Application of Payments. We have sole discretion to apply any payments from you to any past due indebtedness of yours or in any other manner we feel appropriate.

15.8. Interest: You must pay us interest on the amounts past due at the rate equal to the lesser of 1.5 percent per month (pro-rated on a daily basis), or the highest rate permitted by your State's law. If we do not specify a due date, then interest begins to run 10 days after we bill you or 5 days after the due day, whichever occurs first. We will not impose a late fee for any amounts paid pursuant to Section 15.6 if, but only to the extent that, sufficient funds were available in your Account to be applied towards the payments at the time the payments became due and payable.

15.9. Management fees. Franchisee agrees to pay \$250 per person per day plus other costs and expenses to Franchisor when Franchisor or (a third party) manages your store after your default or abandonment.

15.10. Integrated Technology Platform. Franchisee agrees to pay \$950 per month to the Franchisor for the use of integration software between website, CRM platform, member management and accounting platforms. This also includes access to customized FranConnect platform, where training modules, marketing materials, and pertinent documents will be made accessible. This dedicated platform will also facilitate Franchisee and Franchisor communication and problem resolution.

## 16. BRAND PROTECTION COVENANTS.

16.1. Reason for Covenants. You acknowledge that the Intellectual Property and the training and assistance that we provide would not be acquired except through implementation of this Agreement. You also acknowledge that competition by you, the Owners or persons associated with you or the Owners (including family members) could seriously jeopardize the entire franchise system because you and the Owners have received an advantage through knowledge of our day-to-day operations and Know-how related to the System. Accordingly, you and the Owners agree to comply with the covenants described in this Section to protect the Intellectual Property and our franchise system.

16.2. Our Know-how. You and the Owners agree: (i) neither you nor any Owner will use the Intellectual Property in any business or capacity other than the operation of your Franchise pursuant to this Agreement; (ii) you and the Owners will maintain the confidentiality of the System at all times; (iii) neither you nor any Owner will make unauthorized copies of documents containing any Intellectual Property; (iv) you and the Owners will take all reasonable steps that we require from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you and the Owners will stop using the Intellectual Property immediately upon the expiration, termination or Transfer of this Agreement, and any Owner who ceases to be an Owner before the expiration, termination or Transfer of this Agreement will stop using the Intellectual Property immediately at the time he or she ceases to be an Owner.

16.3. Unfair Competition During Term. You and your Owners agree not to unfairly compete with us during the Term by engaging in any of the following activities ("Prohibited Activities"): (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee,

manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in any Competitive Business, other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business; (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); or (iii) inducing (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position or (b) any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours. "Competitive Business shall mean any business, person or entity that is engaged, or planning or contemplating to engage within a period of twelve (12) months, in any business activity that is competitive with the business and business activities engaged in by us or our affiliates or franchisees.

16.4. Unfair Competition After Term. During the Post-Term Restricted Period, you and your Owners agree not to engage in any Prohibited Activities. Notwithstanding the foregoing, you and your Owners may have an interest in a Competitive Business during the Post-Term Restricted Period as long as the Competitive Business is not located within the Restricted Territory and does not provide otherwise competitive goods or services from any site that is located within the Restricted Territory. If you or an Owner engage in a Prohibited Activity during the Post-Term Restricted Period (other than having an interest in a Competitive Business that is permitted under this Section), then the Post-Term Restricted Period applicable to you or the non-compliant Owner, as applicable, shall be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.

16.5. Immediate Family Members. The Owners acknowledge that they could circumvent the purpose of Section 16 by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). The Owners also acknowledge that it would be difficult for us to prove whether the Owners disclosed the Intellectual Property to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 16 if any member of his or her immediate family engages in any Prohibited Activities during the Term or Post-Term Restricted Period or uses or discloses the Intellectual Property. However, the Owner may rebut this presumption by furnishing evidence conclusively showing that the Owner did not disclose the Intellectual Property to the family member.

16.6. Employees and Others Associated with You. You must ensure that all of your employees, officers, directors, partners, members, independent contractors and other persons associated with you or your Business who may have access to our Intellectual Property, and who are not required to sign a Brand Protection Agreement, sign and send us a Confidentiality Agreement before having access to our Intellectual Property. You must use your best efforts to ensure that these individuals comply with the terms of the Brand Protection Agreements and Confidentiality Agreements, as applicable, and you must immediately notify us of any breach that comes to your attention. You agree to reimburse us for all reasonable expenses that we incur in enforcing a Brand Protection Agreement or Confidentiality Agreement, as applicable, including reasonable attorneys' fees and court costs.

16.7. Covenants Reasonable. You and the Owners acknowledge and agree that: (i) the terms of

this Agreement are reasonable both in time and in scope of geographic area; (ii) our use and enforcement of covenants similar to those described above with respect to other Sasquatch Strength fitness franchisees benefits you and the Owners in that it prevents others from unfairly competing with your Franchise; and (iii) you and the Owners have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU AND THE OWNERS HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS SECTION 16 AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

16.8.Breach of Covenants. You and the Owners agree that failure to comply with the terms of this Section 16 will cause substantial and irreparable damage to us and/or other Sasquatch Strength fitness franchisees for which there is no adequate remedy at law. Therefore, you and the Owners agree that any violation of the terms of this Section 16 will entitle us to injunctive relief. We may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$100. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you or an Owner may have against us, regardless of cause or origin, cannot be used as a defense against our enforcement of this Section 16. If an Owner's immediate family member engages in a Prohibited Activity during the Term or Post- Term Restricted Period or uses or discloses the Intellectual Property in breach of Section 16.5, you agree that, in addition to injunctive relief, we are entitled to liquidated damages in an amount equal to the initial franchise fee if actual damages cannot be reasonably determined.

## 17. YOUR OTHER RESPONSIBILITIES.

17.1.Insurance. For your protection and ours, you agree to maintain the insurance that we specify from time to time, including coverage insuring against all loss and liability arising out of or in connection with the operation of the Franchise, including, without limitation, worker's compensation insurance, including employer's liability, with limits as required by law and all policies in the table below, in the minimum amounts follows:

|                                 |             |                  |
|---------------------------------|-------------|------------------|
| General Liability Insurance     | \$1,000,000 | Per Occurrence   |
|                                 | \$3,000,000 | In the Aggregate |
| Professional Liability          | \$3,000,000 |                  |
| Products & Completed Operations | \$2,000,000 |                  |
| Personal & Advertising Injury   | \$1,000,000 |                  |
| Damage to Rented Premises       | \$300,000   |                  |
| Medical Expense                 | \$5,000     |                  |

You agree to provide us with proof of coverage on demand. You agree to obtain these insurance policies from insurance carriers that are rated A+ or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Franchise. All insurance policies must be endorsed to: (i) name us (and our members, officers, directors, and employees) as additional insureds; (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and provide that we receive 30 days prior written notice of the termination, expiration, cancellation or modification of the policy. If any of your policies fail to meet these criteria, then we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us. Upon 10 days' notice to you, we may increase the minimum protection requirement as of the renewal date of any policy and require different or additional types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Agreement), and you must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, within 10 days after invoicing, all costs and premiums that we incur.

17.2. Books and Records. You agree to prepare and maintain at your Franchise for at least three (3) years after their preparation, complete and accurate books, records, accounts and tax returns pertaining to your Business. You must allow us to access your QuickBooks Online and Fran Metrics account, which we require you to use, remotely. Profit and Loss reports in QuickBooks Online and all key performance indicators used in the Fran Metrics financial analytics must be accurate by the 15<sup>th</sup> of each month the prior month. The person who provides you with bookkeeping and accounting services must: (i) successfully complete all training that we reasonably require to ensure the person is familiar with our systems and procedures; and (ii) agree to utilize our accounting standards and chart of accounts to ensure consistency of information received from all of our franchisees. You must pay Fran Metrics for their book keeping services and reporting. You must also pay the QuickBooks Online subscription fee.

17.3. Reports. You must provide us access via the software we require to calculate your Gross Sales using a standard chart of accounts that we specify. On or before each royalty due date, you must have accurate Gross Sales data in all software systems for the preceding billing period. On or before the fifth (5<sup>th</sup>) day of each month, you must also prepare and send us a statement of your expenditures on local advertising required by Section 12.3.5 that were incurred during the prior month (which shall be accompanied by copies of receipts for such expenditures). You also agree to prepare all other reports that we require in the form and manner that we require. You agree to send us a copy of any report required by this Section upon request. If we require that you purchase a computer and/or automated cash management system that allows us to electronically retrieve information concerning your sales transactions, you agree that we will have the right to electronically poll your computer and/or automated cash management system to retrieve and compile information regarding the operation of your Franchise, subject to any restrictions imposed by applicable law.

17.4. Financial Statements. Within 30 days after the end of each calendar quarter and within

120 days after the end of each calendar year, you must prepare a balance sheet for your Business (as of the end of the calendar year or calendar quarter, as applicable) and a statement of profit and loss and source and application of funds (for the prior year or calendar quarter, as applicable). You agree to use QuickBooks Online and allow remote "read only" or "reports only" minimum access. All financial statements must be: (i) verified and signed by you certifying to us that the information is true, complete, and accurate; and (ii) submitted in any format that we reasonably require. You agree to send, prepare and share any financial statement required by this Section upon request. You authorize us to disclose the financial statements, reports, and operating data to prospective franchisees, regulatory agencies and others at our discretion, provided the disclosure is not prohibited by applicable law.

17.5. Legal Compliance. You must secure and maintain in force all required licenses, permits and regulatory approvals for the operation of your Franchise (including all required professional licenses) and operate and manage your Franchise in full compliance with all applicable laws, ordinances, rules and regulations. You understand that federal and state laws may regulate you and your franchise, and you agree to comply with all such laws. You are required to hire local counsel to review these laws to ensure the operation of your Franchise, and your performance of your obligations under this Agreement, comply with such laws. You must notify us in writing within two (2) business days of the beginning of any action, suit, investigation or proceeding, or of the issuance of any order, writ, injunction, disciplinary action, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of your Business or your financial condition. You must immediately deliver to us a copy of any inspection report, warning, certificate or rating by any governmental agency that reflects your failure to fully comply with any applicable law, rule or regulation.

## 18. INSPECTION AND AUDIT.

18.1. Inspections. To ensure compliance with this Agreement, we or our representatives will have the right to enter your Franchise, evaluate your operations and inspect and examine your books, records, accounts and tax returns. Our evaluation may include monitoring your interactions with and provision of services to customers and contacting your landlord, customers and/or employees. We may conduct our evaluation at any time and without prior notice. During the course of our inspections, we and our representatives will use reasonable efforts to minimize our interference with the operation of your Franchise, and you and your employees will cooperate and not interfere with our inspection. You consent to us accessing your computer system and retrieving any information that we deem appropriate in conducting the inspection, except as prohibited by law.

