FRANCHISE DISCLOSURE DOCUMENT

SOLDIERFIT FRANCHISE, LLC
a Maryland limited liability company
10097 Tyler Place, Unit 3
Ijamsville, Maryland 21754
(240) 341-4126
www.soldierfit.com

The franchise offered is for an indoor facility offering strength, cardiovascular endurance and core training classes including boot camp classes, individual training, specialized athletic training and specialized programs for children under the name "Soldierfit" using basic training techniques from the United States Military with functional fitness training.

The total investment necessary to begin operation of a start-up Soldierfit franchise is $144,950 to $305,495. This includes $30,600 that must be paid to the franchisor and/or its affiliate.

The total investment necessary to being operation of a conversion Soldierfit franchise is $103,450 to $210,795. This includes $30,600 that must be paid to the franchisor and/or its affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact David Posin at 10097 Tyler Place, Unit 3, Ijamsville, Maryland 21754 and (240) 341-4126.

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

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

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

Issuance Date: March 2, 2018

STATE COVER PAGE

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

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

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

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

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

2. THE FRANCHISE AGREEMENT STATES THAT MARYLAND 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. IF YOU DO NOT MEET THE MINIMUM GROSS SALES REQUIREMENT, WE MAY REDUCE THE SIZE OF YOUR DESIGNATED TERRITORY OR TERMINATE YOUR FRANCHISE AGREEMENT.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

Effective Date: See next page for state effective dates

President of Franchise Development – Kyle Glasgow

Mr. Glasgow has been our President of Franchise Development since January 2018. He was our Vice President of Franchise Development from April 2016 through December 2017. From August 2012 to March 2016, he was the General Manager for our affiliates in Frederick, Maryland. From June 2011 to August 2012 he was the Regional Sales Manager for Tuscany Eyewear in Davie, Florida. From March 2009 to May 2011 he was the Producer for Quorum Production in Pompano, Florida.

President of Operations – Russell Duvall

Mr. Duvall has been our President of Operations since our inception in January 2014. He also holds this title with our affiliate, DDT Fitness LLC since September 2010 in Gaithersburg, Maryland.

Vice President of Operations – Jason Henline

Mr. Henline has been our Vice President of Operations since January 2018. From January 2014 through December 2017, he held the titles of Yellow Hat, Black Hat, Top Trainer and Senior Trainer with our affiliate, Soldierfit LLC, in Frederick, Maryland. From April 2008 through November 2014, he was the head mechanic with Mead Tree & Turf Care, Inc in Woodbine, Maryland.

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

In the state of California, payment of all initial fees and costs, including fees or costs related to any services rendered, any equipment and/or inventory delivered or any other costs related to the franchise, are postponed until after all of franchisor's initial obligations to the franchisee are complete and the franchisee is open for business.

In the State of Illinois, all fees are deferred until all initial obligations owed the Franchisee by the Franchisor or affiliates have been completed and the Franchisee has commenced doing business/opened for business. However, you must execute the Franchise Agreement prior to looking for a site or beginning training. This deferral has been imposed by the Illinois Attorney General's Office based on the Franchisor's financial condition.

In the State of Maryland, we will deposit the payment of the initial franchise fee and any other initial payment into an escrow account. The funds shall remain in the escrow account until you open your business and it is operating. This escrow requirement has been imposed by the Maryland Attorney General's Office based on the Franchisor's financial condition. The escrow agreement is on file with the Maryland Attorney General's Office.

1. Furnish guidance to you with respect to: (i) specifications, standards and operating procedures utilized by Soldierfit Centers and any modifications of them; (ii) purchasing approved equipment, fixtures, signs, inventory, and operating materials and supplies; (iii) development and implementation of local marketing and promotional programs; (iv) administrative, bookkeeping, accounting, inventory control, and general operating and management procedures of Soldierfit Centers; and (v) establishing and conducting employee training programs at the Soldierfit Center. This guidance will be furnished in the form of the Manual, bulletins, written reports and recommendations, other written materials (including e-mail), refresher training programs and/or periodic telephonic consultations, consultations at our offices or at the Franchised Business. (Franchise Agreement – Section 5.3.)