18.2. Audit. We have the right, at any time, to have an independent audit made of your books and financial records, subject to any restrictions imposed by applicable law. You agree to fully cooperate with us and any third parties that we hire to conduct the audit. If an audit reveals an understatement of your Gross Sales or any amount that you owe us, you agree to immediately pay to us any additional fees that you owe us together with any late fee payable pursuant to Section 15.4. Any audit will be performed at our cost and expense unless the audit: (i) is necessitated by your failure to provide the information requested or to preserve records or file reports as required by this Agreement; or (ii) reveals an understatement of any amount due to us by at least two percent (2%),

in which case you agree to reimburse us for the cost of the audit or inspection, including without limitation, reasonable accounting and attorneys' fees and travel and lodging expenses that we or our representatives incur. The audit cost reimbursements will be due 10 days after invoicing. We shall not be deemed to have waived our right to terminate this Agreement by accepting reimbursements of our audit costs.

## 19. INTELLECTUAL PROPERTY.

19.1. Ownership and Use of Intellectual Property. You acknowledge that: (i) we are the sole and exclusive owner of the Intellectual Property and the goodwill associated with the Marks; (ii) your right to use the Intellectual Property is derived solely from this Agreement; and (iii) your right to use the Intellectual Property is limited to a license granted by us to operate your Franchise during the Term pursuant to, and only in compliance with, this Agreement, the Manual, and all applicable standards, specifications and operating procedures that we prescribe from time to time. You may not use any of the Intellectual Property in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You agree to comply with all provisions of the Manual governing your use of the Intellectual Property. This Agreement does not confer to you any goodwill, title or interest in any of the Intellectual Property.

19.2. Changes to Intellectual Property. We have the right to modify the Intellectual Property at any time in our sole discretion, including by changing the Marks, the System or the Manual. If we modify or discontinue use of any of the Intellectual Property, then you must comply with any such instructions from us within 30 days. If we require you to change the Marks, we will have no obligation to reimburse you for your expenses of compliance, such changing signage, brochures, stationary, etc. Moreover, we will not be liable to you for any expenses, losses or damages that you incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property.

19.3. Use of Marks. You agree to use the Marks as the sole identification of your Franchise; provided, however that you must identify yourself as the independent owner of your Franchise in the manner that we prescribe. You may not use any Marks in any modified form or as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed to you by this Agreement). You agree to: (i) prominently display the Marks on or in connection with any media advertising, promotional materials, posters and displays, receipts, stationery and forms that we designate and in the manner that we prescribe to give notice of trade and service mark registrations and copyrights; and (ii) obtain any fictitious or assumed name registrations required under applicable law. You may not use the Marks in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument or other legal obligation or in any manner that is likely to confuse or result in liability to us for any indebtedness or obligation of yours.

19.4. Use of Intellectual Property. We will disclose the Intellectual Property to you in the initial training program, the Manual, and in other guidance furnished to you during the Term. You agree

that you will not acquire any interest in the Intellectual Property other than the right to utilize it in strict accordance with the terms of this Agreement in the development and operation of your Franchise. You acknowledge that the Intellectual Property is proprietary and is disclosed to you solely for use in the development and operation of your Franchise during the Term.

19.5. Improvements. If you conceive of or develop any improvements or additions to the services or products offered by, or the method of operation of, a Sasquatch Strength fitness Business, or any advertising or promotional ideas related to such business (collectively, "Improvements"), you agree to promptly and fully disclose the Improvements to us without disclosing the Improvements to others. You must obtain our approval prior to using any such Improvements. Any Improvement that we approve may be used by us and any third parties that we authorize to operate a Sasquatch Strength fitness franchise, without any obligation to pay you royalties or other fees. You must assign to us or our designee, without charge, all rights to any such Improvement, including the right to grant sublicenses. In return, we will authorize you to use any Improvements that we or other franchisees develop that we authorize for general use in connection with the operation of a Sasquatch Strength fitness Business.

19.6. Notification of Infringements and Claims. You must immediately notify us of any: (i) apparent infringement of any of the Intellectual Property; (ii) challenge to your use of any of the Intellectual Property; or (iii) claim by any person of any rights in any of the Intellectual Property. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. If you are in compliance with this Agreement, we will defend you against any claim brought against you by a third party that your use of the Intellectual Property in accordance with this Agreement infringes upon that party's intellectual property rights. We have no obligation to pursue any infringing users of our Intellectual Property. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringements, challenges or claims. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interest in any such litigation, Patent and Trademark Office proceeding or other proceeding, or to otherwise protect and maintain our interest in the Intellectual Property.

## 20. INDEMNITY.

You and all guarantors of your obligations under this Agreement agree to at all times indemnify, defend (with counsel reasonably acceptable to us) and hold harmless (to the fullest extent permitted by law us and our affiliates, and our and their respective successors, assigns, past and present equity holders, directors, officers, employees, agents, attorneys and representatives (collectively, "Indemnified Parties") from and against all "losses and expenses" (as defined below) incurred in connection with any action, suit, proceeding, claim, demand, investigation, inquiry (formal or informal), judgment or appeal thereof by or against Indemnified Parties or any settlement thereof (whether or not a formal proceeding or action had been instituted) (collectively, "Claims", each, a "Claim"), which actually or allegedly, directly or indirectly, arises out of, is based upon, is a result of or is related in any way to: (i) any Claim asserted against you and/or any of the Indemnified Parties arising from the marketing, use or operation of your Franchise or your performance and/or breach of any of your obligations under this Agreement; (ii) any other Claim arising from alleged violations of your relationship with and responsibility to us; or (iii) any Claim relating to taxes or penalties assessed by any governmental entity against us that are directly

related to your failure to pay or perform functions required of you under this Agreement. The Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any Claim; and (ii) control the response thereto and the defense thereof, including the right to enter into an agreement to settle such Claim. You may participate in such defense at your own expense. You agree to give your full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such Claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such Claim, including court costs and reasonable attorneys' fees, within 10 days of the date of each invoice delivered by such Indemnified Party to you enumerating such costs, expenses and attorneys' fees.

Specifically excluded from the indemnity you give hereby is any liability associated with our or the other Indemnified Parties' gross negligence, willful misconduct or criminal acts (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you).

As used above, the phrase "losses and expenses" includes all Claims; causes of action; fines; penalties; liabilities; losses; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys' and experts' fees and disbursements; settlement amounts; judgments; compensation for damage to our reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by Indemnified Parties' attorneys and/or experts); all expenses of recall, refunds, compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

## 21. TRANSFERS.

21.1. By Us. This Agreement and the franchise is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for the performance of our obligations under this Agreement up to the effective date of the assignment. We may also delegate some or all of our obligations under this Agreement to one or more persons without assigning the Agreement (including delegation to one of our master developers).

21.2. By You. You understand that the rights and duties created by this Agreement are personal to you and the Owners and we have granted the franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your Owners. Therefore, neither you nor any Owner shall cause or allow any direct or indirect sale, assignment, transfer, conveyance, gift, declaration of trust, pledge, mortgage or other encumbrance, voluntarily or involuntarily, by operation of law or otherwise of any interest in you, this Agreement, the license, the Sasquatch Strength fitness Business or the premises for the Sasquatch Strength fitness Business (collectively "Transfer") without (a) our prior written consent and (b) giving us an opportunity to exercise our right of first refusal as described in Section 21.5



below. Any attempt at such a Transfer without our approval and opportunity to exercise our right of first refusal shall be void, constitute a breach of this Agreement and shall convey no right or interest in this Agreement. We will not unreasonably withhold our approval of any proposed Transfer, provided that the following conditions are all satisfied:

(i) the proposed transferee is, in our opinion, an individual of good moral character, who has sufficient business experience, aptitude and financial resources to own and operate a Sasquatch Strength fitness Business and otherwise meets all of our then applicable standards for franchisees;

(ii) you and your Owners are in full compliance with the terms of this Agreement and all other agreements with us or our affiliate;

(iii) all of the owners of the transferee have successfully completed, or made arrangements to attend, the initial training program;

(iv) your landlord consents to your assignment of the lease to the transferee, or the transferee is diligently pursuing an approved substitute location within the Territory;

(v) the transferee and its owners, to the extent necessary, have obtained all licenses and permits required by applicable law in order to own and operate the Franchise;

(vi) the transferee and its owners sign our then current form of franchise agreement (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee), except that: (a) the Term and renewal term(s) shall be the Term and renewal term(s) remaining under this Agreement; and (b) the transferee need not pay a separate initial franchise fee;

(vii) you remodel your Franchise to comply with our then current standards and specifications or you obtain a commitment from the transferee to do so within the period of time that we specify;

(viii) you pay us a transfer fee which is the greater of 25 percent of the then current initial Franchise Fee or 5 percent of sales price of the at the time we approve the transfer;

(ix) you and your Owners sign a General Release for all claims arising before or contemporaneously with the Transfer, in form and substance satisfactory to us;

(x) you enter into an agreement with us to subordinate the transferee's obligations to you to the transferee's financial obligations owed to us pursuant to the franchise agreement;

(xi) we decline to exercise our right of first refusal described in Section 21.5; and

(xii) you or the transferring Owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

Our consent to a Transfer shall not constitute a waiver of any claims we may have against the transferor, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the franchise by the transferee.

21.3. Definition of Transfer. As used in this Agreement the term "Transfer" shall also mean and include each of the following: (a) the Transfer by you or your Owner(s) of more than 20 percent in the aggregate, whether in one or more transactions, of the assets, capital stock, membership interests or voting power of you; (b) the issuance of any securities by you, which itself or in combination with any other transaction(s), results in the Owners existing as of the effective date, owning less than 80 percent of the outstanding shares, membership interests or voting power of you as constituted as of the effective date; or (c) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of you, however effected.

21.4. Death or Disability of an Owner. Within 60 days after the death or permanent disability of an Owner, the Owner's ownership interest in you or the franchise, as applicable, must be assigned to another Owner or to a third party approved by us. Any assignment to a third party will be subject to all of the terms and conditions of Section 21.2. For purposes of this Section, an Owner is deemed to have a "permanent disability" only if he or she has a medical or mental problem that prevents the person from substantially complying with his or her obligations under this Agreement or otherwise operating the Franchise in the manner required by this Agreement and the Manual for a continuous period of at least three (3) months.