2. Additional training and assistance on-site at your Franchised Business at your request, or if we determine that you need remedial training. You must pay our then-current per diem fee for each trainer we send to you, and you must reimburse our trainers' expenses, including travel, lodging and meals. We may also provide periodic refresher training. (Franchise Agreement – Sections 5.1. and 5.2)

3. License to you the right to use the Marks and will indemnify you from certain claims relating to your use of the Marks, provided that you and your owners have used the Marks in compliance with the Franchise Agreement. (Franchise Agreement – Sections 6 and 7.)

4. Maintain a Brand Development Fund. (Franchise Agreement – Section 12.1.)

5. Designate the maximum prices that you may charge for the products and services offered at your Franchised Business, as permitted by applicable law. (Franchise Agreement – Section 11.4.)

Brand Development Fund

We have established a brand development fund (referred to as the "Fund") for brand development, advertising, marketing and public relations programs that we believe are necessary or appropriate to promote Soldierfit Centers. You must pay a Brand Development Fee equal to 1% of your Center's Gross Sales to the Fund twice each month. We have the right to increase the Brand Development Fee up to a maximum of 2% of Gross Sales. We will provide you with 30 days' prior written notice of any change to the Brand Development Fee.

We will direct all advertising and public relations programs financed by the Fund with sole discretion over the creative concepts, materials, and endorsements it uses, and the geographic, market, and media placement and allocation of it. The Fund may be used to pay the costs of developing advertising ideas and concepts; developing market research and merchandising programs; developing promotional ideas and strategies; preparing collateral creative materials; preparing advertisements; running advertising campaigns; preparing public relations campaigns; use of various resources for internet-focused marketing and lead generation; providing technical and professional advice in connection with any of the above; and placement of advertising. We may use monies from the Fund to support our Website which will include a location page for each franchisee. Monies in the Fund may be used to cover administrative costs and overhead we may incur, including salary costs of employees working exclusively for the Fund and collecting and accounting for contributions to the Fund (including attorneys' fees). The Fund and its earnings will not otherwise benefit us.

You must participate in all advertising, advertising campaigns and public relations programs conducted by the Fund. The Fund will furnish you with electronic samples of certain marketing,

from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Soldierfit" name or any name confusingly similar to the Marks.

You are not permitted to promote your Center or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Center's operation, including prohibitions on your and the Center's employees posting or blogging comments about the Center or the Soldierfit System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook and MySpace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage.

Computer System

You must purchase and use certain computer hardware and software that meet our specifications and that are capable of electronically interfacing with our computer system. The computer system is used to collect and monitor membership and member activities, point of sale information, a database of members, scheduling of classes and instructors, to create business reports and for scheduling, and may be used to collect and monitor inventory control and shrinkage, payroll and accounting information, track memberships, and credit card processing. We utilize designated software vendors including MotionSoft and QuickBooks that you will pay a monthly fee. We may require you to work directly with the software vendors for specified services and support. You must pay to us a monthly fee to use our customized CRM customized software for lead retrieval.

The computer system must allow us to have immediate and independent access to the information contained in your computer as described above, and there is no contractual limitation on our access to or use of the information we obtain. You must install and maintain equipment and a high-speed telecommunication line in accordance with our specifications to permit us to access the point of sale (or other computer hardware and software) at your Franchised Business premises or electronically. This will permit us to inspect and monitor information concerning your Gross Sales and any other information that may be contained or stored in the computer system. We will have independent access to your computer system at all times during the term of your Franchise Agreement and you must make sure that we have the access we require at your expense.

You must purchase 4 computer terminals and the software we designate, with a back-office server and workstation, 1 Apple IPad for front desk check-in and 1 multi-function printer and a phone system with 4 stations for specific areas of your Franchised Business. Our specific requirements for the computer system will be included in our Manual. You must purchase the computer system from any authorized seller, unless we designate a specific supplier. We expect that the initial cost for your computer system, including all required software, will be between $2,797 to $7,997. You will pay us a $200 CRM Software Fee each month for the customized lead retrieval software that you are required to

utilize. You will pay us a $99 monthly Technology Fee and $200 CRM Software Fee each month. You will pay to approved suppliers a $30 monthly per user fee for the Quickbooks software and no more than 4.5% of each month's EFT for the Motionsoft Software.