21.5. Our Right of First Refusal. If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 30 days after receipt of the offer to decide whether we will purchase the interest in your Business or the ownership interest in you for the same price and upon the same terms contained in the offer (however, we may substitute cash for any form of payment proposed in the offer). If we notify you that we intend to purchase the interest within the 30-day period, you or the Owner, as applicable, must sell the interest to us. We will have at least an additional 30 days to prepare for closing. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you as the seller of the assets or the Owner as the seller of the ownership interest or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of Section 21.2 (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a material change in the terms of the sale, we will again have the right of first refusal specified in this Section. Our right of first refusal in this Section shall not apply to any Permitted Transfer.

## 22. TERMINATION.

22.1. By You. You may terminate this Agreement if we materially breach this Agreement and fail to cure the breach within 90 days after you send us a written notice specifying the nature of the breach. If you terminate this Agreement, you must still comply with your post-termination obligations described in Section 23 and all other obligations that survive the expiration or

termination of this Agreement.

22.2. Termination by Us Without Cure Period. We may, in our sole discretion, terminate this Agreement upon ten (10) days written notice, without opportunity to cure, for any of the following reasons, all of which constitute material events of default under this Agreement:

- (i) if the Designated Manager fails to satisfactorily complete the initial training program in the manner required by Section 6.1;
- (ii) if you fail to obtain our approval of your site within the time period required by
- (iii) Sections 8.1;
- (iv) if you fail to open your Franchise within the time period required by Section 8.6;
- (v) if you become insolvent by reason of your inability to pay your debts as they become due or you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any law, or are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);
- (vi) if your Franchise, or a substantial portion of the assets associated with your Franchise, are seized, taken over or foreclosed by a government official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor; or a final judgment against you of at least \$5,000 remains unsatisfied for 30 days (unless a separate judgment supersedes or other appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in your Business, and it is not discharged within ten (10) days of the levy;
- (vii) if you abandon or fail to operate your Franchise for five (5) consecutive business days, unless the failure is due to an event of *force majeure* or another reason that we approve;
- (viii) if a regulatory authority suspends or revokes a license or permit held by you or an Owner that is required to operate the Franchise, even if you or the Owner still maintain appeal rights;
- (ix) if you or an Owner (a) is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other material crime or (b) is subject to any material administrative disciplinary action or (c) fails to comply with any material federal, state or local law or regulation applicable to your Franchise;
- (x) if you or an Owner commits an act that can reasonably be expected to adversely affect the reputation of the System or the goodwill associated with the Marks;
- (xi) if you manage or operate your Franchise in a manner that presents a health or safety hazard to your customers, employees or the public;
- (xii) if you fail to pay any amount owed to us or an affiliate of ours within ten (10) days after receipt of a demand for payment;
- (xiii) if you or an Owner make any material misrepresentation to us, whether occurring before or after being granted the franchise, including any intentional underreporting Gross Sales;
- (xiv) if you inadvertently underreport any amount owed to us by at least two percent (2%), after having already committed a similar breach that had been cured in accordance with Section 22.3;
- (xv) if you make an unauthorized Transfer;
- (xvi) if you make an unauthorized use of the Intellectual Property;

- (xvii) if you breach any of the brand protection covenants described in Section 16;
- (xviii) if any Owner, or the spouse of any Owner, breaches a Franchise Owner Agreement;
- (xix) if the lease for your premises is terminated due to your default;
- (xx) if you commit three (3) or more defaults during the Term, regardless of whether such defaults were cured; or
- (xxi) if we terminate any other agreement between you and us or if any affiliate of ours terminates any agreement between you and the affiliate because of your default.

22.3. Additional Conditions of Termination. In addition to our termination rights in Section 22.2, we may, in our sole discretion, terminate this Agreement upon 30 days' written notice if you or an Owner fail to comply with any other provision of this Agreement (including any mandatory provision in the Manual) or any other agreement with us, unless such default is cured, as determined by us in our sole discretion, within such 30-day notice period. If we deliver a notice of default to you pursuant to this Section 22.3, we may suspend performance of any of our obligations under this Agreement until you fully cure the breach.

22.4. Mutual Agreement to Terminate. If you and we mutually agree in writing to terminate this Agreement, you and we will be deemed to have waived any required notice period.

## 23. POST-TERM OBLIGATIONS.

23.1. Obligations of You and the Owners. After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

- (i) immediately cease to use the Intellectual Property;
- (ii) pay us all amounts that you owe us;
- (iii) comply with all covenants described in Section 16 that apply after the expiration, termination or Transfer of this Agreement or the disposal of an ownership interest by an Owner;
- (iv) return all copies of the Manual, or any portions thereof, as well as all signs, sign faces, brochures, advertising and promotional materials, forms, and any other materials bearing or containing any of the Marks, Copyrights or other identification relating to a Sasquatch Strength fitness Business, unless we allow you to transfer such items to an approved transferee;
- (v) take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks;
- (vi) provide us with a list of all of your current, former and prospective customers, unless prohibited by applicable law;
- (vii) upon our request, assign all customer contracts and related information to us (unless we allow you to transfer these items to an approved transferee) except to the extent prohibited by applicable law;
- (viii) make such modifications and alterations to the premises that are necessary or that we

require to prevent any association between us or the System and any business subsequently operated by you or any third party at the premises; provided, however, that this subsection shall not apply if your franchise is transferred to an approved transferee or if we exercise our right to purchase your entire Business;

- (ix) notify all telephone companies, listing agencies and domain name registration companies (collectively, the “Agencies”) of the termination or expiration of your right to use: (a) the telephone numbers and/or domain names, if applicable, related to the operation of your Franchise; and (b) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the Agencies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct the Agencies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and
- (x) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.

## 24. RIGHT TO PURCHASE FACILITY AND ASSETS.

24.1. Generally. Within 60 days after the termination or expiration of this Agreement, we shall have the right, but not the obligation, to notify you of our intent to purchase your Franchise and/or its assets at fair market value as determined by an independent business appraiser. If we elect to exercise this option, the date of determination of the fair market value shall be the day immediately after the effective date of the termination or expiration (the “Appraisal Date”). We will notify you of the specific items that we wish to purchase (the “Acquired Assets”). We may also require that you assign your lease to us at no additional charge.

24.2. Selecting Qualified Appraisers. You and we each shall appoint an appraiser with experience appraising businesses comparable to your Franchise (a “Qualified Appraiser”). This appointment of the appraisers shall be made within 30 days after the Appraisal Date by giving written notice to the other party of the name and address of the Qualified Appraiser. If either of us fails to appoint a Qualified Appraiser within the 30-day period, the appraisal shall be made by the sole Qualified Appraiser appointed within that period. If each of us shall have appointed a Qualified Appraiser within the 30-day period, then within 30 days after that the two (2) Qualified Appraisers shall appoint a third (3<sup>rd</sup>) Qualified Appraiser. If the two (2) Qualified Appraisers fail to agree on the appointment of a third (3<sup>rd</sup>) Qualified Appraiser within the 30-day period, then a third (3<sup>rd</sup>) Qualified Appraiser shall be appointed by the American Arbitration Association (acting through its office located closest to our corporate headquarters) as promptly as possible after that, upon application by either us or you. Nothing in this provision shall prohibit us and you from jointly approving a single appraiser, nor shall it obligate us or you to do so.

24.3. Information for Appraisal. You must furnish to the Qualified Appraisers a copy of your current financial statements, as well as your financial statements for the prior three (3) years (or the period of time that you have operated your Franchise, if less than three (3) years), together with the work papers and other financial information or other documents or information that the Qualified Appraisers may request. The Qualified Appraisers shall take into account the other information and

factors that they deem relevant, but the Qualified Appraisers shall be instructed that there shall be no consideration of goodwill in the determination of fair market value.

24.4. Appraisal Process. Within 60 days after the appointment of the third Qualified Appraiser, the three (3) Qualified Appraisers shall appraise the Appraised Assets at fair market value without taking into account any value for goodwill (the "Appraised Value"). If the three (3) Qualified Appraisers agree on a single value, then they shall issue a joint report and the Appraised Value shall be the value determined by the agreement of the three (3) Qualified Appraisers. If two (2) of the three (3) Qualified Appraisers agree on a single value, these two (2) Qualified Appraisers shall issue a joint report, and the dissenting Qualified Appraiser may (but need not) issue a separate report, and the value determined by agreement of the two (2) Qualified Appraisers who shall agree shall be the Appraised Value. If none of the Qualified Appraisers are able to agree on a single value, each Qualified Appraiser shall issue a report setting forth the value determined by him or her, and the average of the two values that are closest to each other shall be the Appraised Value. Before the issuance of a report by any Qualified Appraiser, each Qualified Appraiser shall advise the others of the value that will appear in his or her report to ensure that the determination of value made by any Qualified Appraiser is made with knowledge of the values determined by the other Qualified Appraisers. If there shall be only a single Qualified Appraiser (because you or we failed to appoint a Qualified Appraiser within the time provided), then the Appraised Value will be the value determined by the single Qualified Appraiser.

24.5. Cost of Appraisal. You and we shall equally bear the cost of the appraisal.

24.6. Closing. Once the Appraised Value has been determined, we will have at least 60 days to prepare for the closing. We will be entitled to receive from you all customary representations and warranties given by you as the seller of the Acquired Assets and you must transfer good and clean title to the Acquired Assets, subject to any exceptions agreed to by us. We will pay one-half of the purchase price at closing and the remaining balance in three (3) equal quarterly installments of principal plus interest at a rate per annum equal to the prime lending rate charged by our bank as of the closing date.

## 25. DISPUTE RESOLUTION.

Before arbitration, the parties agree to submit any claim, dispute or disagreement, including any matter pertaining to the interpretation of this Agreement or issues relating to the offer and sale of the franchise or the relationship between the parties (a "Dispute") to mediation administered by the Judicial Arbitration and Mediation Service (or its successor). If the Dispute is not resolved by mediation within 90 days after either party makes a demand for mediation, the parties will submit the dispute to mandatory and binding arbitration with the Judicial Arbitration and Mediation Service (or its successor). The party filing the arbitration must initially bear the cost of any arbitration fees or costs. The arbitrators will not have authority to award exemplary or punitive damages. Notwithstanding the foregoing, any Dispute that involves an alleged breach of Section 16 or Section 19 will not be subject to mediation or arbitration unless otherwise agreed to by both parties, and either party may immediately file a lawsuit in accordance with this Section with respect to any alleged breach of Section 16 or Section 19. All mediation, arbitration and litigation shall

take place in the county in which we maintain our principal place of business at the time the Dispute arises (currently, Florida) and the parties irrevocably waive any objection to such venue. If we or you must enforce this Agreement in a judicial or arbitration proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees. In addition, if you breach any term of this Agreement or any other agreement with us or an affiliate of ours, you agree reimburse us for all reasonable legal fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to the commencement of any dispute resolution proceedings. **UNLESS PROHIBITED BY APPLICABLE LAW, ANY DISPUTE (OTHER THAN FOR PAYMENT OF MONIES OWED OR A VIOLATION OF SECTION 16 OR SECTION 19) MUST BE BROUGHT BY FILING A WRITTEN NOTICE FOR MEDIATION (OR IF PERMITTED, LITIGATION) WITHIN ONE (1) YEAR FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (i) TRIAL BY JURY; AND (ii) THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS, IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.**

## 26. YOUR REPRESENTATIONS.

YOU HEREBY REPRESENT THAT: (i) YOU HAVE NOT RECEIVED OR RELIED UPON ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT, EXCEPT FOR ANY INFORMATION DISCLOSED IN THE FRANCHISE DISCLOSURE DOCUMENT; (ii) YOU HAVE NO KNOWLEDGE OF ANY REPRESENTATIONS BY US OR ANY OF OUR OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES OR REPRESENTATIVES ABOUT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT THAT ARE CONTRARY TO THE TERMS OF THIS AGREEMENT OR THE FRANCHISE DISCLOSURE DOCUMENT; (iii) YOU RECEIVED (1) AN EXACT COPY OF THIS AGREEMENT AND ITS ATTACHMENTS AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT IS EXECUTED; AND (2) OUR FRANCHISE DISCLOSURE DOCUMENT AT THE EARLIER OF (A) 14 CALENDAR DAYS BEFORE YOU SIGNED A BINDING AGREEMENT OR PAID ANY MONEY TO US OR OUR AFFILIATES OR (B) AT SUCH EARLIER TIME IN THE SALES PROCESS THAT YOU REQUESTED A COPY; (iv) YOU ARE AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OF OURS MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT AND CONSEQUENTLY THAT OUR OBLIGATIONS AND RIGHTS WITH RESPECT TO OUR VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES; AND (v) YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND RECOGNIZE THAT IT INVOLVES BUSINESS RISKS, MAKING THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON YOUR OWN BUSINESS ABILITIES, EFFORTS AND JUDGMENTS, AND THE SERVICES OF YOU AND THOSE YOU EMPLOY.

## 27. GENERAL PROVISIONS.

27.1. Governing Law. Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship shall be governed by the laws of the State of Florida (without reference to its principles of conflicts of law), but any law of the State of Florida that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional

requirements are met independently without reference to this Section.

27.2. Relationship of the Parties. You understand and agree that nothing in this Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the Term, you must conspicuously identify yourself at your base of operations, and in all dealings with third parties, as a franchisee of ours and the independent owner of your Franchise. You agree to place such other notices of independent ownership on such forms, stationery, advertising, business cards and other materials as we may require from time to time. Neither we nor you are permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other or represent that our relationship is other than franchisor and franchisee. In addition, neither we nor you will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Agreement.

27.3. Severability and Substitution. Each section, subsection, term and provision of this Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Agreement. If a court concludes that any promise or covenant in this Agreement is unreasonable and unenforceable: (i) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (ii) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable.

27.4. Waivers. We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall be without prejudice to any other rights we may have. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach of this Agreement to be a default and to terminate the franchise before the expiration of its term) by virtue of: (i) any custom or practice of the parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any mandatory specification, standard, or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other Sasquatch Strength fitness franchisees; or (iv) the acceptance by us of any payments due from you after breach of this Agreement.

27.5. Approvals. Whenever this Agreement requires our approval, you must make a timely written request for approval, and the approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request. If we deny approval and you seek legal redress for the denial, the only relief to which you may be entitled is to acquire our approval. You are not entitled to any other relief or damages for our denial of



approval.

27.6. Force Majeure. Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations results from any event of *force majeure*. Any delay resulting from an event of force majeure will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable under the circumstances.

27.7. Binding Effect. This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement; provided, however, that the additional insureds listed in Section 17.1 and the Indemnified Parties are intended third party beneficiaries under this Agreement with respect to Section 17.1 and Section 20, respectively.

27.8. Integration. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT, EXCEPT AS PERMITTED BY SECTION 13.2 AND SECTION 27.3, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. Any e-mail correspondence or other form of informal electronic communication shall not be deemed to modify this Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which, together with any Amendments or Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. As referenced above, all mandatory provisions of the Manual are part of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document.

27.9. Covenant of Good Faith. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may affect favorably or adversely your interests; (ii) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees generally (including ourselves and our affiliates if applicable), and specifically without considering your individual interests or the individual interests

of any other particular franchisee; (iii) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and

(iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

27.10. Rights of Parties are Cumulative. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by law.

27.11. Survival. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement (or the Transfer of an ownership interest in the franchise) shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire, including, without limitation, Section 15, Section 16, Section 18, Section 20, Section 23, Section 24 and Section 26.

27.12. Construction. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages

include the other and the feminine and the possessive.

27.13. Time of Essence. Time is of the essence in this Agreement and every term thereof.

27.14. Counterparts. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

27.15. Notice. All notices given under this Agreement must be in writing, delivered by hand, email (to the last email address provided by the recipient) or first-class mail, to the following addresses (which may be changed upon 10 business days' prior written notice):

YOU: As set forth below your signature on this Agreement

US: Sasquatch Strength Franchise LLC  
5201 Blue Lagoon Drive #800  
Miami, FL 33126

Notice shall be considered given at the time delivered by hand, or one (1) business day after sending by fax, email or comparable electronic system, or three (3) business days after placed in the mail, postage prepaid, by certified mail with a return receipt requested.

The parties to this Agreement have executed this Agreement effective as of the Effective Date first above

written.

**FRANCHISOR:**

Sasquatch Strength Franchise LLC, a Florida Limited Liability Company

By: \_\_\_\_\_ Name: \_\_\_\_\_

Its: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

a(n) \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Principal Business Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ATTACHMENT A**  
**TO FRANCHISE AGREEMENT**  
**FRANCHISE DATA SHEET**

1. **Effective Date.** The Effective Date set forth in the introductory paragraph of the Franchise Agreement is:\_\_\_\_\_, 20\_\_.
2. **Territory.** The Territory set forth in Section 4 of the Franchise Agreement will be the following:

\_\_\_\_\_

Based on this Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. **Franchise Fee.** The Initial Franchise Fee is:\_\_\_\_\_.
4. **Identification of Managing Owner.** Your Managing Owner as of the Effective Date is \_\_\_\_\_. You may not change the Managing Owner without prior written approval.
5. **Identification of Designated Manager.** Your Designated Manager, if applicable, as of the Effective Date is\_\_\_\_\_. You may not change the Designated Manager without prior written approval.

(Signatures on following page)

**FRANCHISOR:**

**Sasquatch Strength Franchise LLC,**  
a Florida Limited Liability Company

By: \_\_\_\_\_ Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
(Entity Name)

By: \_\_\_\_\_ Title: \_\_\_\_\_

## ATTACHMENT B

### TO FRANCHISE AGREEMENT

Form of Ownership (Check One)  
\_\_\_ Limited Liability Company \_\_\_ Corporation

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a Limited Liability Company, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

Date and State of incorporation: \_\_\_\_\_

Management (managers, officers, board of directors, etc.):

| NAME | TITLE |
|------|-------|
|      |       |
|      |       |
|      |       |
|      |       |
|      |       |
|      |       |

Members, Stockholders, Partners:

| NAME | ADDRESS | % OWNED |
|------|---------|---------|
|      |         |         |
|      |         |         |
|      |         |         |
|      |         |         |
|      |         |         |
|      |         |         |

(Signatures on following page)

**FRANCHISOR:**

**Sasquatch Strength Franchise LLC,**  
a Florida Limited Liability Company

Dated:

---

By:

---

Title:

---

**FRANCHISEE:**

---

(Entity Name)

Dated:

---

By:\_\_\_\_\_

Title:\_\_\_\_\_



# ATTACHMENT C

## TO FRANCHISE AGREEMENT

### OWNERS AGREEMENT

As a condition to the granting by Sasquatch Strength Franchise LLC ("**we**" or "**us**") of a franchise agreement with \_\_\_\_\_ ("**Franchisee**"), each of the undersigned individuals ("**Owners**"), who constitute all of the owners of a beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement ("**Owners Agreement**").

#### 1. **Acknowledgments.**

1.1. Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of \_\_\_\_, 20\_\_\_\_ ("**Franchise Agreement**"). Capitalized words not defined in this Owners Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2. Owners' Role. Owners are the beneficial owners of all of the equity interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives, and assigns. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee's owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owners Agreement.

#### 2. **Non-Disclosure and Protection of Confidential Information.**

Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee's non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential will also be deemed Confidential Information for purposes of this Owners Agreement.

#### 3. **Covenant Not to Compete.**

3.1. Non-Competition During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures, and techniques which we have developed. The provisions of the Franchise Agreement governing

Franchisee's restrictions on competition both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2. Construction of Covenants. The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.

3.3. Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

#### **4. Guarantee**

4.1. Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement on the dates and in the manner required for payment in the relevant agreement.

4.2. Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement on the date and times and in the manner required in the relevant agreement.

4.3. Indemnification. Owners will indemnify, defend, and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4. No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owners Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5. Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners

waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6. Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death, and the obligations of any other Owners will continue in full force and effect.

5. **Transfers.** Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources, and personal character. Accordingly, Owners agree not to sell, encumber, assign, transfer, convey, pledge, merge, or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding Transfers. Owners acknowledge and agree that any attempted Transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for which our express written consent is not first obtained will be a material breach of this Owners Agreement and the Franchise Agreement.

6. **Notices.**

6.1. Method of Notice. Any notices given under this Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2. Notice Addresses. Our current address for all communications under this Owners Agreement is:

Sasquatch Strength Franchise  
LLC 5201 Blue Lagoon Drive  
#800  
Miami, FL 33126

The current address of each Owner for all communications under this Owners Agreement is designated on the signature page of this Owners Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

7. **Enforcement of This Owners Agreement.**

7.1. Dispute Resolution. Any claim or dispute arising out of or relating to this Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owners Agreement.

7.2. Choice of Law; Jurisdiction and Venue. This Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3. Provisional Remedies. We have the right to seek from an appropriate court

any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owners Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Owners Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

## 8. Miscellaneous.

8.1. No Other Agreements. This Owners Agreement constitutes the entire, full, and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings, or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions, or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change, or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2. Severability. Each provision of this Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Owners Agreement or the application of any provision to any person, property, or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3. No Third-Party Beneficiaries. Nothing in this Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors, and assigns) any rights or remedies under or by reason of this Owners Agreement.

8.4. Construction. Any term defined in the Franchise Agreement which is not defined in this Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owners Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

8.5. Binding Effect. This Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal

representatives, successors, and (permitted) assigns.

8.6. Successors. References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns, or transferees.

8.7. Nonwaiver. Our failure to insist upon strict compliance with any provision of this Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owners Agreement shall be cumulative.

8.8. No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.9. Owners Agreement Controls. In the event of any discrepancy between this Owners Agreement and the Franchise Agreement, this Owners Agreement shall control.

**IN WITNESS WHEREOF**, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

## OWNERS:

\_\_\_\_\_  
[Insert Name and Address of Owner]

\_\_\_\_\_  
[Insert Name of Spouse]

\_\_\_\_\_  
[Insert Name and Address of Owner]

\_\_\_\_\_  
[Insert Name of Spouse]

\_\_\_\_\_  
[Insert Name and Address of Owner]

\_\_\_\_\_  
[Insert Name of Spouse]

\_\_\_\_\_  
[Insert Name and Address of Owner]

\_\_\_\_\_  
[Insert Name of Spouse]

Sasquatch Strength Franchise LLC hereby accepts the Owner(s)' agreements:

By: \_\_\_\_\_

Title: \_\_\_\_\_

## ATTACHMENT D



### ADDENDUM TO FRANCHISE

### <sup>1</sup> AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on \_\_\_\_\_, 20\_\_\_\_, by and between Sasquatch Strength Franchise LLC ("Franchisor"), located at 5201 BLUE LAGOON DRIVE #800 MIAMI, FL 33126, and \_\_\_\_\_ ("Franchisee"), located at \_\_\_\_\_.

Franchisor and Franchisee entered into a Franchise Agreement on \_\_\_\_\_, 20\_\_\_\_, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

#### CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the Franchisee interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

#### FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchisee Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

<sup>1</sup> While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

## COVENANTS

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

## EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

**Authorized Representative of FRANCHISOR :**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Authorized Representative of FRANCHISEE :**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Note to Parties:** This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the Franchise system must meet all SBA eligibility requirements.



## **ATTACHMENT E**

### **ADDENDUM TO LEASE**

THIS ADDENDUM made and entered into by and between \_\_\_\_\_  
("Landlord") and \_\_\_\_\_ ("Tenant").

WITNESSETH

WHEREAS, Landlord and Tenant entered into a Lease Agreement dated \_\_\_\_\_, \_\_\_\_  
(the "Lease") pertaining to the real property located at \_\_\_\_\_ as is more  
particularly described on Exhibit A, attached hereto (the "Demised Premises") allowing for  
operation of a Sasquatch Strength fitness business; and

WHEREAS, Landlord and Tenant desire to incorporate the following terms into the body  
of the Lease;

NOW, THEREFORE, in consideration of the covenants herein and therein, the parties hereto  
agree as follows:

1. Notwithstanding anything contained elsewhere in the Lease to the contrary, Tenant  
may use the Demised Premises for the purpose of conducting thereon the business of a Sasquatch  
Strength fitness business and for incidental purposes related thereto.

2. In the event the Franchise Agreement between Sasquatch Strength Franchise LLC ,  
as franchisor and Tenant, as franchisee, is terminated or expires prior to expiration of the Lease,  
Sasquatch Strength Franchise LLC shall have the right but not the obligation, to assume those  
rights and obligations of the Tenant under the Lease coming due on or after the date Tenant  
vacates the Demised Premises, including taking possession of the Demised Premises, all fixtures,  
and leasehold improvements. Landlord shall give Sasquatch Strength Franchise LLC written notice  
of Tenant's vacation of the Demised Premises and thereafter Sasquatch Strength Franchise LLC  
shall exercise such right to assume the Tenant's rights and obligations by written notice to  
Landlord mailed or delivered not later than fifteen (15) days after Sasquatch Strength Franchise  
LLC's receipt of written notice from Landlord of Tenant's vacation of the Demised Premises.

3. Landlord hereby grants Tenant the unrestricted right during the initial term and  
any renewal term of the Lease to assign or sublet the Lease to Sasquatch Strength Franchise LLC.

4. Landlord shall give Sasquatch Strength Franchise LLC a copy of any and all notices  
of default given to Tenant, as required to be given by Landlord to Tenant under the terms of the  
Lease, at the same time such notice is given to Tenant. Within seven (7) days after Tenant's right  
to cure expires, Sasquatch Strength Franchise LLC shall have the right, but not the obligations, to  
cure any such default.

5. Upon the expiration or earlier termination of the Lease for any reason, Tenant, shall, at its own expense, remove all Sasquatch Strength fitness Trademarked and Trade Dress items from all buildings, including, but not limited to signs, fixtures and furnishings, and alter and paint all buildings and other improvements maintained pursuant to the Lease a design and color which is basically different from Sasquatch Strength fitness' authorized building design and painting schedule.

If Tenant shall fail to make or cause to be made any such removal, alteration or repainting within ten (10) days after the expiration or earlier termination of the Lease, the Landlord shall give Sasquatch Strength Franchise LLC written notice of such failure and Sasquatch Strength Franchise LLC shall have the right to enter upon the Demised Premises, without being deemed guilty of trespass or any other tort, and make or cause to be made such removal, alterations and repainting at the reasonable expense of Tenant, which expense Tenant shall pay Sasquatch Strength Franchise LLC on demand.

6. Notwithstanding anything to the contrary elsewhere in the Lease or any addendum or amendment thereto, Landlord and Tenant agree that the terms and provisions set forth in this Addendum shall control and shall not be superseded, terminated or modified without the prior written consent of Sasquatch Strength Franchise LLC, a third party beneficiary to the Lease, and this Addendum.

IN WITNESS WHEREOF, the parties have executed this Addendum this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

LANDLORD: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

TENANT: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# **EXHIBIT B**

## FINANCIAL STATEMENTS

**SASQUATCH STRENGTH FRANCHISE, LLC**

**INDEPENDENT AUDITORS' REPORT  
FINANCIAL STATEMENTS**

**AS OF DECEMBER 31, 2020**

**SASQUATCH STRENGTH FRANCHISE, LLC**  
**FINANCIAL STATEMENTS**

**Index**

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## **Independent Auditors' Report**

To the Board of Directors  
SASQUATCH STRENGTH FRANCHISE, LLC

### **Opinion**

We have audited the financial statements of SASQUATCH STRENGTH FRANCHISE, LLC (a Corporation established in the State of Florida, United States of America), which comprise the statements of financial position as of December 31, 2020, the income statements, statements of cash flow statement for the year then ended, as well as notes that include a summary of the relevant accounting policies and other explanatory information. The financial statements have been prepared under Generally Accepted Accounting Principles in the United States (US GAAP).

In our opinion, these financial statements reasonably reflect, in all material respects, the financial position of SASQUATCH STRENGTH FRANCHISE, LLC (a Corporation established in the State of Florida, United States of America) as of December 31, 2020 and its financial performance, as well as its cash flows for the year ending on that date, in conformity with the Generally Accepted Accounting Principles of the United States (US GAAP).

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SASQUATCH STRENGTH FRANCHISE, LLC as of December 31, 2020 and the results of its operations for the year December 31, 2020 ended in accordance with accounting principles generally accepted in the United States of America.



## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Accepted Accounting Principles in the United States (US GAAP) as described in Note 1 of the financial statements and through the internal control determined by management, relevant to the preparation of financial statements free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management intends to liquidate the company or cease operations, or have no realistic alternative but to do so.

Those in charge of the company's Governance are responsible for overseeing the reporting process of the company.

## **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Audit Standards, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit conducted in accordance with the United States Generally Accepted Accounting Principles (US GAAP), we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Company's management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with Company's governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with Company's governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

March 25, 2021  
JPizars – CPA & Business Consultants LLC  
Hollywood, Florida

Juan A. Pizarro Llanos, MAcc, CPA, CFE, CRMA | CEO T: 954-997-2545 | O: 1722 Sheridan St. #365 Hollywood, FL 33020 |  
E: [jpizars@cpa.com](mailto:jpizars@cpa.com)



**SASQUATCH STRENGTH FRANCHISE, LLC****BALANCE SHEET**

(Expressed in US Dollars)

---

|                                                    |    | <b><u>Year<br/>ended<br/>December<br/>31, 2020</u></b> |
|----------------------------------------------------|----|--------------------------------------------------------|
| <b>Assets</b>                                      |    |                                                        |
| <b>Current assets</b>                              |    |                                                        |
| Cash and cash equivalents (Note 2)                 | \$ | 26,432                                                 |
| Account Receivable                                 |    | 0                                                      |
| Total current assets                               |    | 26,432                                                 |
| Furniture, Equipment and Property Improvement -net |    | 1,905                                                  |
| Other assets                                       |    |                                                        |
| Total assets                                       | \$ | <u>28,337</u>                                          |
| <b>Liabilities and Stockholder's Equity:</b>       |    |                                                        |
| <b>Current liabilities</b>                         |    |                                                        |
| Accounts payable                                   | \$ | 0                                                      |
| Other liabilities                                  |    | 0                                                      |
| Total current liabilities                          |    | <u>0</u>                                               |
| <b>Stockholder's Equity</b>                        |    |                                                        |
| Owner Draw (Note 2)                                |    | (232,648)                                              |
| Members Equity and Net Income                      |    | 260,985                                                |
| Total Retained Earnings                            |    | 28,337                                                 |
| Total liabilities and stockholder's equity         | \$ | <u>28,337</u>                                          |

See notes to the financial statements.

**SASQUATCH STRENGTH FRANCHISE, LLC****INCOME STATEMENT**

(Expressed in US Dollars)

---

|                                           | <u>Year</u><br><u>ended</u><br><u>December</u><br><u>31, 2020</u> |
|-------------------------------------------|-------------------------------------------------------------------|
| <b>Income</b>                             |                                                                   |
| <b>Services Franchise &amp; Royalties</b> |                                                                   |
| Income from Operations                    | \$ 60,971                                                         |
|                                           | <u>60,971</u>                                                     |
| <b>Administrative Expenses</b>            |                                                                   |
| Administrative Expenses                   | 179,682                                                           |
| Personnel                                 | <u>0</u>                                                          |
|                                           | <u>179,682</u>                                                    |
| <b>Operating profit</b>                   | <u>(118,711)</u>                                                  |
| <b>Net loss</b>                           | <u>\$ (118,711)</u>                                               |

See notes to the financial statements.