You must obtain any upgrades and/or updates to the software used with the computer system, at your expense. All software used with the computer system must be kept up to date. In addition, we may require you to update and/or upgrade all or a portion of your computer system during the term of your Franchise Agreement, at your expense. We reserve the right to change the designated computer system in the future. The Franchise Agreement does not limit our ability to require you to update and/or upgrade your computer system or the cost of any update and/or upgrade. Neither we nor any affiliate of ours will provide you with any updates, upgrades or maintenance for your computer system. We recommend, but do not require, that you purchase a maintenance contract for your computer system.

You must obtain and maintain a high speed internet connection at all times for your computer system. It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement. We must have access at all times and in the manner that we specify.

Site Selection

You must submit the information and materials as we may reasonably request for each proposed site. We will consider the site you propose based on demographic characteristics of the proposed site, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area (including other Soldierfit Centers), the number of households, income levels, population, the purchase price or lease terms for the proposed site and other commercial characteristics, the size of the premises, appearance, and other physical characteristics of the proposed site.

You must submit information and materials for the proposed site to us for approval no later than ninety days after you have signed the Franchise Agreement. If you do not do so, we may provide you with an extension to locate a site or we may terminate your Franchise Agreement and refund 50% of the initial franchise fee you paid to you. We will have ninety days after we receive this information and materials from you to provide you with written approve or disapprove of the proposed site for your Franchised Business. If we do not provide our specific written approval of a proposed site, the site is deemed not approved. If you are a conversion franchisee, then by offering you a franchise we will be deemed to have approved your existing facility. Our approval only means that the site meets our requirements for a Soldierfit Center.

Opening

We estimate that a standard franchise will be approximately nine months after we sign the Franchise Agreement or four months after we have approved the site for the Center. If you are opening a conversion franchise, we estimate the time to be approximately three months from when the Franchise Agreement is signed. This time may be shorter or longer depending on the time necessary to obtain an accepted site, to obtain financing, to obtain the permits and licenses for the construction and operation of the Franchised Business, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Franchised Business, including decorating, purchasing and installing fixtures, equipment and signs,

If you are a corporation, limited liability company or partnership, each Owner who directly or indirectly owns an equity or voting interest in you must personally guarantee your obligations under the Franchise Agreement and also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement according to the Guaranty and Assumption of Obligations attached to the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL

You must sell or offer for sale all products and services we require, in the manner and style we require. You must sell and offer for sale only the products and services that we have expressly approved in writing. You must operate a Pro-Shop at your location and sell branded items such as apparel and accessories as well as sports drinks, various food items. You must not deviate from our standards and specifications without first obtaining our written consent. You must stop selling and offering for sale any products or services that we may disapprove in writing at any time. We have the right to change the types of products and services offered by you at your Franchised Business at any time, and there are no limits on our right to make those changes.

You must keep your Franchised Business very clean and maintain it in good repair and condition. You must make any additions, alterations, repairs and replacements, including repainting or replacement of obsolete signs, furnishings, equipment, and décor, as we may reasonably direct. You must not make any changes to the premises without obtaining our written consent before you make the changes. You must obtain and pay for any new or additional equipment, including computer hardware and software, fixtures, supplies and other products and materials that you must have to offer and sell new products and services from your Franchised Business.

You must offer the full list of services that we require including, personal training, group training through the Soldierfit boot camp format and various other fitness programs. You must offer classes for children over 4 years of age and with our prior written approval you may offer various camp and after-school programs for children. You must also participate in all system-wide incentive and award programs and events.

We may recommend the maximum prices for the products and services offered from your Franchised Business, as permitted by applicable law. You must comply with the maximum prices required by us.

We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the products or services that you may offer or sell or as to the customers to whom you may offer or sell, except as described in Item 12.

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 disclosure document.