# Sasquatch Strength Franchise

## Statement of Cash Flows

January - December 2020

|                                                                                      | TOTAL                 |
|--------------------------------------------------------------------------------------|-----------------------|
| OPERATING ACTIVITIES                                                                 |                       |
| Net Income                                                                           | -118,710.50           |
| Adjustments to reconcile Net Income to Net Cash provided by operations:              |                       |
| Accounts Receivable (A/R)                                                            | 0.00                  |
| Apparel - T-Shirts                                                                   | -1,174.50             |
| Apparel - Polos                                                                      | 0.00                  |
| Apparel. - Masks                                                                     | 0.00                  |
| Lacrosse Balls                                                                       | 0.00                  |
| Rollers                                                                              | 0.00                  |
| Shaker Bottles                                                                       | 0.00                  |
| Sunglasses                                                                           | 0.00                  |
| Supplement - BCAAs                                                                   | 0.00                  |
| Supplements - Flavored                                                               | 0.00                  |
| Supplement - Lean                                                                    | 0.00                  |
| Welcome Bags                                                                         | 0.00                  |
| <b>Total Adjustments to reconcile Net Income to Net Cash provided by operations:</b> | <b>-1,174.50</b>      |
| <b>Net cash provided by operating activities</b>                                     | <b>\$ -119,885.00</b> |
| INVESTING ACTIVITIES                                                                 |                       |
| Front Desk                                                                           | -1,905.00             |
| <b>Net cash provided by investing activities</b>                                     | <b>\$ -1,905.00</b>   |
| FINANCING ACTIVITIES                                                                 |                       |
| Loan From Affiliates                                                                 | -40,000.00            |
| Franchise Founders Capital                                                           | 20,000.00             |
| Opening Balance Equity                                                               | 1,294.90              |
| Sasquatch Holdings Capital                                                           | 70,000.00             |
| <b>Net cash provided by financing activities</b>                                     | <b>\$51,294.90</b>    |
| <b>NET CASH INCREASE FOR PERIOD</b>                                                  | <b>\$ -70,495.10</b>  |
| Cash at beginning of period                                                          | 71,062.38             |
| <b>CASH AT END OF PERIOD</b>                                                         | <b>\$567.28</b>       |

**SASQUATCH STRENGTH FRANCHISE, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2020**

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**History of the Company**

The Company was organized under the laws of the State of Florida, United States of America was registered as a company in year 2018. Company started to franchise in 2020 and is in the Fitness Industry (HEALTH CONDITIONING).

**Note 1. Significant Accounting Policies Summary**

**a. Annual Closing Date:**

The Company's fiscal year ends on December 31 of each year.

**b. Credit Risk Concentration:**

Cash equivalents and trade receivables are the financial instruments that potentially concentrate most of the Company's credit risk.

**c. Earnings per Common Share:**

Basic earnings per common share are calculated by dividing the total income by the weighted-average number of common shares outstanding during the year. Diluted earnings per common share are calculated using the weighted-average number of common and common equivalent shares outstanding during the year.

**d. Cash and Cash Equivalents:**

Cash and cash equivalents consist of cash on hand and highly liquid investments, primarily money market funds and fixed time deposits, with original due dates of three months or less.

**e. Furniture, Equipment and Property Improvement:**

Fixed assets are stated at acquisition cost. Expenditures that extend the useful life of assets are capitalized and expenditures for repair and maintenance are charged as expenses. Depreciation is calculated on the straight-line method over the estimated life of the assets.

| <b>Assets</b>                   | <b>Years</b> |
|---------------------------------|--------------|
| Hardware and Software           | 3 – 5        |
| Office, furniture and equipment | 5 – 7        |
| Leasehold improvements          | 10           |

**f. Impairment:**

The Company reviews long-lived assets to be held and used for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If a recoverability evaluation is required, the estimated undiscounted future cash flows directly associated with the asset is compared to the asset's carrying amount. If this comparison indicates that there is impairment, the amount of the impairment is

**SASQUATCH STRENGTH FRANCHISE, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2020**

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calculated by comparing the carrying value to discounted expected future cash flows or comparable market values, depending on the nature of the asset. All long-lived assets, for which management has committed itself to a plan of disposal by sale, are reported at the lower of carrying amount or fair value less the cost to sell. Long-lived assets to be disposed of other than by sale are classified as held and used until the date of disposal.

**g. Financial Instruments:**

The Company's financial instruments are primarily comprised of short-term, notes receivable and notes payable. For short-term instruments, the historical carrying amount is a reasonable estimate of fair value. Fair values for long-term financial instruments not readily marketable are estimated based upon discounted future cash flows at prevailing market interest rates. Based on these assumptions, management believes the fair market values of the Company's financial instruments are not materially different from their recorded amounts as of December 31, 2020.

**h. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the contingent assets and liabilities disclosure as of the date of these financial statements. Management's use of estimates also affects the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**i. Revenue Recognition:**

SASQUATCH STRENGTH FRANCHISE, LLC follows the 5 step guidelines in the revenue recognition process as outlined in ASC 606. These steps are the following:

- Step 1: Identify the contract with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

**SASQUATCH STRENGTH FRANCHISE, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2020**

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**Note 2. Cash and Cash Equivalents**

|                      |    |                      |
|----------------------|----|----------------------|
|                      |    | <b><u>2020</u></b>   |
| Cash in Banks in USD | \$ | <u><u>26,432</u></u> |

**Note 3. Approval of the Financial Statements**

The Financial Statements as of December 31, 2020, were approved by the Company's management on February 25, 2021.

\*\*\*\*\*

# **EXHIBIT C**

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, ~~2019~~2020:

1. Avid Academy, Inc.  
2273 140th NE  
Bellevue, Washington 98005  
~~None~~  
(425) 217-0530

**Franchisees with Unopened Outlets as of the Issuance Date:**

1. Bigfoot Strong, LLC  
Location TBD. (No lease signed as of Issuance Date)  
Ocoee, Florida  
Phone Number not acquired

2. ~~Brandon Kissinger~~~~Avid Academy, Inc.~~  
~~Kirkland, Washington~~  
~~Address to be determined.~~  
~~2273 140th NE~~  
~~Bellevue, Washington 98005~~  
Phone Number not acquired

**Former Franchisees:**

The name and last known address of every franchisee who had a Sasquatch Strength Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, ~~2019~~2020 to December 31, ~~2019~~2020, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise system.

None



## **EXHIBIT D**

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

## STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

|                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>CALIFORNIA</p> <p>State Administrator and Agents for Service of Process:</p> <p>Commissioner<br/>Department of Business Oversight<br/>320 W. 4<sup>th</sup> Street, #750<br/>Los Angeles, CA 90013 (213) 576-7500<br/>(866) 275-2677</p>                                                                                                                                                                         | <p>MARYLAND</p> <p>Office of the Attorney General Securities Division<br/>200 St. Paul Place Baltimore, MD 21202<br/>(410) 576-6360</p> <p>Agents for Service of Process:</p> <p>Maryland Securities Commissioner 200 St. Paul Place<br/>Baltimore, MD 21202-2020</p>                                                                                                                                                                  | <p>NORTH DAKOTA</p> <p>North Dakota Securities Department State Capitol, Fifth Floor, Dept. 414 600 E. Boulevard Avenue Bismarck, ND 58505-0510<br/>(701) 328-4712</p>                                                                                                                                                        |
| <p>HAWAII</p> <p>Commissioner of Securities of the State of Hawaii<br/>335 Merchant Street, Room 203<br/>Honolulu, HI 96813<br/>(808) 586-2722</p> <p><u>Agents for Service of Process:</u></p> <p>Commissioner of Securities of the State of Hawaii<br/>Department of Commerce and Consumer Affairs<br/>Business Registration Division 335 Merchant Street, Room 203<br/>Honolulu, HI 96813<br/>(808) 586-2722</p> | <p>MICHIGAN</p> <p>Michigan Department of Attorney General Consumer Protection Division<br/>525 W. Ottawa Street Lansing, MI 48913<br/>(517) 373-7117</p> <p>MINNESOTA</p> <p>Department of Commerce Commissioner of Commerce<br/>85 Seventh Place East, Suite 280 St. Paul, MN 55101-3165<br/>(651) 539-1600</p>                                                                                                                      | <p>RHODE ISLAND</p> <p>Department of Franchise Regulation 1511 Pontiac Avenue<br/>John O. Pastore Complex, Bldg. 69-1 Cranston, RI 02920<br/>(401) 462-9527</p> <p>SOUTH DAKOTA</p> <p>Division of Insurance Securities Regulation<br/>124 South Euclid, Suite 104<br/>Pierre, SD 57501<br/>(605) 773-3563</p>                |
| <p>ILLINOIS</p> <p>Illinois Attorney General Chief, Franchise Division 500 S. Second Street Springfield, IL 62706<br/>(217) 782-4465</p> <p>INDIANA</p> <p>Secretary of State Securities Division Room E-018<br/>302 W. Washington Street<br/>Indianapolis, IN 46204<br/>(317) 232-6681</p>                                                                                                                         | <p>NEW YORK</p> <p>Administrator:</p> <p>Office of the New York Attorney General Investor Protection Bureau Franchise Section<br/>120 Broadway, 23<sup>rd</sup> Floor New York, NY 10271-0332 (212) 416-8236 (Phone)<br/>(212) 416-6042 (Fax)</p> <p>Agents for Service of Process:</p> <p>New York Department of State One Commerce Plaza<br/>99 Washington Avenue, 6<sup>th</sup> Floor Albany, NY 12231-0001<br/>(518) 473-2492</p> | <p>VIRGINIA</p> <p>State Corporation Commission Division of Securities and Retail Franchising<br/>1300 E. Main Street, 9<sup>th</sup> Floor Richmond, VA 23219</p> <p>Agent for Service of Process:</p> <p>Clerk of the State Corporation Commission<br/>1300 E. Main Street, 1<sup>st</sup> Floor<br/>Richmond, VA 23219</p> |
|                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>WASHINGTON</p> <p>Department of Financial Institutions Securities Division<br/>150 Israel Road SW Tumwater, WA 98501<br/>(360) 902-8760</p> <p>WISCONSIN</p> <p>Department of Financial Institutions Division of Securities<br/>201 W. Washington Avenue Madison, WI 53703<br/>(608) 266-3364<br/>Rev. 092217</p>          |

# **EXHIBIT E**

FRANCHISE DISCLOSURE QUESTIONNAIRE

## FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, Sasquatch Strength Franchise, LLC. ("we" or "us"), and you are preparing to enter into a Franchise Agreement for the operation of a Sasquatch Strength franchise. The purpose of this questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise.

**You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer in the table provided below.

|     |    |                                                                                                                                                                                                                                                                                                                                                     |
|-----|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Yes | No | Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?                                                                                                                                                                                                                   |
| Yes | No | Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?                                                                                                                                                                                                         |
| Yes | No | Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?                                                                                                                                                                                                                                                   |
| Yes | No | Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?                                                                                                                                                                                                                                       |
| Yes | No | Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?                                                                                                                  |
| Yes | No | Have you had the opportunity to discuss the benefits and risks of developing and operating a Sasquatch Strength Franchise with an existing Sasquatch Strength franchisee?                                                                                                                                                                           |
| Yes | No | Do you understand the risks of developing and operating a Sasquatch Strength Franchise?                                                                                                                                                                                                                                                             |
| Yes | No | Do you understand the success or failure of your Sasquatch Strength Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors? |
| Yes | No | Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Florida, if not resolved informally or by mediation?                                                                                                                                                              |

- |     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Yes | No | Do you understand that you must satisfactorily complete the initial training program before we will allow your Sasquatch Strength Franchise to open or consent to a transfer of Sasquatch Strength Franchise to you?                                                                                                                                                                                                                                                              |
| Yes | No | Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Sasquatch Strength Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?                                                                                                                                 |
| Yes | No | Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?                                                       |
| Yes | No | Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Sasquatch Strength Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document? |
| Yes | No | Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning Sasquatch Strength Franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments or exhibits to the Franchise Agreement will not be binding?                                                                                                     |
| Yes | No | Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?                                                                                                                                                                                                                                                                                                                   |

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Signature of Franchise Applicant

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

| Question Number | Explanation of Negative Response |
|-----------------|----------------------------------|
|                 |                                  |
|                 |                                  |
|                 |                                  |

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# **EXHIBIT G**

STATE ADDENDA AND AGREEMENT RIDERS

## STATE ADDENDA AND AGREEMENT RIDERS

### ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR SASQUATCH STRENGTH FRANCHISE, LLC.

The following modifications are made to Sasquatch Strength Franchise, LLC. ("**Franchisor**," "**us**," "**we**," or "**our**") Franchise Disclosure Document ("**FDD**") given to franchisee ("**Franchisee**," "**you**," or "**your**") and may supersede certain portions of the Franchise Agreement between you and us dated \_\_20\_\_ ("**Franchise Agreement**"). When the term "**Franchisor's Choice of Law State**" is used, it means Florida. When the term "Supplemental Agreements" is used, it means none.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum ("**State Addendum**") will modify these agreements to comply with the state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

### **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 FDD.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Business Oversight before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Florida. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

The Franchise Agreement and Supplemental Agreements require the application of the law of Florida. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

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).

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](http://www.dbo.ca.gov).

## **HAWAII**

The following is added to the Cover Page:

**THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.**

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN

DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed on the third page of the FDD on the page entitled, "State Effective Dates".
2. States which have refused, by order or otherwise, to register these Franchises are: None
3. States which have revoked or suspended the right to offer the Franchises are: None
4. States in which the proposed registration of these Franchises has been withdrawn are: None

## **ILLINOIS**

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is 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, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

Item 17.w, Choice of Law, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act".

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three years after the act or transaction constituting the violation upon which it is based, the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

## **INDIANA**

Item 13 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The "Summary" column in Item 17.r. of the FDD is deleted and the following is inserted in its place: No competing business for two years within the Territory.

The "Summary" column in Item 17.t. of the FDD is deleted and the following is inserted in its

place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor's Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The "Summary" column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor's Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor's Choice of Law State law, if such 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 under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.
3. Any provision in the Franchise Agreement that 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 such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, 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 such contractual provision violates the Indiana Deceptive Franchise Practices Law.

## **IOWA**

Any provision in the Franchise Agreement or Compliance Questionnaire 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 Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

### **NOTICE OF CANCELLATION**

\_\_\_\_\_ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to SASQUATCH STRENGTH FRANCHISE LLC, 5201 Blue Lagoon Drive #800, Miami, FL 33126, no later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

## **MARYLAND**

### **AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENTS**

Item 17 of the FDD and the Franchise Agreement are amended to state: "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Representations in the Franchise Agreement are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the FDD and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the Franchise.

The Franchise Agreement and franchisee questionnaire are amended to state that all representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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.).

## **MICHIGAN**

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for

good cause. Good cause shall include your failure 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 such failure.

- (d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the Franchise business are not subject to compensation. This subsection applies only if: (i) the term of the Franchise is less than five years; and (ii) you are prohibited by the Franchise Agreement 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 you do not receive at least six months' advance notice of our intent not to renew the Franchise.
- (e) A provision that permits us 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 the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us 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 our then-current reasonable qualifications or standards.
  - (ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.
  - (iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - (iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.
- (h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

- (i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you 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: State of Michigan  
Department of Attorney General Consumer Protection Division Attn: Franchise  
670 Law Building 525 W. Ottawa Street  
Lansing, Michigan 48913  
Telephone Number: (517) 373-7117

**MINNESOTA**

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise 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 such contractual provision violates such law.
2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise 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 Minnesota.
3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise 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 Franchise Agreement relating to arbitration.
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 Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.
5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses

arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.

6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.
7. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.

## **NEW YORK**

The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D 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, 23<sup>RD</sup> 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.

The following is added at the end of Item 3:

Except as provided above, with regard to 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 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 ten-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 injunction 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.

The following is added to the end of Item 4:

Neither the Franchisor, its affiliate, 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 one year after the officer or general partner of the franchisor held this position in the company or partnership.

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.

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 judgment 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 DAKOTA**

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the

North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51- 19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Section 7 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

## **OHIO**

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials Date\_\_

### **NOTICE OF CANCELLATION**

\_\_\_\_\_ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Sasquatch Strength Franchise, 5201 Blue Lagoon Drive #800 Miami, FL 33126; (206) 462-2399 postmarked no later the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

By: \_\_\_\_\_ Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

## **RHODE ISLAND**

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

## **SOUTH DAKOTA**

Intentionally left blank.

## **VIRGINIA**

Item 17(h). The following is added to Item 17(h):

"Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable."

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Sasquatch Strength Franchise, LLC. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

## **WASHINGTON**

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement and Supplemental Agreements in your relationship with the franchisor including the areas of termination and renewal of your Franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your Franchise. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

In any arbitration involving a Franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed 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 a right to a jury trial may not be enforceable. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

## **WISCONSIN**

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

*(Signatures on following page)*

## APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("**Addenda**") is checked as an "Applicable Addenda" below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

- |                                     |                                       |                                       |
|-------------------------------------|---------------------------------------|---------------------------------------|
| <input type="checkbox"/> California | <input type="checkbox"/> Michigan     | <input type="checkbox"/> Rhode Island |
| <input type="checkbox"/> Hawaii     | <input type="checkbox"/> Minnesota    | <input type="checkbox"/> South Dakota |
| <input type="checkbox"/> Illinois   | <input type="checkbox"/> New York     | <input type="checkbox"/> Virginia     |
| <input type="checkbox"/> Iowa       | <input type="checkbox"/> North Dakota | <input type="checkbox"/> Washington   |
| <input type="checkbox"/> Indiana    | <input type="checkbox"/> Ohio         | <input type="checkbox"/> Wisconsin    |
| <input type="checkbox"/> Maryland   |                                       |                                       |

Dated:\_, 20\_\_\_\_

FRANCHISOR:

Sasquatch Strength Franchise, LLC.

By:\_\_\_\_\_ Title: \_\_\_\_\_

FRANCHISEE:

By:\_\_\_\_\_ Title: \_\_\_\_\_

# **EXHIBIT H**

## **CONTRACTS FOR USE WITH SASQUATCH STRENGTH FRANCHISE**

The following contracts contained in Exhibit H are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of Sasquatch Strength gym. The following are the forms of contracts that Sasquatch Strength LLC uses as of the Issuance Date of this Franchise Disclosure Document.

# **EXHIBIT H-1**

## **SASQUATCH STRENGTH FRANCHISE GENERAL RELEASE AGREEMENT**

### **WAIVER AND RELEASE OF CLAIMS**

This Waiver and Release of Claims ("Release") is made as of \_\_, 20\_\_ by \_\_\_\_\_, a(n) \_\_ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Sasquatch Strength Franchise, LLC., a Florida limited liability company ("Franchisor," and together with Releasor, the "Parties").

**WHEREAS**, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Sasquatch Strength gym;

**WHEREAS**, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee (**enter into a successor franchise agreement**), and Franchisor has consented to such transfer (**agreed to enter into a successor franchise agreement**); and

**WHEREAS**, as a condition to Franchisor's consent to the transfer (**Franchisee's ability to enter into a successor franchise agreement**), Releasor has agreed to execute this Release upon the terms and conditions stated below.

**NOW, THEREFORE**, in consideration of Franchisor's consent to the transfer (**Franchisor entering into a successor franchise agreement**), and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. The undersigned represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"),



from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Florida.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid,

illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require consummating, evidence, or confirm the Release contained herein in the matter contemplated hereby.

*(Signatures on following page)*

**IN WITNESS WHEREOF**, Releasor has executed this Release as of the date written below.

FRANCHISEE:

\_\_\_\_\_, a

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

FRANCHISEE'S OWNERS:

Date\_\_\_\_\_

Signature\_\_\_\_\_

\_\_\_\_\_  
Typed or Printed Name

# **EXHIBIT H-2**

## **SASQUATCH STRENGTH FRANCHISE PROTECTION AGREEMENT**

This System Protection Agreement ("Agreement") is entered into by the undersigned ("you" or "your") in favor of SASQUATCH STRENGTH FRANCHISE LLC, a Florida limited liability company, and its successors and assigns ("us," "we," or "our"), upon the terms and conditions set forth in this Agreement.

**1. Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

*"Competitive Business"* means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including, but not limited to, the services we authorize), but excludes a Sasquatch Strength gym operating pursuant to a franchise agreement with us.

*"Copyrights"* means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Sasquatch Strength gym or the solicitation or offer of a Sasquatch Strength franchise, whether now in existence or created in the future.

*"Franchisee"* means Sasquatch Strength franchisee for which you are a manager or officer.

*"Franchisee Territory"* means the territory granted to you pursuant to a franchise agreement with us.

*"Intellectual Property"* means, collectively or individually, our Marks, Copyrights, Know-how, and System.

*"Know-how"* means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Sasquatch Strength gym, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

*"Manual"* means our confidential operations manual for the operation of a Sasquatch Strength gym, which may be periodically modified by us.

*"Marks"* means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Sasquatch Strength gym, including "Sasquatch Strength," and any other trademarks, service marks, or trade names that we designate for use by a Sasquatch Strength gym. The term "Marks" also includes any distinctive trade dress used to identify a Sasquatch Strength gym, whether now in existence or hereafter created.

*"Prohibited Activities"* means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant,

shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly-traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing or attempting to induce: (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position; or (b) any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

*"Restricted Period"* means the two-year period after you cease to be a manager or officer of Franchisee's Sasquatch Strength gym; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the *"Restricted Period"* means the one-year period after you cease to be a manager or officer of Franchisee's Sasquatch Strength gym.

*"Restricted Territory"* means the geographic area within: (i) a 15-mile radius from Franchisee's Sasquatch Strength gym (and including the premises of the approved location of Franchisee); and (ii) a 15-mile radius from all other Sasquatch Strength gyms that are operating or under construction as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the *"Restricted Territory"* means the geographic area within a 10-mile radius from Franchisee's Sasquatch Strength gym (and including the premises of the approved location of Franchisee).

*"System"* means our system for the establishment, development, operation, and management of a Sasquatch Strength gym, including Know-how, proprietary programs and products, Manual, and operating system.

**2. Background.** You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

**3. Know-How and Intellectual Property.** You agree: (i) you will not use the Know-how in any business or capacity other than Sasquatch Strength gym operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee's Sasquatch Strength gym. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

**4. Unfair Competition During Relationship.** You agree not to unfairly compete

with us at any time while you are a manager or officer of Franchisee's Sasquatch Strength gym by engaging in any Prohibited Activities.

**5. Unfair Competition After Relationship.** You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

**6. Immediate Family Members.** You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

**7. Covenants Reasonable.** You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

**8. Breach.** You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Sasquatch Strength franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

**9. Miscellaneous.**

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of Florida, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

EXECUTED on the date stated below.

Signature\_\_\_\_\_

Typed or Printed Name\_\_\_\_\_

Date: \_\_\_\_\_

# **EXHIBIT H-3**

## **SASQUATCH STRENGTH FRANCHISE CONFIDENTIALITY AGREEMENT**

This Confidentiality Agreement ("Agreement") is entered into by the undersigned ("you") in favor of Sasquatch Strength Franchise, LLC., a Florida limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

**1. Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

*"Copyrights"* means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow Sasquatch Strength franchisees to use, sell, or display in connection with the marketing and/or operation of a Sasquatch Strength gym, whether now in existence or created in the future.

*"Franchisee"* means Sasquatch Strength franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

*"Sasquatch Strength gym"* means a business that run a fitness facility, workout center, gym or uses our Intellectual Property.

*"Intellectual Property"* means, collectively or individually, our Marks, Copyrights, Know-how, Manual, and System.

*"Know-how"* means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Sasquatch Strength gym, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

*"Manual"* means our confidential operations manual for the operation of a Sasquatch Strength gym.

*"Marks"* means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Sasquatch Strength gym, including "Sasquatch Strength" and any other trademarks, service marks, or trade names that we designate for use by a Sasquatch Strength gym. The term "Marks" also includes any distinctive trade dress used to identify a Sasquatch Strength gym, whether now in existence or hereafter created.

*"System"* means our system for the establishment, development, operation, and management of a Sasquatch Strength gym, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

**2. Background.** You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire if you were to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.



**3. Know-How and Intellectual Property: Nondisclosure and Ownership.**

**You agree:**

(i) you will not use the Intellectual Property in any business or capacity other than for the benefit of Sasquatch Strength gym operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of SASQUATCH STRENGTH FRANCHISE LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

**4. Immediate Family Members.** You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

**5. Covenants Reasonable.** You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

**6. Breach.** You agree that failure to comply with this Agreement will cause substantial and irreparable damage to us and/or other Sasquatch Strength franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement,

or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

**7. Miscellaneous.**

a. Although this Agreement is entered into in favor of Sasquatch Strength Franchise, LLC., you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. This Agreement will be governed by, construed, and enforced under the laws of Florida, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

d. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

Signature\_\_\_\_\_

Typed or Printed Name\_\_\_\_\_

Date: \_\_\_\_\_

# **EXHIBIT H-4**

**AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM**

**Franchisee Information:**

|                                                                  |                           |
|------------------------------------------------------------------|---------------------------|
| Franchisee Name                                                  | Business No.              |
| Franchisee Mailing Address (street)                              | Franchisee Phone No.      |
| Franchisee Mailing Address (city, state, zip)                    |                           |
| Contact Name, Address and Phone number (if different from above) |                           |
| Franchisee Fax No.                                               | Franchisee E-mail Address |

**Bank Account Information:**

|                                                                    |             |                             |
|--------------------------------------------------------------------|-------------|-----------------------------|
| Bank Name                                                          |             |                             |
| Bank Mailing Address (street, city, state, zip)                    |             |                             |
| <input type="checkbox"/> Checking <input type="checkbox"/> Savings |             |                             |
| Bank Account No.                                                   | (check one) | Bank Routing No. (9 digits) |
| Bank Mailing Address (city, state, zip)                            |             | Bank Phone No.              |

**Authorization:**

Franchisee hereby authorizes Sasquatch Strength Franchise, LLC (“Franchisor”) to initiate debit entries to Franchisee’s account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature:

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Federal Tax ID Number: \_\_\_\_\_

**NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.**

# **EXHIBIT H-5**

## **SASQUATCH STRENGTH FRANCHISE APPROVAL OF REQUESTED ASSIGNMENT**

This Approval of Requested Assignment ("**Agreement**") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between Sasquatch Strength Franchise, LLC. ("**Franchisor**"), ("**Former Franchisee**") and \_\_\_\_\_ ("**New Franchisee**").

### **RECITALS**

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated \_\_, 20\_\_\_\_ ("**Franchise Agreement**"), in which Franchisor granted Former Franchisee the right to operate a Sasquatch Strength franchise located at \_\_\_\_\_ ("**Franchised Business**"); and

WHEREAS, Former Franchisee desires to assign ("**Requested Assignment**") the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement ("**Franchisor's Assignment Fee**").

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee's signing of a franchise agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Franchise Agreement and waives any obligation for Former Franchisee to enter into a subordination agreement pursuant to the Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that all of Former Franchisee's rights to operate the Franchised Business and rights under the

Franchise Agreement are hereby relinquished and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business. Former Franchisee and its owners agree to comply with all of the covenants in the Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute Franchisor's current form of Franchise Agreement and attachments for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Sasquatch Strength franchise as stated in Franchisor's Franchise Disclosure Document.

6. Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of a new franchise agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Franchise Agreement or Franchised Business. Buyer hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the new Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Franchise Agreement.

11. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Agreement may not be changed or modified except in a

writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida.

*(Signatures on following page)*

**IN WITNESS WHEREOF**, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

**FRANCHISOR:**

SASQUATCH STRENGTH FRANCHISE LLC

By: \_\_\_\_\_ Title: \_\_\_\_\_

**FORMER FRANCHISEE:**

By: \_\_\_\_\_ Title: \_\_\_\_\_

**NEW FRANCHISEE:**

By: \_\_\_\_\_ Title: \_\_\_\_\_



# **EXHIBIT I**

## **RECEIPTS**

### **State effective dates**

The following states require the disclosure document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

#### **Effective Dates for States Requiring Registration and Notice Filings:**

| <b>State</b> | <b>Effective Date</b>                                      |
|--------------|------------------------------------------------------------|
| California   | <del>Pending</del> April 20 <sup>th</sup> 2020             |
| Hawaii       | Not Registered                                             |
| Illinois     | Not Registered                                             |
| Indiana      | Not Registered                                             |
| Maryland     | Pending                                                    |
| Michigan     | Not Registered                                             |
| Minnesota    | Not Registered                                             |
| New York     | Not Registered                                             |
| North Dakota | Not Registered                                             |
| Rhode Island | Not Registered                                             |
| South Dakota | Not Registered                                             |
| Virginia     | Not Registered                                             |
| Washington   | March 6 <sup>th</sup> , 2020 ( <del>Pending</del> Renewal) |
| Wisconsin    | Not Registered                                             |

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT IJ**  
**RECEIPTS**

## RECEIPT (Retain This Copy)

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 Sasquatch Strength Franchise, LLC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Sasquatch Strength Franchise, LLC. must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Sasquatch Strength Franchise, LLC. to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Sasquatch Strength Franchise, 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, DC 20580, and the appropriate state agency identified on Exhibit D.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

~~Andres Gaviria, 5201 Blue Lagoon Drive #800, Miami, FL 01460~~ Isaac Vaisberg at 17523 NE. 67th Ct.  
Redmond WA 98052; (206) 462-2399

Issuance Date: ~~January 15th, April 1st, 2021~~ 2020

I received a disclosure document ~~January 15th, April 1st, 2021~~ 2020 which included the following exhibits:

|                         |                                                                       |
|-------------------------|-----------------------------------------------------------------------|
| <b>Exhibit A</b>        | <b>Franchise Agreement</b>                                            |
| <b>Exhibit B</b>        | <b>Financial Statements</b>                                           |
| <b>Exhibit C</b>        | <b>List of Current and Former Franchisees</b>                         |
| <b>Exhibit D</b>        | <b>List of State Administrators and Agents for Service of Process</b> |
| <b>Exhibit E</b>        | <b>Franchise Disclosure Questionnaire</b>                             |
| <b>Exhibit F</b>        | <b>Franchise Operations Manual Table of Contents</b>                  |
| <b>Exhibit G</b>        | <b>State Addenda and Agreement Riders</b>                             |
| <b>Exhibit H</b>        | <b>Contracts for use with the Sasquatch Strength Franchise</b>        |
| <b>Exhibit I</b>        | <b><u>State Effective dates</u></b>                                   |
| <b><u>Exhibit J</u></b> | <b><u>Receipts</u></b>                                                |

|      |           |              |
|------|-----------|--------------|
| Date | Signature | Printed Name |
| Date | Signature | Printed Name |

**PLEASE RETAIN THIS COPY FOR YOUR RECORDS.**

### RECEIPT (Our Copy)

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 Sasquatch Strength Franchise, LLC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Sasquatch Strength Franchise, LLC. must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Sasquatch Strength Franchise, LLC. to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Sasquatch Strength Franchise, 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, DC 20580, and the appropriate state agency identified on Exhibit D.

|                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The name, principal business address, and telephone number of each franchise seller offering the franchise is:</p> <p><u>Andres Gaviria, 5201 Blue Lagoon Drive #800, Miami, FL 01460</u> <u>Isaac Vaisberg at 17523 NE. 67th Ct. Redmond WA 98052</u>; (206) 462-2399</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Issuance Date: ~~January 15th, April 1st, 2021~~ 2020

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|                         |                                                                       |
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| <b>Exhibit F</b>        | <b>Franchise Operations Manual Table of Contents</b>                  |
| <b>Exhibit G</b>        | <b>State Addenda and Agreement Riders</b>                             |
| <b>Exhibit H</b>        | <b>Contracts for use with the Sasquatch Strength Franchise</b>        |
| <b>Exhibit I</b>        | <b><u>State Effective dates</u></b>                                   |
| <b><u>Exhibit J</u></b> | <b><u>Receipts</u></b>                                                |

---

Date

---

Signature

---

Printed Name

---

Date

---

Signature

---

Printed Name

Please sign this copy of the receipt, date your signature, and return it to Sasquatch Strength Franchise, LLC., 5201 Blue Lagoon Drive #800, Miami, FL 33126.