Provision	Section in Franchise Agreement	Summary
(r) Non-competition covenants after the franchise is terminated or expires	Sections 9 and 19.4	No involvement by you or members of your immediate families in a Competitive Business for two years within 20 miles of your Center or any other Center in the System.
(s) Modification of the agreement	Section 22.8	No modifications unless in writing and signed, but Manual subject to change.
(t) Integration/merger clause	Section 22.9	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 the disclosure document and franchise agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	Section 20	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be arbitrated in Maryland (subject to state law)
(v) Choice of forum	Section 22.5	Montgomery County, Maryland (subject to state law)
(w) Choice of law	Section 22.5	Maryland law applies (subject to 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 the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We have 4 affiliate owned Soldierfit Centers and 4 franchise owned Solderfit Centers. We have included our 4 affiliate owned and the 1 franchise owned Soldierfit Center that were open the entire 12 months of 2017. We have excluded the 3 franchise owned Centers that opened in 2017 since they would not reflect a full 12 months of sales.

The below table represents the total gross sales achieved by the Centers owned by our affiliates and franchisee in 2017. Your total gross sales may vary significantly depending on a number of factors, including the location of your Business and how you operate your business.

Gross sales are the total selling price of all services and products. We have not subtracted sales tax, discounts, allowances, returns, or any amounts from the total selling price to calculate the total gross sales, except for the Columbia Center. We have excluded all mixed martial arts memberships sales since the Columbia Center is the only Soldierfit Center that offers mixed martial arts training. Your franchised center since this is our will not offer mixed martial arts training. We have additionally excluded the 4,000 square feet mixed martial arts training area from the total square footage for the Columbia, MD Center in the below table.

Franchise Owned Soldierft Center -2017-				
Center (State)	**Open Date**	**Square Footage**	**Total Number of Members**	**Gross Sales**
Sterling (Virginia)	July 2016	10,000	367	$341,360

Affiliate Owned Soldierfit Centers -2017-				
Center (State)	**Open Date**	**Square Footage**	**Total Number of Members**	**Gross Sales**
Gaithersburg (Maryland)	Jan. 2011	8,400	666	$592,170
Frederick (Maryland)	April 2011	10,000	837	$787,978
***Columbia (Maryland)**	Dec. 2014	10,000	633	$630,204
Rockville (Maryland)	Sept. 2016	9,450	557	$543,284

These outlets have earned these amounts. Your individual results may differ. There is no assurance that you'll earn as much.

These financial performance representations do not reflect the cost of sales, operating expenses, or other costs or expenses, royalty fees or advertising fees that must be deducted from the gross sales figures to obtain your net income or profit. Net income or profit will vary from Center to Center depending upon factors such as rental or real estate costs, costs of goods sold, labor costs and other costs relating to the operation of the Center.

We offered the same services to the Centers described in this Statement. Except for the Columbia, MD Center, these Centers offered the same products and services to the public as you will. The Centers report total gross sales information to us based upon a uniform reporting system. Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request. The information presented above has not been audited.

You should conduct an independent investigation of the costs and expenses you will incur in operating a Soldierfit Center. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information. We strongly urge you to consult with your financial advisor or personal accountant concerning the financial analysis that you should make in determining whether or not to purchase a Soldierfit franchise.

Other than the preceding financial performance representation, 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 outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to David Posin at 10097 Tyler Place, Unit 3, Ijamsville, Maryland 21754 and (240) 341-4126, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2015, 2016, 2017

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchises	2015	0	0	0
	2016	0	1	+1
	2017	1	4	+3
Company-Owned*	2015	3	3	0
	2016	3	4	+1
	2017	4	4	0
Total Outlets	2015	3	3	0
	2016	3	5	+2
	2017	5	8	+3

* The Company-Owned Outlets shown in the above chart are owned and operated by our affiliates.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2015, 2016, 2017

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2015	0
	2016	0
	2017	0
Total	2015	0
	2016	0
	2017	0

EXHIBIT B TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

SOLDIERFIT FRANCHISE LLC

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

CENTER

☐ Conversion Franchise

9.3 The restrictions of Section 9.1 shall not be construed to prohibit you, any of your Principal Owners, or any member of your or their immediate family from having a direct or indirect ownership interest in any Soldierfit Center Franchise Agreement for the operation of any Soldierfit Center, or any entity owning, controlling or operating a Soldierfit Center, or from providing services to any such Soldierfit Center pursuant to other agreements with us.

ARTICLE 10
FEES

In the state of California, payment of all initial fees and costs, including fees or costs related to any services rendered, any equipment and/or inventory delivered or any other costs related to the franchise, are postponed until after all of franchisor's initial obligations to the franchisee are complete and the franchisee is open for business.

In the State of Illinois, all fees are deferred until all initial obligations owed the Franchisee by the Franchisor or affiliates have been completed and the Franchisee has commenced doing business/opened for business. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

In the State of Maryland, we will deposit the payment of the initial franchise fee and any other initial payment into an escrow account. The funds shall remain in the escrow account until you open your business and it is operating. This escrow requirement has been imposed by the Maryland Attorney General's Office based on the Franchisor's financial condition. The escrow agreement is on file with the Maryland Attorney General's Office.

In the State of Virginia, we will deposit the payment of the initial franchise fee and any other initial payment into an escrow account held by BB&T Bank. The funds shall remain in the escrow account until you open your business and it is operating. This escrow requirement has been imposed by the Virginia State Corporation Commission's Division of Securities and Retail Franchising based on the Franchisor's financial condition.

10.1 Initial Franchise Fee

10.1.1 You agree to pay to us upon execution of this Agreement an "Initial Franchise Fee" in the amount of Thirty Thousand Dollars ($30,000). If we require you to pay a deposit and sign our Deposit Agreement, the Initial Franchise Fee is paid in two installments: Five Thousand Dollars ($5,000) is paid when you sign our deposit agreement, and the balance of Twenty-Five Thousand Dollars ($25,000) is paid when you sign this Franchise Agreement. The deposit is not refundable, but if you qualify to purchase a Franchised Business, the Five Thousand Dollars ($5,000) deposit shall be applied towards the Initial Franchise Fee.

10.1.2 If you are converting your existing location into a Soldierfit Center, we will reduce the initial franchise fee by twenty five percent (25%) and you will sign the attached Conversion Addendum when you sign this Franchise Agreement. If you are a qualified United States veteran and have an ownership interest of at least fifty percent (50%) in the franchised business, we will discount the initial franchise fee for your franchised business by thirty percent (30%). If this Agreement is for your second (2^{nd}) or later Soldierfit Center, we will reduce the Initial Franchise Fee by twenty-five percent (25%). If you are a full-time employee with us or our affiliates and have an ownership interest of at least fifty percent (50%) in the franchised business, we will reduce the initial franchise fee based on your

EXHIBIT G TO THE SOLDIERFIT FRANCHISE LLC FRANCHISE AGREEMENT

MULTI-STATE ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.

2. The Franchise Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

3. The Franchise Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document 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. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The Franchise Agreement require application of the laws of Maryland. This provision may not be enforceable under California law.

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

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

9. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

10. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

11. OUR WEBSITE, www.soldierfit.com, 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.

12. The appropriate sections of the Franchise Agreement are amended to state that the highest interest rate allowed under California law is 10% annually.

13. Item 19 of the Disclosure Document is amended to comply with provisions of the California Code of Regulations Section 310.114.1 which states "The earnings claims figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business**.** Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1. The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself:

> Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State." This Section of the Act replaces any contradictory language contained in the Franchise Agreement.

2. Illinois law governs the Franchise Agreement.

3. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which 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. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

4. Under Illinois law at 200.608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois. The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state "Illinois law". The appropriate sections of the Franchise Agreement are amended accordingly.

5. The appropriate sections of the Franchise Agreement are amended to comply with Section 27, Periods of Limitation, of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred.

EXHIBIT G TO THE DISCLOSURE DOCUMENT
MULTI-STATE ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.

2. The Franchise Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

3. The Franchise Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document 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. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The Franchise Agreement require application of the laws of Maryland. This provision may not be enforceable under California law.

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

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

9. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

10. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

11. OUR WEBSITE, www.soldierfit.com, 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.

12. The appropriate sections of the Franchise Agreement are amended to state that the highest interest rate allowed under California law is 10% annually.

13. Item 19 of the Disclosure Document is amended to comply with provisions of the California Code of Regulations Section 310.114.1 which states "The earnings claims figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1. The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself:

> Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State." This Section of the Act replaces any contradictory language contained in the Franchise Agreement.

2. Illinois law governs the Franchise Agreement.

3. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which 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. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

4. Under Illinois law at 200.608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois. The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state "Illinois law". The appropriate sections of the Franchise Agreement are amended accordingly.

5. The appropriate sections of the Franchise Agreement are amended to comply with Section 27, Periods of Limitation, of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred.